

## **“Garment Administration in the Perspective of Good Governance”**

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### ***Introduction***

*Genesis of governance is related to the genesis of society. For the management of family governance was started its voyage. Its form has been changed with time. Governance reflects the core value of an organization. It depends on the ultimate aims of the organizations. So, it varies from organization to organization. In this chapter, I have been tried to represent garment governance (administration) in the perspective of good governance. At independence in 1971, most observers of the newly emerged country took a pessimistic view about the developmental prospect of Bangladesh. Many thought that the country would remain permanently locked in a 'below poverty level equilibrium trap'. Although there is little room for complacency Bangladesh has come a long way from there. About two-fifths of the economy is now connected with the global economy through exports, imports, factor and commodity markets; the degree of openness of the economy currently stands at 40%. Bangladesh can now rightfully claim that she has graduated from a predominantly aid receiving nation to a trading nation. The export-oriented RMG sector has made crucial contribution to this abovementioned transformation of the Bangladesh economy. The role of our RMG entrepreneurs, domestic fiscal and financial, institutional policy support and incentives put in place by successive governments, substantial RMG-supportive linkage activities within the domestic economy and global market opportunities combined to create a story which is, to be honest and true, unparalleled in the developing world. When jute and jute goods were losing their traditional markets, with the prospect of drastic fall in foreign earnings it is the RMG sector which came in first to replace it, and then to overtake it. While traditional export sector could not yield expected results, the RMG sector gradually injected dynamism in the export as well as in the domestic economy through backward and forward linkage economic activities. Some recent incidents are remained our mind that we have to take care of our RMG industry and revise its governance system for the protection our economy. We cannot spoil this sector as jute industry.*

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### **Objective of the Chapter**

- Analyzing the existing garment administration in the perspective 8 characteristics of good governance.
- Giving possible solution.

### **Methodology**

This chapter is one type of content analysis. Data and Information have been collected from

- News Paper
- B.B.C. News
- Journal
- Research paper
- Seminar
- Websites etc.

### **What Is Governance?**

Governance means way of governing. It is a way of interaction between superior and subordinate. Form of governance depends on the form of interaction. It may good or bad.

Governance refers to all processes of governing, whether undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through laws, norms, power or language. It relates to processes and decisions that seek to define actions, grant power and verify performance.

The word governance derives from the Greek verb κυβερνάω [kubernáo] (meaning to steer, the metaphorical sense first being attested in Plato). In above-described sense, however, the term governance was coined as recently as the 1990s by economists and political scientists, and disseminated by institutions such as the UN, IMF and World Bank. The Worldwide Governance Indicators project of the World Bank defines governance as:

“The traditions and institutions by which authority in a country is exercised.”

According to the Governance Analytical Framework (GAF), governance can be defined in broader terms. It refers to the "processes of interactions and decision-making among the actors involved in a collective problem, that lead to the creation, reinforcement or reproduction of social norms and institutions". Governance processes are found in any society, and they can be analyzed from a non-normative perspective, the GAF

**Forms of Governance:** Governance can look at any of the following relationships

- Between governments and markets,
- Between governments and citizens,
- Between governments and the private or voluntary sector,
- Between elected officials and appointed officials,
- Between local institutions and urban and rural dwellers,
- Between legislature and executive branches, and
- Between nation states and institutions.

### **What Is Good Governance**

Good governance is an ideal form of governance.

### **According to the World Bank**

“Good governance is the manner in which power is exercised in the management of a country's economic and social resources for development.”

The concept of "good governance" often emerges as a model to compare ineffective economies or political bodies with viable economies and political bodies.

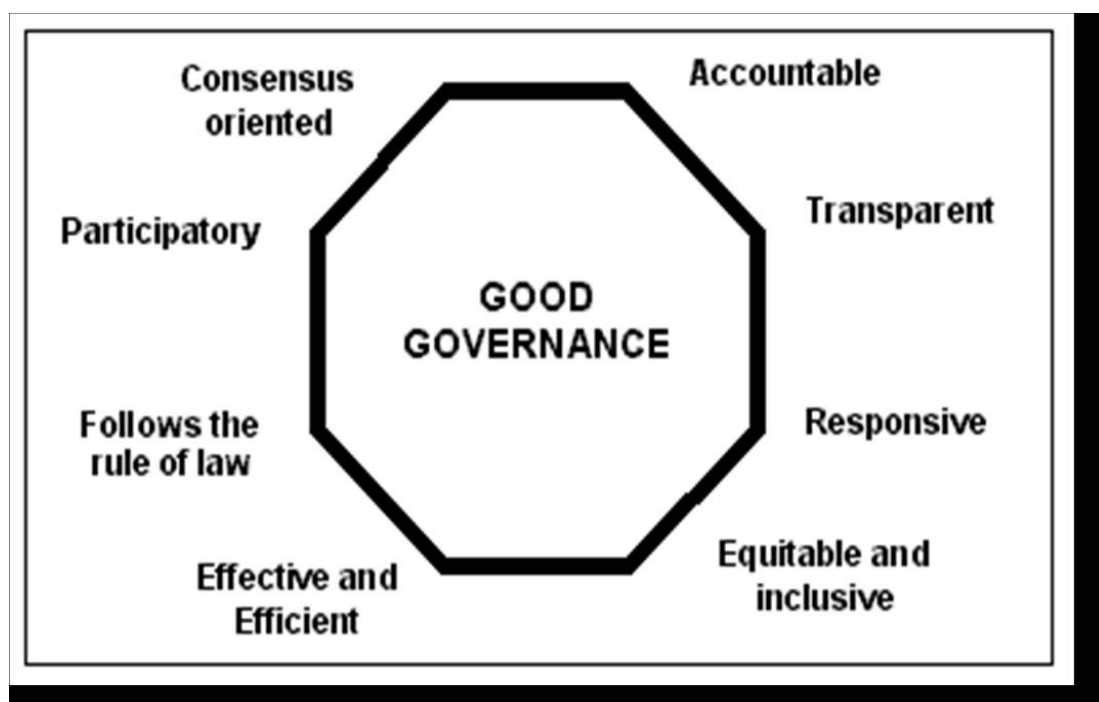


Good governance relates to political and institutional processes and outcomes that are deemed necessary to achieve the goals of development. It has been said that good governance is the process whereby public

institutions conduct public affairs, manage public resources and guarantee the realization of human rights in a manner essentially free of abuse and corruption, and with due regard for the rule of law. The true test of "good" governance is the degree to which it delivers on the promise of human rights: civil, cultural, economic, political and social rights.

### **Eight Elements of Good Governance**

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. Good governance is responsive to the present and future needs of the organization, exercises prudence in policy-setting and decision-making, and that the best interests of all stakeholders are taken in to account.



#### ***Rule of Law***

Good governance requires fair legal frameworks that are enforced by an impartial regulatory body, for the full protection of stakeholders.

#### ***Transparency***

Transparency means that information should be provided in easily understandable forms and media; that it should be freely available and directly accessible to those who will be affected by governance policies and practices, as well as the outcomes resulting therefrom; and that any decisions taken and their enforcement are in compliance with established rules and regulations.

#### ***Responsiveness***

Good governance requires that organizations and their processes are designed to serve the best interests of stakeholders within a reasonable timeframe.

### ***Consensus Oriented***

Good governance requires consultation to understand the different interests of stakeholders in order to reach a broad consensus of what is in the best interest of the entire stakeholder group and how this can be achieved in a sustainable and prudent manner.

### ***Equity and Inclusiveness***

The organization that provides the opportunity for its stakeholders to maintain, enhance, or generally improve their well-being provides the most compelling message regarding its reason for existence and value to society.

### ***Effectiveness and Efficiency***

Good governance means that the processes implemented by the organization to produce favorable results meet the needs of its stakeholders, while making the best use of resources – human, technological, financial, natural and environmental – at its disposal.

### ***Accountability***

Accountability is a key tenet of good governance. Who is accountable for what should be documented in policy statements. In general, an organization is accountable to those who will be affected by its decisions or actions as well as the applicable rules of law.

### ***Participation***

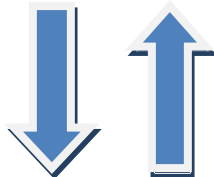
Participation by both men and women, either directly or through legitimate representatives, is a key cornerstone of good governance. Participation needs to be informed and organized, including freedom of expression and assiduous concern for the best interests of the organization and society in general.

## **Garment Administration: Perspective of Good Governance**

Analysis garment administration in the perspective of good governance can look at the following two relationships:

- 1. Between Government and RMG industry- aim at ensuring national economic growth and social justice.
- 2. Between RMG organization and it's stakeholder-aim at profit maximization.

**Government of Bangladesh**



**Garment Industry,  
Workers  
Employees and Workers**

**Garment Industry**



**Employees and  
Workers**

## **Between Government and RMG industry**

The aim of the govt. to govern **RMG** industry is to ensure economic growth and social equity. Before Analyzing the relationship between Bangladesh Government and RMG industry in the perspective of good governance at first we have to know the organizations that are involved in the interaction.

### ***Government organization***

Ministry of Commerce, Labour Directorate, The Department of Labour (DoL), The Export Promotion Bureau (EPB), Ministry of Industries, Ministry of Finance, Local government institutions etc.

### ***Owner's Association***

Bangladesh Garments Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) etc.

### ***Labour's organization***

Karmojibi Nari (Working Women) Bangladesh Institute of Labour Studies (BILS) Trade Unions

### ***Others***

Factories and other organizations. [N.B.-Those organizations are briefly discussed in the chapter-3]

A RMG industry should be approved by 19 organizations for starting its operation. By and large every approval organizations are not performed their role properly. There are no record and information about their activities. There are no data base on the RMG sector. Without proper and specific information Government cannot oversee their activities. For this reason, they commit crime in their duty. They permit the new RMG factories without considering their (RMG factories) quality. They give approval to RMG factories by taking bribe.

According to TIB investors have to give bribe to 16 government services organizations for establishing new industry. RAJUK takes large amount of bribe among 16 organizations.

<b>organizations</b>	<b>Amount of Bribe</b>
Fire Service and Civil Defiance	5000-4000tk.
City corporation/Pauroshava/Union	1000-30,000tk.
Department of Environment	10,000-1,20,000tk.
Investment Board	10,000-20,000tk.
EPB	2000-10,000tk.
NBR	5000-25,000tk.
Custom and excise	1,00000-2,50,000tk.

Joint stock company	30,000-40,000tk.
DESHA /DESCO	50,000-100000tk.
Titas Gas	50,000-100000tk.
WASHA	10,000-50,000tk.
Total	254,000-749,000tk

**Source:** Prothom Alo-01/11/2013

For the approval of building design and land transfer certificate it has to give 3,58,000 tk. and 30,000 tk. Bribe to RAJUK.

Though In recent time, GOB has prepared a database on about 3000 garments industries, there are no devise to make transparent these approval organizations.

- Without transparency accountability cannot be ensured. There is lake of accountability between GOB and garment sector. Government has no effective mechanism to make accountable to these organizations. Many unfeasible or unfit factories get approval by giving bribe. As a result different accidents have been occurred. Some foreign associations have been conducted inspection to identify risk of factories and suggested to stop their activities and developed their conditions.
- Weak governance is the root of all troubles in the country's garment industry. According to Sobhan, part of the problem lies with the dysfunctional regulatory regime. "How do we regulate when nobody could be held accountable?" he questioned. He also blamed the current trends in politics for the misfortune in the garment sector. Political parties must get rid of the politicians like the owners of Rana Plaza.
- 10% of our MP have garments industry. So every law and rules are made according to the interest of owners. Our govt. has reduced source tax ('utso kor') from 0.8 to 0.3 on the export of RMG. But they cannot ensure minimum wage of the labours.
- Government of Bangladesh is responsive to owners, but in the question of labour scenario is not same. In this fact depends on the will of owners. Because owners are the big tax payer of the country. Countries economy depend on their investment.

### **Between RMG organization and it's stakeholder**

RMG industry is governed for profit maximization by owners and different owners' organizations. In this interaction holds between owners /owners associations and workers/workers associations.

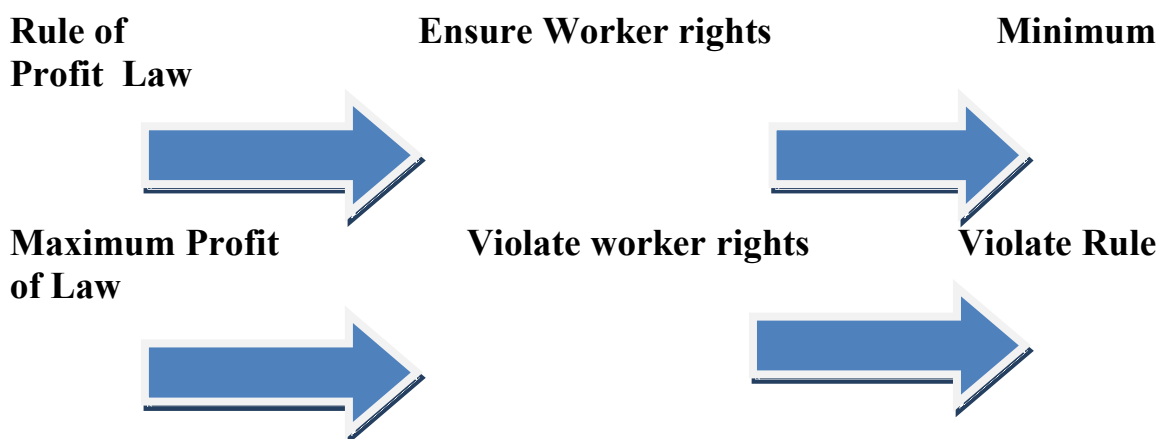
- There is lack of transparency between owners/owners associations and workers/workers associations. Owners do not publish their economic activities and profit to workers and workers associations. Most of the time owners try to create obstacle to create labour association.

- Owners are able to ensure accountable of the workers by various mechanism. Some time they treat illegally to workers. But they (owners) are not accountable to the workers.
- There is a set of rules and regulations for conducting RMG factory which are set by BGMEA. In practical, it does not follow. Every factory runs in their own way based on profit maximization. Without common rules accountability cannot be ensured.
- Participation of workers is very low in decision making process and owners are not responsive to workers and rule of law is absent.

According to TIB lack of good governance is responsible for terrible accidents in RMG sector. Corruption become institutionalized. TIB suggested 25 recommendations in 31/10/2013 .In April,2014 a follow-up seminar was held by TIB, said that Ensuring good governance in RMG sector 102 initiatives has been taken 9% not improved , 60% has been improved, 31% are being implemented.

### Myth of the Rule of Law

Contradiction between rule of law and organizational goal:



There is a contradiction between rule of law and organizational goal. Rule of law tells the equity and justice and equal rights. But if equal rights are ensured profit will not be maximized. Organizational goal will be violated. on the other hand, if any organization want to maximize profit rule of law will be violated.

### End of the Day...

- Overall national economic growth is ensured national 'Probridhi' is increased 5.6%
- Organizations maximize their profit.
- In the light of 8 features, good governance is not ensured.

### Conclusion

A factory has to maximize their profit for sustaining in the competitive market otherwise they will be finished. From their profit they accumulate



capital and invest again. It is the system of capitalist market. So, owners always try to exploit workers for profit maximization. Good governance cannot solve the problem. In capitalist economy, ensuring good governance is as building a castle in the air. Main problem is capitalism that aims at economic development. In the capitalist economy everything is considered in monetary scale. But human should be first priority. If all things are considered in the perspective of human, every thing will be okay and labours cannot be exploited.

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