



Received: 11-04-2023
Accepted: 21-05-2023

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Bargaining or Begging? The Politics behind Bangladesh's Readymade Garment Workers' Unwinnable Demands for a Living Minimum Wage

Muhammad Saddam Hussain

Institute of Bangladesh Studies, University of Rajshahi, Rajshahi, Bangladesh

Corresponding Author: Muhammad Saddam Hussain

Abstract

Minimum wage policy is practiced in most ILO ratified countries with the intention of establishing income equality and for that living wage is primarily advocated for equity. This study reveals the complex relationship between wages, partisan trade unions' bargaining power, and workers' survival in Bangladesh's ready-made garment industry. Using a qualitative research methodology, the study collects data through in-depth interviews, focus group discussions, and document analysis to investigate the key variables driving the minimum wage and relating to its global and national partisan politics. The findings suggest that global value chains, disunity among federations, partisan politics for worker representative nomination, political obedience of civil society groups, government reluctance, and business elite dominance in policy regulations are the driving forces

for the determination of an inefficient minimum wage structure in the readymade garment industry. The study also finds global buyers interest in Bangladesh, but Bangladesh's apparel sector is not capable of meeting their demand due to labour unrest and political impasses that affect the region's inclusive growth. The analysis underlines the necessity for a comprehensive and inclusive approach to wage bargaining that addresses the core causes of low wages, engages all relevant stakeholders, and encourages the full implementation of Bangladesh's labour policies. The study contributes to a greater understanding of conflict-affected wage setting among trade unions, employers, and minimum wage bargaining boards by offering policy recommendations to support lasting industrial democracy and inclusive development in Bangladesh's garment sector.

Keywords: Collective Bargaining, Global Value Chains, Minimum Wage, Living Wage, Partisan Trade Unions

1. Introduction

Despite Bangladesh's RMG sector's impressive progress in tackling the challenges of growth, this sector has always been headline news around the world after a series of workplace tragedies. The impression of labour practises in Bangladesh, in particular in garment factories, is widely criticised for being "poor," "unacceptable," and "slave-like conditions," which include wages below living wages and excessive hours and days worked per week, discrimination, verbal and physical abuse, suppression of trade unions, and preventable disasters that result in hundreds and thousands of deaths every year. Bangladesh is one of the few countries in the world where minimum wages are set entirely according to industry. The rapid growth of Bangladesh's RMG sector is due to the blessing of the Multi Fibre Agreement between 1974 and 2005 and consistent low wages for surplus cheap labour, some of the lowest in the world, which triggered the holding of its competitive market place and always maintained a steady export rate. The minimum wage increase in Bangladesh's RMG sector has so far only been adjusted after violent protests and conflicts. BDT 627 taka was first set in 1983, and in the following two decades, in 1994, it was BDT 940. In 2006, it was BDT 1,662, in 2010, it was 3000 taka, in 2013, it was 5300 taka, and lastly, in 2018, it was 8000 taka per month. According to World Bank survey, Bangladeshi garment worker get lowest as per hour average wage (Gereffi and Frederick, 2010) ^[21]. Negotiations between labour leaders, business owners, and officials over how to set equitable pay while supporting communities, families, and the economy are contentious one and who gets what, when and how determine this landscape.

Bangladesh had the lowest unit labour cost from the very beginning compared to other RMG-producing nations (Muhammed, 2011) ^[58]. After the MFA's cession in 2005, this inevitably helped Bangladesh maintain its competitive advantage. Muhammed (2011) ^[58] utilises BIDS data to argue that in the 1990s, Bangladesh had a very low unit labour cost (\$/shirt), of \$0.11, compared to \$0.26 in India and \$0.43 in Pakistan. In 2010–2011, Bangladesh's minimum wage was \$58 per month, while it was \$85 in Vietnam, \$93 in Sri Lanka, \$121 in India, \$173 in China, and \$295 in Thailand (ILO, 2010) ^[30]. This trend has persisted. Moreover, the government has consistently given enormous opportunity in its labour regulation to maximise the

cheap labour supply in the ready-made garment industry from its inception (Mirza, 2013; Ullah, 2015) ^[52, 78]. Bangladesh has had an adverse impact on the lives of rural migrated poor workers from every corners of Bangladesh due to inflation rate. In 2022, the average inflation rate was as high as 11 per cent (Bangladesh Bureau of Statistics, 2022) ^[12]. Although the inflation rate has remained high till now. Life expenses are increasing day by day and as a result life is hard to maintain due to extremely low wages. Thus, with wages much below the poverty line, the condition of garment workers has improved little. They still lead hard lives, struggling to make both ends meet. With the increase in the price level, especially those of essential goods, their conditions are appalling. Thus, there is an ardent and pressing need to increase wages for garment workers. Bangladesh's low labour costs account for lower prices for products compared to other Asian nations, but the goods' quality, worth, and appeal remain unchanged.

2. History of Minimum Wages in the Clothing Industry

A minimum wage rule for workers in the textile sector was passed by King James I in 1604 in England. Minimum wages have been used as a component of governmental policy for more than a century in both industrialized and developing nations. It began in the 1890s in New Zealand and Australia before spreading to the UK in 1909 and the US in the ensuing 20 years (Newmark and Wascher, 2008) ^[60]. 90 percent of the world's countries have enacted a minimum wage system, up from more than 100 in the 1990s (ILO, 2008) ^[28]. International Labor Organization (2006) ^[27] urged its member nations to adopt minimum wages as international labor standards. The concept of a minimum wage in the manufactured clothing industry was first introduced as a way to prevent the spread of the sweatshop industry. Many women and young people in the sweatshop industries were paid low wages and had no power with their employers in terms of pay and compensation. Subsequently, minimum wage advocates raised their demands for fair wages in order to ensure the individual and family self-sufficiency of workers. The minimum wage is seen differently from country to country. In many countries, there is more than one minimum wage structure. Minimum wage differences are established in Indonesia. All clothing-exporting countries except Singapore have minimum wage regulations. India has a state-based minimum wage for its garment industry. The first minimum wage regulation was introduced in India in 1948. Bangladesh has inherited its minimum wage regulations from Pakistan since 1961. There are several minimum wage traditions around the world, some of which are extremely simple and some of which are very complex. There are variations based on age, occupation, and area. The Minimum Wage Fixing Convention 1970 (No. 13) of the International Labour Organisation has provided significant guidance on a number of concerns in the establishment of minimum wages. The living wage concept is significant among them. According to a World Bank assessment, although Bangladesh's textile sector saw a surge in productivity between 1980 and 1990, wages for workers did not rise as quickly (Haque, 2022). The government of Bangladesh last evaluated the wages of garment workers in 2018. The starting wage for a beginner garment worker in Bangladesh was set at BDT 8, 000 (US\$75).

3. The Booming Garment Industry and its Dark Side

In spite of all the disasters and negative headlines in recent years, Bangladesh's ready-made garments (RMG) sector is continuing on a trajectory of growth that has been running for several years. After China, Bangladesh is the second-largest exporter of garments worldwide. This industry is the major source of foreign exchange earnings for the country, contributing 80% of all exports (Sikder, 2019) ^[73]. In the late 1970s, the garment industry in Bangladesh began to develop as an export-oriented industry. The industry started with just 50 factories in the 1980s and now numbers around 7,000 (Mia and Akhter, 2019) ^[50]. Purchase orders in this industry are increasing at a rate of 15 to 20 percent every year (Rahman, 2016) ^[62]. About five million people are working as labourers in this sector, of whom 60 percent are women. The export-oriented garment sector contributes three-quarters of Bangladesh's total export earnings and 13 percent to GDP (Islam *et al.*, 2016). The largest importers of Bangladeshi garments are the USA, Germany, and the UK, France, and European Union countries. Bangladesh's ready-made garment industry is one of the source countries for global garment chain supply. The European Union is the second largest garment exporter in the world, and Bangladesh is technically the third largest exporter of ready-made garments (Mridha, 2022) ^[57]. The annual export revenue of this sector was 42 billion dollars in FY 2020–21. In 2022, China is the world's leading country in exports of ready-made garments (31.6 percent). Bangladesh is in the second position (6.8 percent) (Kaler Kantho, 2022) ^[33]. Annual export earnings from the garment industry were \$9.3 billion in 2007, followed by \$28.6 billion in 2016, and \$51 billion in 2021–22, which is 34 percent higher than in 2019–2020. The GDP growth rate of Bangladesh in 2021 is 6.94 percent, which is 3.49 percent higher than in 2020. Bangladesh's economic development has gained considerable attention and reputation in the world media over the past few years. In the fiscal year 2020–21, the per capita income of Bangladesh increased by 9 percent to 2227 dollars, which was 2064 dollars in the fiscal year 2019–20. Bangladesh's GDP has grown at a rate of 5 percent since 2005. According to Bangladesh's Planning Minister, Bangladesh has surpassed neighbouring India in terms of per capita income (The Indian Express, 2021) ^[77]. According to a Bloomberg report, Pakistan's economy was 70 percent richer than Bangladesh's in 1971. Now, 50 years after independence, Bangladesh is ahead of Pakistan in all economic indicators (Fazal and Erfan, 2022) ^[18]. Bangladesh is consistently ranked as the lowest-cost source of supply by buyers who source from a number of nations (Staritz, 2010) ^[75]. Due to the global supply chain, the wages of workers in the garment industry in Bangladesh lag behind the average wages not only in the Asia Pacific region but also in the world.

Though the readymade garment industry in Bangladesh has experienced rapid growth, the country has the lowest labor costs in the entire world. The monthly minimum wage for a garment worker is only about US\$ 63 (see fig.1). Some sources indicate that wages for sewers are 13 to 18 cents an hour, which is a low minimum level of wages to meet their basic needs (Feldman, 2009) ^[19]. Devastating fire accidents occur every day. The number of fatalities in the 2012 Tazreen factory fire and the 2013 Rana Plaza factory collapse catastrophe are beyond any description. The

meager salaries of textile workers in Bangladesh often become elements of debate and hot talk in global politics, but change is far behind. The textile industry is also a major polluter, causing between two and eight percent of global carbon emissions, according to the UN in 2022. As a result, Bangladesh's river is severely polluted. Due to their unethical desire to keep prices low and profitability high, western buyers have previously been criticised for turning a blind eye. As garments are produced as cheaply as possible, there is little concern about exploiting low-paid workers and creating unsafe working conditions. Inhuman pressure is given to workers. When the date for shipment of an order is close to meeting demanding shipment deadlines, management forces workers to work until midnight without any breaks. As a result, garment workers face frequent incidents in many factories, such as late payment of wages, unrealistic targets, unpaid overtime, cut overtime pay for lack of punctuality, failure to meet production targets, unnecessary conversation with co-workers, absence without leave, making mistakes at work, or protesting management.

4. Research Methodology

A qualitative approach has been employed in this study. A number of secondary sources have been consulted to substantiate the argument. The research study is descriptive in nature. Research for this study mainly used first-hand materials, journal articles, books, newspapers, national and international academic articles, and reports to conduct qualitative analysis and substantiate the argument. A non-probability-purposive voluntary sampling technique was used to establish first contact with the trade union officials. This sampling technique is used to select specific potential participants who will best be able to answer the research questions. Leaders of registered trade unions in Bangladesh have been invited to participate. The selection criteria used to determine which participants could be included in the sample were as follows: the participants were factory-based trade union leaders, including the president and secretary of a registered trade union federation in Bangladesh; they had agreed to be willing to participate in the study; and they had agreed to be willing to be interviewed while being recorded on an audio recording device. All the interviews were face-to-face and were audio recorded after voluntary informed consent had been obtained from the respective participants, thus ensuring that no information would be lost during the interview.

I interviewed a total of 35 individuals, including 10 workers, 10 federation leaders, 10 local trade union leaders, three garment factory owners, and government officials. As I aimed to explore the trade unions role and capability, I needed to interview the workers and their leaders. Interviews with workers were conducted to capture their thoughts about trade unions. Government officials were interviewed to learn about the institutional rules and regulations and how these are applied in practice to wage setting. Trade union leaders were interviewed for the purpose of collecting data regarding workers' rights and the trade unions' role in safeguarding workers' opportunities. Of the total 35 respondents, we conducted 30 in-depth interviews with workers, factory-based leaders, and federation leaders. I also conducted two focus group discussions with workers and federation leaders separately. Focus group discussions were conducted to find cross-cutting information to authenticate and validate the data

gleaned from other sources.

5. Research Objectives

No group has been more vocal in the struggle for wage increases than workers. Political unions have the ability to mobilize considerable members on political and social matters with segmented political platforms, countrywide structures, and wide-ranging activities. But to what degree have they served this purpose? This article aims to shed light on the role of partisan unions in demanding and establishing a living wage for workers in the ready-made garment industry. This article delves into these empirical questions through a few qualitative inquiries.

This study proceeds as follows: First, the various influencing factors that affect the minimum wage determination in the readymade garment industry of Bangladesh. I then put forth an argument that explains how collective bargaining functions as the most effective mechanism to establish a fair wage for the workers. Then analyse the ability of union-party alignment to facilitate effective negotiations with employers and the government. Using close personal interviews with respondents across trade union leaders, I find that members of politically affiliated trade unions tend to be weaker than non-political workers. Moreover, I find that alliances between union organisations and ruling parties weaken the political landscape of negotiation. And then I suggest that non-partisan unions are more effective conduits for collective bargaining if they maintain independence from ruling parties.

6. Research Questions

There are numerous influencing factors that affect the minimum wage determination in the readymade garment industry of Bangladesh. Collective bargaining functions as the most effective mechanism to establish a fair wage for the workers. How and why Bangladeshi trade union federations fail to achieve a legitimate living minimum wage in the readymade garment industry? In this context, there are many sub questions that need to be justified. Are trade union leaders strong enough to bargain accurately and effectively? Are legitimate living wage demands clearly conveyed from the trade union to the employer? Are proper and non-partisan strong labour representatives on behalf of the entire industry accurately selected?

7. Factors Influencing the Strength of Labor Unions

Keane (1992)^[34] describes three factors for a labour union's strength: paying the membership fee regularly, trade union members' willingness to participate in the activities arranged by the union, and the size of the union itself. Despite the union's large number of members, unions are weak because their members may be passive with respect to the labour union's activities or may not participate in the union's activities (Gall, 2005)^[20]. Kneitshel (1986) mentioned five influencing factors of a trade union's strength, including solidarity, independence of the labour union, democracy, unity, and responsibility. Additionally, member loyalty and willingness to join and work for unions are closely linked with the strength of labour union leaders (Kurovilla and Fiorito, 1984)^[44]. Posthuma (2009) emphasises the prevalence of collectivism and trust in labour unions to support and protect members' rights, which are substantially influenced by national culture. The power of unions is also

impacted by social, economic, and industrial changes in a variety of ways. Abbas (2007) ^[1] opined that due to privatisation, deregulation, job insecurity, and other factors, globalisation is now regarded as a key factor influencing the strength of labour unions. Bangladeshi labour scholars in particular have also identified some shortcomings that affect the strength of labour unions in Bangladesh. For instance, Rahman and Langford (2012) ^[66] have stated that trade unions' political subservience, corruption, nepotism, lack of a democratic union culture, and dominance by a trade union bureaucracy are the main weaknesses of labour unions in Bangladesh. Ahmed (2018) ^[5] has strictly mentioned that trade union rivalry and foreign aid weaken the actual strength of labour unions in Bangladesh. Mahmood (2008) ^[46] described that industrial relations in Bangladesh are highly politicised, and many conflicts are often created by political issues. Most of the trade union federations are politically affiliated with the major political parties. The Jatia Sramik League, Jatia Sramik Dal, and Jatia Sramik Parties are the labour wings of three major political parties that were in power after independence until now. These labour groups represent around 65 percent of the unionised employees in Bangladesh (Rahman, 2014) ^[67]. The trade union leaders of Bangladesh commonly maintain strong ties with a particular political party in an attempt to acquire various advantages, and garment industry union leaders are no exception to this character. An environment of distrust among the workers for their unions was created when trade unions became integrated into political parties, and as a result, the Workers Participation Committee (WPC) is being adopted in lieu of trade unions in the industry (Benjamin, 2020) ^[13]

8. Bargaining Power of Trade Unions in the Readymade Garment Industry of Bangladesh

Trade unions engage in collective bargaining in order to protect and improve the living standards of their members; the ability of a union to achieve this end rests upon its power. Although the power of one party to set or adjust the terms of exchange in its favour can be described in terms of economics, this ability depends on political and social elements in addition to economic ones and cannot be easily measured (Armstrong, Bowers & Burkitt, 1977) ^[9]. A comprehensive collective bargaining process can solve the problem of low wages. As workers are the ones who would most likely know what a fair salary is and would negotiate for it, this process becomes effective. Additionally, good and secure working conditions can be negotiated through collective bargaining. Therefore, through collective bargaining, the workers can jointly address the issues of pay and working conditions. Trade unions, employers' associations, channels of collective bargaining (such as bargaining councils), and collective bargaining agreements are all examples of collective bargaining institutions (Hayter and Weinberg, 2011) ^[22]. Collective bargaining would be the most practical way to address the trade-off between increasing low wages (Chartier, 2008) ^[14] and Bangladesh's economic edge due to its low labour expenses. Collective bargaining can also effectively address inequity at the workplace. But a partisan trade union representatives cannot negotiate due to party loyalty and government pressure. Any union power is mainly derived from its militancy and strike activity. Workers may join in the strike activity if their trade unions have efficient power to call strike. Joseph Shister

(1943) ^[72] in his "The Theory of Union Bargaining Power" postulate that the main elements determining the degree of bargaining power of a trade union can be classified into three basic categories:

1. The elasticity of the demand for the union in question;
2. The quality of union representatives;
3. The ability to strike successfully.

He also posited that the greater the elasticity of demand for union labour, the smaller the bargaining power of the union. The quality of union representatives lies in maximising wage rates compatible with remembering union elasticity of demand for labour, and not all union representatives possess the same quality of bargaining. The ability to strike effectively is the most crucial component of union bargaining power. The right of a union to strike is the first component of this ability to strike, and if a union has that right, the question of whether it can really win a strike emerges. Low-skilled and surplus workers generally have weak bargaining power. Bangladesh is a paradigmatic example of how a large percentage of low-skill workers results in lower potential labour power (Rudra, 2005) ^[70]. The low bargaining power of labour in Bangladesh is particularly evident in readymade garments. There is no doubt that Bangladesh's labour movement has been marked by intense inter-union rivalry that has consistently imposed limits on its collective bargaining power. Against this backdrop, in Bangladesh, between 3 and 4% of the entire population is unionised, but this percentage is mostly meaningless when judging their sphere of power (Azam and Salmon, 2004) ^[11]. Rahman and Langford (2012) ^[66] argue that the garment sector unionism is lacking in two major areas: a political opportunity structure that is adverse to labour unions, and the State's shameless subordination to the interests of capital. In another study, Rahman and tom Langford (2014) ^[67] claim that there is great polarisation and ideological difference likely anticommunism within garment industry unions which weakens the power of labour strikes. Mahmud (2010) ^[47] explains the garment workers fail to mobilize their rights in light of resource mobilisation theory and political process theory. Another significant factor is illustrated in Hossain's (2012) ^[26] study, which shows how weaker unions are at the bargaining table as a result of businesses relocating and how they are reluctant to assert themselves decisively on behalf of their legitimate demands due to fears of allowing business flight. The fragmentation of union federations and low density (only 1093 enterprise unions registered in around 5000 factories; DOL, 2022) ^[16] render concerted industrial action or threats ineffective. When it came to enlisting the traditional labour movement's weapons, trade unions in Bangladesh's garment federation owned poor associational power (Reinecke & Donaghey, 2015) ^[69]. The bargaining power of plant-level-based trade unions in multinational corporations is mostly inactive. These unions are willingly detached from mainstream political parties due to their international reputation for decent wages and working conditions. (Khan, Brymar and Koch, 2020) ^[36].

9. Minimum Wage Determination: Pitfalls and Prejudice

When the minimum salary is set as the maximum wage, employees lose the motivation to increase their productivity based on their talent (Newmark and Wascher, 2008) ^[60]. Moreover, when minimum wages stagnate despite productivity development, employees are denied their legal

and fundamental rights, and inequality rises. In addition, inequality increases when minimum wages remain stagnant despite productivity growth, depriving workers of fair and natural rights (Munshi, 2018) ^[59]. These initiatives are often seen as political gain, attracting general voters or increasing the popularity of one's political party. Minimum wage policies have created a growing debate over income inequality in countries ranging from advanced economies such as the United States, Germany, and Canada to emerging economies such as Indonesia, South Africa, and Bangladesh. There is much debate over whether higher or lower wages are good or bad in a labour market economy, but a sustainable and viable labour economy depends on how they are paid. The prevailing minimum wage structure in Bangladesh is a hybrid of minimum and market wages (Moazzem & Seherin, 2017). Generally, in formal sector the wage increase in Bangladesh is being implemented after a series of stakeholder negotiations involving workers, owners, politicians, researchers and government officials. Reaching to a consensus on wages in a maze of conflicting interests is not straightforward. The challenge arises not just in managing these competing interests, but also finding appropriate trustworthy information to facilitate decision-making. Data enables governments and worker representatives to comprehend income gaps and pinpoint action opportunities. Manufacturers typically object to giving away information about their cost structures. As a result, if the cost structures of the enterprises are not well known, it is difficult to determine how minimum wage rates threaten the enterprises. Furthermore, apparel entrepreneurs who fear increased operational costs and a decline in competitiveness generally object to an increase (Alamgir and Banerjee, 2019) ^[6]. On the contrary, minimum wages encourage workers who work in low-paid manufacturing positions to make ends meet. As workers are less compelled to look for higher-paying jobs, minimum wages can also result in employee retention in factories. Though we have noted that under pressure from foreign buyers, civil society, the government, and employers all consented to tripartite discussions on the wage issue, but attitudes haven't exactly been optimistic so far (Ahamed, 2012) ^[3]. Although Bangladesh does not have a distinct minimum wage law, the Bangladesh Labor Code contains recommendations for the creation of the Minimum Wage Board and its operations. It calls for the creation of a minimum wage board led by a chairman made up of representatives of the owners, the workers, and an impartial party. According to labor law, it is every employer's responsibility to pay employees' wages in accordance with the minimum wage. The ready-made clothing industry's compensation structure has climbed six times during the past 34 years, from 1985 to 2019. The Industrial Bangladesh Council (IBC) submitted the names of the preferred negotiators for the previous wage board negotiations on behalf of the 16 trade union federations of the apparel industry. However, the administration chose a different candidate for the position of representative. The labor unions have thus raised concerns about partisan politics in this instance. Before every minimum wage determination, the government makes an announcement of a sector-level trade union representative in the minimum wage board of Bangladesh. This provision provides the worker's representation of interests and their right to be heard. But the underlying politics of this selection for the workers are admittedly costly. Many prominent labour leaders doubt this

partisan selection is a politics of obedience and patron-client relationship in the representation of employees. This partisan bargaining system is questioned by many federation leaders, given many suggestions facing in this industry.

10. Business Elite Domination and Political Obedience in Readymade Garment Industry

The political system in Bangladesh severely restricts the legal safeguards and the practical voice of workers due to the importance of the readymade garment industry to the nation's economy and the close ties between political leaders and factory owners (Mosley, 2017). It is undoubtedly proven that democratic governments are more likely to protect workers' rights than the interests of a small number of elites. Global buyers move their orders, and employers do not want to risk their order cancellation due to any labour unrest and workers do not wish to lose their jobs in any way. So, there is partisan politics in managing trade unions and the state apparatus at any cost (Kabeer & kabir, 2009) ^[31]. Workers participation committees are management own creations not by workers (Rahman, 2014) ^[67]. High-level political engagement is prevailing in business in Bangladesh, and the garment industry is now benefiting from those connections. From a broader perspective, the Bangladesh government has depended on garment employers for economic growth. Garment employers are strongly represented in parliament and have benefitted accordingly (James *et al.*, 2018). Although the government acceded to international pressure to improve labour standards, the Labour Act of 2006 was introduced with inadequate resourcing many years after the garment industry became Bangladesh's leading sector (Rahman, 2014) ^[67]. Employers' power and profitability were never endangered (Ahmed *et al.*, 2014; Alamgir and Banerjee, 2019) ^[4, 6]. In the 1990s, business interests used the BGMEA to mobilize for electoral power in place of urban middle class politicians (Kochanek, 1993; Kochnek, 1996; Kochanek, 2000) ^[39, 40, 38]. Additionally, it is noteworthy that a significant number of national parliamentarians come from business and industry (between 57% and 56% in the past and current parliaments). The prominence of garment manufacturing within Bangladesh's business sector as a whole suggests that it is likely that a significant percentage has personal interests or close connections with the industry, even though a number for RMG owners among businesspeople in parliament is not apparent.

11. Denying ugly truth? Global Value Chains and Buyer Preferences

With the advent of globalisation, developing countries are now heavily involved in global value chains, with their proportion of trade in these chains estimated to be around 33% in 2011. To reduce costs of international trade, buyers seek to build links with suppliers who have longer value chains. International trade has substantial external transaction costs, which affect both the level of the traded goods and the level of the trading partners. These transaction costs could exist between trading partners and involve, among other things, asymmetric information issues, language hurdles, cultural differences, and unfamiliar foreign contractual enforcement institutions (Hollweg, 2019) ^[23]. Therefore, longer value chains within the supplier lower importer transaction costs. In the past decade, the factories of the garment sector in Bangladesh have faced an

intense competitive challenge compared to the previous period. Delivering products at a low cost and in a short time while maintaining high quality and meeting social and environmental compliances is a robust challenge in the garment industry. A study report titled *The Garment Costing Guide for Small Firms in Value Chains*, published by the International Trade Centre (ITC), revealed that factories in Bangladesh are generally supplying products at low prices or are being forced to (Rahman, 2021) ^[64]. Besides, in most cases, Bangladesh only sews products according to the orders of international buyers and is not able to design, innovate, or create new clothes on its own. Therefore, buyers in this sector are only coming to purchase products at low prices. Therefore, the volume of garment exports from Bangladesh's manufactured garment sector is not only increasing, but other aspects of quality are not (The Business Standard, 2022). In the columns published by many experts in the garment sector, these facts have emerged: the major problem of the garment industry in Bangladesh is that the sector is dependent only on cheap labour. To a large extent, its quality or diversity is failing to reduce product manufacturing or delivery lead times compared to its competitors like India, Vietnam, and Cambodia (Hossain, Kabir, & Latif, 2019). So, the global garment sector's leading brand suppliers and retailers are largely responsible for the lowest wages in the ready-made garment sector. In some Asian countries minimum wages are adjusted annually. But that trend does not continue in Bangladesh (ILO, 2008) ^[28]. The Minimum Wage Recommendation 1970 No (135) mentions certain criteria for minimum wages in developing countries. Such as the needs of the worker and his family, the general level of wages in the country, cost of living and growth, social security benefits, comparative living standards, compatibility with other classes of people, etc. (Yuruad and Saget, 2005). A study conducted by Oxfam showed that only two percent of the price of a garment sold in Australia is paid to workers as wages (Haq, 2022). Besides, in-depth analytical research is needed on inflation, impact on profits and overall impact on employment. Moazzem (2018) ^[53] urges garment owners' organizations to involve global buyers in determining proposed minimum wage. Because the factory owners do not want to increase wages if the brand buyers in the world market do not increase the price of the clothes. Bangladesh's manufactured garment sector is an integral part of the global supply chain. Asian countries occupy about 55 percent of the global textile and apparel export market. But the sector is in a fragile position in terms of production costs and automation processes. As a result, there is always unrest regarding the low wages and working environment of the workers in this sector. Over the past three decades, the employment structure of the Asian apparel sector has become a partner of global supply chains. The main buyers in this sector are multinational companies from western developed countries and they buy products from suppliers. Suppliers procure garments from various contract and sub-contract factories. Asian garment factories survive in this business through intense competition. And this has a direct impact on the wages and working conditions of workers in this sector (ILO, 2022) ^[29]. The businessmen of the garment industry of Bangladesh have been doing business with various opportunities since the inception of this business and day by day this business has expanded and become the main export product of

Bangladesh. Behind the growing growth of this business are the uneducated half-fed women (Rahman, Habibullah and Masum, 2017) ^[63] who are not even paid the minimum wage to survive. The high-profit mentality of the factory owners as well as international brand buyers is behind this reason. (Kabir *et al.*, 2022; Mark, 2019) ^[32, 49]. Taking advantage of the easy availability of labour in the labour market of Bangladesh, employers employ workers for cheap labour. Due to this, the income disparity between workers and owners has increased uncontrollably. Not only the owners are responsible for the low wages in the Bangladeshi garment sector, but the global supply chain is also responsible. One of the reasons why foreign buyers are ordering more business from Bangladesh is that Bangladesh is able to supply goods to global buyers at lower prices (Mridha, 2022) ^[57]. And as a result of producing goods at low prices, many third world countries, including Bangladesh, are forced to supply those garments with low wages to workers in this sector (Ahmed, Greenleaf and Sachs, 2014) ^[4]. According to the global supply chain, most of the RMG factories in Bangladesh are located in the production manufacturing category whose main work is based on CMT (Cut, Make and Trimming) (Appelbaum and Gerefi, 1994) ^[8]. This manufacturing-dependent business has complex issues like bid value, lead time, offshoring, outsourcing, etc. Keeping all these factors in mind, one has to survive by competing fiercely with other countries.

According to Minimum Wage indicator (2019) the cost of labour in Bangladesh is \$63. The cost of labour in Vietnam, Bangladesh's closest competitor, is \$151 (Minimum Wage indicator, 2019). Effectively, Bangladesh will not lose its competitive advantage as long as the cost of labour remains below \$151. If the monthly income is raised to meet living expenses of a family by way of collective bargaining, wages will increase by \$15. The new wage \$78 which is far below \$151 but at the same time ensures that the financial positions of workers are now enhanced. Furthermore, it also gives room for additional increase in wage so as to enable workers to save as well, as long as the monthly wage remains below. A study reveals that about 60 percent garment workers hardly manage their life with their monthly salary (Afrin, 2014) ^[2].

12. Local Issues or Global Concerns? Problems Surrounding in Determining Wage System in Garment Value Chains

With very few exceptions, national minimum wage structures are employed to determine settle in the worldwide apparel sector. Workers in the apparel industry face a complex value chain that is structurally unbalanced, and future wage increases may be jeopardised by a loose, consumer-driven, outsourced system of production. Therefore, in the context of Bangladesh's role as a major source of textiles for the apparel industry, which is supported by world-class manufacturing standards and ethical purchasing practises, collective intra-organizational negotiation between buyers and suppliers is likely to be necessary to agree on a labour value that can deliver any future wage increases within manufacturing standards with the aim of improving efficiency. There are numerous factors that affecting the garment workers wage issues such as unexpected natural calamity, apparel shipments, high inflation, power cuts, electricity crisis, low productivity and lack of skill market, lack of backward linkages and long lead

times, end market and product diversification, limited regional integration, inadequate physical and Bureaucratic structure, consumers' buying preferences. So, there are multidimensional problems in global value chain business. And it needs a comprehensive research to accommodate wage bargaining and global buyers are now aware of this. So, they are also ready to enhance wages of low paid workers if they lead to higher labour productivity (Miller and Hohenegger, 2016) ^[51]. Garment industry accounts for more than 80% of the country's exports and are especially crucial now after its dollar reserves plunged nearly a third in last year, hitting a seven-year low. So due to high inflation resulting from the Russia-Ukraine war, businesses are passing through tough times. In the last two months, first due to a scorching heat wave, and then the cyclone, have put more stress on apparel companies. Owner now claim that many factories are now running on power generators fuelled by expensive diesel and business have changed a lot after the covid-19 pandemic. Western consumers are now more inclined to spend on tourism and other experiences rather than on spending money for garment items.

13. Discussions and Findings

The unbearable sufferings of life have practically demotivated the workers to maintain their families. Furthermore, the recent price hikes have degraded their lives more severely. A female respondent in a garment factory, in a focus group discussion, alleged:

"I am in need and have no better options; that is why I have chosen to work in the garment industry; otherwise, I would have stayed at home and done 'Ranna banna' (cooking and others household work) work for my family. I feel bad, but what can I do? I have to live somehow. But we are being sinful because it is our curse that we are born poor. We live for only to live; we never dream of fulfilled lives."

Garment workers cannot think of the labour movement as the solution to their problem. For the factory-based trade union leader, as the respondent workers overwhelmingly opined, the trade union movement has been a form of political ladder to grab a party position for the central leader. For example, in his interview with me, a male factory-based trade union worker in a garment factory says:

"Sramik union and federation (trade union federation) leaders work mainly for their self-interests and also for the interests of the owner. They pretend as they work for the workers. After they are elected as President and/or Secretary of the trade union, they become agents of the factory. The workers elect them for the interest of the workers but they local trade union leader do not keep their promises once when they are elected."

Another labour activists worker, interviewed by the author, further stated:

There is hardly any effective 'Sramik Andolon' (labour movement) in garment because of disunity among the workers and our leaders. Had there been unity, there would be a real labour movement. Our labour leaders just say, we are looking after solving

your problems, you just go to work. Now federation office becomes the training and workshop centre for workers improvement in which buyers and international donors donate funds. We go back to work and they continue to look at our problems not to look after solving them. Only they know what they look at and what they look after!

A factory manager affords congenial environment if he gets competitive price for manufactured products. So, he claims that price is one of the best supportive conditions for better working environment. According to him,

"If something is very cheap, you have to ask yourself, and is it really possible to make it in a factory that is run properly, with a living wage?"

Federation trade union leader thus stated that:

"Trade unions that are overly politically oriented and skew excessively towards a particular political party will run into issues at a certain time because you cannot serve two gods: your members and the political party."

Many so-called federation leaders are intended to serve the powerful factory owners' interests while those of the leaders only serve their self-interests at the expense of the workers interests. The leader either due to compulsion or for their ill motives, make the factory-based union representatives weak and loyal to owner due to their inability to meet the workers' expectations. And factory owners make a strategic and supportive financial alliance with labour leaders to control workers. Factory owners require support from the leader and leader render this for their personal benefit. This view is perhaps most explicitly stated by a labour leader:

"Ideologically, the primary goal of labour unions is to grow membership, serve their members' interests, and advocate for policies that benefit the working class, no matter the political landscape. But what scenario is present in our country? They are agents of political parties for showing their strength in the streets, and when antigovernment political parties try to call any protest or hartal (strike), pro-government party cadres are used with all state force violently. In the garment industry, we cannot organise against this local pro-government party labour cadres. There are many economic as well as political interests in every garment area. Garment owners manage those ruling local labour political leaders who constantly suppress us, though we never voice our opposition to any injustice. When any big problem arises, then workers spontaneously leave the factory, protest on busy roads, block public transport, and the police and labour department always threaten us to stop our workers by blaming us for being behind in this labour unrest; otherwise, we might be in prison. So we are now treated as 'special interest groups' that don't work for the workers' good and I'm sorry to say that many of us have owned cars and flats with illegal wealth.

Power of trade union depends on its non-partisan character through which it can pressure on employers and demand

their rights. But power comes from mediating interest, delivering right channel. So, a labour leader rightly said that:

‘Being right is not enough to demand; you also need power to make a demand fulfilled.’

Modern factory-based trade unionism requires true representation of workers and integrity in the leadership for the benefit of the collective. The different tiers of leaders exhibit fragile unity and strength due to state-repressive laws towards workers. This fragmentation is reflected at both the individual worker level and at the sectoral collective bargaining level. There are partisan politics that engender disunity and disintegration among the workers. Our respondents overwhelmingly pointed to their integrational problems as impeding progress towards their collective goals. So, there is a ‘divide and control’ policy to weaken the workers’ unity and strength and a political opportunity theory to suppress any democratic and representative labour movement, and as per agent theory, labour leaders play an agency role in maintaining the owners unquestionable dominance.

My descriptive research and the speeches of the respondents are increasingly focusing on the complexity of the demanded wage increase. The present literature of this article provides ample empirical evidence of worker representative failings. In this paper, I extend the literature by showing the external and internal factors affecting the bargaining power of Bangladeshi labour unions in the context of the global value chain of the garment industry. My empirical evidence indicates that most of the federations are questioned as real unions due to their over politicised character as well as their partisanship linked to their ideological sympathy (Siddiqi, 2015) ^[74]. This is concerning, as their political affiliation can undermine the legitimacy of their bargaining capability in the eyes of the workers. That is, the workers may see the trade unions as a political institution, undermining the non-partisan and independent nature of the institution.

14. Conclusion

In the garment industry, where pay collective bargaining is rather sporadic, minimum wages are essential. Only if workers are paid the legal minimum will minimum wages fulfill its core goal of offering wage earners with essential social protection against unduly low wages. Bangladesh’s industrial relations system will be strengthened if factories have the framework and processes to ensure monitoring and enforcement of compliance with agreements, OSH, workplace amenities, welfare standards, paid leave, and wages (Lupo and Verma, 2020) ^[45]. In regards to the previous wage increase, garment workers apparently show their unhappiness over their wages, even after the proposed increase. They always protest by smashing vehicles and blocking traffic at various garment sites in Dhaka, Gazipur, Chattogram, and Narayanganj following the announcement of the wage increase. Very often, the agitated workers are aided by mysterious outsiders. There is no denying that discontent exists amongst the workers due to the unbearable price hikes and hardships they endure to maintain their families. The challenges facing the Bangladesh garment industry are multidimensional. In order to sustain itself, the industry needs to get regular orders from international buyers. These buyers favour factories that maintain low

prices, a short lead time, and the best quality. The cost of cheap and surplus labour is one of the prime factors in Bangladesh’s rapid growth in garments. Workers and trade union leaders say wages are not sufficient to give workers a decent life due to the high cost of living. The manufacturers also complain that if they increase wages, they will not survive; arguing for a fragile recovery from the global economic crisis. So, to handle such complex politics, employers should negotiate with worker representatives as a bargaining partner for business, not as beggars. And workers should avoid militancy and destruction on the occasion of wage issues. No one wants the worker leader or the owner to be the villain; without the happy life of the worker, the owner cannot succeed in business.

15. References

1. Abbas Q. Globalization, privatization and collective bargaining of labor: A time series analysis of Pakistan 1973-2004. A monograph prepared for 8th Global conference on business & economics, October 18-19th 2008, Florence, Italy, 2007.
2. Afrin S. Labour Condition in the Apparel Industry of Bangladesh: Is Bangladesh Labour Law 2006 Enough? *Development Country Studies*. 2014; 4(11).
3. Ahamed F. Can trade unions play an effective role in defending workers’ rights in the Bangladesh ready-made garment industry? *Cell*. 2012; 61:p0433051172.
4. Ahmed FZ, Greenleaf A, Sacks A. The paradox of export growth in areas of weak governance: The case of the ready-made garment sector in Bangladesh. *World Development*. 2014; 56:258-271.
5. Ahmed MU. Trade union movements in Bangladesh: Issues, agenda and legislation, 2018. Disponible à l’adresse <http://jatiyosramikjote.org/pub.php> [consulté le 24 juin 2020].
6. Alamgir, Fahreen, Subhabrata, Bobby Banerjee. Contested compliance regimes in global production networks: Insights from the Bangladesh garment industry. *Human Relations*. 2019; 72(2):272-297.
7. Anner M. Binding Power: The Sourcing Squeeze, Workers’ Rights, and Building Safety in Bangladesh since Rana Plaza, Penn State University, CGWR Research Report, 2018.
8. Appelbaum RP, Gereffi, G. Apparel Commodity Chain. *Global production: The apparel industry in the Pacific Rim*, 1994, p 42.
9. Armstrong KJ, Bowers D, Burkitt B. The measurement of trade union bargaining power. *British Journal of Industrial Relations*. 1977; 15(1):91-100.
10. Ashraf, Hasan, Rebecca Prentice. Beyond factory safety: Labor unions, militant protest, and the accelerated ambitions of Bangladesh’s export garment industry. *Dialectical Anthropology*. 2019; 43:93-107.
11. Azam JP, Salmon C. Strikes and political activism of trade unions: Theory and application to Bangladesh. *Public Choice*. 2004; 119(3-4):311-334.
12. Bangladesh Bureau of Statistics. Consumer Price Index and Inflation Rate, 2022.
13. Benjamin A. Riots Contra Global Capital: Globalization and the Bangladeshi Workers’ Movement. *West Virginia University Historical Review*. 2020; 1(1):p3.
14. Chartier G. Sweatshops, labor rights, and competitive advantage. *Oregon Review of International Law*. 2008; 10:149-188.

15. Decan Herald. Sweatshops: The dark side of industrial industry, 2023. <https://www.deccanherald.com/business/business-news/sweatshops-textile-industrys-dark-side-1211664.html> (accessed on 23 May, 2023)
16. Department of Labour, Bangladesh, (DOL). Garment industry Trade union registration, 2022. <http://103.48.18.197/en/trade> (Accessed on 16 May, 2023).
17. Eyraud F, Saget C. The Fundamentals of Minimum Wage Fixing, Geneva, International Labour Office, Grimshaw D and Muñoz de Bustillo R. Global comparative study on wage fixing institutions and their impacts in major garment producing countries. International Labour Organization (ILO), 2016.
18. Fazal MS, Irfan A. A Comparison of Pakistan and Bangladesh's Economic Development: An Analysis. *Journal of Professional Research in Social Sciences*. 2022; 9(1):1-13.
19. Feldman S. Historicizing garment manufacturing in Bangladesh: Gender, generation, and new regulatory regimes. *Journal of International Women's Studies*. 2009; 11(1):268-288.
20. Gall G. Organizing non-union workers as trade unionists in the "New Economy" in Britain. *Economic and Industrial Democracy*. 2005; 26(1):41-63.
21. Gereffi G, Frederick S. The Global Apparel Value Chain, Trade and the Crisis: Challenges and opportunities for developing countries. *Global Value Chains in a Post crisis World: A Development Perspective*. The World Bank, 2010, Working paper 5281
22. Hayter S, Weinberg B. Mind the gap: Collective bargaining and wage inequality. In *The role of collective bargaining in the global economy*. Edward Elgar Publishing, 2011.
23. Hollweg CH. Global value chains and employment in developing economies. *Global Value Chain Development Report*, 2019, p63.
24. Hoq, Naimul. Bangladesh's Garment Industry Boom Leaving Workers Behind, *Inter Press Service (USA)*, 9 February 2018), 2022. <https://www.ipsnews.net/2018/02/bangladeshs-garment-industry-boom-leaving-workers-behind/>(accessed on 10 May, 2023)
25. Hossain J, Akter A. State of Bangladesh's RMG sector Tripartism and The Scope of Harmonious Industrial and Labour Relations, 2015. http://ejcls.adapt.it/index.php/ejcls_adapt/article/view/884
26. Hossain Jakir. Economic Security for the Working Poor? Trade-Linked Labor Standards, Workers' Rights, and the Politics of Representation of Bangladesh's Garment Workers. PhD thesis, University of Trento, 2012.
27. ILO, 2006. Minimum Wage Fixing Convention, 1970.
28. ILO. Global Wage Report 2008/09 (Geneva), 2008.
29. ILO. Social Dialogue Report, Collective bargaining for an inclusive, sustainable and resilient recovery, 2022. Available at http://www.ilo.org/global/publications/books/WCMS_842807/lang--en/index.htm(accessed on 16 May, 2023)
30. International Labour Organisation (ILO). Global Wage Report, International Labour Organisation, Geneva, 2010.
31. Kabeer N, Kabir AH. Citizenship narratives in the absence of good governance: Voices of the working poor in Bangladesh. *IDS Working Papers*. 2009; 331:1-65.
32. Kabir H, Maple M, Islam M, Usher K. The paradoxical impacts of the minimum wage implementation on ready-made garment (RMG) workers: A qualitative study. *The Indian Journal of Labour Economics*. 2022; 65(2):545-569.
33. Kaler kantho, 2022. পোশাক রপ্তানিতে আবারও দ্বিতীয় স্থানে বাংলাদেশ, (Bangladesh again avail second position in apparel export) 02 December, 2022. Accessed on: <https://www.kalerkantho.com/online/business/2022/12/02/1209063> (last viewed on 05 May, 2023)
34. Keane J. *Disorganized capitalism: Contemporary transformations of work and Politics*. Cambridge: Polity Press, 1992.
35. Key Informants Interview. Personal interview with senior trade union federation leaders conducted in their respective office, 2022. dated from October 12, 2022 to 30 December, 2022
36. Khan MA, Brymer K, Koch K. The production of garments and textiles in Bangladesh: Trade unions, international managers and the health and safety of workers. *South Asian Journal of Human Resources Management*. 2020; 7(2):276-292.
37. Khan, Mohd Raisul Islam, Christa Wichterich. Safety and labour conditions: The accord and the national tripartite plan of action for the garment industry of Bangladesh. *International Labour Organization*, 2015, p113.
38. Kochanek SA. The Growing Commercialization of Power, in R. Jahan (ed.), *Bangladesh: Promise and Performance*, London/Dhaka: Zed Books/University Press Limited, 2000.
39. Kochanek SA. *Patron-Client Politics and Business in Bangladesh*, Dhaka: University Press Limited, 1993.
40. Kochanek SA. The Rise of Interest Politics in Bangladesh, *Asian Survey*. 1996; 26(7):704-722.
41. Kummritz V, Quast B. Global value chains in developing economies. *Vox EU*, 2017. Available at: <https://voxeu.org/article/>
42. Kurpad MR. Made in Bangladesh: Challenges to the ready-made garment industry. *Journal of International Trade Law and Policy*. 2014; 13(1):80-96.
43. Kurpad MR. Made in Bangladesh: Challenges to the ready-made garment industry. *Journal of International Trade Law and Policy*. 2014; 13(1):80-96.
44. Kuruvilla S, Fiorito J. Who will help? Willingness to work for the union. *Relations Industrielles*. 1984; 49:548-575.
45. Lupo L, Verma A. Labour standards compliance in the global garment supply chain. Evidence from ILO's better work program on the role of unions and collective bargaining, Geneva [Online], 2020.
46. Mahmood MH. Sharing the pie: Trade unionism and industrial relations in multinationals in Bangladesh. *Sri Lankan Journal of Human Resource Management*. 2008; 2(1):28-45.

47. Mahmud S. Why do garment workers in Bangladesh fail to mobilize. *Citizenship and social movements: Perspectives from the global South*, 2010, 60-86.
48. Manik, Julfikar Ali, Yardley, Jim. Building Collapse in Bangladesh Leaves Scores Dead, N.Y. TIMES, Apr. 24, 2013.
<http://www.nytimes.com/2013/04/25/world/asia/bangladesh-building-collapse.html?pagewanted=all>(accessed on 23 May, 2023)
49. Mark A. Squeezing workers' rights in global supply chains: Purchasing practises in the Bangladesh garment export sector in comparative perspective, *Review of International Political Economy*, 2019. Consulté le 11 décembre 2020 à. Doi: <https://doi.org/10.1080/09692> (Accessed on 14 May, 2023)
50. Mia S, Akter M. Ready-made garments sector of Bangladesh: Its growth, contribution and challenges. *Economics*. 2019; 7(1):17-26.
51. Miller D, Hohenegger K. Redistributing value added towards labour in apparel supply chains: Tackling low wages through purchasing practices (No. 994936893302676). International Labour Organization, 2016.
52. Mirza H. Political settlement dynamics in a limited-access order: The case of Bangladesh, 2013.
53. Moazzem, Khondaker Golam Md, Arfanuzzaman, Livelihood Challenges of RMG Workers: Exploring Scopes within the Structure of Minimum Wages and Beyond. Centre for Policy Dialogue, Working Paper. 2018; 122:p4. Consulted on December 11, 2020: <https://cpd.org.bd/wp-content/uploads/2018/12/CPD-Working-Paper122-Livelihood-Challenges-of-RMG-Workers.pdf>(Accessed on 14 May, 2023)
54. Moazzem KG. New Minimum Wage of the RMG Sector: Addressing the Issues of Non-Compliance in Implementation. CPD Working Paper 129. Dhaka: Centre for Policy Dialogue (CPD), 2019.
55. Moazzem KG, Raz S. Minimum wage in the RMG sector of Bangladesh: Definition, determination method and levels (No. 106). Centre for Policy Dialogue (CPD), 2014.
56. MOLE. নিম্নতম মজুরি বোর্ড,সেক্টর ভিত্তিক নিম্নতম মজুরি(Minimum wage board, sector wise minimum wage), last viewed on 02 May, 2023, 2022. <https://dife.kishoreganj.gov.bd/en/site/files/IDZM->
57. Mridha RU. Bangladesh gets up to 83% lower price than rivals, 2022. The DailyStar, 13 October, 2022, last viewed on 30 April, 2023
58. Muhammad A. Wealth and deprivation: Ready-made garments industry in Bangladesh. *Economic and Political weekly*, 2011, 23-27.
59. Munshi F. Do Minimum Wages Reduce Employment? Some Empirical Evidence from Bangladesh. *The Bangladesh Development Studies*. 2018; 41(3):57-72.
60. Neumark D, Wascher WL. Minimum wages. MIT press, 2008.
61. Noman SMS. Determination of minimum wage for garments worker in Bangladesh ensuring firm's profitability. *International Journal*. 2013; 2(3).
62. Rahman M. Contemporary analysis and progression of fashion industry: The instance of Bangladesh history. *Journal of Economics and Sustainable Development*. 2016; 7(9):12-17.
63. Rahman M, Habibullah M, Masum M. Readymade garment industry in Bangladesh: Growth, contribution and challenges. *IOSR Journal of Economics and Finance (IOSR-JEF)*, 2017.
64. Rahman, Mustafizur. Should Bangladesh be worried about Vietnam's apparel performance? The Daily Star, 2021. 11 Aug, 2021, <https://www.thedailystar.net/views/opinion/news/should-bangladesh-be-worried-about-vietnams-apparel-performance-2149416>> (last viewed on 10 May, 2023)
65. Rahman S. Broken Promises of Globalization: The Case of the Bangladesh Garment Industry. Maryland: Lexington Books, 2014.
66. Rahman Z, Langford T. Why labour unions have failed Bangladesh's garment workers. *Labour in the global South: Challenges and alternatives for workers*, 2012, 87-106.
67. Rahman Z, Langford T. International solidarity or renewed trade union imperialism? The AFL-CIO and garment workers in Bangladesh. *Working USA*. 2014; 17(2):169-186.
68. Randolph, Gregory, Panknin, Knut. Global Wage Debates Politics or Economics, 2015. <https://www.justjobsnetwork.org/> (Accessed on 21 December, 2022)
69. Reinecke J, Donaghey J. After Rana Plaza: Building coalitional power for labour rights between unions and (consumption-based) social movement organisations. *Organization*. 2015; 22(5):720-740. Doi: <https://doi.org/10.1177/1350508415585028>
70. Rudra N. Are workers in the developing world winners or losers in the current era of globalization? *Studies in Comparative International Development*. 2005; 40(3).
71. Salam MA. Minimum Wage in Bangladesh's Ready-made Garment Sector, McLean Global Consulting, Inc, 2014. (Bangkok, Thailand: NIDA)
72. Shister J. The theory of union bargaining power. *Southern Economic Journal*, 1943, 151-159.
73. Sikder MAR. A review of Textile industry in Bangladesh. *Int. J Adv. Multidiscip. Res*. 2019; 6(3):9-14.
74. Siddiqi DM. Starving for justice: Bangladeshi garment workers in a 'post-Rana Plaza' world. *International Labor and Working-Class History*. 2015; 87:165-173.
75. Staritz C. Making the cut: Low-income countries and the global clothing value chain in a post-quota and post-crisis world. World Bank Publications, 2010.
76. Syed RF. Theoretical debate on minimum wage policy: A review landscape of garment manufacturing industry in Bangladesh. *Asian Journal of Business Ethics*. 2020; 9:211-224.
77. The Indian Express. Bangladesh beats India in per capita income, 2021. <https://www.newindianexpress.com/business/2021/may/20/bangladesh-beats-india-in-per-capita-income-2304942.html> last viewed on 02 May, 2023)
78. Ullah A. Garment industry in Bangladesh: An era of globalization and Neo-Liberalization. *Middle East Journal of Business*. 2015; 55(2031):1-13.
79. মোয়াজ্জেম, গোলাম খন্দকার ও সহরীন, ফারজানা বাংলাদেশের পোশাক খাতের প্রতিযোগিতা সক্ষমতা এবং সামাজিক অগ্রগতির একটি বিশ্লেষণ, ২০১৭. <https://www.protichinta.com/বাংলাদেশের-পোশাক->

খাতের-প্রতিযোগিতা-সক্ষমতা-এবং/ (last viewed on 11
May, 2023)

Appendices

Table 1: Current Minimum Wages Structure for Readymade
Garment Sector in Bangladesh (2019)

Grade of Workers	Basic Wage(BDT TK)	Housing Rent	Medical Allowances	Transport	Food Allowances	Total Salary
1	10938	5469	600	350	900	18257
2	9044	4522	600	350	900	15416
3	5330	2665	600	350	900	9845
4	4998	2499	600	350	900	9347
5	4683	2342	600	350	900	8875
6	4380	2190	600	350	900	8420
7	4100	2050	600	350	900	8000
Apprentice	2750	1375	600	350	900	5975

Source: Ministry of Labor and Employment, Gazette Notification, Wages Board Branch, 24 January 2019