

Factory fires highlight myriad problems of labourers

BR RESEARCH (November 29, 2012) : The growth of clothing retail giants across the globe do come at a very hefty price - the pitiable living and working conditions of labourers in developing countries where the manufacturing task has been outsourced to. The fire in Bangladesh's Tazreen factory last weekend highlights this phenomenon quite aptly. Over 100 factory workers lost their lives as a fire broke out in the clothing factory's building, with some bodies too badly burnt to be identified. Once again, the deplorable conditions in which factory workers, often women, are being highlighted by the local Bangladeshi and international media. At a minimum wage of slightly over 43 dollars per month, nearly 3.4 million workers in 4,500 factories across Bangladesh continue to work long hours cutting and sewing apparel that is sold for way above the makers monthly salary. Among the many things brought to light are the deplorable work conditions for these cheap labourers. There was no fire exit towards the outside of the building and factory managers had allegedly told workers to return to work even though fire alarms rang and smoke had started spreading. Bangladesh is not the only one mired by such incidents. In September this year, a fire at a garment factory in Karachi killed nearly 300 people. It was called the worst factory disaster in Asia since a fire in a Thai toy factory in 1993. Because the global supply chain for these items is so fragmented, such that the clothing retailers do not even know which factory exactly produced an item on their shelves, checks on safety standards in factories cannot be made. Clothing for retailers such as Walmart, European brand C&A, Hong Kong's Li & Fung and the US rapper and actor Sean "Diddy" Combs were found in the Tazreen factory. "Its really the whole problem we have with global supply chains. The global brands have taken a distance from the responsibility of the workers that actually make the product," Judy Gearhart, executive director of the International Rights Labor Forum was quoted by CNN. As China's competitive advantage wanes relative to poorer Asian countries like Bangladesh and Pakistan, clothing retailers are moving to the latter for outsourcing the manufacturing of price-sensitive products such as apparel. It is not surprising that textile exports form a significant percentage of total exports from these countries. It highlights the dilemma of a burgeoning population, where the abundance of people and lack of skills and education means that many are willing to work for a small amount in deplorable work conditions. But while Gearhart's comments about global brands being oblivious of how their products are being made holds true, such incidents should also raise alarm bells for governments of the respective countries. Besides ensuring a minimum wage policy and monitoring working conditions in industrial areas for safety standards, they ought to pay heed to better employment opportunities for the billowing population too. Its a simple demand-supply phenomenon; more jobs for workers will mean greater demand for the glut of unemployed workers in the country, and better wages and salaries as a consequence. Better social amenities such as healthcare and education will go a long way in reaching this end.