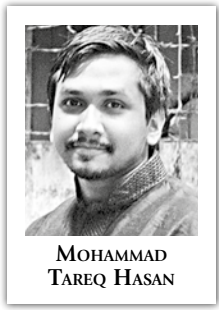


What do recent layoffs in RMG factories entail?



MOHAMMAD TAREQ HASAN

ON September 15, we saw hundreds of garment workers taking to the streets again at the Mirpur 1 intersection, demanding their unpaid wages. This kind of protest has become a common feature on the Dhaka streets, as factories are shutting down without paying workers' dues, or not paying due wages on time. According to reports, during the last seven months, 25 thousand workers lost their jobs and at least 40 factories had stopped production. Smaller factories had not been able to withstand the pressure of complying with all the requirements of Accord and Alliance, while larger factories got even bigger. According to BGMEA data, during 2012-2013, the number of BGMEA members were 5,876 and now it has decreased to

4,621. However, export earnings from the sector has not shrunk, rather, in 2018-2019, it stood at an all-time high, having earned more than USD 34 billion. The recent layoffs and crises, therefore, coincide three interrelated aspects, i.e., growing export earnings, smaller factories being forced out of operation, and workers being deprived of the right to a living wage. After repeated protests, minimum wage has been set at USD 94.68, the nominal increase is deemed insufficient if we consider it in comparison with the poverty line income, or the cost of basic needs. According to the latest Household Income and Expenditure Survey 2016, the minimum amount that a person requires just to stay out of poverty is USD 26.84 per month. Frankly, a family of four members struggles to survive with only one worker's monthly income. Ultimately, the growth in wage is distributed among other capital accumulators through house rent, medical care, education for children, just to live by. The scenario becomes even more dismal

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if we consider the higher thresholds of poverty line benchmarked by the World Bank, which is USD 3.2 or USD 5.5 per person per day, instead of USD 1.9—typical of lower-upper middle-income countries. If we try to solve the crisis of our apparel industry through maintaining factory compliance or just by increasing the minimum wage, the efforts are likely to fail as we have seen during the last decade. These usual comprehensions lack basic understanding of *capitalism*. In the book *The Enigma of Capital and the Crises of Capitalism*, David Harvey argues, capital is the lifeblood of capitalist societies and we must understand the flow of capital to make sense of the condition we live as such. Thus, to make sense of the recent layoffs we must broaden the matrix of stakeholders. With expanded purview, we can identify that global capital operating the fashion brands is afflicted by the continuous need to reproduce itself through ever-growing profit margins, even at the cost of living wages and job security. That is why despite the current emphasis on factory compliance issues, Oxfam has revealed the wage of workers account for 4 percent of the retail price and the global supply chain has not been able to absorb 17 cents which would have ensured a living wage for garment workers. Global brands display little concern for ensuring a living wage for workers; for instance, H&M had declared in 2013, it would guarantee "fair living wage" for workers of 750 supplier factories by 2018. However, it has moved away from its supposed "shared responsibility" in 2017 by revising the goal to have improved wage management systems. Once we analyse the recent layoffs in its totality, we will not only point our fingers at the

factory owners or the workers, rather we will see that the major stakeholders in this regard could be the global brands and consumers. It is true that factory owners offer ever lower prices to the buying brands, but they are bound to do that to stay in production, while the global brands are forced to keep their product pricing low to keep up their market share. Whereas many production regulations are being deployed to improve working conditions, surprisingly, the regulation of buying and market practices of clothing brands remains non-existent. Suppliers from developing countries cannot require their buyers to comply with a given code of conduct. Because of competition among the clothing brands, factories must produce quality products at low prices in a very short time. During my research on the buying practices of global brands, a buying house official mentioned, "oftentimes brands who order huge quantities at a time only want cheap goods, and whoever offers the cheapest price gets the order." Additionally, discussions with the factory managements made it apparent that they remain not in a position to negotiate because of the fear of losing contracts to other garment factories or to other countries. These all manifest the way the crises of our apparel industry are being engendered by the demand for compound profit by *global capital*. Whenever we visit any retail store, we always find a section of products on "sale" as well as a section of "new arrivals", which means that fashion changes fast, and to increase the selling rate, prices need to be as low as possible compared to competing brands. This fast and low cost "value" fashion has tremendous consequences for the production end of the supply chain. Thus, we must move away from focusing exclusively on increasing minimum wage or to improve working conditions in isolation from other *contradictions of capitalism*. Acknowledging the multidimensionality, to make a qualitative change in this unjust world, collective political response should target eliminating the denials of capital's responsibility. We must accept, as David Harvey has claimed in *Seventeen Contradictions and The End of Capitalism*, "within capitalism...complete economic egalitarianism is plainly impossible", thus, for real social change we must have a holistic approach tackling the totality of capitalism, otherwise, the search for compound growth will generate greater crisis for humanity. Mohammad Tareq Hasan is an anthropologist and teaches at the University of Dhaka. E-mail: tareq.hasan@du.ac.bd



Agitated RMG workers demonstrate in Mirpur, demanding arrears.

PHOTO: COLLECTED

Revisiting our social structures



SHIFTING IMAGES

MILIA ALI

IN the midst of all the political chaos and confusion reigning in our world today, we are perhaps overlooking an important issue—the basic fibre of our social structure is going through a tectonic shift. One would have thought that, over time, class barriers would be replaced with a more equitable and fairer social milieu. Unfortunately, this is not the case. Even a few decades ago a person's position in society was essentially defined by merit, education, skills, income level, and to some extent, lineage. Social mobility was possible through hard work, talent and academic excellence. Of course, some countries like Great Britain have always suffered from a class neurosis based on a special breed of privileged people called the aristocracy. However, nations like the United States justified a free market system as a means of promoting upward movement. This may have been true at one point, but the current social and political climate has made it increasingly difficult for people to break down social and economic barriers. Today, in most countries the social pecking order boils down to one stark variable—how much money a person makes. The new upper or "elite class" comprises CEOs drawing astronomical salaries, successful entrepreneurs

extracting obscene profits, and fund managers peddling financial products which yield fat commissions. We are witnessing the upsurge of a *laissez-faire* system where anything goes as long as it yields instant profits and wealth. Business ethics and moral values have virtually flown out of the window. The US president Donald Trump encapsulated the prevailing zeitgeist in an interview with NBC's Chuck Todd. While defending his financial dealings with Saudi Arabia in the wake of the Khashoggi murder, he said: "If [Saudis] don't do business with us you know what they do? They'll do business with the Russians or with the Chinese... Take their money. Take their money, Chuck." I realise that Donald Trump is hardly someone that we should turn to for moral guidance, but it is a sad state of affairs when the leader of a country that espouses "inalienable rights" and "equal opportunity" for its citizens declares publicly that money is all he "cares about" and values and principles are irrelevant. You might be wondering where my thoughts are leading. No, I am not about to embark on a moralistic monologue about values and principles. What concerns me is the collapse of a very important segment of society that is referred to as the "middle class". Today the upper class is the plutocratic elite and at the lowest rank we have the socially excluded and economically marginalised, who by nature or nurture are caught in a poverty trap. The new middle class is thus a heterogeneous group consisting

of everyone stuck in between—a muddle of people with diverse income levels, backgrounds, skills and occupations. Let me try explaining why this is problematic. The old middle class had a clear identity and a road map—not defined by money or family background but by a value system. Many of these individuals had 9-5 jobs with reasonable incomes and lived in cohesive communities. They had a fanatical belief that a good education and hard work would ensure a secure future for their children. Boasting and flaunting wealth were considered crass and invited social opprobrium. In general, middle class families upheld a set of social norms that served as models for upwardly mobile youth. The start of the 21st century marked a new dawn for capitalism and an unprecedented accumulation of wealth in the hands of the rich one percent. Income inequality rose sharply and the middle class began to shrink and lose its relevance. In fact, they have been reduced to a marginalised group with no job security or pension, and most of all, little assurance that their children would enjoy a level playing field in accessing respectable employment. Unfortunately, crafty politicians have managed to blame the phenomena on issues such as immigration and globalisation, without addressing the income inequity problem. Whatever the cause or the fate of the new form of "raw capitalism", the world's social and moral fabric is in tatters. Middle class values of gentility,




Whatever the cause or the fate of the new form of "raw capitalism", the world's social and moral fabric is in tatters. SOURCE: PINTEREST

civility, honesty, emphasis on academic achievement and social restraint have been supplanted by the survival of the fittest (read wealthiest) philosophy. Today, there is only one prominent cohort that counts—it's the moneyed elite. They are enjoying unprecedented material privileges and because of their wealth, they are assured "privileged" access to the best education, best jobs and the best opportunities. They also control art, culture and sports and thus have the ability to influence ideas and beliefs. Ah well—you will say—classes come and classes go and the "old order" changeth, yielding place to new." Few

tears were shed when the aristocracy and the industrial working class met their doom. And now we are once again going through a restructuring of the social order. Perhaps water will find its own level. However, the troubling issue is that with the dwindling middle class we may be losing the backbone of our communities that rested on certain "middle class" values and ethics. Hence, this may be the right time for us and our leaders to reflect and think about how we can realign our pursuit of material gains with a focus on social cohesion.

Milia Ali is a Rabindra Sangeet exponent and a former employee of the World Bank.

ON THIS DAY
IN HISTORY



SEPTEMBER 22, 1980

SOLIDARITY FORMED

Solidarity, the Polish trade union and political party that became a hotbed of resistance to Soviet control, was founded this day in 1980 when delegates of 36 unions met and united under the leadership of Lech Walesa.

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BEETLE BAILEY

by Mort Walker




BABY BLUES

by Kirkman & Scott



QUOTABLE
Quote



MALCOM X

(May 19, 1925 – February 21, 1965)

American Muslim minister and human rights activist

Education is the passport to the future, for tomorrow belongs to those who prepare for it today.