

Savar tragedy, garments industry and Bangladesh

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THE Savar tragedy is a symbol of our failure as a nation. The crack in Rana Plaza that caused the collapse of the building has only shown us that if we don't face up to the cracks in our state systems, we as a nation will get lost in the debris of the collapse.

Today, the souls of those who lost their lives in Rana Plaza are watching our actions and listening to what we say. The last breath of those souls surrounds us.

Did we learn anything at all from this terrible massacre? Or will we have completed our duty by merely expressing our deep sympathy?

What should we do?

- Do everything to prevent such an incident from repeating in the future.
- What to do for those who have lost lives, their limbs or their livelihoods?
- What do we need to do to not only save our garments industry but make it stronger?

The collapse of the nine-storey building in Savar was not merely a collapse. It is just a precursor to the imminent collapse of all our state institutions. If we look closely at the collapse of the Savar building, we can read the symptoms of collapse of our state institutions. We will have to find ways to fix the institutions to protect them from complete collapse.

Citizens' action group

I will discuss how we might be able to not just save, but also strengthen our garments industry.

Questions have been raised about the future of the garments industry. A very large foreign buyer has decided to pull out of Bangladesh because of the dangers in the garments industry here. Others may follow. If this happens, it will severely damage our social and economic future. This industry has not only increased our national income, but has also brought immense change in our society by transforming the lives of women in the country.

We cannot allow this industry to be destroyed. Rather, we have to be united as a nation to strengthen it.

The government, the leaders of the garments industry, the NGOs, and the civil society have to come forward in unity to do so.

We have to give complete reassurance to the foreign buyers that they will never again face this kind of situation, and that we are all united to take steps in order to achieve that, and will firmly carry out this commitment in the future.

Each of these actors (government, owners, civil society etc.) will work jointly and also work independently within their own spheres. Civil society will have to undertake programmes in its own way. Civil society can try to bring hope and trust in the minds of the foreign buyers on behalf of the country. They can immediately send jointly signed letters to the chairmen of the foreign companies as well as to the CEOs of those companies. The message will be to highlight the social and economic importance of the garments industry in Bangladesh, and to thank them for the role they have played in the empowerment of women and in bringing widespread transformation in Bangladesh.

It will inform them that the civil society is ready to work together with the government, as well as separately, to solve the problems being faced by the industry. It will let them know about the types of programmes that are being considered, express interest in meeting with the companies to discuss about these programmes, and let them know about the formation, structure and work of a citizens' action group for "protecting garment workers and garment industry" (or something similar) that could take quick decisions etc. in support of these.

Another letter will go to the foreign organisations, international NGOs, and consulting firms that are already working to improve the quality of the garment industries in the third world, including on the issue of workers' rights, monitoring and screening, and so on. This letter will let them know that the citizens' action group would like to work and cooperate with them to improve the conditions of the workers. The letter will express the group's interest in meeting and remaining connected with them.

We must also write letters to various government agencies in the countries of the foreign buyers to inform them that the citizens' action group is determined to bring widespread change in the garments industry in Bangladesh.

Within the country, letters to the government, garments owners, BGMEA, BKMEA,



labour organisations, NGOs, buying houses, and other affiliated organisations should be written and meeting arrangements should be made with them to elaborate the working procedures with them.

My two proposals regarding workers

I have from time to time given recommendations to foreign buyers about how to tackle the problems faced by the garments industry in Bangladesh. Under the present circumstances I find it all the more important that I raise this issue again, particularly because of the castigation by Pope Francis that buyers are treating the garment workers like slave labourers with \$40 wage per month.

My first proposal is as follows:

(a) A minimum wage law for the labour already exists in our country. If any company pays a salary below that minimum wage, that will be illegal.

My proposal is that the foreign buyers will jointly fix a minimum international

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wage level. For example, if the minimum wage is now 25 cents per hour in Bangladesh, then they will standardise minimum wage for garment industry as 50 cents per hour. No buyer will give any salary below this rate, and no industry/owner will fix salary below this limit. It would be an integral part of compliance.

Of course, we have to be prepared for a negative market reaction to this. As a result of this, some will argue that Bangladesh may overnight lose the competitiveness it had gained for being a country offering "the cheapest labour." In order to retain its competitiveness, Bangladesh will have to increase its attractiveness in other ways. For example, increasing labour productivity, increasing specialised labour skills, regaining the trust of buying companies, giving assurance that no unfavourable situations will be created in future, ensuring the complete welfare of the workers, and so on. Until we are able to ensure this international minimum wage, we will not be able to pull out the workers from the grievous category of "slave labour" as mentioned by the Pope.

We have to gain support for the international minimum wage through discussions with politicians, business leaders, citizens, church groups, and media leaders in the countries of the foreign buyers. In the past, I had tried to convince the buyers, but have not yet succeeded. Now after the Savar tragedy, and in light of the castigation from the Pope, the issue has gained a new dimension. I want to mobilise my interna-

tional and Bangladeshi friends to make my efforts stronger and more persistent this time.

We have to get the international business houses to understand that while the garment workers are physically working in Bangladesh, they are actually contributing their labour for their (international business houses) businesses. They are stakeholders of their businesses. Their business depends on the labour here. Mere physical separation should not be a ground for them to look away from the well-beings of this labour. That is the main message from the Pope. I hope the buying companies get the point.

It is not necessary for all the companies to agree on the minimum international wage at the same point in time. If some of the leading companies come forward on this issue, I think the process will start. Others will soon accept it.

(b) I have made my second proposal

many times before, but it did not get any attention. There is now an opportunity for me to propose it again. This time I see a good chance for its adoption because of its relevance to the current situation.

Bangladesh garment factory produces and sells a piece of garment for five dollars, which is attractively packed and shipped to the New York port. This five dollars not only includes the production, packaging, shipment, profit and management but also indirectly covers the share that goes to the cotton-producing farmers, yarn mills for producing the yarn, cost of dyeing, and weaving as input cost.

When an American consumer buys this item from a shop for \$35, he feels happy he got a good bargain. The point to note is that everyone who was involved in the production collectively received \$5. Another \$30 was added within the US for reaching the product to the final consumer. I keep drawing attention to the fact that with just a little effort only we can achieve a huge impact in the lives of those so-called "slave labourers." My proposal relates to the little effort. I ask whether a consumer in a shopping mall would feel upset if he is asked to pay \$35.50 instead of \$35 for the item of clothing. My answer is: No, he will not even notice the little change. If we could create a "Grameen (or Brac) Garment Workers Welfare Trust" in Bangladesh with that additional \$0.50, then we could resolve most of the problems faced by the workers -- their physical safety, social safety, individual safety, work environment, pensions, healthcare, housing,

each of the 3.6 million workers. If this amount of fund can be collected, the situation of the workers can be vastly improved. All we have to do is to sell the item of clothing for \$35.50 instead of \$35. A small, unnoticeable addition to the price can do wonders.

Of course, international buyers may argue that that extra 50 cents charged in the final price will reduce the demand for the product and that their profit would shrink. My answer to that will be that we will offer them an arrangement whereby their sales will go up, instead of down. We would give them a good marketing tool to make this product more attractive to the buyers by making the consumers feel they are getting more for this extra 50 cents. We would put a special tag on each piece of clothing to make them "special." The tag would say: "From the happy workers of Bangladesh, with pleasure." Workers' well-being is managed by Grameen or Brac or any other internationally reputed organisation. There would be a beautiful logo that would go with it. This would immediately convey the message that the dress has been made with a lot of warmth and happiness by the factory workers in Bangladesh.

When consumers will see that a well known and trusted institution has taken responsibility to ensure both the present and the future of the workers who produce their garments, they won't mind paying 50 cents extra. The retailers may say in their advertising that these products are made by well protected, well supported workers.

If the Bangladesh government and citizens come forward to work together to remove all the difficulties being faced by the foreign buyers, and work shoulder to shoulder with them, it would bring joy for creating a new kind of business that takes pride in achieving something which is far beyond only business success -- something which leads to a bright new future for a country.

their children's health, education, childcare, retirement, old age, travel could all be taken care of through this Trust.

What do we need to do for this?

The international buying company will pay 10% of the amount that it has agreed to pay the garments factory owner (based on their negotiated price for the garments produced) against a particular order to the Trust. This money will be managed solely for the welfare of the workers in that particular factory.

There will be separate sub-funds in the Trust for each and every factory so that the workers in each factory benefit on the basis of their own production, if the buyers place this 10%.

Bangladesh now annually exports garments worth \$18 billion. If all the garment buyers accept this proposal, then \$1.8 billion would be received by the Trust each year. This would mean that an amount of \$500 would be deposited in the Trust for



Consumers would be proud to support the product and the company, rather than feel guilty about wearing a product made by "slave labour" under harsh working conditions. A consumer will be able to know from the company's website and annual report what benefits the dress she wears are currently bringing to the workers, and what benefits their children are receiving.

Both the national and the international businesses should feel as though the workers are a part of their family. The days of slave labour have to come to an end. It is better to start the process now, before more ugly incidents occur.

I do not expect that all companies will immediately implement my proposal. I hope that a few would come forward to experiment with the proposal. Their country's governments, the agencies, organisations who work to protect labour rights, citizens' groups, church groups, media, will step forward to support it. This issue will attract attention more urgently now in light of the mass death in Savar, as well as for the Pope's comments on the treatment of the poor labour in garment industry in Bangladesh.

I believe that for buying companies leaving Bangladesh is definitely not a solution. It would be as unfortunate for Bangladesh as it would be for the foreign buyers. There can be no sense of relief for them in leaving a country which has been highly benefited through their business, a country which could have gained continuing rapid and visible economic and social progress because of them, a country that would always remain grateful to them for their business.

Rather, if the Bangladesh government and citizens come forward to work together to remove all the difficulties being faced by the foreign buyers, and work shoulder to shoulder with them, it would bring joy for creating a new kind of business that takes pride in achieving something which is far beyond only business success -- something which leads to a bright new future for a country.

I believe that they would rather like to remain in Bangladesh, face the challenges and take pride in creating a new society and a new economy. Not only will Disney, which left the country because of the recent problems, come back when they see big changes taking place because of the collective efforts of the government and the citizens, but more companies will also be interested to invest here.

Changes are taking place in the world of business. Even if they are tiny changes, they are coming nonetheless. We can accelerate that change. A citizen action group can prepare the ground for that.

Savar related programmes

The citizens' action group can create a data-base of all those who lost their lives in Savar, lost their limbs or have had their livelihoods affected, and work to regularly update it. The primary work of this has already been initiated by Grameen with the help of other organisations. The citizens' action group can take the responsibility to coordinate this work.

Many programmes have been announced and a lot of funds have been pledged for those who have been affected, and this is still ongoing. The citizens' action group can provide advice on these programmes on how to best implement them. It can monitor the programmes and inform the relevant authorities accordingly. They can keep contact with the victims on an individual basis, and help them solve their problems by establishing links between them and the appropriate agencies.

The problems that are being faced by the victims of Savar range from the immediate to the long-term. The citizens' action group should be ready to keep the people of the country engaged with the rehabilitation of the victims, and come up with effective measures to tackle the problems of different kinds (health, income, education etc.) and of different durations, faced by these victims.

When will we come to our senses?

Savar has created a huge wound and deep pain in the minds of the people of country. I pray that this deep pain compels us towards resolving the core of the problems in our national life. Savar is the creation of our dysfunctional politics. When we watched more than 600 helpless deaths, the loss of limbs of hundreds on our TV screen throughout the country, it made us aware of where our dysfunctional politics has led us to.

After all this, will we just keep on watching as it keeps happening again and again? When will we come to our senses?

The writer is founder of Grameen Bank and Nobel Laureate.