

# Issues of Sustainable Procurement and Labour Practices: A Case Study of Bangladesh Clothing Industry

Masego Mothudi

Head of Procurement, Procurement and Supply Unit, Josmot, Gaborone, Botswana.

Email - [masegomothudi82@gmail.com](mailto:masegomothudi82@gmail.com)

**Abstract:** This paper explores and discusses a wide range of procurement matters that relate to sustainability issues in the garment industry. A specific case of Bangladesh apparels industry is used to highlight some of the critical factors that surround sustainability procurement and labour practices in the industry. The study explores a number of sustainability issues facing the garment industry in Bangladesh. Key among these issues includes; non-living wages, long working hours, gender discrimination, violation of freedom of association and unsafe working environment. There is evidence of violations on each of these sustainability issues. The study recommends promotions of fair labour laws, creation of safe work environments, facilitate trade union activities and continuous inspections of work place environments.

**Key Words:** Sustainable Procurement, Labour Practices, Clothing Industry, Bangladesh.

## 1. INTRODUCTION:

The clothing industry in Bangladesh is marred by cases of huge numbers of employees who get injured at work and gross statistics on employee fatalities at work. Buildings collapsing and equipment failing causing injuries and fatality is an indication that the industry has unsafe work environments for the employees. The health of employees is also at risky as the workplace is poorly ventilated, unhygienic with less than adequate toiletry facilities. A ratio of 1 toilet for 61 female and 1 toilet per 31 is quite unreasonable and inadequate for a health work environment. More so, employees working with dye chemicals are not accorded ideal ventilation and safe work environments.

## 2. LITERATURE REVIEW:

Ethical Trading Initiative (ETI), the arm of the International Labour Organisation (ILO) provides for the labour conventions that must guide labour practices and define the tripartite relationship in United Nations member countries. The provisions of ILO and ETI forms the basis of this case study. Across the globe, the tripartite stakeholders are guided and abide by the ILO provisions.

The Rana Plaza, tragedy in 2013 that led to the loss of 1136 lives was a major indicator that labour practices were not sustainable in Bangladesh. There were obvious labour practice violations that could have been addressed should the supply chains were effectively auditing their partners. Major clothing firms in the global space such as Marks and Spencer source from this market but did not conduct due diligence to rectify this challenge before it was a tragedy (ILO, 2015).

Gross violations of the ETI conventions were rampant in the clothing industry at that time, yet the industry is notable for being the main source of fabric products across the globe. Supply chains that link up with his supply market acted negligently in the prevention of labour abuse and improvement of employee conditions (Portney, 2015).

## 3. MATERIALS:

This study utilises materials such as articles and publications about the 2013 Rana Plaza tragedy and Tarzeen incident. The study also forms its basis from the ILO labour conventions and best practices.

## 4. METHOD:

The study was conducted in an open setting of the clothing industry of Bangladesh but the case study approach permitted the researcher to study industry as a whole. A holistic case study approach was espoused. A case study is a research method that is 'viewed as a useful tool for the preliminary, exploratory stage of a research scenario, as a basis for the development of the 'more structured' tools that are necessary in subsequent surveys and experiments (Zainal,

2007). The researcher assumes that this study shall build up in-depth knowledge for other evaluative quantitative studies in future.

## **5. DISCUSSION :**

Sustainability generally refers to the creation and adopting of long lasting approaches to productions processes and resources management in societies (Naumann, 2012). Sustainability also concerns how the business community gives back to the society in form of corporate social responsibility (CSR). The obvious expectation of the community and society at large is that the companies within their vicinity shall assume responsibility of maintaining the communities and even upgrade them (Naumann, 2012). Therefore, under sustainability approaches the companies are expected to actively participate in projects that benefit the society at large.

There are three common focus areas of sustainability in supply chains. These include; people social values and their health, profitability and economic prosperous for all supply chain members and protecting the planet (the ecological environment) (Pfister, 2018).

### **The People**

People working in supply apparel chains and those that are affected by the operations of the apparel industry are the central focus of the sustainability measures (Pfister, 2018). It is expected that key organisations benefiting from the apparel products should either individually or collectively engage in corporate social responsibility projects and activities that benefits the communities and society at large where the apparel industry operates in (Redclift, 2006).

This also involves other humanitarian responsibilities such as promotion of local employment, avoiding child labour, eradicating modern slavery and upholding the social fabric that keeps the society intact (Pfister, 2018). Further, companies in the apparels industry are expected to train and develop their employees since many a times and majority of their employees are young employees who are not qualified in any professions.

### **Planet**

The protection of the ecological environment is a major concern in sustainability approaches (Portney, 2015). As advocated by the Sustainable Development Goal 12, responsible consumption of natural resources and eco-friendly production processes are the main concern of sustainability (Redclift, 2006). Supply chains are required to ensure that their production processes are not damaging to the environment.

Key focus areas of environmental sustainability include the waste management, chemical and hazardous substance disposal as well as reduction of carbon footprint in production processes (Redclift, 2006). These approaches contribute towards reducing the damage to the environment and ensure that natural resources are preserved and optimized for the future generations. Ideally, use of renewable sources of energy and recyclable materials has been recommended for some time in the corporate world and communities now (Portney, 2015).

### **Profit**

The business longevity is a major principle of sustainability. In the apparel supply chain many manufacturers in developing countries such as Bangladesh, India and China are not paid reasonable financial rewards (Redclift, 2006). This deprives the factories a reasonable lifeline in the long run. It is the mandate of all supply chain members to ensure that there payment of fair prices and salaries in the entire supply chain. The going concern of business organisation is the main focus in sustainable profitability management (Portney, 2015).

All members of the supply chain are entitled to fair financial gains. All negotiations conducted in the supply chain should no oppress the vulnerable parties. Employees are also eligible for a living wage while suppliers need fair profit margins for survival and the continuity of their business (Redclift, 2006). Supplier forums and employee trade unions are essential for pushing the agenda of economic sustainability in the apparels supply chain. Negotiations should be conducted fairly and allow small to medium enterprises to achieve profit taking prices for their survival and growth (Portney, 2015).

## **6. RESULTS & ANALYSIS :**

The United Nations in 2015 adopted 17 sustainable development goals (SDGs) that include SDG number 10, which is about to reduce inequalities and responsible consumption and production as SDG 12. These goals are discussed in detail below, particularly as they relate to the apparel industry.

### **Reduced Inequality**

The aim of this SDG is to ensure that there is no wide gap between the poorest and the richest. This is stimulated by the fact that 40 percent of the global income is owned by only the richest 10 percent. This indicates that there is currently a huge discrepancy between the poor and the richest (United Nations, 2014). The income inequalities are also

very evident between the developed and developing countries. The per capita incomes in these two regions suggest a huge income difference (United Nations, 2014).

Bangladesh, irrespective of the fact that it is among the major producers of apparel product in the world, is one of the developing economies is one among the least performing economies. The country has a estimated per capita income of USD\$2000 as of 2020 compared to per capita income of USD\$40 000 for Japan during the same period (United Nations, 2014).

The apparel industry in Bangladesh and in other countries in general such as Indonesia, Taiwan, China, India and Pakistan is under paid. Employees working in this industry and the general populations in these nations have low quality of life compared to other nations that depend on other industries such as mining, service provision among others. For example, Canada, Australia and United States have developed economies. The mining nations are better paid compared to the other nations that rely on agricultural activities.

### **Responsible Consumption and Production**

The main focus area for this SDG is to encourage manufacturing organisations to reduce the ecological footprint (United Nations, 2014). Companies are challenged to adopt sustainable production and consumption processes that are environmentally friendly in order to reduce pollution (United Nations, 2014). This goal is a result of the increasing demand of environmental friendliness necessitated by climate change. There is also increasing advocacy on recycling and reusing material both at domestic and corporate level especially in the developing countries (United Nations, 2014).

The business community is therefore charged with due diligence when procuring resources keeping in mind the need to safeguard the ecological environment (United Nations, 2014). The procurement strategy, therefore, ought to exclude suppliers who do not have ecologically friendly products and production process. This development saw many companies across the globe adopting renewable sources of energy for their operations such as solar power energy (United Nations, 2014).

In a similar manner, members of the community and the public in general are also charged with the responsibility to minimize consumption of non-biodegradable material and consider using renewable resources. Reusing and recycling are highly advocated across the globe. Consumer products are currently under a major transformation with many producer adopting smart strategies that result in ecofriendly product types and uses. This is all aimed at promoting responsible consumption and production (United Nations, 2014)

## **7. FINDINGS :**

This study discovers that Bangladesh clothing industry lacks the best supply chain and labour practices benchmarked across the globe. Some of the key notable practices include; provision of safe work environment, payment of living wages, eradication of child labour, adoption of efficient production systems.

### **Provision of Safe Work Places**

Apparel industry is marred with occupational health and safety issues threatening the lives of the employees and members of public in general (Barrientos & Dolan, 2006). Notable best practices include creating a safe work place by installing safety equipment such as fire alarms, fire extinguisher, guides for the stairs and personal protective equipment for all the employees (Barrientos & Dolan, 2006). Procurement officers should avoid sourcing from suppliers with unsafe working environments.

More so, electrical installations are done safely to ensure workplace safety. All chemicals used in fabrics are also kept and used responsibly to avoid causing damage to both human life and the environment during use and disposal (Barrientos & Dolan, 2006). Employers also have a mandate to provide clean and hygiene work places for their employees. These include provision of designated eating-places, ablution facilities and ensure that there is adequate ventilation and lighting in the workplace environment (Hartman, Arnold & Wokutch, 2003).

### **Payment of Living Wages**

Most of the factories in the apparels industry pay too low salaries to their employees mainly because they are young and unqualified. This practice is unethical. The employers in this industry should adopt the best practices by paying living wages, allow their employees to join the trade unions of their choice (Hartman, Arnold & Wokutch, 2003). Employers also invest in building the skills for their staff, especially when dealing with the unqualified and young personnel (Hartman, Arnold & Wokutch, 2003).

### **Eradication of Child Labour**

Child labour is illegal and unethical but very common in the apparels industry (Hartman, Arnold & Wokutch, 2003). The best ethical sourcing practice is to avoid any suppliers using child labour. Also reporting such an illegal and unethical practice is a requirement (Hartman, Arnold & Wokutch, 2003). It is according to the best practices that the procurement officers exercise due diligence when selecting suppliers so as to avoid engaging suppliers that are involved in child labour.

### Use of Efficient Productions Systems

Suppliers are encouraged, as the best practice, to adopt the efficient production processes to reduce wastes and carbon footprint that harm the ecological environment (Barrientos & Dolan, 2006). Suppliers have a mandate to ensure responsible use of natural resources and renewable resources so as to ensure that there is full utilization of resources. More so, efficient production systems ought to promote reuse and recycling of the natural resources (Barrientos & Dolan, 2006).

### 8. RECOMMENDATIONS :

There are several strategies that can be adopted to permanently improve the working conditions for the garment workers in Bangladesh. Some of the essential strategies include; promotions of fair labour laws, creation of safe work environments, facilitate trade union activities and continuous inspections of work place environments.

#### Promoting Fair Labour Laws

The garment workers in Bangladesh work under oppressive labour conditions because the employers disobey the labour laws of the country as well as international labour laws as provided by the International Labour Organisation (ILO) and Ethical Trading Initiatives (Thompson, 2021). To improve working conditions in this industry, there is need for emphasis on compliance to labour laws in the apparels industry in Bangladesh. The government has a mandate to enforce the labour laws (Thompson, 2021).

#### Create Safe Work Environments

The employers in the apparels industry should be required to build structures that must be inspected thoroughly and be fitted with all safety equipment and facilities such as fire alarms, fire extinguishers and safe exits (Redclift, 2006). The employers should desist from exposing employees to hazardous chemicals. Buildings should also have adequate ventilation and lighting.

#### Enhance Trade Unions

Employers should accommodate trade union work activities and their employees should have freedom of association with trade unions (Thompson, 2021). No employers should discourage or victimise employees who choose to be members of the trade union. The employers should consider recommendations of the trade union in making decision in the workplace (Thompson, 2021).

#### Continuous Inspection of Workplace Environments

The government and industry regulating authorities should organise series of unannounced site inspections checking for compliance to ensure that employers are always complaint to safety standards Redclift, 2006). Factories that fail compliance inspections and check must be shut down until corrective measures are in place. It is also imperative that fair salary scales are structured for the garment workers in Bangladesh.

### 9. CONCLUSION:

In conclusion violation of labour practices are damaging to sustainable procurement. The supply chain members must be vigilant in enforcing the applicable laws. Collective effort by tripartite stakeholders must never be relegated.

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