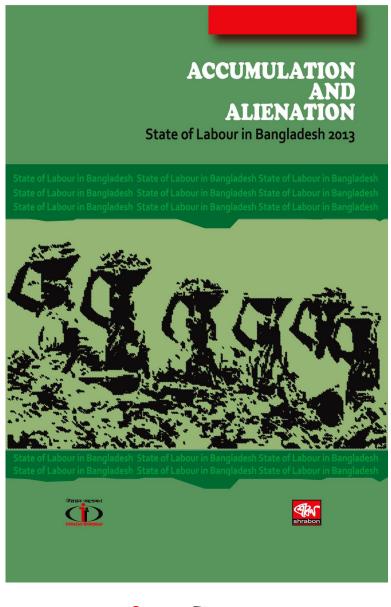
# ACCUMULATION BY DISPOSSESSION: STATE OF LABOUR IN BANGLADESH

## **Rashed Al Mahmud Titumir**





This report has been prepared as a chapter for a forthcoming book "Accumulation and Alienation: State of Labour in Bangladesh 2013", edited by Rashed Al Mahmud Titumir to be published by Shrabon Prokashani, Dhaka in May 2013



© Copyright: Unnayan Onneshan

The content of this publication may be reproduced for non-commercial purposes with proper citation (please send output to the address mentioned below). Any other form of reproduction, storage in a retrieval system or transmission by any means for commercial purposes, requires permission from the Unnayan Onneshan.

For orders and request please contact: Unnayan Onneshan House: 16/2, Indira Road, Farmgate, Dhaka-1205, Bangladesh. Tell: + (880-2) 815 82 74, 911 06 36; Fax: + (880-2) 815 91 35 E-mail: info@unnayan.org; Web: www.unnayan.org

### ACCUMULATION BY DISPOSSESSION: STATE OF LABOUR IN BANGLADESH Rashed Al Mahmud Titumir

#### **1. INTRODUCTION**

Bangladesh has witnessed a parallel process of economic growth driven by, and associated dispossession of, labour. The Gross Domestic Product (GDP) has been lifted to a decadal average of six percent in recent time. The country has also moved forward in the realm of social indicators, despite a third person living below the so-called poverty line. The labour has chiefly powered accumulation by way of low-priced-labour-centred-export, remittance from migrant workers, tripling of food production by small-and-marginal farmers and being the bulk of consumers in consumption-driven increments of GDP. Despite labour remaining in the heart of such development, labourers are dispossessed by a number of ways. Against this backdrop, the key question is: can this type of accumulation by dispossession enable the economy to a sustainable path required to create gainful employment, reduce poverty and shrink inequality?

The development in Bangladesh is an aggregate product of multiple factors while labour remains at the core. There is manifold increase in flow of remittance (both internal and external) over the years, reflected in enlarged share of GDP.

Export has also amplified, especially with Bangladesh becoming the second largest exporter of ready-made garment (RMG) in the world. The agriculture sector has witnessed a tripled growth of cereal production, particularly owing to intensification of seed-water-fertilizer technology or otherwise known as the so-called "green revolution."

The development in Bangladesh is also a product of international restructuring and international division of labour. Such processes in the recent time have also been understood through the broader term of "globalisation" and certain body of literature branded this as neo-liberalism.<sup>1</sup> For example, the rise of RMG industry is a glaring illustration of such international division of labour. The rising cost of labour in advanced industrialised countries drive their production processes to relocate to low-cost labour locations in the South. Like other labour-intensive products the RMG moved to East Asia in the 1960s, under an environment of active government support for export-oriented manufacturing. The corporatist sway over policy-making in the USA, however, led to the adoption of the Multi-fibre Arrangement (MFA)<sup>2</sup> in 1974. The MFA was

<sup>&</sup>lt;sup>1</sup> Globalisation is a complex economic, political, cultural, and geographic process, and much has been written on the subject from various disciplinary perspectives. The capitalist system has always been globalizing and there have been various waves of globalisation (e.g., the 1870-1914 periods, which is well documented). Globalisation, at present, refers to the neo-liberal programme of global system of exchange with a reduced role for the State and an increasing one for non-State actors together with an increased role for the multilateral organisations such as World Bank, the IMF and WTO.

<sup>&</sup>lt;sup>2</sup> The MFA, a classical example of managed trade, initially negotiated for a period of four years, yet dominated the global trade in textile and clothing (T &C) for about two decades (1974-94) till its incorporation into the World Trade Organisation (WTO) Agreement on Textiles and Clothing in 1995. Trade in T&C had mostly been negotiated bilaterally but governed by rules articulated in the MFA. The MFA involves the annual negotiation of quotas between importing and exporting countries

designed to regulate exports of textiles and clothing from the developing world in the interest of 'orderly trade', through restraining the rate of export growth along with an 'anti-surge' provision, safe-guarding sudden increases by a particular country to a specific market. Notwithstanding, the imposition of quantitative restrictions (commonly termed as quotas) on exports gave rise to 'quota hoping' – producers and buyers in the newly industrialized countries (NICs), who set off in search of further low-wage sites which were still 'quota-free' – the analogy of flying geese is often touted with it.

At that time, the government declared a New Industrial Policy (NIP), which represented a pronounced ideological shift towards neo-liberal orthodoxy as the country embarked upon structural adjustment reforms (SAR)<sup>3</sup> at the diktat of IMF and World Bank in the Reagan/Thatcher era. The reforms in labour market steered a mostly male labour force to become increasingly "flexible" and "feminized". The international restructuring of the garment industry, founded on the premise of low cost labour, encouraged the growth in demand for female labourers in formal employment while declining household budgets led to an increase in the supply of job-seeking women in Bangladesh. The increased participation of women in labour market is not outcome of self-serving assertion that the neo-liberal reforms have unleashed opportunities for greater female employment than before.

The informalisation of labour or the dominant position of informal sector in share of absorption of labour in Bangladesh, to a large extent, is caused by compulsions for survival in the backdrop of lesser than required employment creation in formal sector. The ever increasing pressures to sustain, in the context of growing need have pushed people to engage in income generating activities. The option for people to make choices and to claim rights to decent employment has remained elusive in the context of survival and hence has been subjected to injustices and dispossession.

The orthodox explanations of migration on the basis of populist concepts such as push and pull factors are simplistic. Migration is better explained through spatial movement of labour, responding to accumulation of capital as it annihilates the social distance between jobs. This hierarchy has always changed structurally. In the nineteenth century, the workers from the developing world took unskilled factory jobs in the developed countries. After the Second World War, however, the distance among them diminished enough to cause mass migration from the former to the latter. Especially since the 1970s, this tendency has been accelerated by internationalisation of capital (Takenouchi, 2001). This has also expanded to natural resource rich countries like the Gulf States.

The rights of workers has been compromised at the world of work – formal and informal – due to changed nature of accumulation resulting in international restructuring on the premise of low cost labour, increased supply of job-seekers (unemployed and underemployed) in the wake of

and specifies the exact quantity of each item that can be traded. The exporting country then allocates licenses to firms to export a certain proportion of each quota. The quota system under WTO-ATC expired.

The SARs were aimed at balancing budgets and increasing competitiveness through trade and price liberalisation, including reduction of the public-sector wage bill and growth of the private sector, privatisation of social services, encouragement of foreign investment, and the production of goods and services for export ("tradable") through "flexible" labour processes (For an understanding on Bangladesh see Bhtacharya and Titumir, 1999a, 1999b and 2000). The feminist literature on development has been especially critical, charging structural adjustment with carrying out its objectives on the backs of the poor and especially poor women (see e.g. Symposium on Gender and Structural Adjustment in *World Development*. Vol. 23 (11), 1995).

declined household budgets and fragmentation of labour unions in the developing world and muted forms of resistance. The forms of resistances and labour movements have been to a great extent muted by the economic-politico-power project of neoliberalism. The dominant ideology, amongst others, gave rebirth to a so-called civil society that has been engaged in manufacturing consent to maintain the status quo. This politics of apoliticisation has also been illusionary and conformist. The rhetoric of mainstreaming "rights" agenda has also served less in the name of more and has reduced many labour unions and created many "welfare organisations" to be contractors and/or implementers of projects to service the agenda of accumulation by dispossession of labour.

The violation of labourers is so omnipresent in Bangladesh. The laws are failing to protect workers. Even formal sectors do not adhere to minimum wages, toil them into hazardous working conditions, discriminate due to gender, and retaliate for speaking up or trying to organize or form associations. The revised Bangladesh Labour Act of 2006, an amalgamation of the previous 25 labour laws, is fraught with weaknesses. Not all workers, even, enjoy the basic rights spelled out in the compromised law. There are rampant violations and non-implementation or non-enforcement of the BLA. All these contribute to the process of accumulation by dispossession.

#### 2 EMERGING STYLISED FACTS<sup>4</sup>

One of the fundamental challenges and the reasons for dispossession of labour in Bangladesh is the growing gaps between the creation of employment and the requirements for the new entrants into the labour force,<sup>5</sup> besides for those who are currently underemployed.

The growth rate of youth labour force during the period from 1999-2000 to 2010 has stood at 3.72 percent while the growth rate of total labour force was 3.37 percent per year. Youth labour force for urban areas increased from 3.4 million in 1999-2000 to 5.1 million in 2010, whereas rural labour force has increased 42.3 percent (11.1 million to 15.8 million) for the same period. The annual growth rate of inactive person (not in labour force) for the same period stood at 2.17 percent which was much lower than the growth rate of labour force (3.37 percent). The absolute size of the labour force has increased by 39.3 percent (approximately 16 million) over the same period (BBS, 2011).

There is a growing disparity between the rate of growth in employment and unemployment, implying fragility of absorption capacity and vulnerability of labourers to low-wages and non-adherence of rights. Over the last decade the employed population has grown at a rate of 3.33 percent compared to 3.71 percent increments of unemployed population.

The situation was further aggravated by augmented rate of growth of unemployment over the years during the last 10 years (1999-2000 to 2010). According to labour force survey of 2010, the rate of unemployment stood at 4.5 percent, up from 4.3 percent in 1999-2000.

<sup>&</sup>lt;sup>4</sup> The statistics in this section have been taken from various labour force surveys of 1999-2000, 2002-2003, 2005-2006 and 2010, Bangladesh Bureau of Statistics (2002, 2004, 2008 and 2011)

<sup>&</sup>lt;sup>5</sup> Labour force is defined as persons aged 15 years and over, who are either employed or unemployed during the reference period of the survey (week preceding the day of survey). It excludes disabled and retired persons, income recipients, full time housewives and students, beggars and other persons who did not work for pay or profit at least one hour during the reference week (BBS, 2011)

The intrinsic compulsion for feminisation of labour force is reflected in differentiated rate of growth. The annual growth rate for female was found 7.31 percent compared to 2.06 percent for male during 1999/2000 - 2010. The growth of women in labour force surpassed the national annual labour force growth rate of 3.37 percent by a high margin. Furthermore, one of the most crucial findings was that unemployment rate amongst females was decreasing, demonstrating increased propensity of profiteering by employers through maintenance of lower wages to women compared to men, women's compulsions for survival in the wake of declined support from family and rise of women-headed households. The female rate of unemployment amongst men rose to 4.1 percent from 3.4 percent during the corresponding years (BBS, 2011).

The government statistics point out to the informalisation of the labour market with disproportionate growth in absorption people between formal and informal sectors, tilting in favour of the latter, and the squeeze of the former. The ominous trend reflects acceleration in deprivation of entitlements and deterioration in enjoyment of rights. The formal sector witnessed a decline by 3.40 percent per year during the period from 1999-2000 to 2010. On the other hand, informal sector increased at an annual rate of 4.90 percent during the same period and consequentially every year a significant number of 1.8 million people had to join informal sector.

The sectoral share of generated wealth (measured in GDP) vis-à-vis number of people employed in that particular sector reveals an alarming account of disconnectedness between creation of wealth and absorption of employment, resulting in production and maintenance of poverty and inequality. The sectoral share of labour in agriculture declined day-by-day, yet stood at high of 47.3 percent in 2010 from 51.3 percent in 1999-2000, though share of agriculture in GDP declined to 20.03 percent from 25.58 percent during the same period. This also exposes existence of high level of underemployment in agriculture. On the other hand, share of absorption of people in non-agriculture (manufacturing, other industries, and services) witnessed a lukewarm increase and stood at 52.7 percent in 2010 from 48.7 percent in 1999-2000.

The migration of labour plays a significant role, reflecting the differences in rate of increase in labour force in rural and urban areas, resulting in skewed distribution of employment against the urban areas. There has been a continuous migration from rural areas to urban areas and outside the country. Thus, the rural growth rate was observed lower than urban areas. The rural labour force grew by 3.27 percent while urban areas saw an annual increment by 3.76 percent. The trend has been growing over the years. The lopsided distribution resulted in 6.5 percent unemployment in urban areas against 4 percent of rural areas in 2010.

The crude activity rate has increased by 6.2 percent to 38.1 percent in 2010 from 31.9 percent in 1999-2000. In the rural areas, the crude activity rate expanded to 37.8 percent in 2010 by 6.4 percent from 31.4 percent in 1999-2000 while the corresponding rates in urban areas were 39 and 33.8 percent respectively.

Another alarming trend is rising in number of unpaid family workers<sup>6</sup> and the growth rate of this category is much higher compared to the growth rate of total labour force during the period of

<sup>&</sup>lt;sup>6</sup> Unpaid family labour is "a person who works at least one hour in the reference period (other than household work) without pay or profit in a family operated farm or in a business owned/operated by the household head or other members of the household to whom he/she is related by kinship, marriage, adoption or dependency (BBS, 2011)."

1999-2000 to 2010. Annual growth rate of unpaid workers at national level was 9.64 percent while the growth of total labour force during the same period was only 3.37 percent.

#### **3 FEMINISATION**

In the current global environment of open economies, new trade regimes, and competitive export industries, global accumulation relies heavily on the work of women, both waged and unwaged. The rising share of women in the labour force is referred to as the *'feminisation of labour.''* 

Women participation in labour market in Bangladesh increased with a rate of 10.0 percent, 10.63 percent, and 8.18 percent at national, rural, and urban area respectively between 1999-2000 and 2010. The number of employed women has increased from 7.9 million in 1999-2000 to 16.2 million in 2010 with an annual rate of 10.51 percent at national level. On the other hand, the number of employed women has increased with a rate of 11.36 percent per year in rural areas while in urban areas the annual rate of increment was 8.0 percent during the same period. Like employed women, the number of unemployed<sup>7</sup> women has also increased over the years. The number of unemployed women increased with a rate of 4.29 percent per year at national level during the last ten years (i.e. 1999-2000 to 2010). Participation of women in labour market has increased with a more accelerated rate in the recent years. In the context of growing need and decline of familial support along with the ever-increasing pressures to sustain has pushed women especially in rural areas to engage in income generating activities. They are engaging in various formal and informal sectors for the survival of their lives.

Although women are entering into the labour market in increasing numbers, their employment is concentrated in a relatively small number of 'female' areas and occupations which tend to attract lower rewards and wages (ILO, 1995). Guy Standing (1989) has hypothesized that the increasing globalisation of production and the pursuit of flexible forms of labour to retain or increase competitiveness as well as changing job structures in industrial enterprises favour the "feminisation of employment" in the dual sense of an increase in the numbers of women in the labour force and a deterioration of work conditions (labour standards, income, and employment status).

A great deal of critical feminist scholarship says that the 'comparative advantage of women's disadvantage' (Arizpe and Aranda, 1981) explains why women are preferred in labour-intensive industries like RMG. The disadvantageous cultural construction of the female labour force in terms of nature and inheritance works to the advantage of the manufacturers. They say that the "nimble fingers" (Elson and Pearson. 1981) of young women workers and their capacity for hard work facilitated the recruitment of women for unskilled and semi-skilled work in labour-intensive industries at wages lower than men, they accepted conditions that unions do not permit and activities of unions were not allowed.

There are studies which claim that most of the women garment workers evaluate their factory jobs in largely positive terms, including increased job satisfaction, new social networks, a greater voice in household decision-making, more freedom from physical and verbal abuse, an enhanced sense of self-worth and self-reliance as well as larger personal freedom (Newby, 1998<sup>'</sup> Amin et

An unemployed person is a person who was involuntarily out of gainful employment during the reference period but either: (a) had been actively looking for a job; or

<sup>(</sup>b) was willing to work but not looking for work because of illness or the belief that no work was available.

al., 1997; Zohir and Paul-Majumder, 1996; Kibria, 1995; Dannecker, 1998 – all quoted in Kabeer, 2001).

Still other studies explain the transfer of these women workers in terms of their submission to patriarchal authority from family patriarch to the capitalist patriarch (Safa, 1990; Salaff, 1981).

Another middle ground stream sees such employment as an expression of a new, if problematic, inclusion and explains that these jobs moved their position from the margins of the labour market to a more central, better paid and more visible place in the economy. Contrarily, the garment industry historically makes profits through the exploitation of the labour of the excluded sections of society (Kabeer, 2001).

The garments sector is a major source of female employment. Women hold above 85 percent of jobs in the industry and yet they are the lowest paid.

There has been a shift towards outsourcing to independently owned factories. The extent of this shift is demonstrated by the emergence of "manufacturers without factories." Subcontracting has been, in part, a response to changes in the organisation of production, through a combination of lower labour costs, increased flexibility, and minimized investment risks (Dangler, 1994). This option is mainly used to cut production costs through reduced fixed labour costs as a result of a shift from direct to indirect forms of employment. (Beneria, 1987; Dangler, 1994; Palpacuer, 1997; Park 1994; UNIDO, 1994). This flexibility of labour tends to put downward pressure on wages while reduces employment security and increases substandard or hazardous working conditions (Hale, 1996).

#### **4 INFORMALISATION**

The formal work environment has undergone a process of rapid transformation in the context of globalisation and technological change, leaving the majority of the workforce in the informal sector. Informal forms of employment include, for example, agricultural day laborers, urban street vendors, paid domestic workers, or at-home producers of clothing or other manufactured goods. A high proportion of informal workers are self-employed. In most countries, women are disproportionately employed in such informal jobs (ILO, 2002).

Work in the informal economy is characterized by low or irregular incomes, long working hours, small or undefined workplaces, unsafe and unhealthy working conditions, and lack of access to information, markets, finance, training and technology. While many workers in the informal economy are visible in jobs along the streets of cities, towns and villages, others work out of view in shops and workshops. The least visible are those who produce goods from their homes (Heintz and Pollin, 2003).

The rise in informalisation has coincided with a broader transformation of the economic policy environment in developing countries, away from the developmental state policies that were dominant in the 1950s and 1960s, in favor of what has been termed "neoliberalism" (Pollin 2003, 1998). The impact of these neo-liberal approaches and policies opens up for competition between workers and the prospects of 'downward levelling' in wages and work conditions (Southall and Bezuidenhout 2004).

Informalisation thrives as outcome of normal profit-seeking activity by capitalist firms. The flexible employment relationships produce cost reductions and also undermine labour protections, social security measures, and labours' bargaining power.

The number of employed labour (15+ years) in informal sector increased to 47.3 million in 2010 from 29.3 million in 1999-2000 with an annual rate of increase of 6.14 percent. The annual increment rate of female employees is three times higher than their male counterparts. The annual rate of increase in informal sector for male was 4.27 percent from 22.7 million in 1999-2000 to 32.4 million in 2010, whereas female employees had grown from 6.6 million in 1999-2000 to 14.9 million in 2010 with a rate of increase of 12.58 percent per annum.

According to an Unnayan Onneshan survey of 2013, most of the respondents are engaged in informal sector due to lack of availability of jobs in formal sectors (66 percent), followed by the reasons such as compulsions for survival (34 percent). Most of the respondents (45.8 percent) had to leave their villages to towns and only 16.9 percent of them came from another town to Dhaka city.

The survey also finds that a job in the formal sector is subject to connections with the powerful and the politicians. The jobs are distributed on the basis of allegiance and affiliation to a political party. A 27.1 percent of respondents claimed that they had no choice but to be in informal sector because of their no relationships with politicians from both spectrum – party in power and opposition. The survey also points out that jobs are given to supporters of the party in power as a 13.6 percent of respondents complained that they were discriminated and thus are in informal sector because of their affiliation with the opposition party. They also complained that thugs associated with ruling party(ies) coerce and extort rent from them.

Awareness of basic labour rights among them is very low. About sixty percent have no basic knowledge about labour laws. Only 22.0 percent of the respondents follow working hour schedule as prescribed by ILO conventions. Most of them (54.2 percent) have to work 9 to 12 hours per day.

#### **5 MIGRATION**

Migration, spatial movement of labour within and outside a country, renders accumulation and exploitation as opposed to populist, simplistic and apparently visible resultant of pull and push factors. David Harvey (2000) aptly puts: "The accumulation of capital has always been a profoundly geographical and spatial affair. Without the possibilities inherent in geographical expansion, spatial reorganisation, and uneven geographical development, capitalism would long ago have ceased to function as a political-economic system."

The migrant labour markets are characterized as "bargain basement" of globalisation. The migrant labourers, in most cases, at home and abroad, are left with jobs in enterprises, which are "price-takers" – these have no influence on the determination prices and are positioned at squeezed end of the buyer-driven chain. These enterprises prevail by squeezing workers' wages. The classic example is RMG industry.

These flows of migration both within and outside the country sustain in Bangladesh, like many other countries, because of compulsion and survival. The rapid growth of population and the lack of availability of jobs force displacement from the rural areas, generating a growing flow of migrant work force.

The migrant workers face double denials from their own and host countries. The host countries thrive due to their low-waged labour while remittances keep the economies of their countries of origin like Bangladesh afloat, particularly its current account balance, but they are vulnerable, exploited and without any social protection in the countries of destination. Equally they have hardly any voice in their countries of origin.

The contribution of remittance to GDP has grown from a meagre 3.73 percent in FY 1998-1999 to 11.14 percent in FY 2011-2012. The migration was following an increasing trend over the years until 2008. Later, it declined in two successive years due to the global economic recession and collapse of the construction sector in the Middle Eastern countries. Again it has increased due to the recovery in the KSA and the UAE.

The low-skilled work force migrated with an accelerated pace than that of skilled work force, reflecting intrinsic weaknesses and rigidities and implying high degree of vulnerability. The low-skilled work-force migration has increased with a rate of 28.59 percent per year during 1991 to 2012 while the semi-skilled work force migration decreased with a rate of 1.95 percent per year during the same period (BMET, 2012).

Broadly disparities exist in working conditions and treatment in countries of destination at two levels: (a) between migrant workers themselves and (b) between migrant workers and national workers. There is a high level of segmentation in the labour market and large wage disparities between national and foreign workers in countries that Bangladesh sends labour, particularly in the Middle East (there are numerous studies, e.g. Wickramasekara and Abell, 2003). The migrant workers in most cases do not enjoy any social security benefits.

The changes in recruitment processes in favour of private fee-charging recruitment agencies from the bilateral government processes have brought enormous miseries. Some recruitment agencies send workers for non-existent jobs, some provide false information about jobs, and many charge migrants excessive fees for services.<sup>8</sup> The sponsorship or "*khafeel*" system commonly observed in the Gulf States has also resulted in labour inflows not matched by actual employer demand, resulting in irregular status for a large segment of migrants (Ruhs, 2003). There are also sizeable intermediaries engaged in smuggling and trafficking of migrants. The indulging agencies have hardly been brought to book. As an ICFTU-APRO (2003) report noted: "Employment agencies caught for their malpractices and even illegal work are quite often found escaping any punishment. If at all a punishment is given, the penalty imposed is far less than the crime and damage inflicted on the concerned migrants." There is also a growing trend of subcontracting of temporary and seasonal workers at the expense of workers' benefits and entitlements such as holidays, bargaining rights and social protection. These fraudulent recruitment and placement processes have left far-reaching consequences on conditions and treatments of migrant workers. The deceitful and sham practices of money making have in cases

<sup>&</sup>lt;sup>8</sup> Report of the ILO Asian Regional Tripartite Meeting, Bangkok, 2003, which notes widespread recruitment malpractices, fraud and abuses in many Asian countries.

forced to endure situations of virtual debt-bondage or near-slavery to pay off debts owed to recruiters and traffickers.

The most appalling is the denial of right to organize and to form trade unions –fundamental rights in the world of work - by migrant workers. There is neither representation nor voice at work and the labourers are forced into conditions in which they can never secure labour rights and improve their working conditions.

#### 6 LAWS

The government in 2006 enacted Bangladesh Labour Act 2006 by brining into a package of several existing laws relating to employment, employer-worker relations, fixation of minimum wages, payment of wages, compensation for injuries sustained in the course of duty, trade union activities, dispute settlement, workers' health and safety, etc.

Bangladesh Labour Act 2006 was passed by the parliament with effect from October 11, 2006. This new labour law has repealed 25 existing labour laws including Factories Act 1965, Payment of wages Act 1936, Shops and Establishments Act 1965, Maternity Benefit Act 1939, Industrial Relations Ordinance, 1969, Employment of Labor Act 1965 etc.

The law has, however, been limiting in some aspects of rights of workers and contains ingredients of flexibilisation of labour market and detracts from the ILO Conventions. For example, trade union rights of workers have been restricted and have been banned in a new establishment for the first three years. The present law allows transfer of CBA leaders at any time, though previously they could not be shifted to a different unit before the expiry of their term. The lowering of the age ceiling for workers from 60 to 57 have rendered job losses of several thousand workers.<sup>9</sup> Following the neo-liberal framework, the law allows imposition of extra hours of work on garment workers. The new law has also changed their work day from the existing eight hours to ten hours.

#### 7 WAY FORWARD

Bangladesh, despite having witnessed some progress in expanding labour market over the last two decades, is still facing multiple challenges of enactments, enforcements, and violations of workers' rights. There can be no denying that the continued sizeable growth of population has major implications in the future development of the country. In Bangladesh, achieving the goals of economic growth, social development and poverty reduction depend much on developments in the labour market and success in expanding decent employment opportunities through both waged and self-employment for the growing labour force. Therefore, sustainable management and observance of rights of rapidly growing labour force are need of the hour.

Despite quantitative progress in economic and social fronts, the country needs to travel a long way to address dispossessions and ensure a better life for the vast majority of the population. For this, the creation of required level of employment to absorb the growing labour force is a matter of urgency. It is evident that a better access to employment can generate sustainable impact on reduction in poverty when it is accompanied by rising productivity and real wages, wider opportunities for women, youth and other disadvantaged groups and above all the labour rights,

<sup>&</sup>lt;sup>9</sup> On the first day of the laws taking effect, as many as 210 workers were laid off in the Bawany Jute Mills in Demra.

such as the rights to work, employment, and social protection. Such an approach to employment is important for Bangladesh not only as an objective in its own right but also a means of ensuring human rights and a fundamental of promoting poverty reducing sustainable development in the country.

Unless major changes are made for decent employment, development of the country will not increase significantly. It requires major policy and institutional reforms on both demand and supply sides of the labour market. On the supply side of the labour market, the main efforts needed are to substantially strengthen policies for human development, especially education and training programmes to enhance skills and encourage greater female labour force participation. The country needs a rights based approach to employment.

#### **Towards A Right to Work Framework**

The chapter analyses recent developments, departing from a narrow focus of increasing labour market flexibility - the subtle subtext of which is to lower wages and non-compliance of rights. Moreover rights and wages, often the fruits of hard fought bargaining, are also perceived to be part of the problem in the current orthodox thinking. In mainstream analysis all too often workers are asked to bear the brunt of the costs of adjustment, in terms of soaring unemployment and plummeting wages, even when the labour market is not the core of the problem facing the country. Issues of workers' rights and entitlements, including the rights to participate in decision-making that affects their lives, are rarely raised.

The chapter argues employment is a function of social and labour rights or social equity and collective well-being instead of individual productivity and competitiveness. Any intervention must relate to men's and women's abilities to utilize their capabilities to realize their self potential while recognizing that men's and women's abilities to utilize their capabilities depend on access to resources, entitlements, accountability and equality of opportunities. Thus any programmatic intervention should entail *right to just and favourable conditions of work* underwritten by at least three dimensions: commutative justice,<sup>10</sup> distributive justice<sup>11</sup> and social rights. Fundamentally this premise is concerned with just and equitable distribution of economic goods and services. It is both process and outcome oriented (as opposed to positive economics which focuses primarily on outcome) and stresses the importance of an egalitarian outcome. Within this framework government intervention is not only desirable but also necessary. It also captures elements of sustainable livelihoods, which is based normatively on ideas of capability, equity, and sustainability.<sup>12</sup>

Rights	Assessment	Objectives	Output indicators
1. The	Discrimination in	To ensure that access to	• Reform of domestic laws that are obstacles to

<sup>&</sup>lt;sup>10</sup> Commutative justice: fairness in all agreements and exchanges; distributive: allocation of income, wealth and power; and social justice: obligations to be active/productive participants in society.

<sup>&</sup>lt;sup>11</sup> This is contrary to the conservative economic thinking (neo-liberal economics) about the libertarian conception of distributive justice. In this framework the state plays a night watchman role of simply protecting a narrowly defined set of (mostly property) and corporate rights. Other conservatives within this tradition may appeal to a utilitarian notion of distributive justice that relies totally on the free market to maximize utility, allocate resources and distributes rewards.

<sup>&</sup>lt;sup>12</sup> Capability refers to ability to perform certain basic functioning such as coping with stress and shock, making use of livelihood opportunities, and responding to adverse changes in conditions. Equity is usually measured in terms of income distribution, but it also implies an equal distribution of assets, capabilities, and opportunities. Social sustainability implies an ability to maintain and improve livelihoods while maintaining and enhancing local and global assets and capabilities on which livelihoods depend (Chambers and Conway, 1992).

Right to Work	access to employment and during employment, based on gender considerations/ class considerations/ minorities/ migrant / refugee considerations Unhealthy, and unsafe working conditions preclude from working even if discrimination was not applied	employment opportunities are fair and equal without discrimination and that workers know their rights under the law To work with local / national businesses to promote just and favourable conditions of work, to ensure sanitary, healthy and	<ul> <li>realize the right to Work,</li> <li>Women's organisations strengthened,</li> <li>carry out legal, awareness, and education campaigns,</li> <li>training programs and rights advocacy</li> <li>Reform of labour laws.</li> <li>Active advocacy through trade unions,</li> <li>Establishment and enforcement of regulatory systems,</li> <li>Access to health facilities on site, enforcement of punitive laws for violators</li> </ul>
1.2 Right of everyone to an adequate standard of living	The right to work is impacted by a lack of standardized wages or discriminatory practices in hiring; a lack of equal pay for work of equal value; no effective system for delivery of social security	safe working conditions for all workers To ensure that non- discrimination is taking place in terms of hiring and of wages, to enable job creation as needed with equal access to employment; to develop a social security delivery system	<ul> <li>Reform of labour laws concerning hiring practices, equal pay, minimum wages etc.</li> <li>Re-training schemes, available to re-skill workers</li> <li>National policies that support labor intensive industrial development,</li> <li>Social safety nets available for the most vulnerable</li> </ul>

#### **Collective Actions**

The strategies pursued to date have a huge impact on the increase of unemployment and the deregulation of labour markets, which are interpreted as a move towards varieties of flexibility with a concomitant of weakening of labour unions. The dominant ideology, amongst others, also gave rebirth to a so-called civil society that has been engaged in manufacturing consent to maintain the status quo. This politics of apoliticisation has also been illusionary and conformist.

This has significantly weakened actors such as labour and women organisations, though it spins a lot about 'rights' and 'empowerment.' The agenda of "welfarisation" of workers has also served less in the name of more and has reduced or fragmented a great many trade unions and created many new 'welfare or workers' rights organisations' to be contractors and/or implementers of projects to service set agenda. This has adversely impacted on the prospects of coordinated collective actions and movements.

Thus voices of the excluded hardly find space or organisations to reckon with as resistances, contentions and protests have been muted considerably. There is, thus, bourgeoning need of collective actions for reconstitution of the social fabric and continuous challenging of socio-economic and political landscape.

#### References

- Ain o Salish Kendra (ASK). 2007, Legislative and Institutional Developments. Dhaka: ASK Research Unit available at: http://www.askbd.org/Hr06/Lagislation1.htm
- Arizpe, L., and Aranda, J. 1981, "The Comparative Advantages' of Women's Disadvantages: Women Workers in the strawberry Export Agribusiness in Mexico," Signs, 7(2), pp 453 – 473.

- Bangladesh Bureau of Statistics (BBS). 2011, *Report of the Labour Force Survey, Bangladesh 2010*. Dhaka, Bangladesh: Bangladesh Bureau of Statistics.
- Bangladesh Bureau of Statistics (BBS). 2008, *Report of the Labour Force Survey, Bangladesh 2005-2006*. Dhaka, Bangladesh: Bangladesh Bureau of Statistics.
- Bangladesh Bureau of Statistics (BBS). 2004, *Report on the Labour Force Survey, Bangladesh 2002-2003*. Dhaka, Bangladesh: Bangladesh Bureau of Statistics.
- Bangladesh Bureau of Statistics (BBS). 2002, *Report of the Labour Force Survey, Bangladesh-*1999-2000. Dhaka, Bangladesh: Bangladesh Bureau of Statistics.
- Benería, L., and Floro, M. 2005, 'Distribution, Gender, and Labor Market Informalisation: A Conceptual Framework with a Focus on Homeworkers' in N Kudva and L Benería (eds), *Rethinking Informalisation: Poverty, Precarious Jobs and Social Protection* New York: Cornell University Open Access Repository, available at: www.wiego.org/ publications/Rethinking\_Informalisation.pdf.
- Bordo, M. D., Alan M. T., and Williamson, J. G. (eds.). 2003, *Globalisation in Historical Perspective*, Chicago: The University of Chicago Press.
- Bureau Manpower Employment and Training (BMET). 2009, *Major Country's Manpower Export*, Dhaka, Bangladesh: Government of the Peoples' Republic of Bangladesh.
- Carr, M., and Chen, M.A. 2002, Globalisation and the Informal Economy: How Global Trade and Investment Impact on the Working Poor. Geneva: International Labour Organisation; Carr, M and Chen, MA. 2004. 'Globalisation, Social Exclusion and Gender' (2004) 143 International Labour Review 129.
- Chiswick, B.R., and Timothy, J. H. 2003, "International Migration and the Integration of Labor Markets", in Bordo, Taylor and Williamson (eds.), *Globalisation in Historical Perspective*, Chicago: The University of Chicago Press.
- Dangler, J.F. 1994, *Hidden in the Home: The Role of Waged Homework in the Modern World Economy.* (Albany: State University of New York Press).
- Delahanty, J. 1999, "A Common Thread: Issues for Women Workers in the Garment Sector," prepared for Women in Informal Employment: Globalizing and Organizing (WIEGO) Global Markets Program Garment Sub-sector, April 12, 1999.
- Dannecker, P (2002), Between Conformity and Resistance: Women Garment Workers in Bangladesh, Dhaka: UPL.
- Elson, D and Pearson, R. 1981, "Nimble Fingers Make Cheap World Export Manufacturing." *Feminist Review* (Spring): 87-107. Workers: An Analysis of Women's Employment in Third
- Hale, A. 1996, "The Deregulated Global Economy: Women Workers and Strategies of Resistance." *Gender and Development* 4:3 pp. 8-15.
- Harvey, D. 2005, A Brief History of Neoliberalism Oxford: Oxford University Press.

- Harvey, D. 2000, "Globalisation in Question", in Johannes Dragsbaek Schmidt and Jacques Hersh (Eds.), Globalisation and Social Change, London: Routledge.
- Heintz, J., and Pollin, R. 2003, Informalisation, Economic Growth and the Challenge of Creating Viable Labor Standards in Developing Countries, Working Paper Series No. 60. Political Economy Research Institute (PERI), University of Massachusetts-Amherst
- Hewett, P and Amin, S. 2001, Assessing the Impact of garment Work on Quality of Life Measures, in Pratima Paul-Majumder and Binayak Sen (eds), *Growth of Garment Industry in Bangladesh: Economic and Social Dimensions*, Dhaka: BIDS and Oxfam GB, Bangladesh.
- ICFTU/APRO. 2003, *Migration issues concern trade unions: Background proceedings, action plan and conclusions,* Regional Consultation on Developing a Cooperating Mechanism for Promoting and Protecting the Rights of Migrant Workers, Jakarta, 19-21 March 2003.
- International Labour Organisation (ILO). 2004, *Towards a fair deal for migrant workers in the global economy* Report VI, International Labour Conference, 92nd Session, 2004. Geneva: ILO.
- International Labour Organisation (ILO). 2002, Decent Work and the Informal Economy, Report VI presented at the 90th session of the International Labor Conference, Geneva: International Labour Office.
- International Labour Organisation (ILO). 1995, Gender, Poverty and Employment: Turning Capabilities into Entitlements, ILO.
- Joekes, S. 1998, "Structural Change in the Moroccan Clothing Industry: Technological Adaptation and Intersectoral Relations Under Pressure of Competition in International Markets."
- Kabeer, N. (2001) Bangladeshi Women Workers and Labour Market Decisions The Power to Choose, Dhaka: University Press Ltd.
- Li, Y. 2002, China's Accession to WTO: Exaggerated Fears?, UNCTAD Discussion Paper No. 165, November 2002.
- Moghadam, V. M. 1999, "Gender and Globalisation: Female Labor and Women's Mobilisation," Journal Of World-Systems Research, VOL V, 2, pp. 367-388
- Majmudar, M. 1996, "Trade Liberalisation in Clothing: The MFA Phase-Out and the Developing Countries." *Development Policy Review* 14:1 pp. 5-36.
- Murray, T. 1995, Global Trade Liberalisation: Implications for Industrial Restructuring. Panel IV. Effects of the Uruguay Round Agreements on Industrialisation in Developing Countries. Background Paper. (Vienna: UNIDO).
- Nari Uddug Kendra (NUK). 2002, "Unequal Partnership: Lonely Battle- the Present Socio-Economic Crisis of the Female Garment Workers in Bangladesh", Dhaka: Nari Uddug Kendra (NUK).

Oxfam. 2001, Harnessing Trade for Development, Oxford: Oxfam International.

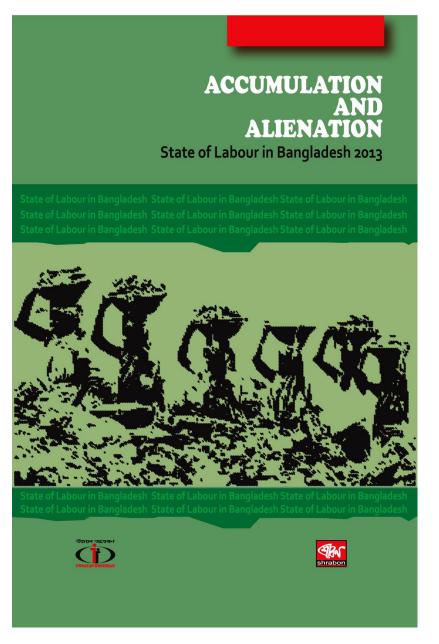
- Page, S., and Davenport, M. 1994, World Trade Reform: Do Developing Countries Gain or Lose? (London: Overseas Development Institute).
- Palpacuer, F. (1997), Development of Core-Periphery Forms of Organisation: Some Lessons from the New York Garment Industry. Educational and Intersectoral Activities Program, International Institute for Labour Studies, ILO.

http://www.ilo.org/public/english/130inst/papers/1997/dp95/index.htm (March 8, 1999).

- Park, S.O. 1994, "Industrial Restructuring in the Seoul Metropolitan Region: Major Triggers and Consequences." *Environment and Planning A* 26:4 pp. 527-541.
- Pollin, Robert (1998) "Can domestic expansionary policies succeed in a globally integrated environment? A consideration of alternatives," in Dean Baker, Gerald Epstein and Robert Pollin eds., *Globalisation and Progressive Economic Policy*, Cambridge, UK: Cambridge University Press, 433 - 60.
- Rodrik D. 2001, "The Global Governance of Trade as if Development Really Mattered", New York: UNDP.
- Ruhs, M. 2003, Temporary foreign worker programmes: Policies, adverse consequences and the need to make them work. Geneva, ILO, Social Protection Sector, Perspectives on Labour Migration, No. 6, 2003.
- Safa, H. 1990, "Women and Industrialisation in the Caribbean," in S Parpart and J Sticher (eds.), *Women, Employment and the Family in the International division of Labour,* London: MacMillan, pp. 72-97.
- Salaff, J. 1981, Working Daughters of Hong Kong: Filial Piety or power in the family? New York: Cambridge University Press.
- Schmidt, J. D. 2005, Flexicurity, Casualisation and Informalisation of Global Labour Markets. Development Research Series Working Paper No. 133, Research Center on Development and International Relations (DIR), Aalborg University, Denmark.
- Sen, A. 1982, "Rights and Agency", Philosophy and Public Affairs, 11.
- Sen, A. 1984, "Rights and Capabilities", *Resources, Values and Development*. Harvard University Press: Cambridge: Mass. Also in T. Honderich (ed.) *Ethics and Objectivity*. Routeledge: London.
- Sen, A. 1985, "Rights as Goals", in S. Guest and A. Milne (eds.) *Equality and Discrimination: Essays in Freedom and Justice*. Franz Steiner: Stuttgart.
- Shafaeddin, S.M. 2002, The impact of China's accession to WTO on exports of developing countries, UNCTAD Discussion Paper No. 160, June 2002
- Spinanger, D. 2000, The WTO, ATC and Textile and Clothing in a Global Perspective: What in it for Bangladesh? CPD Occasional Paper 8, Dhaka: CPD.

- Standing, G. 1989, Global Feminisation Through Flexible Labour. World Development, 17 (7): 1077-95.
- Southall, R., and Andries B. 2004. International Solidarity and Labour in South Africa, in Munck, Ronaldo (ed.), *Labour and Globalisation. Results and Prospects*, Liverpool: Liverpool University Press.
- Takenouchi, M. 2001, International Division of Labour and Migration as a Global Labour Supply -A Theoretical Perspective to Study International Migration. Tokyo: Faculty of Economics, University of Tokyo. Available at: http://www.cirje.e.utokyo.ac.jp/research/dp/2001/2001cf110.pdf
- Teklè, T. 2010, 'Labour Law and Worker Protection in the South: An Evolving Tension Between Models and Reality' in T Teklè (ed), *Labour Law and Worker Protection in Developing Countries*, Oxford: Hart Publishing
- Titumir, R. A. M. 2002a, "The Saga of PRSP: Penned in a Pegged Perspective, Bangkok: Action Aid Asia, 2002 .
- ----- 2002b, "Living On The Edge, Voices From The Below: Recent Development Recent Development of Bangladesh RMG Sector Dhaka: Nari Uddug Kendra (NUK), 2002.
- ------ and Bhattacharya, D. 2001, *Reforms and Consequences: Stakeholders' Perceptions*, Dhaka: Shrabon Prokashoni.
- ----- and Bhattacharya, D. 2000, "Poverty Reduction in Bangladesh: Absence of a National Framework, Abundance of Donors' Strategies: Dhaka: Centre for Policy Dialogue Occasional Paper No. 4.
- ----- and Bhattacharya, D. 1999, "Towards Demystifying a Process: The Structural Adjustment Policies in Bangladesh, *Discourse*, Summer, 1999, Vol. 3 No. 1.
- ----- and Bhattacharya, D. 1998, "In Search of Unheard Voices: A Pre-Study Consultation Exercise on Structural Adjustment Policies in Bangladesh," *Discourse*, Summer, 1998, Vol. 2 No. 1.
- Weiss, Linda (1987), "Explaining the underground economy: state and social structure," *The British Journal of Sociology* 38(2): 216-34.
- Wickramasekara, P., and Abella, M. 2003, "Protection of migrant workers in Asia: Issues and policies", in *Labour migration in Asia: Trends, challenges and responses in countries of origin.* Geneva, International Organisation for Migration, 2003.





#### Unnayan Onneshan

16/2, Indira Road, Farmgate Dhaka-1215, Bangladesh Tell: + (880-2) 8158274, 9110636 Fax: + (880-2) 8159135 E-mail: info@unnayan.org Web: www.unnayan.org