The Daily Star
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Can the govt ignore new US labour policy?

Protect worker rights for workers' and the industry's sake

On November 16, US Secretary of State Antony J Blinken, at the rollout of the Presidential Memorandum on "Advancing Worker Empowerment, Rights, and High Labor Standards Globally," stated that the United States would work to hold accountable those who threaten, intimidate and attack union leaders, labour rights defenders and labour organisations. The memorandum, signed by President Joe Biden, says that the country will consider "appropriate responses to international anti-worker and anti-union harassment from government, private, and extralegal actors, including the use of spurious lawsuits; and violence, including deploying the full rage of diplomatic and assistance tools and, as appropriate, financial sanctions, trade penalties, visa restrictions, and other actions."

The announcement comes amid intense worker rights protests in Bangladesh preceding and following the declaration of Tk 12,500 as the minimum wage of the RMG sector. At least four workers have been killed in the crackdown on the protesters by security forces since October 31, and over 23,000 workers have been sued in at least 62 cases, according to IndustriALL Bangladesh Council (IBC). Voices from within Bangladesh, including unions and civil society actors, have repeatedly called upon the government and owners to handle the ongoing protests sensitively, recognising the workers' demands for a dignified life amid a debilitating cost-of-living crisis. However, the government seems to have doubled down on its stance—as over 100 workers have already been arrested and others are reportedly being attacked or threatened by both state and non-state actors. With the announcement of the new US policy, can the government afford to continue to ignore the country's pressing labour and human rights concerns?

The latest announcement must also be read alongside the escalating tensions between the US and the Awami League government over the upcoming elections, and prior visa restrictions on Bangladeshi individuals responsible for, or complicit in, undermining the democratic election process in Bangladesh. The ruling party seems to have taken the repeated warnings—including the visa sanctions—from the US about its failure to uphold democratic norms with a grain of salt. But can it really disregard the fact that the US is the single largest export destination for our country, with $9.4 billion worth of apparels exported in FY2022? It is high time our policymakers seriously assessed the long-term implications of possible financial sanctions and trade penalties on the RMG industry, on which our economy—which is already suffering on multiple fronts—is heavily dependent. The Awami League needs to think beyond sanctimonious rhetoric and its own agenda, and consider the severe repercussions of its current diplomatic approach on the country, industry and workers at large.

We have repeatedly urged the government to uphold labour rights, human rights and democracy—not to appease any external actor, but for the sake of our own people. Why should workers, labour leaders and organisations be harassed, intimidated or attacked for asking for their due rights in a country built on the back of its workers? We once again call upon the government, as well as the industry leaders who appear worried about the latest US policy, to prioritise worker rights and respond to their demands with respect, not retaliation, if they truly care about the industry's future.

Make life easy for people with disabilities

Focused policies needed to ensure access to safe water, hygiene for everyone

A national study on access to water has brought forth the grim picture of how a segment of our population is deprived of a basic human requirement—day in, day out. According to the findings of this study, half of the population with disabilities currently living in Bangladesh have difficulties collecting water directly from the sources by themselves. More than 90 percent of the respondents with disabilities said they are constrained physically from collecting drinking water, and 16 percent depend on caregivers. This reminds us, once more, that the authorities are falling short of ensuring even the most basic amenity for people with disabilities in the country.

In areas where water, sanitation and hygiene (WASH) facilities are available at a distance from homes, accessing them becomes even more burdensome. When Bangladesh is said to be making great strides in providing access to clean water to its citizens, why are those who need our support the most being left in the lurch?

The problem lies in our collective lack of understanding of their plight. At the policymaking level, there is still a knowledge gap regarding ground reality. This is partly caused by the lack of available data, which leads to obstacles in implementing development projects, according to a government official. The welfare of people with disabilities is apparently not a priority for the government, considering the annual budget allocation: in FY2023-24, a measly 2.94 percent of the social safety budget has been allocated to persons with disabilities.

This state of affairs is grossly unfair. The government must take stock of the situation and devise mechanisms to get the real picture about the state of people with disabilities in the country, and formulate and reform policies so that they get the support they need and deserve. To this end, including persons with different forms of disabilities in the process will be of great help. The government must also increase the allocation for the welfare of persons with disabilities in the national budget, and ensure that these funds are used properly to make their lives easier.

Not paying higher wages can cost us

MACRO MIRROR

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One of the driving forces of Bangladesh's economy, the ready-made garment (RMG) sector, is again on the news. On November 7, the wage board formed by the government announced RMG workers' minimum wage to be Tk 12,500 per month, an increase from the Tk 8,000 fixed in 2018, which was nowhere near the workers' demand of Tk 23,000. Unsurprisingly, workers took to the streets to reiterate their demands for high wages. But in an unfortunate turn of events, the demonstrations faced backlash from authorities, which led to four workers being killed and scores being injured after clashes with police.

At a time when low-income households are struggling to make ends meet—amid skyrocketing prices of essentials—such a reaction points to a complete lack of empathy. The last 18 months saw sky-high inflation. As per Bangladesh Bureau of Statistics (BBS), the general point-to-point inflation rate reached 9.93 percent in October 2023, as opposed to 8.91 in October 2022. Food inflation rose to 12.56 percent in the same month. The item-wise daily prices published by the Trading Corporation of Bangladesh paint a grimmer picture, as inflation of some essentials' prices have been as high as 20 percent during the past months.

The violence centring RMG workers' protests broke out when a mission from the EU was visiting Dhaka (during November 12-16) to review the implementation status of the labour sector's National Action Plan. Ahead of Bangladesh's graduation from the least developed country (LDC) status in 2026, the EU wants to see stronger worker safety and full compliance with international labour standards in RMG factories, so that Bangladesh can continue to enjoy the benefits of Everything but Arms (EBA) and Generalised System of Preferences Plus (GSP+) even after its LDC graduation.

In FY 2022-23, Bangladesh's apparel export to the EU market was $23.5 billion, about 50 percent of its worldwide apparel exports. On several occasions, the EU has clearly mentioned that to continue exports, the sector has to comply with labour, political and environmental standards.

Meanwhile, the US has expressed grave concerns over the violence against workers and criminalisation of trade union activities. It has now launched the Presidential Memorandum for advancing workers' rights at home and abroad. As part of this new policy, the US administration can impose sanctions, trade penalties and visa restrictions on those who violate labour rights. Even though it does not provide GSP facilities to Bangladeshi apparel exports, the US is the single largest market for Bangladeshi apparels. In FY2022-23, Bangladesh exported over $8.5 billion worth of apparel to the US, which was over 18 percent of the total apparel exports of Bangladesh to the world, according to BGMEA data.

Global concerns about Bangladesh's RMG sector are due to the fact that international buyers and consumers are part of the industry. Hence, in the aftermath of the Rana Plaza collapse in April 2013, brands and buyers took proactive steps to collaborate with suppliers and improve compliance. Initiatives—such as the Accord on Fire and Building Safety, and Alliance for Bangladesh Worker Safety, and Partnership for Cleaner Textile—were rolled out through partnerships with Bangladeshi entrepreneurs, aiming to address the overall situation.

While compliance during that period has helped to bring more credibility to the RMG sector, this is not a one-off initiative but an ongoing process. While many RMG owners have accepted compliance as an integral part of their business to survive, compliance also includes workers' welfare, freedom of expression and freedom of association to voice their demand. Unless a holistic approach is taken, the sector will continue to fall short of international standards.

Replying to the protests, factory owners think the newly-announced wage is justified, and any further increase will push them out of business. For reasoning, they highlight power and gas shortages, high cost of raw materials, dollar crisis, fall in consumer demand in the West, and the overall high cost of production. Exporters claim that they supply at rock-bottom prices amid a race to the bottom. Additionally, they have to comply with various requirements, such as greening factories and the supply chain.

While expressing their concerns, the factory owners, however, do not acknowledge the various kinds of support given to RMG exporters in Bangladesh. For example, the government offers a five percent cash incentive to exporters who manufacture garments using locally-sourced raw materials like yarn and fabrics. An additional four percent incentive is extended if their products are shipped to non-traditional markets, excluding Canada, the EU, and the US. RMG exporters also benefit from an extra one percent incentive applicable to all countries. However, the owners claim that these incentives do not bring them many benefits, and that the buyers offer a low price as they know that Bangladeshi exporters receive certain incentives.

Therefore, the increase of minimum wage in the RMG sector is a multi-stakeholder issue. While the wage board is composed of government officials, representatives of factory owners, and workers, the government often fails to consider workers' welfare and favours the owners. But if the government can encourage exporters with various cash incentives, it can surely also provide some support to the workers, who are equally contributing to the export earnings from the RMG sector.

The recent violence and its management is worrisome, and the observations of major importing countries, like the EU and US, in this regard should be seriously considered. Bangladesh is already under the radar of many western countries, particularly the US, in connection with holding a free, fair, national election in January 2024. The situation can certainly get worse if the labour rights issue is not duly addressed. The resultant impact will have a knock-on effect on the overall economy. The RMG sector plays a pivotal role in our export portfolio, accounting for 84.6 percent of total export income in FY 2022-23. Presently, the sector provides employment to over 4.5 million workers.

The large factories are investing in safety and technological upgrades. Indeed, this is the way to tackle increased costs of production and ensure productivity. Training of workers, particularly women workers, should be an integral part of this process. But even after all this, wages need to increase. Higher costs on account of wages in the short run can in fact be internalised through higher productivity in the medium to long run. In fact, in the era of the fourth industrial revolution, there is no other way but to go for automation to remain competitive. And, if an industry is not competitive, it cannot survive. Such an industry should also not be supported forever just to keep it alive.

But relatively smaller factories may find it difficult to raise wages. This is why workers' wages should be a shared responsibility. Brands and buyers should also contribute towards increasing RMG workers' wages by offering better prices to Bangladeshi RMG exporters. Unfortunately, in a competitive market, brands and retailers seek the lowest prices and to maximise profits. But ethical buying and fair prices should be a part of businesses' own compliance policy. Civil society organisations and the media can play an important role by acting as a watchdog for compliance, including ethical buying.

We often hear that buyers fear that if they purchase apparels at higher prices, the workers may not get a share from this. In that case, buyers could directly deposit the additional money to the workers' account/s.

There exists a trust deficit among the government, factory owners, and RMG industry workers. Regular dialogue including all stakeholders is crucial to minimise this trust gap. Workers should be able to express their demands without fear. This will also lend some transparency to various processes including wages and labour rights in the sector.

The increase of minimum wage in the RMG sector is a multi-stakeholder issue. PHOTO: STAR

Yes, we can afford to abandon coal, oil and gas

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SIMON STIELL

Over the last couple of years, inflation has caused a cost-of-living crisis across large parts of the world. Some fear mongers have used this hardship to propagate rhetoric that climate change action is unaffordable and running against the interests of ordinary people. Nothing could be further from the truth.

Propagating a "Greens vs Poor" narrative is divisive, and it is often used to mask short-term, profit-driven self-interest. The only stable, economically sustainable future is one of energy security, resilience to disasters, well-funded coordinated recovery from them, and ultimately, a cap on temperature rise at 1.5 degrees Celsius.

Fossil fuels, including coal, oil, and gas, are a major driver of the cost-of-living crisis, which is stretching billions of household budgets to the breaking point. Prices have swung wildly, as they frequently do, driven higher by uncertainty and conflict. In turn, this pushes up the costs of transport, food, electricity, and basic household necessities. In some heavily fossil fuel-dependent countries, household bills rose as much as $1,000 in 2022 due to fossil fuel energy costs.

Consumer costs will rise even further and economic growth will slow as climate impacts become more intense, according to economic authorities, such as the United States Treasury, the Reserve Bank of India and the European Central Bank. High energy prices also shrink profit margins for businesses and hurt economic growth. They also shrink profit margins for businesses, hurt economic growth, and impede the right to energy access across the world.

This comes as climate disasters are also getting worse in every country. This year will likely be the hottest for 125,000 years. More destructive storms, unpredictable rains and floods, heatwaves, and droughts are already causing massive economic damage and affecting hundreds of millions of people across the world, costing them their lives and livelihoods.

The fossil fuel taps can't be turned off overnight, but there are a lot of opportunities for action not currently being taken. For example, in 2022, governments spent over $7 trillion in taxpayers' money or borrowings on fossil fuel subsidies. These subsidies fail to protect the real incomes of the poorest households and increase developing country debt burdens. This resource could have been used to improve health care, build infrastructure—including renewable energy and grids—and expand social programmes to alleviate poverty. Done responsibly, a phase-out of such subsidies would actually help the poorest and improve the economies of the countries now dependent on them.

This year, at UN Climate Change, we conducted a Global Stocktake on climate action up to now. It has indicated clearly that progress is too slow. But it also revealed that we have many tools to speed up climate action now, which will simultaneously build stronger economies. We have the knowledge and tools to accelerate this transition while ensuring it is fair and just, and leaves no one behind.

Billions of people need their governments to pick up this toolbox and put it to work. That includes switching billions of dollars from investments in new fossil fuel production to renewable energy—which will provide stable, reliable and lower-priced energy to propel economic growth. This is about both demand and supply. Those of us that demand energy to turn our lights on need to be provided with clean options to do it.

There is cause for optimism, if governments come to this year's climate change conference—COP28—in Dubai with a spirit of cooperation and a laser-focus on solutions. At COP28, we can agree on tripling the world's renewable energy capacity. We can double energy efficiency. We can show we are doubling finance to help countries adapt to climate impacts and centre it in national planning. We can make the climate loss and damage fund a reality that helps deliver climate justice. And we can deliver old promises on financing the transition, and outline how we are going to fund the next steps.

One moment, one meeting, won't change everything. But we can capture the future in the directions that we set this year, and provide the plan for how national commitments can deliver in 2025.

I refuse to let fear-mongering pull a hood over my eyes, and you shouldn't either.

The Daily Star
Reg. No. DA 781
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bangla.thedailystar.net/
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