



*Photo by Ayon Rehal*

Low production costs have made Bangladesh the world's second-largest producer of ready-made fashions. What's the real price we pay for cheap clothing?

December 16, 2013 *By Joseph Allchin*



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The evening light is fading as Kala Begum carries her 16-year-old daughter out of their tiny tenement room and down the alley. It's been another long day of scraping by on handouts to pay for Shumaya's medical treatment; swelling around her badly injured eye, contorting her young face, has grown much worse since I first met her, several months ago. Kala walks past idling onlookers toward the small pharmacy where she spends their meager savings on medicine in the hope of stemming the girl's horrendous pain.

For a time, Kala and Shumaya worked side by side in a garment factory here in Dhaka, Bangladesh. Hundreds of such factories employ millions of Bangladeshis, and many have escaped extreme poverty. Shumaya, though, has been unable to work or attend school for more than a year because of her poor health, and Kala limited her hours so she could tend to her daughter.

Shumaya started working at age 11. She began at her last employer, Tazreen Fashions Ltd., which towers over the dusty suburb of Nischintapur, Ashulia, just outside Bangladesh's capital, at 13. It was the only factory in the neighborhood that would take her at such a young age. A typical day meant sewing 90 pieces an hour—T-shirts one day, dresses the next—with no toilet breaks outside of lunch hour; days could be long, sometimes more than 12 hours, six days a week. Tazreen was known for its place on the lower rung of a subcontracting system common in Bangladesh, whereby factories accept orders they can't complete and farm out the work to other producers, which can be less compliant with recognized safety standards.

Shumaya was sewing together hoodies on Nov. 24, 2012, when the lights went out and a commotion began. A fire had started on the first floor. As it spread through the building, panic proceeded and death followed. On the fifth floor, Shumaya recalls, smoke was so thick she couldn't see. In the scrum to get out, Shumaya sustained several blows to the face, knocking her unconscious. Coworkers helped pass her out of a window to an adjacent building.

Around 112 people met their deaths at Tazreen that day. In trying to escape, workers in the factory realized not only that the fire had started near the exit (in a storage area for cloth), but also that doors to the factory had been **locked from**

the outside. Many were forced to jump; workers told reporters afterward that they were hoping only to avoid disfigurement of their corpses. They left their sandals in neat lines on a ledge, later discovered there by NGO workers I spoke with.

Several days later, the swelling around Shumaya's eyes still hadn't receded. When Shumaya's nose started to bleed, Kala, 37, took her to the doctor in Mymensingh, their hometown north of the capital. The wounds sustained amid the crush of people trying to escape were exposed to the toxic fumes of the fire, and Shumaya developed cancer behind her eyes.

Kala (Bangladeshis are generally referred to by their first name; Begum is used as a surname but is really an honorific title) had saved about 1.5 lakhs, or nearly \$2,000, from working in a brick field while her daughter worked in the garment factory. "Since her nosebleed, we spent all that money on treatments," she says. Their room is dark and virtually empty. "A bed I bought from Dhaka, a few of my jewelry—I sold it all to pay for treatments."

Bangladesh is a very poor country, ranking 146th on the U.N.'s Human Development Index. Politics and the economy are dominated by feudal patronage politics, says Arild Engelsen Ruud, who as professor of South Asia Studies at the University of Oslo studies political culture in Bangladesh. "In Bangladesh you cannot do business without doing politics," he says, "and you cannot do politics without doing business."

"You need political protection, and contacts to obtain permits and services. Just to stay in business you need political connections. But to maintain those political connections you need to involve yourself in politics, and to maintain and further your involvement in politics you need money."

The fire in which Shumaya was injured drew international media attention and might have been enough to spur action to improve working conditions in Bangladesh's garment factories. Five months after Tazreen, though, an even worse disaster struck in Dhaka: the Rana Plaza factory collapse, in which 1,130 were killed, making it one of the worst industrial accidents ever, anywhere. The building's owner, a young businessman named Sohel Rana, had used his political connections to acquire the land and build the complex, which also included a bank and a market. He later used his connections to obtain permits to add floors to the building, making room for more apparel-manufacturing facilities. The extra weight on poor masonry is seen as a principal cause of the collapse.

*The collapsed factory's owner had used his political connections to obtain the necessary permits to add floors to the building, making room for more apparel-manufacturing facilities.*

Rana's résumé shows little in the way of business experience or education. He built his career as head of the local chapter of the ruling political party's youth organization. Experience like this is seen as necessary to bully success out of the patronage-based economy, which has obvious implications for workers and others not similarly empowered: When I asked Kala how she felt about not receiving any compensation for her daughter's injuries, which she likely would have expected had she lived in any OECD country and any number of others, she answered matter-of-factly, "It doesn't matter what I think."

The accidents are hardly surprising given the rapid growth of apparel manufacturing in Bangladesh—it's now the second-largest exporter of ready-made garments in the world—and close ties between government and industry. Legal responses to the Tazreen fire make this rather plain: although a government report concluded that factory owner Delwar Hossein showed "unpardonable negligence" in his operation of Tazreen, no charges have been brought against him. The local industry body, the Bangladesh Garments Manufacturers and Exporters Association (BGMEA), a powerful lobby that **counts around 10 percent of members of parliament among its members**, provided legal assistance to Hossein, defending its support for him on the grounds that he was not on the premises at the time the fire broke out (though he has admitted to the policy of locking doors from the outside, to prevent stealing). "And since the mid-level management restrained the workers from going out when the fire alarm was on, absolutely it was [their] fault," BGMEA vice president Md. Shahidullah Azim told me.

Hossein "was getting protection and immunity because of his connections and money," alleged a prominent Dhaka lawyer with knowledge of legal efforts against the factory owner. (The lawyer spoke on condition of anonymity to avoid being seen criticizing government and industry.) "He gave quite a lot of money to the BGMEA to deal with this." The lawyer noted several procedural oddities in criminal and civil cases against Hossein which he said demonstrated that Hossein had more or less purchased immunity.

In such a business-friendly atmosphere, and as Industrial director Jyrki Raina noted, "because of the poverty wages paid to workers and cheap overall production costs," Bangladesh today is a choice location for brands looking to compete on price and boost profits.



*Shumaya's mother, Kala, tends to her daughter in their tenement apartment. (Photo by Ayon Rehal)*

The garments industry is almost as old as the nation itself, which wrested independence from Pakistan in 1971. In the mid-1970s a military strongman named Ziaur Rahman took power following a period of coups and counter-coups. He shifted the country's economic policies away from the state-centered socialism that had been prevalent since independence. In 1974, Western nations enacted the Multi Fibre Arrangement (MFA) as domestic producers faced fierce and deadly challenges from then-emerging East Asian economies such as South Korea's. The MFA imposed quotas on many of these countries, above which import tariffs would have to be paid. This motivated producers to move operations to countries still under their quotas; one of these was Bangladesh. The combination of a slightly liberalized economy and the competitive edge from the MFA helped bring in foreign investment, writes [David Lewis of the London School of Economics](#) in his book *Bangladesh: Politics, Economy, and Civil Society*, and soon the first factories for apparel marked for export to the West were established. Bangladesh has never looked back, seeking to become for apparel what China is for electronics and plastics.

The sector, today accounting for around [75 percent](#) of the country's export earnings, has given a major boost to the Bangladeshi economy: GDP growth

hasn't fallen below 4 percent in more than 20 years. Women workers in particular have benefited. Most of the country's 4 million garment workers are women, in a country where women are traditionally excluded from many formal professions. As Nobel laureate economist Amartya Sen notes in his recent book, *An Uncertain Glory*, "Bangladesh's rapid progress in living standards has been greatly helped by the agency of women" as they have become a bigger part of the industrial labor force.

Jobs provide women with both direct and indirect social and economic benefits. While the employment rate among women has doubled since 1995, the birth rate has fallen by almost half over roughly the same period. The time afforded by having fewer children to look after, and the status of being independent earners, has enabled many women in Bangladesh to make vital decisions about their own lives and those of their children, more of whom, according to UNICEF, are surviving: In 1990, one hundred thirty-nine out of every 1,000 live births would not make their fifth birthday. By 2011 the number was 46. For comparison, India's level is 61, despite its being, in monetary terms, a far richer country.

Western governments have subsequently taken to nurturing the apparel-manufacturing sector in Bangladesh. As former deputy German ambassador to Bangladesh Dr. Ralph Reusch said, they "see it as part of their development program."

This has primarily taken the form of duty-free access to the European Union through a program known as Generalised System Preferences (GSP). The United States also eliminated tariffs on some Bangladeshi products, though not garments. The Obama administration withdrew the privileged status in June, citing poor labor and safety standards in the garment trades.

"For some time, with Bangladesh having the benefits of GSP, it has not been compliant with international standards in workers' rights," said George Miller, D-Calif., ranking member of the House Committee on Education and the Workforce, when he visited Bangladesh in June.





*The Rana Plaza factory building shortly after it collapsed on April 24, 2013. More than 1,100 people were killed. (Photo by Ayon Rehal)*

A month before Miller's visit, April 24, I'm standing atop an eight-foot pile of rubble that used to be the Rana Plaza factories building, and what appears to be hoodies for the Spanish brand El Corte Inglés. Within the mess are perhaps a thousand dead men, women, and children, nearly all of whom had been sewing clothes for export to Europe and elsewhere a few hours earlier. The shock and scale of the loss before me has stalled processing.

All around, hysteria engulfs the crowd of thousands that has gathered at the site of what was once a gleaming, glass-fronted workplace for some 3,000 garment workers. Sana Plaza marked a precipice between hope and poverty for girls like Shumaya. Newcomers from rural villages, where jobs are scarce, poverty is endemic, and rigid social mores rule supreme, had sought work here, one of Bangladesh's approximately 5,000 garment mills. Then it became a deathtrap.

The inside of the collapsed building is like a lithograph by M.C. Escher crossed with a painting by Heironymous Bosch: stairs and concrete contorted in impossible angles, bodies sticking out of concrete piles next to crumpled sewing machines. The clothes once produced here now adorn volunteers, who amid the chaos are attempting, with very little resources, to save a life.

Men dart into crevices between crumpled concrete and emerge covered in sweat and dust. Every few minutes, cries of adrenaline-fueled hope or despair emanate from the debris as a survivor, or another corpse, is carried by volunteers to waiting ambulances. In the surviving part of the structure, a fireman is collapsed, staring blankly through the dust at the horror all around him. Down the corridor, the wall has been smashed through, revealing the pancaked floors of what was once the factory complex. A crushed leg, clothed in bright fabric, sticks out between two floors.

Only a few hours earlier, at 9:30 a.m., Afroza had arrived at work.

“After a while we heard a massive sound and stopped working,” she would recall later. “So we wanted to know where the sound had come from. Then the line supervisor and production manager told us that it is nothing; everything is OK and go back to work.”

The lights went out, but brownouts and blackouts are a regular occurrence in Dhaka. Factories keep generators on hand, and when the one at her company, New Wave Style, switched on, “within one second the building started to shake, and we started to fall and scream.”

“The building was shaking like a boat on the river, and the building collapsed,” Afroza said. She and her coworkers realized they had fallen to the second floor from the seventh. “We were 10-to-12 people in the same place under the concrete; we couldn’t breathe, and we scratched and hit each other” trying to escape, she said. “After the shaking stopped we saw some light coming from the other side and screamed for help. I saw many dead bodies around us; a pillar had fallen down on top of them.”

Afroza is deeply traumatized by the experiences; she still can’t sleep, she said. When she closes her eyes she sees it all happening again, and she’s easily startled by loud noises.

Two days later, as bodies were still being pulled out, the crowd of bereaved and other onlookers became frustrated; pitched battles were fought with police, who retaliated with tear gas. It could be felt to the sixth story of an adjacent building, combining with the stench of rotting flesh, as I took notes and photographed the scene below.





### Fighting for Workers' Rights—and Winning—at Major Global Corporations

The day before the collapse, workers including Afroza were sent home at lunchtime because a crack had been identified in one of the pillars. Shahidullah Azim, vice president of BGMEA, told me the trade group had engineers inspect the building. Their recommendation was that nobody be allowed back inside until further assessments could be done.

The next day, BGMEA was there again, Azim said, warning the factory owners not to restart operations. What he told me happened next is as clear an indictment of the damage inflicted on Bangladesh by the cozy relationship between politics and business as any I've heard in my years living here:

“After some pressure from the owner of the building and the local member of Parliament,” he said, “the workers had to go to work again.”

Since the collapse of Rana Plaza, a number of schemes have emerged to rehabilitate the image of the garment industry—both Bangladesh's and that of the U.S. and European retailers it contracts with—and to implement standards of compliance.

For the brands, this has come in two pacts, the larger of which is the [Accord on](#)

**Fire and Building Safety in Bangladesh.** More than 100 brands are party to it, claiming to cover half of Bangladesh's garment industry, or about 2 million workers in 1,600 factories. The Accord, which was conceived and coordinated by the Geneva-based international union Industriall, among a handful of other groups including the U.S. Worker Rights Consortium, places legal obligations on brands for independent safety inspections of factories they contract with and commits them to carrying out necessary repairs and upgrades. Industriall's director, Jyrki Raina, told me that the Accord is "an historic breakthrough in international industrial relations that will make real changes to working conditions." Among its major signatories, the majority of which are European, is PVH, which owns brands such as Calvin Klein, Tommy Hilfiger, Speedo, and Izod. Others include Benetton, Inditex (Zara), H&M, and the U.K. supermarket giant Tesco.

The other major plan, known as the Alliance for Bangladesh Worker Safety, was created partly in objection to the Accord's legally binding nature. Johan Lubbe, an international labor and employment partner at Littler Mendelson, who is advising American retail and apparel industry associations, told a hearing of the Senate Foreign Relations Committee in June, "While the U.S. retail and apparel industry shares Industriall's goal to improve worker safety, U.S. companies raised several concerns regarding the Accord, including its vague and ambiguous terms, which potentially holds unlimited legal liability for them." European brands, he said, don't exist "in the same litigious environment" prevailing in the U.S., where companies can be sued in U.S. courts for actions overseas. (A [U.S. Supreme Court ruling](#) a few weeks later, however, may have sharply limited that ability.)

American giants such as Walmart, Sears, Gap, Target, and Macy's spearheaded the Alliance, which has 17 signatory brands based in North America. It has come under sharp criticism; Celeste Drake of the AFL-CIO said at the same Senate hearing that "unilateral schemes have already proven themselves ineffective, and their failures can be measured in corpses."

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Dr. Jens Stanislawski, at the Institute of Governance Studies at BRAC University in Dhaka, says that unsafe working conditions in Bangladesh's garment factories results not just from the political clout stemming from local industry's economic power. The apparel-manufacturing industry is so essential to Bangladesh's development that, like American banks that are "too big to fail," it has become too important to fail—both domestically and to Western governments. Foreign donors—governments' development agencies, institutions such as the World Bank, and nongovernmental organizations—need their programs to be perceived as successful in order for the programs to continue. Individual NGO employees

are similarly motivated to see programs they run “succeed” so as to advance their careers. With the donor-development programs performing the roles of training and inspection, says Stanislawski, the worker and building safety system becomes unaccountable, with a bias toward validation baked in. Moreover, by taking on responsibility for safety in the garment factories instead of leaving it to the companies that are profiting from low production costs, the development organizations—funded by donations and taxpayers—are effectively subsidizing hugely profitable multinational corporations. Local government responsibility, meanwhile, is abrogated.

Because money talks, moreover, donors’ demands are heard more than workers’. Stanislawski compared the situation in Bangladesh to that of a nation with a “resource curse,” whereby the affluence and importance of a sector lift it above accountability. Unions, meanwhile, are weak and liable to being co-opted by political parties; an October strike demanding higher pay, for example, petered out inconsequentially. So there is no organization, beholden solely to the workers, that has the power to demand better working conditions. If a union had represented the workers in Rana Plaza on April 24, many have pointed out, they could have collectively refused to reenter the damaged building.

Bangladesh’s government, for its part, has initiated a “tripartite action plan” composed also of workers organizations and employers with assistance from the U.N.’s International Labour Organization (ILO). The ILO’s Lejo Sibbel says it will attempt to ensure compliance for factories not covered by the foreign plans, coordinate on universal standards, and, with funding from development programs, train inspectors and workers alike.



### Concern in Action: Rana Plaza Is the Real Cost of Cheaper Clothing

All of these programs, and even more so the changes they aim to implement to raise the safety standards in Bangladesh, will cost money. Something in the retailers' business plans, whether it's the models getting paid hundreds of dollars an hour, the nine-dollar jeans they advertise, or the price consumers expect to pay for their 11th sweater, will have to change. Vidiya Khan, owner of local factory Desh garments, offers some perspective: Retail customers "are intent on not increasing" what they pay for clothes by "a penny," she tells me, "even after all the promises they made and compassion they showed after the Rana Plaza incident."

"With prices not increasing—even decreasing in some cases—and rising inflation" in Bangladesh, she asks, "how is it even fair that all the burden is passed on to the factory owners?"

Industry body BGMEA gave survivors of the fire at Tazreen 100,000 taka (\$1,277), as was its legal obligation. Girls like Shumaya have seen very little, however, from the brands. Some, including Anglo-Irish company Primark—which was sourcing from one of the factories inside Rana Plaza—and the German-Dutch brand C&A and Hong Kong-based buyer Li & Fung, both of which contracted with Tazreen, have offered compensation to victims and survivors of



factory accidents. Primark went so far as to pay the salaries of all 3,600 workers in Rana Plaza—over and above the 550 working the factory it was contracted with at the time of the collapse—for six months, and to spend \$3.2 million on aid for victims and their survivors, [reported \*The New York Times\*](#). Not a single U.S. brand that was selling goods made at Tazreen or Rana Plaza, including Sears, Walmart, and Children’s Place, has offered any compensation, even as it spends millions on stock repurchases, dividends to shareholders, and executive bonuses.

“We will continue to invest our resources in proactive programs that will address fire and building safety in the garment and textile industry in Bangladesh to help prevent tragedies,” a Walmart representative wrote in a letter to the International Labor Rights Forum.



*Jorina and coworkers outside Wal-Mart's office in Dhaka. They had been sewing clothes for the U.S. retailer when the Tazreen factory fire broke out and were seeking compensation from the company. Shortly after this picture was taken, they were dispersed by police on the grounds that protests in that part of town are illegal. (Photo by Joseph Allchin)*

Jorina is one of a group of former Tazreen employees who have asked Walmart

for compensation, taking at least one petition to its Dhaka office.

“When the accident happened, we were making products for Walmart,” she explains. We’re standing on a building adjacent to her old workplace, and she points to the fourth-floor window she jumped from. “We want them to give us compensation according to our wages, like 4300, 4600 taka [\$53–\$59]. Otherwise Bangladesh should not take [Walmart’s] orders anymore.”

Jorina has been working in the garment sector since she was 12. When she was orphaned in 2001, she came to the city, starting out at wages of about \$6.40 a month, she says.

The compensation she’s asking for may seem like a small amount, but she and other survivors are taking risks to earn it. Petitioning or protesting can be a dangerous business. Within moments of Jorina and a few dozen other workers’ unfurling a banner on the steps of the Walmart office, police show up—protests are illegal in the affluent area of Dhaka where its office is.

*Whether it’s the models getting paid hundreds of dollars an hour, the nine-dollar jeans they advertise, or the price consumers expect to pay, something will have to change. A local factory owner says customers “are intent on not increasing” what they pay for clothes, “even after all the promises they made after Rana Plaza.”*

Weak though it is, the ruling party seems to be taking steps to ensure it stays that way. Labor activist Mushrefa Mishu said the government arrested her after she organized demonstrations over working conditions in the wake of the factory disasters.

In the middle of the night, she said, “nine members of the detective branch went to my home, and they told me, ‘You have to come with us.’ I said, ‘Why? Who are you?’ They didn’t have any identity cards.”

Mishu and other labor activists regularly face intimidation and arrest. In 2012, a labor activist named Aminul Islam was found dead, his body showing signs of torture. Human Rights Watch reported that he died “under circumstances that raise concerns of involvement by Bangladeshi security forces.” Prior to his death, he was allegedly abducted and tortured by the secret services, known as the National Security Intelligence, or NSI.

The *Dhaka Tribune*, [citing intelligence sources](#), reported on surveillance of organizers by the government: “Intelligence agencies have been collecting personal information about hundreds of labour leaders, especially by tracking their mobile phone numbers to tap their movements and activities.”

Mishu told me that after she was arrested, her captors attempted to get her to join the ruling party.

Bangladesh is at a crossroads. The disasters that shook the industry could lead to competing countries gaining a share of the apparel industry at Bangladesh's expense, extinguishing the dreams of girls like Shumaya. (For the same reason, many are saying that a boycott of goods produced in Bangladesh isn't the right action for consumers or companies either.) Industrial head Jyrki Raina is not alone in envisioning "a new era for the Bangladeshi garment industry, whereby brands, trade unions, local employers, and authorities are all working together to make 'Made in Bangladesh' a label of pride." Observers fear that if improvements aren't seen soon, the EU might rescind the country's duty-free status, ruining the industry and the country's fragile economy. Neither would that help girls and women such as Shumaya, Afroza, and Jorina who are trying to work their way out of poverty.

Amid the attempts at change, Shumaya and her mother have spent all their savings on medical care, without much result. Campaigners tried to organize travel for Shumaya to Europe for treatment, but as a minor in Bangladesh, she couldn't get a passport without the signature of her father—who hasn't been in her life since Kala left him because he abused his wife. Funds were raised for Shumaya to receive radiation treatment at an upscale Dhaka hospital, but it hasn't helped. Her life is now in a countdown to its end.

#### **UPDATED April 1, 2014**

Shortly after this piece was published, the government of Bangladesh pressed charges against a factory boss for the first time. Delwar Hossein, owner of Tazreen Fashions, where Shumaya used to work, and 12 others were charged with criminal negligence.

In March, Shumaya died.