We may have gone to the limits of squeezing this golden goose.

Workers in the industry lured from rural areas for liveable wages toiled for abominable wages and working conditions for years. After many years of a two-sided battle -- the hapless workers on one side and their employers on the other -- the industry recently agreed to a government proffered wage scale. The workers, however, found this less than their needed minimum. On paper the wages have doubled on average, but in reality it is still a lower than subsistence level wage. The industry argues that in order to remain competitive internationally, further increase in the wages would be unsustainable.

While arguments can be made on both ends of the spectrum, the fact remains that garments are the bread and butter of our export earnings. To sustain this, accommodation needs to be made by all sides. We need to find ways for this industry to prosper and grow, but not all at the cost of the toiling workers.



STAR PHOTO

Labour costs account for only one to three percent of the total cost of a garment. Raising it by another one to two percent will not reduce the profit margin or the competitiveness of our garments abroad. Increase in wages can be offset by raising productivity of the individual worker. This productivity increase can come from improving the working conditions of the garment workers, by taking care of their health and sanitation needs, and, above all, by housing the factories in a safe environment.

A recent study of the readymade garments industry in India on strengths, weaknesses, opportunities and threats to the industry (SWOT) recommended several measures to address these. Poor labour conditions and unfavourable labour laws were cited among the weaknesses. International labour and environment laws were viewed as threats. A quick scan of the industry in Bangladesh may reveal similar results. Our strengths may not be equal to those of India, but our weaknesses and threats would be similar and we should be aware of these. More importantly, our entrepreneurs should seriously view the threats that are looming from other countries. The golden goose may not lay eggs indefinitely unless we wake up to the threats of competition and find other avenues for diversification.

Our opportunities exist in fair and effective use of our labour that has ungrudgingly contributed to the success of this industry. Our entrepreneurs need to use this gift for diverse application and not necessarily contain them within the garment industry. In today's globalisation of trade, investment has flown into countries that have offered a productive and skilled labour force and created a supportive environment for growth of this force. It would be in their own interest and of the country's if the industry owners were to assess the state of the industry and the people who keep it running. To paraphrase our Nobel Laureate Prof. Yunus, for every mouth that we feed, we have two hands. All we need is to train these hands to produce. It took one Nurul Quader to create a new vision to give a new direction to our economy; it will take a thousand others to keep the economy expanding.

Ziauddin Choudhury, a former civil servant in Bangladesh, works for the World Bank in Washington DC.