Editorial

2 Editorial
Lesley Pocock

Business

3 The impact of advance management accounting techniques on performance: The case of Malaysia
Abdullah Mohamed Ahmed Ayedh, Chaabane Oussama Houssem Eddine

14 Garment Industry in Bangladesh: An Era of Globalization and Neo-Liberalization
Anam Ullah

Environment

27 Evaluation of increasing susceptibility of areas surrounding Kala Bagh Dam, Pakistan to flood risk: A review
Amna Butt, Aisha Khan, Sheikh Saeed Ahmad

33 Pakistan Environmental Movement Revisited
Rabail Urooj

Education

38 Al Ghurair Group: A Crossroads in Corporate Strategy
Vimi Jham, Anupam Mehta, Eric Van Genderen

46 How to avoid the rejection of your manuscript
Mohsen Rezaeian

Society

48 Use of illegal toxic alcohol is killing hundreds every year in Pakistan; family physicians have to play a more proactive role in saving precious lives
Manzoor Butt

55 Is Neoliberal Globalization Grief for Labour? An Experience of Bangladeshi Garment Industry
Anam Ullah
From the Editor

Living in a material world

The paradox of the global garment trade has been the subject of many articles and much research.

On one hand it has the ability to lift national economies (e.g. Bangladesh) while not properly recompensing workers or providing safe working places for them. From the point of view of the workers however, usually women from very poor areas, a slave wage is often better than no wage and it does offer the same women some independence and dignity, albeit within an environment where their dignity or safety is not a priority at all.

The garment trade can also be seen as a false economy or an unnecessary luxury market as it caters to human wants - as opposed to human needs - it caters to the needs of those who are slave to fashions, or brand name driven, not to any basic need for human covering or bodily protection. We certainly do not have a global garment shortage.

Land given to growing cotton or grazing sheep for wool to be made into under-valued (globally affordable) products could be used to provide food for those humans who do not have access to sufficient for their needs.

And as the garment trade lifts the economy in countries like Bangladesh, they also sow the seeds of its destruction as the global companies look to even poorer countries for their outwork to maintain their extremely lowly paid workforces to swamp the market. These low paid workforces artificially lower the price of the garments for sale, perpetuating the supply of goods at low prices and this perpetuates their close to slavery conditions and thus allows the continuation of the cycle.

If we are to see the entire planet as a source of goods and (cheap) labour, then perhaps we should have global governance on these issues to protect workers in all countries, rather than decisions being made by those whose only moral obligation is to their own bottom line.
The impact of advance management accounting techniques on performance: The case of Malaysia

Abdullah Mohamed Ahmed Ayedh (1)
Chaabane Oussama Houssem Eddine (2)

(1) Universiti Sains Islam Malaysia, Department of Accounting
(2) International Islamic University Malaysia, Department of Accounting

Correspondence:
Chaabane Oussama Houssem Eddine
International Islamic University Malaysia, Department of Accounting
Malaysia
Email: Oussama.ch33@yahoo.fr

Abstract

Purpose: The paper aims to examine the adoption of several Advance Management Accounting (AMA) techniques (i.e. total quality management (TQM), activity based costing (ABC), the ISO 9000 certificate, the balanced scorecard (BSC), strategic management (SMA), value based management (VBM), and benchmarking) by the listed companies on Bursa Malaysia (i.e. the Malaysian stock exchange). In addition, the paper examines the impact of the adopted AMA techniques on a company’s overall performance.

Design/methodology/approach: The paper used a questionnaire survey method to gather the required data. The questionnaires were distributed to senior managers of selected listed companies. The paper used descriptive statistic, correlation and regression techniques to analyze the data.

Findings: The paper found that benchmarking, balanced scorecard, and total quality management are among the AMA techniques widely adopted by Malaysian listed companies. In addition, the paper found that the adoption of AMA techniques significantly influenced the companies’ overall performance. More specifically, the paper found that the adoption of balanced scorecard significantly influenced the companies’ profitability, customer satisfaction, market position, and sales growth for existing services and products.

Research limitations/implications: This paper focused solely on seven well-known AMA techniques. In addition, the paper only used data collected by a questionnaire survey.

Practical implications: The findings of the paper provide empirical evidence on the current adoption of AMA techniques by Malaysian listed companies. These findings could be considered important and useful for advancement of companies adopting AMA techniques to improve their performance. On the other hand, the findings can potentially encourage companies yet to adopt AMA techniques to do so in order to maximize their potential in a highly competitive and global corporate environment.

Originality/value: This paper contributes to the management accounting literature in Malaysia by identifying the advantages of adopting the AMA techniques, especially balanced scorecard and benchmarking, in the Malaysian context.

Key words: Management accounting technique, Performance, Listed companies, Malaysia.
1. Introduction

As a remedy to the weakness of traditional performance measurement models, a number of AMA systems or techniques were introduced in the last fifty years (Kaplan and Norton, 1992). Examples of such techniques are total quality management (TQM), activity based costing (ABC), ISO 9000 certificate, balanced scorecard (BSC), strategic management accounting (SMA), value based management (VBM), and benchmarking (BNC). The AMA techniques can be defined as a set of theories, standards, actions and analytic frameworks that aim to control and measure an organization’s performance (Rigby, 2001).

AMA techniques are a selection of analytical tools to optimize the performance of a firm (i.e. TQM, ABC, ISO 9000 certificate, BSC, SMA, VBM, and benchmarking). Each technique provides nuanced performance information. The BSC was defined by Kaplan et al. (2004) as a strategic management technique that translates an organization’s strategy into clear objectives, measures, targets and initiatives organized by four perspectives, while, TQM is defined as a set of management concepts and tools that aim to involve managers, employees and workers to yield continuous performance improvement (Hoque, 2004). ABC allocates overhead costs based on specific activities to generate certain products or render services (Kaplan et al., 2004). The ISO 9000 certificate was established in 1987 and is defined as an international set of five related standards for qualification of global quality assurance and quality control standards (Yahya and Goh, 2001; Naser et al., 2004). The SMA is defined as a general advanced approach to accounting for strategic positioning (Cinquini and Tenucci, 2006). The VBM focuses on better decision-making at all levels in an organization. Lastly, the BNC is a process of studying and comparing successful practices and selecting the best for improving an organization’s performance (Letts et al., 1999).

The paper aims to examine the adoption of AMA techniques by Malaysian listed companies and the impact those techniques have on company performance. The findings provide information from which Malaysian listed companies can further explore, understand and improve the role of AMA techniques to improve their performance in a highly competitive business environment.

The paper is organized as follows. Section two briefly reviews the prior literature on company performance and adoption of AMA techniques. Section three explains the research methodology. Section four presents and discusses the results and findings. Section five concludes the paper.

2. Literature review

There is a considerable body of literature on issues concerning the adoption of AMA techniques and its significance to company performance. Generally, companies tend to apply AMA techniques to improve their performance (Chenhall and Smith, 1998; Rigby, 2001; Hussain et al., 2002; Abdel-Maksoud, 2004). It has been argued that the AMA techniques directly enhance performance measurement practices (Koller, 1994; Chenhall and Smith, 1998; Zairi, 1998; Letts et al., 1999; Rigby, 2001; Hussain et al., 2002; Abdel-Maksoud, 2004; Cinquini and Tenucci, 2006). For example, it has been found that companies that adopt the BSC perform better than those companies that do not (Davis and Albright, 2004; Neely et al. 2005; Neely, 2008). Furthermore, prior studies found a positive relationship between registering ISO certificates and a company’s performance (Yahya and Goh, 2001; Naser et al., 2004; Ann et al. 2006). In addition, companies adopting the TQM often see improved performance (Samat et al., 2006). The same was found for benchmarking and ABC techniques (Chenhall and Smith, 1998 and Rigby, 2001).

In USA, Davis and Albright (2003) initiated a quasi-experimental study to examine whether the bank branches that implemented the BSC saw any improvement in financial performance. They found that branches that applied BSC performed better than branches that did not. Another study in the UK by Neely et al. (2005) investigated the impact of implementing the BSC by using a quasi-experimental study. The result indicated that there was a positive improvement in sales, gross profit and net profit, but when they compared the sales and gross profit with a sister organization which was using the traditional profitability method to measure the performance there was no relationship. In Taiwan, Wang (2004) examined the relationships between a set of exchange ratios (financial measures) and the BSC (integrated financial and non-financial measures) for a sample of 32 companies and acquisitions of 14 financial holding companies. The results also indicated that firms practicing BSC are performing better than firms without BSC. Anand et al. (2005) investigated the current practices of BSC (design and function) in Indian organizations. They found that the majority of the sample of Indian companies that implemented the BSC had better classification of cost reduction opportunities, which leads to improvement in the bottom line of company performance.

Samat et al. (2006) explored the practices of TQM in two aspects, namely quality service and market orientation based on a questionnaire-survey. The results indicated that employee empowerment, information and communication, customer focus, and continuous improvement significantly influenced service quality, whereas only the first two factors (i.e. empowerment and customer focus) had an important impact on market orientation.
3. Research methodology

3.1 Sample selection

This paper targeted a sample of senior managers as respondents because they are responsible for adopting and implementing new accounting techniques or systems. As such, they are ideally positioned to provide the necessary data. This paper focuses on Malaysian companies listed on Bursa Malaysia (i.e. the Malaysian stock exchange) because they are big companies and have more recourse to adopt the AMA techniques compared to non-listed companies. Although Bursa Malaysia classifies the listed companies into sectors (i.e. industries), the current paper has used the cross-sectional research method that selects companies regardless of industry or sector. At the time of the study, a total of 891 companies were listed on the Bursa Malaysia website. A random sampling method was used to select the required companies, which resulted in a sample of 234 companies.

3.2 Data collection

Data was collected through the questionnaire survey method. The questionnaire was developed from the prior research of Kald and Nilsson (2000), Speckbacher et al. (2003), Evans (2004) and Anand et al. (2005). Some modifications were made to simplify certain terminologies used in the questionnaire. In addition, the differences of location and environment of the research were considered and controlled accordingly. The questionnaire was comprised of three sections. The first section obtains the performance measurement practices in organizations. The second section obtains the managers’ perceptions of the performance of the company over the past five years. The third and final section obtains the demographic information of the respondents. A pilot test was conducted before distributing the actual questionnaires in order to enhance the reliability of the survey. The pilot questionnaires were disturbed to a group of academics and five listed companies. The questionnaire was then modified based on the feedback and suggestions received.

Prior to the regression analysis, factor analysis was conducted to summarize or reduce the data to obtain the most influential group of variables regarding performance. The factor analysis resulted in the following three groups. The first group is AMA1, which includes BNC, VBM, and ISO. The second group is AMA2, which consists of ABC, SMA. The third group is AMA3, which represents BSC. In addition, six performance components (i.e. profitability, customer satisfaction, market share, market position, growth of existing product and service and product innovation) are factored under overall performance (OP). Table 1 shows the measurements and definitions of the variables used in the paper.

Table 1: Variables measurement and definition

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type</th>
<th>Measurement/Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall performance (OP)</td>
<td>DV</td>
<td>Organization performance measured by 6 performance measurers as follows:</td>
</tr>
<tr>
<td>Profitability (PF)</td>
<td>DV</td>
<td>Organization performance measured by the level of performing.</td>
</tr>
<tr>
<td>Customer satisfaction (CS)</td>
<td>DV</td>
<td>Organization performance measured by the level of performing.</td>
</tr>
<tr>
<td>Market share (MS)</td>
<td>DV</td>
<td>Organization performance measured by the level of performing.</td>
</tr>
<tr>
<td>Market position (MP)</td>
<td>DV</td>
<td>Organization performance measured by the level of performing.</td>
</tr>
<tr>
<td>Growth of existing product and service (SG)</td>
<td>DV</td>
<td>Organization performance measured by the level of performing.</td>
</tr>
<tr>
<td>Product innovation (PI)</td>
<td>DV</td>
<td>Organization performance measured by the level of performing.</td>
</tr>
<tr>
<td>Advanced management Accounting (AMA)</td>
<td></td>
<td>Variables in AMA were factored in three groups as follows:</td>
</tr>
<tr>
<td>AMA_1 (BNC, VBM, ISO)</td>
<td>IV</td>
<td>The applicability of 3 AMA techniques measured by the level of applicability.</td>
</tr>
<tr>
<td>AMA_2 (ABC, SMA)</td>
<td>IV</td>
<td>The applicability of 2 AMA measured by the level of applicability.</td>
</tr>
<tr>
<td>AMA_3 (BSC)</td>
<td>IV</td>
<td>The applicability of BSC measured by the level of applicability.</td>
</tr>
</tbody>
</table>
For satisfactory results, the paper applied a stepwise regression model to examine the influence of AMAs (i.e. independent variable) on the company’s performance (i.e. dependent variable). The first stage in the stepwise regression assesses the impact of the adoption of AMAs on overall performance. The second stage focuses on the impact of the adoption of AMAs on each component of organizational performance (profitability (PF); customer satisfaction (CS); market share (MS); market position (MP); growth of existing product and services (SG); product innovation (PI). The equations of the regression models are specified in Table 2 below.

### 4. Findings and discussion

#### 4.1 Survey and respondents’ background

The questionnaire was divided into two stages. In the first stage, the questionnaires were sent to all 234 companies through mail (117 companies), e-mail (84 companies) and fax (33 companies) to avoid any bias in the distribution process. In the second stage, two weeks after finishing the first stage, all companies in the sample population received a call from the researcher or his assistants to confirm receiving the mail, e-mail and fax requesting their participation. A total of 65 questionnaires were received of which 50 questionnaires were usable. A response rate of 21.4 percent was obtained which can be considered an acceptable rate for that sample size (Sekaran, 2003). In regards to the respondents’ background, the majority of respondents are upper or middle management with more than 2 years’ experience. Such conditions provide logical assurance of the validity of the responses.

#### 4.2 Reliability tests

Reliability and validity tests were conducted based on the normality and multi-collinearity of variables (Sekaran, 2003). The results indicate that the variables are reliable. In addition, a non-response bias test for the late response was conducted by comparing the mean of the first and last ten on the data. The results showed that there was no such problem.

#### 4.3 Descriptive statistics

Table III, panel A shows the descriptive statistics of the implementation of AMA techniques. Based on the mean, the most popular AMA technique is benchmarking. This finding is similar to the findings of studies in Europe and US (e.g. Hussain et al., 2002; Abdel-Maksoud, 2004; Evans, 2004). This is followed by the balanced scorecard, total quality management, ISO 9000 certificate, value based management, activity based costing and strategic management accounting techniques respectively. Comparing these findings with Sulaiman et al.’s (2004) revealed that only 28 percent of companies used ABC. In addition, Malaysian companies gradually adopted the BSC. This result indicates that Malaysian companies are increasingly implementing the AMA techniques, which, as suggested by Samat et al. (2006), is partly the result of the steady growth of the Malaysia economy and efforts to attract international companies to Malaysia that implement AMA models.

Panel B of Table 3 presents how managers perceived company performance for the past five years in terms of profitability, customer satisfaction, market share, market position and sales growth of existing services and products. The table shows that managers perceived customer satisfaction and profitability respectively as the most important indicators of company performance. However, managers did not perceive the market share as an important indicator of company performance.

### Table 2: Regression equations

<table>
<thead>
<tr>
<th>Test of relationship</th>
<th>Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMA techniques and OP</td>
<td>$OP = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3 AMA_3 + \varepsilon$ (1)</td>
</tr>
<tr>
<td></td>
<td>$OP = \beta_0 + \beta_1 TQM + \beta_2 ABC + \beta_3 ISO + \beta_4 BSC + \beta_5$</td>
</tr>
<tr>
<td></td>
<td>$SMA + \beta_6 VBM + \beta_7 BNC + \varepsilon$ (2)</td>
</tr>
<tr>
<td>AMA techniques and PF</td>
<td>$PF = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3 AMA_3 + \varepsilon$</td>
</tr>
<tr>
<td>AMA techniques and CS</td>
<td>$CS = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3 AMA_3 + \varepsilon$</td>
</tr>
<tr>
<td>AMA techniques and MS</td>
<td>$MS = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3 AMA_3 + \varepsilon$</td>
</tr>
<tr>
<td>AMA techniques and MP</td>
<td>$MP = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3AMA_3 + \varepsilon$</td>
</tr>
<tr>
<td>AMA techniques and SG</td>
<td>$SG = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3 AMA_3 + \varepsilon$</td>
</tr>
<tr>
<td>AMA techniques and PI</td>
<td>$PI = \beta_0 + \beta_1 AMA_1 + \beta_2 AMA_2 + \beta_3 AMA_3 + \varepsilon$</td>
</tr>
</tbody>
</table>
4.4 Regression analysis

As mentioned earlier, the main objective of the regression is to examine the impact of AMA techniques on a company’s performance. Prior to running the regression analysis, the paper performed normality and multi-collinearity tests to ensure the data is normally distributed and to check the requirements of running the regression analysis are met. The results of these tests show that the data was normally distributed and there were no multi-collinearity problems.

4.4.1 Overall performance

Table 4 (next page) shows the results of the first regression model that tests the relationship between the applicability of AMAs in the sampled companies and the Overall Performance (OP).

The results show that the AMA₁ and AMA₂ are significant. The results from Table IV revealed that the AMA₁ and AMA₂ significantly influence the OP with the exception of BSC. This finding is consistent with most prior studies (e.g. Yahya and Goh, 2001; Ann et al. 2006) Since only the first two groups of AMA were significant, it would be interesting to examine the impact of each AMA technique, i.e. TQM, ABC, ISO, BSC, SMA, VBM, and BNC, on OP.

Table 5 (next page) shows that the BSC significantly influences OP. The result suggests that when each AMA works individually to improve performance, BSC is the most effective technique. This finding is consistent with some prior studies (e.g. Davis and Albright, 2004; Anand et al. 2005; Neely, 2008).

Interestingly, BSC has no significant impact on OP when it is regressed with other AMA techniques. However, when each AMA technique is regressed with OP only BSC and benchmarking significantly influence the OP. In addition, the study further tests the impact of the adoption of AMA techniques with each performance indicator (i.e. PF, CS, MS, MP, SG, and PI). The following section analyzes and discusses these findings.

4.4.2 Profitability

As a dependent variable the PF has been regressed with the AMA techniques. The results are presented in Table 6. The results show that only AMA₃ (i.e. BSC) has a significant impact on PF ($b=0.292$, $p=0.010$). This shows that the importance of BSC in improving the organizational performance, especially financial indicators.

4.4.3 Customer satisfaction

Table 7 reports the result of the regression analysis that tests the relationship between CS and AMA techniques. The results reveal that only BSC influences CS significantly ($b=-0.315$, $p=0.033$), whereas other AMAs did not. The possible reason for this could be that customer perspective is one of the BSC’s indicators, and as such, it seems that adopting BSC has a significant impact on customer satisfaction.
### Table 4: Regression analysis results of overall performance

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>3.256</td>
<td>3.119</td>
<td>0.003**</td>
</tr>
<tr>
<td>AMA₁⁵</td>
<td>0.368</td>
<td>0.339</td>
<td>2.696</td>
<td>0.010*</td>
</tr>
<tr>
<td>AMA₂⁵</td>
<td>0.283</td>
<td>0.370</td>
<td>2.074</td>
<td>0.044*</td>
</tr>
<tr>
<td>AMA₃⁵</td>
<td>0.192</td>
<td>-</td>
<td>1.233</td>
<td>0.224</td>
</tr>
</tbody>
</table>

Notes: ***, * Significant at 1 and 5 percent, respectively; $R^2 = 0.197$; adjusted $R^2 = 0.178$; $F$-value = 7.817; significant $F = 0.001$; dependent variable: OP; predictors for all independent variables: AMA₁, AMA₂, excluded variable: AMA₃.

### Table 5: Regression analysis results of overall performance

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>2.363</td>
<td>6.684</td>
<td>0.000**</td>
</tr>
<tr>
<td>TQM⁶</td>
<td>-0.024</td>
<td>-</td>
<td>-0.166</td>
<td>0.869</td>
</tr>
<tr>
<td>ABC⁶</td>
<td>0.218</td>
<td>-</td>
<td>1.575</td>
<td>0.123</td>
</tr>
<tr>
<td>ISO⁶</td>
<td>0.234</td>
<td>-</td>
<td>1.523</td>
<td>0.135</td>
</tr>
<tr>
<td>BSC⁶</td>
<td>0.418</td>
<td>0.612</td>
<td>3.018</td>
<td>0.004*</td>
</tr>
<tr>
<td>SMA⁶</td>
<td>0.190</td>
<td>-</td>
<td>1.161</td>
<td>0.252</td>
</tr>
<tr>
<td>VBM⁶</td>
<td>0.139</td>
<td>-</td>
<td>0.978</td>
<td>0.334</td>
</tr>
<tr>
<td>BNC⁶</td>
<td>0.272</td>
<td>-</td>
<td>1.962</td>
<td>0.056*</td>
</tr>
</tbody>
</table>

Notes: ***, * Significant at 1 and 5 percent, respectively; $R^2 = 0.175$; adjusted $R^2 = 0.156$; $F$-value = 9.106; significant $F = 0.004$; dependent variable: OP; predictors in the model: constant, BSC; excluded variables: TQM, ABC, ISO, SMA, VBM, BNC.

### Table 6: Regression analysis results of profitability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>0.475</td>
<td>5.689</td>
<td>0.000**</td>
</tr>
<tr>
<td>AMA₁⁵</td>
<td>0.238</td>
<td>-</td>
<td>1.600</td>
<td>0.117</td>
</tr>
<tr>
<td>AMA₂⁵</td>
<td>0.161</td>
<td>-</td>
<td>1.116</td>
<td>0.271</td>
</tr>
<tr>
<td>AMA₃⁵</td>
<td>0.292</td>
<td>0.122</td>
<td>2.676</td>
<td>0.001*</td>
</tr>
</tbody>
</table>

Notes: ***, * Significant at 1 and 5 percent, respectively; $R^2 = 0.140$; adjusted $R^2 = 0.120$; $F$-value = 7.159; significant $F = 0.010$; dependent variable: PE; predictors in the model: constant, AMA₃; excluded variable: AMA₁, AMA₂.
Table 7: Results of regression analysis of customer satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>0.380</td>
<td>8.153</td>
<td>0.000**</td>
</tr>
<tr>
<td>AMA_1</td>
<td>0.112</td>
<td>-</td>
<td>0.717</td>
<td>0.477</td>
</tr>
<tr>
<td>AMA_2</td>
<td>0.030</td>
<td>-</td>
<td>0.198</td>
<td>0.844</td>
</tr>
<tr>
<td>AMA_3</td>
<td>0.315</td>
<td>0.098</td>
<td>2.199</td>
<td>0.033*</td>
</tr>
</tbody>
</table>

Notes: ***, * Significant at 1 and 5 percent, respectively; R^2 = 0.099; adjusted R^2 = 0.079; F-value = 4.835; significant F = 0.033; β dependent variable: CS; β predictors in the model: constant, AMA_1, AMA_2.

4.4.4 Market share

Table 8 presents the results of the regression analysis of the relationship between the MS and the AMA techniques. The results indicate that only AMA_1 (i.e., BNC, VBM, ISO) influences MS significantly (β =0.448, p=0.002), whereas other AMAs did not. The possible explanation of this result is that AMA_1 techniques are related to the competitive perspective especially BNC and ISO that are logically related to the market share performance indicator. Surprisingly, the results with respect to AMA_2 (BSC) had no significant impact on MS although it is logically related.

Table 8: Regression analysis results of market shares

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>0.551</td>
<td>3.382</td>
<td>0.002*</td>
</tr>
<tr>
<td>AMA_1</td>
<td>0.448</td>
<td>0.072</td>
<td>3.327</td>
<td>0.002*</td>
</tr>
<tr>
<td>AMA_2</td>
<td>0.028</td>
<td>-</td>
<td>0.192</td>
<td>0.849</td>
</tr>
<tr>
<td>AMA_3</td>
<td>0.205</td>
<td>-</td>
<td>1.422</td>
<td>0.212</td>
</tr>
</tbody>
</table>

Notes: ***, * Significant at 1 and 5 percent, respectively; R^2 = 0.201; adjusted R^2 = 0.183; F-value = 11.070; significant F = 0.002; β dependent variable: MS; β predictors in the model: constant, AMA_3; β excluded variable: AMA_4.

4.4.5 Market position

Table 9 (next page) shows the regression analysis results of the relationship between the MP and AMA techniques. The results reveal that AMA_3, (i.e., BSC) had a significant impact on MP (β =0.366, p=0.021), while there was no significant impact when applying other AMAs on MP. In other words, it can be said that implementing the BSC leads to an improved market position of the organization.

4.4.6 Sales growth of existing services and products

Table 10 (next page) reports the result of the regression analysis of the relationship between SG and AMA techniques. The results indicate that only AMA_3 (i.e., BSC) significantly impacted on SG (β =0.376, p=0.010). In other words, one advantage of the implementation of BSC is the improvement of the sales growth for existing services and products of the company. A possible explanation of this result is that BSC is a financial and non-financial measure of performance. The non-financial measures such as customer stratification might impact the sales of the companies by taking customers’ feedback into consideration.
Table 9: Regression analysis results of market position

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>0.517</td>
<td>4.861</td>
<td>0.000**</td>
</tr>
<tr>
<td>AMA1 c</td>
<td>0.130</td>
<td>-</td>
<td>0.858</td>
<td>0.369</td>
</tr>
<tr>
<td>AMA2 c</td>
<td>0.065</td>
<td>-</td>
<td>0.412</td>
<td>0.691</td>
</tr>
<tr>
<td>AMA3 b</td>
<td>0.366</td>
<td>0.129</td>
<td>2.687</td>
<td>0.021*</td>
</tr>
</tbody>
</table>

Notes: **,* Significant at 1 and 5 percent, respectively; $R^2 = 0.136$; adjusted $R^2 = 0.112$; $F$-value = 6.834; significant $F = 0.010$; dependent variable: MP; b predictors in the model: constant, AMA3; c excluded variable: AMA1, AMA2.

Table 10: Regression analysis results of sales growth

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>0.515</td>
<td>4.858</td>
<td>0.000**</td>
</tr>
<tr>
<td>AMA1 c</td>
<td>0.132</td>
<td>-</td>
<td>0.871</td>
<td>0.389</td>
</tr>
<tr>
<td>AMA2 c</td>
<td>0.060</td>
<td>-</td>
<td>0.408</td>
<td>0.685</td>
</tr>
<tr>
<td>AMA3 b</td>
<td>0.376</td>
<td>0.132</td>
<td>2.693</td>
<td>0.010*</td>
</tr>
</tbody>
</table>

Notes: **,* Significant at 1 and 5 percent, respectively; $R^2 = 0.142$; adjusted $R^2 = 0.122$; $F$-value = 7.254; significant $F = 0.010$; dependent variable: SG; b predictors in the model: constant, AMA3; c excluded variable: AMA1, AMA2.

4.4.7 Product innovations

Table 11 shows the results of the regression analysis on the relationship between PI and AMA techniques. The results show that AMA2 has a significant influence on PI ($\beta = 0.398$, $p = 0.006$). This result shows the importance of ABC and SMA by ensuring that management is provided with the necessary environment for product innovation.

Table 11: Regression analysis results of product innovations

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized coefficient</th>
<th>Std. error</th>
<th>t-value</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-</td>
<td>0.523</td>
<td>4.222</td>
<td>0.000**</td>
</tr>
<tr>
<td>AMA1 c</td>
<td>0.237</td>
<td>-</td>
<td>1.647</td>
<td>0.107</td>
</tr>
<tr>
<td>AMA2 b</td>
<td>0.398</td>
<td>0.070</td>
<td>2.877</td>
<td>0.006*</td>
</tr>
<tr>
<td>AMA3 c</td>
<td>0.158</td>
<td>-</td>
<td>1.109</td>
<td>0.274</td>
</tr>
</tbody>
</table>

Notes: **,* Significant at 1 and 5 percent, respectively; $R^2 = 0.158$; adjusted $R^2 = 0.139$; $F$-value = 8.275; significant $F = 0.006$; dependent variable: PI; b predictors in the model: constant, AMA3; excluded variable: AMA1, AMA2.
In order to simplify the result of the regressions presented above, all the regression results discussed are presented into a diagram as illustrated in Figures 1 and 2 below.

Figure 1: Regressions of overall performance and AMAs

Figure 2: Regressions of specific performance and AMAs
The main aim of this study is to explore the relationship between the applicability of AMAs and performance. This study found that applying AMA1 (ISO, VBM, and BNC) and AMA2 (ABC and SMA) has significant impact on the overall company’s performance. Examining company performance through the collective application of all techniques could generate stronger impact on company performance than the BSC alone. In addition, adopting balanced scorecard significantly influenced company profitability, customer satisfaction, market position, and sales growth for existing services and products.

Despite certain limitations in this study, namely that the study examined only seven advanced managerial accounting techniques, which are well-known in literature, companies may nevertheless initiate improvement programs that do not fall into the specific well-known packages, which may also affect the design of the performance measurement system. Second, this study found a significant increase in the adoption of AMAs, which had greater focus on nonfinancial performance measures as compared to the previous study by Sulaiman et al. (2004). However, Ayedh and Muslim (2009) found that performance measurement systems (PMSs) of many companies mainly focus on financial performance. These findings may indicate that Malaysian companies are adopting AMAs for the sake of mimicking. Therefore, to gain greater understanding on this matter, further research could be undertaken using the case study approach under the new institutional sociology perspective.

References


Garment Industry in Bangladesh: An Era of Globalization and Neo-Liberalization

Anam Ullah

Correspondence:
ASM Anam Ullah
BBA, MCOM (HRM&IR) University of Western Sydney (UWS)
PhD Candidate- The University of Newcastle (UoN) Australia
Email: russell_adib@yahoo.com.au

Abstract

The forces of globalization and neo-liberalization have sparked an ongoing debate between developed and developing countries regarding adherence to international labour standards in international trading agreements. Globalization has been playing an important role to many developing nations in changing of its socio-economic structure. In Bangladesh, economy moves from aid to trade. Bangladesh became the 2nd largest apparel exporting country in the meantime. During the fiscal year 2010-2011 garment exports totalled US$ 20 billion, a 43% increase over the previous year. In the global trade system, a garment could be designed in New York, made of fabric woven in China, spread and cut, and sewn in Bangladesh, and marketed in Australia. This is the chain of global trade and Bangladesh is enjoying its positive outcomes at every stage of transactions with the modern and developed countries. However, here, the gruesome face of neo-liberal free trade is all too apparent as the corporate hunt for ever cheaper labour drives low wages. Therefore Bangladesh has received its advantage in many ways. During the 1980s and 1990s, economic globalization enhanced by advancements in technology led to the creation of multinational companies. Besides, North American Free Trade Agreement (NAFTA) and World Trade Organization (WTO) agreements contributed in an extensive form to the creation of the garment industry in Bangladesh through the proposed elimination of trade quota by 2005, which had a significant influence on the Bangladeshi garment owners to create more businesses in the country. Being a provider of cheap labour, Bangladesh has become an advantageous destination of multinational companies, especially in a labour intensive garment industry. But this raises questions of whether garment workers in Bangladesh are adequately protected under globalization.

Design/ methodology/ approach: The research technique has used secondary data, collected through: Literature review, Case studies in various countries, Journals, Research articles, Newspapers, Online news and survey reports, BGMEA Yearly report and other publications. The data was collected through a number of different methods.

Findings: Bangladesh (national) GDP greatly relies on the apparel industry at this moment. The increase in garment trade within the NAFTA could be shown a correlation between the incensement of garment industries and free access to the duty-free market. Due to huge market access through the Multi-Fibre Agreement (MFA) of the General Agreement Tariff and Trade (GATT) after the quota restriction was abolished in 2005 - globalized and liberalized trade policy strenuously helped in growing garment industries in Bangladesh. However neo-liberalization and globalization increased production and employment through exploitation and insulated an antagonistic milieu within developing nations especially in Bangladesh. Under the ILO conventions, where Bangladesh is signatory it is mandatory to follow international labour standards, but in a mind of losing market share, the state is not implementing such law and ignominiously not producing a dynamic labour law and is continuously offering corporate abundant cheap labour.

Originality/ value/ objective of this study: The value and objective of research paper is assessing the correlation between NAFTA and MFA on the development of the garment industry in Bangladesh. This study shows the specific impact of neo-liberalization and globalization on the garment industry in Bangladesh and its positive and negative impact on national labour law and its implementation.

Key words: Garment industry in Bangladesh, NAFTA and MFA, globalization, neo-liberalization, labour standard, labour law in Bangladesh, social justice and human rights, the WTO and the ILO.
1. Introduction

What begun to occur in the last quarter of the twentieth century was the breakup of the dominant nation state-based economic model as what we now call globalization kicked into gear (Munck, 2010). Friedman (2007) assertively pointed in his study that “globalization is an important factor that influences organizations that compete for customers with high expectations for performance, and low cost.” Since globalized trade era begun, the international economy found its new dimension towards capital transformation within states and of course it took to the international frontier with a mind of “super exploitation.” Unequivocally, its glaring compartmentalization in the free-trade agreement, provided a complete emancipation towards hunting corporate cheap labour in the South-Pool, and the real nexus of this ambience, Bangladesh as a country, and the garment industry in Bangladesh, not exception in this case (see Islam & McPhail, 2011; Majumder & Begum, 2000; Friedman, 2007; Rock, 2010). With a population of 160 million people, a small GDP, but steadily increasing, and fledgling export market, Bangladesh is perhaps an unlikely candidate for cutting-edge experiments in linking trade with labour rights.

Nevertheless, from the mid-1970s to the mid-2000s, the global trading of textile and garment products was conducted under the terms of the Multi Fibre Agreement (MFA), which was eventually replaced, in 1995, by the Agreement on Textiles and Clothing (ATC), which was set to terminate from the trade agreement at the end of year 2004. The North American Free Trade Agreement (NAFTA) between the USA, Canada and Mexico was implemented in 1994, which Tsang and Au (2008) found in their study, and tariff was completely abolished from 2005 (see Beresford, 2009; Chorev, 2005; Islam & McPhail, 2011; Majumder & Begum, 2000; Asuyama, et al. 2013). On April 15, 1994, after eight years of bitter and blatant negotiations and constant crises, representative of 108 countries met in Marrakesh, Morocco, and signed the Uruguay Round Agreements (Chorev, 2005).

However, though the international garment industry has had its own long history, eventually a new era began after assuage of trade barriers, which is also known as the free-trade liberalization era. While the international garment trade was liberalized after 2004, a new dimension of international economy emerged too. Corporate cheap labour was hunted strenuously during this period (see, Truscott, Brust & Fesmire, 2007). In this process, most advanced developing nations like China and Vietnam benefited indeed. However, due to some practical reasons, Bangladesh started enjoying quota free access to the US and EU market, which was the golden period for Bangladeshi garment producers. In other research it was found that low exports benefited from the quotas imposed on the large exports. As a result of this, many developing nations like: Bangladesh, Cambodia, Pakistan, Sri-Lanka benefited from such facilities (see Asuyama, et al. 2013 & Beresford, 2009).

Research shows that China became the world leader in the apparel industry in the meantime, by 2009, when US quantities restrictions on Chinese imports were due to end, many researchers in this field grandiosely assumed that, the least developed and small nations would have been affected in the world and regional competition. But, however, in Bangladesh, the situation was absolutely favorable and such polemic assumption was completely demystified after receiving huge orders from the world’s best retail groups like: Wal-Mart, Nike, Gap, though these organizations had to face tremendous criticisms for workers’ exploitation in Bangladesh (Islam & McPhail, 2011). In the event, the establishment of export-oriented garment manufacture in Bangladesh led to the entry of a whole generation of young, unmarried females, mainly from rural areas, into the industrial labour force (Rock, 2010). First World countries are attracted to production sites through the WTO’s liberalized free-trade globalization system in the Third World that offered low cost and low trade union participation. Third World prolet are also perceived as the victims of capitalist expansion who have little power to respond to exploitation, rather than treating the working class as a social force in history (Rock, 2010).

April 24, 2013, the building collapse of Rana Plaza warned us again to be aware of global economic agendas that drastically subverted worker’s human rights and social harmony and unduly led to increased social cacophony in Bangladesh. Workers are howling for working conditions and minimum wages that have never been implemented—though Bangladesh government enacted labour law in 2006, and modified in 2010 and 2013 respectively under pressure, both from the national and international perspective. Bangladeshi garment industry, a hundred percent export-oriented sector, experienced phenomenal growth during the last 20 years or so, accumulating more than 80 percent of its total merchandise export (Garwood, 2011, p.18; Mahmud 2008, p.260; Ahmed, 2004; Majumder & Begum, 2000; BGMEA, 2013).

Currently Bangladesh has become the 2nd largest apparel exporting country in the world. During the fiscal year 2010-2011, Bangladesh exported RMG totaling from US$ 6.8 billion to US$19.9 billion in 2012, a 43 or more percent increase over the last couple of years and recording a compound annual growth of 16.6 percent. By the year 2012-2013, the country exported RMG totaling US$ 20 billion and was deemed to be gained 45 to 50 billion by the year 2020 (BGMEA, 2013). If globalization provides the backdrop for drama, the achievements of the garment industry in Bangladesh are indeed dramatic (Ahmed, 2004). The country has more than 6000 RMG factories with about 4 million workers (including 80 percent women workers and almost another 20 million people directly or indirectly engaged in this industry). This workforce is primarily coming from rural communities and extensively contributing to the Bangladesh economy (BGMEA, 2013; Ahmed, 2004; Mahmud, 2008; Majumder & Begum, 2000).

As I mentioned early that global factors worked closely towards the development of the Bangladeshi garment industry, and one of the major factors that took very significant place in this regard as China shifted from archetypal business to high-tech businesses in the beginning of the current century, worked as a key factor to success of the Bangladeshi garment
industries’ indeed (BGMEA, 2014). Thus, most retailers shifted from China to the further South, and Bangladeshi local, dynamic and energetic new entrepreneurs started developing relationships with international buyers by offering high commitment which is very important in trade relationships, and also by offering cheap abundant laborers-who had no social status in the past in Bangladesh (see Majumder & Begum, 2000; Rahman, 2004; Ullah, 2014). The key analysis of this study would be conducted in two ways. First, we will look at development in the garment industry in Bangladesh; hence we need to consider a few factors in analysis, especially, key to analysis how global capital made changes in the garment industry and its socio-economic development in Bangladesh. Second, we will try to find out how Bangladesh got advantage in the era of globalization and neo-liberalization, and how global capital geo-politically obstructs in the creation of potential labour law in Bangladesh and its proper implementation, and what is the role of the ILO since 1972, notwithstanding Bangladesh ratified all fundamental conventions in the meantime, but there is a huge gap in implementation of such laws.

2 Literature Review

2.1 Brief background of Bangladesh

Modern Bangladesh forms the Bengal delta region in the Indian subcontinent, where civilization dates back more than 4,300 years. The early history of the area featured a succession of city states, Indian empires, internal squabbling and a tussle between Hinduism and Buddhism for dominance. Islam arrived in late-classical antiquity and dominated the society (Banglapedia, 2013). The borders of present-day Bangladesh were established during the British-partition of Bengal and India in 1947, when the region became East Pakistan, part of the newly formed State of Pakistan. It was separated from West Pakistan by 1,600 km of Indian Territory. Due to political, economic and linguistic discrimination, popular agitation and disobedience grew against the Pakistani State. The Bengali people increasingly demanded self-determination, culminating in the Bangladesh Liberation War in 1971.

The new State, the People’s Republic of Bangladesh, was founded as a constitutional, secular, democratic, multiparty, and parliamentary state. After independence, Bangladesh endured widespread poverty and famine, as well as political turmoil and military coups. The revitalization of democracy in 1991 has been followed by economic progress and relative political calm, although the country’s two main political parties, the Awami League and the BNP, remain highly polarized and often at confrontational loggerheads (Ullah, 2013; Rahman, 2011).

Many international scholars vividly found in their research that, since independence, the economy of Bangladesh was fully dependent on traditional agriculture as most of the people lived in rural areas (Rahman, 2004). The economy was mostly dependent on foreign aid. But the government had strong aspirations towards relegation of poverty and boosting the economy. By producing sufficient food it could attain self-sufficiency, thus the agriculture sector was preferred at that time. But jute and tea industry seemed as major exports from Bangladesh at that time too. While the jute industry has fully fallen into a moribund situation and sharply declined its production in early 1986, attention was given to another forming sector, and the garment industry was one of them in which huge meditation provided for its leverage (See Rahman, 2004).

2.2 Preceding history of textile industry in Bangladesh 17th-18th century

At the very outset we need to consider analyzing the roots of this industry the way it was developed and its proper delineation. Bengal cotton fabrics were exported to the ancient Roman and Chinese empires in the early centuries. Dhaka Muslin became famous and attracted foreign and transmarine buyers after the establishment of the Mughal capital at Dhaka [1556-1605]. A widely used term for high-quality, pre-colonial Bengal textiles, muslin was manufactured in the city of Dhaka and in some surrounding stations, by local skilled workers with locally produced cotton, attaining fame as Dhaka Muslin (Ross, 2003). In the 17th century, the European companies came and established their settlements in Bengal, leading to the demise of the Bengal Muslin Industry (Ross, 2003). During the 18th century, the British imposed high tariffs on Bengali textiles (for centuries previously, the leader in international trade) in order to protect its own rising industries in Lancashire and the West of Scotland (Ross, 2011, p.230).

2.3 Modern history of garment industry in Bangladesh 1970-2014

Bangladesh garment industry traversed its long river from 1970-2014. Unequivocally this prominent sector has gone-through by facing many challenges nationally and internationally. This prominent and blatant industrial sector grappling much polemic debate at the national and international levels. But, however, due to some facts, still this organization is undergoing sardonic debates over its working conditions and very low wages, which is very inimical indeed in regard to analysing such phenomenon under the current circumstances. Many from national and international advocacy groups and the ILO are strenuously concerned about its working conditions and labour rights along with other issues that we need to investigate in our literature review next.

As we know exporting garments has been a first step for industrialization and economic growth for many low-income countries with abundant and inexpensive labour (see Asuyama, et al. 2013). After the Second World War, East Asian Countries such as Honk Kong, Taiwan, South Korea and later, China and Vietnam, and other developing nations simultaneously developed the apparel sector by direct assistance from different countries like US and the European Union. In the mid-1990s, even least developed countries such as Bangladesh, Cambodia and Madagascar have rapidly increased their garment exports (Asuyama, et al. 2013). But by the last two decades or so, Bangladesh has changed its economic condition by producing the world’s best garments which has more than 10%
economic contribution to the national GDP along with changing the nation’s status quo from aid to trade (BGMEA, 2014) and looking to becoming a middle earner country by the end of 2020.

It can be said that Bangladeshi garment industries were fully underpinned by foreign investment indeed. The hundred percent export-oriented RMG industry experienced phenomenal growth during the last 20 or so years. In 1978, there were only 9 export-oriented garment manufacturing units, which generated export earnings of hardly one million dollars (Mottaleb & Sonobe, 2011). Some of these units were very small and produced garments for both domestic and export markets. Four such small and old units were Reaz Garments, Paris Garments, Jewel Garments and Baishakhi Garments. Reaz Garments, the pioneer, was established in 1960 as a small tailoring outfit, named Reaz Store in Dhaka. It served only domestic markets for about 15 years. In 1973 it changed its name to M/s Reaz Garments Ltd. and expanded its operations into export market by selling 10,000 pieces of men’s shirts worth French Franc 13 million to a Paris-based firm in 1978. It was the first direct exporter of garments from Bangladesh. Desh Garments Ltd., the first non-equity joint-venture in the garment industry was established in 1979 (Mottaleb & Sonobe, 2011). Bangladesh was not subject to export restrictions under the (MFA), which was the main reason to invest capital in Bangladesh in a joint collaboration program with Desh Garment. It was a significant moment for any local company for jubilation after receiving offers from one of the modern and reputed trade organizations from South Korea, and Bangladesh absolutely gyrated in this matter (Mottaleb & Sonobe, 2011; Ahamed, 2013).

The Daewoo Corporation had restriction in exports under the quota system; hence technical and marketing collaboration with Daewoo Corporation of South Korea and Desh Garment in Bangladesh was accorded in a common interest of trade (Mottaleb & Sonobe, 2011). It was also the first hundred percent export-oriented company. It had about 120 operators including 3 women trained in South Korea, and with these trained workers it started its production in early 1980. However, the emergence in the 1970s and subsequent success of the export-oriented garment industry ushered in a new social reality for Bangladesh (Rock, 2003). Not only did it mark the entry of new young Bangladeshi women into this formal manufacturing employment for the first time, it also incited determined attempts by these workers to form unions, something extensively unthinkable in the past because of the presence of rigid forms of control through the socially sanctioned norms of purdah or female seclusion (Rock, 2003).

When Desh Garment was established in 1979, the government of Bangladesh hardly recognized the potential of the garment industry. In 1982, however, the government had begun to offer various incentives to the garment industry such as: duty-free import machinery and raw materials, bonded warehouse facilities and cash incentives (Mottaleb & Sonobe, 2011). Another South Korean Firm, Youngones Corporation formed the first equity joint-venture garment factory with a Bangladeshi firm, Trexim Ltd. in 1980. Bangladeshi partners contributed 51% of the equity of the new firm, named Youngones Bangladesh. It exported its first consignment of padded and non-padded jackets to Sweden in December 1980 (Bangla-pedia, 2013). The scenario of NAFTA – WTO – MFA – ATC in Bangladeshi garments

An important policy which affected considerably the global Textile and Clothing (T&C) trade in the past decade is the (ATC). Asuyama, et al. 2013 assertively found in their study that by agreement it was decided to abolish quota status gradually within the next ten years from 1995 to 2005, which agreement was accomplished with a clear agenda - on April 15, 1994, after eight years of bitter and blatant negotiations and constant crises, representatives of 108 countries met in Marrakesh, Morocco, and signed the Uruguay Round Agreements (Chorev, 2005).

<table>
<thead>
<tr>
<th>Stage</th>
<th>Date</th>
<th>Products integrated (percent)</th>
<th>Cumulative products integrated (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 1, 1995</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>January 1, 1998</td>
<td>17</td>
<td>33</td>
</tr>
<tr>
<td>3</td>
<td>January 1, 2002</td>
<td>18</td>
<td>51</td>
</tr>
<tr>
<td>4</td>
<td>January 1, 2005</td>
<td>49</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Compiled by Asuyama, et al. 2013, cited in WTO website
Throughout the 1980s and 1990s, Bangladesh’s garment industry was well positioned to take advantage of an abundant supply of domestic cheap labour. Absenteeism of cheap labor was a comparative advantage and a vital tool in the development of the Bangladesh garment industry throughout that entire period. The introduction of the Multi-fibre Agreement (MFA) in 1973 also played a very important role which is pondered by many as the key factor in Bangladesh gaining RMG market (Rahman, 2006). The rapid growth of the ready-made garments industry in Bangladesh has been facilitated by the following factors as well which are: cheap labour; lack of employment options for women; simple technology; small amount of capital required; and economic changes and policies that encouraged the growth of this particular industry (Khosla 2009; Haider, 2006). These factors are inter-related. The relatively cheap cost of labour in Bangladesh is the reason for its comparative advantage internationally since goods can be produced at a lower cost in Bangladesh than in many other countries. This cheap cost of labour is in turn a result of national policies, massive unemployment and the willingness of women to work for low wages (Khosla, 2009). Khosla (2009) identified through her investigation that women’s relative lack of marketable skills and education makes garment work highly attractive to them. Combined with the high supply of labour relative to the jobs and the rising demand for dowries garment work is highly sought after.

Table 1 shows how gradually the quota system was weaned from 1995 to 2005. Nevertheless high tariff was imposed on East Asian countries in North American markets but relaxed for NAFTA members within the Free Trade Agreement (FTA) (Asuyama, et al. 2013). This model was designed to gear up the trade relationship between NAFTA members and increase economic power within the region. However, in the meantime, China, Bangladesh, Cambodia and some other nations became competitive clothing exporters, enhanced by offering their cheap and abundant labour force. In this category, nowadays, the majority of the large clothing exporters are located in Asia, and Bangladesh got the second position in the world ranking in this category (Mottaleb & Sonobe, 2011).

Based on World Trade Organization (WTO) trade statistics, ten of the South and South-east (S&SE) Asian countries including: India, Indonesia, Thailand, Philippines, Sri Lanka, Pakistan, Malaysia, Singapore, Bangladesh and Vietnam have been the biggest US suppliers during the last decade or so, but China was not included in the list though China is the largest single US T&C importers (Asuyama, et al. 2013). But by year of 2009, China’s quota restriction was removed once again and continued to supply T&C to the US market full of strength. Moreover, another interesting research finding on this issue has been revealed in the meantime which is: by the third stage of quota integration for quota liberalization from 2002 to 2004, a total of 51 percent of developed countries’ imports were freed from quota restrictions. Soon fully quota restrictions were abolished and most developed countries’ investors moved to the South. Global capital started moving with its blatant agenda to maximize profit by exploitation of cheap abundant labour, which is seemed as more shoddy, impersonal and inhuman business than a compliant business in the 21st century. Due to word limitations we cannot elaborately discuss global capitalism and its despicable agenda more precisely but, notwithstanding we would try to reveal a current example of forced labour tragedy being held on April 24, 2013 at Shaver near the capital city of Bangladesh where almost 1,135 poor workers were killed and other more than 3000 workers were permanently disabled, a clear sign of dehumanization indeed.

(NAFTA) and World Trade Organization (WTO) agreements contributed in an extensive form to creation of the garment industry in Bangladesh through proposed elimination of trade quotas by 2005, which took a significant place with the Bangladeshi garment owners to create more businesses in the country (Cheek & Moore, 2003). The ready-made garment industry in Bangladesh has survived amid phasing out of Multi-Fibre Agreement in 2005, the entry of China into the (WTO), and the increased competition from other countries. In addition to free trade zones, other forces that facilitate globalization include reduced labour and production costs in underdeveloped countries (Friedman, 2007). The research has found that in the process of internationalization of production, many companies and nations have moved their manufacturing operations to developing nations to enjoy the privileges of cheap labour and other facilities like - non-trade union activities, low regulation in employment relations and many more (Rahman, 2006).

Chorev (2005) saw a significant role of the WTO in the process of trade liberalization. Indeed WTO made effusive changes among the world organizations that can play the indispensable role over national and international political economy in the current process of globalization To analyze the notion of “globalization,” most international scholars have most often referred to the process of international economic integration, while the organizational dimensions were ignored under the process of globalization (Chorev, 2005). Since the postwar period, international organizations (IOs) tremendously increased from 61 in 1940 to 231 by 2002. One IO is the WTO. The organization officially commenced on 1 January 1995 under the Marrakesh Agreement, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. Many scholars asserted that the WTO (vice versa of GATT) played a very eminent role over forming the NAFTA which ultimately led globalization and neo-liberalization in this globe (See Chorev, 2005; Munck, 2010; Harvey, 2005).
Table 2:
MEMBERSHIP AND EMPLOYMENT

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER OF GARMENT FACTORIES</th>
<th>EMPLOYMENT IN MILLION WORKERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>384</td>
<td>0.12</td>
</tr>
<tr>
<td>1985-86</td>
<td>594</td>
<td>0.20</td>
</tr>
<tr>
<td>1986-87</td>
<td>629</td>
<td>0.28</td>
</tr>
<tr>
<td>1987-88</td>
<td>685</td>
<td>0.31</td>
</tr>
<tr>
<td>1988-89</td>
<td>725</td>
<td>0.32</td>
</tr>
<tr>
<td>1989-90</td>
<td>759</td>
<td>0.34</td>
</tr>
<tr>
<td>1990-91</td>
<td>834</td>
<td>0.40</td>
</tr>
<tr>
<td>1991-92</td>
<td>1,163</td>
<td>0.58</td>
</tr>
<tr>
<td>1992-93</td>
<td>1,537</td>
<td>0.80</td>
</tr>
<tr>
<td>1993-94</td>
<td>1,839</td>
<td>0.83</td>
</tr>
<tr>
<td>1994-95</td>
<td>2,182</td>
<td>1.20</td>
</tr>
<tr>
<td>1995-96</td>
<td>2,353</td>
<td>1.29</td>
</tr>
<tr>
<td>1996-97</td>
<td>2,503</td>
<td>1.30</td>
</tr>
<tr>
<td>1997-98</td>
<td>2,726</td>
<td>1.50</td>
</tr>
<tr>
<td>1998-99</td>
<td>2,963</td>
<td>1.50</td>
</tr>
<tr>
<td>1999-00</td>
<td>3,200</td>
<td>1.60</td>
</tr>
<tr>
<td>2000-01</td>
<td>3,480</td>
<td>1.80</td>
</tr>
<tr>
<td>2001-02</td>
<td>3,618</td>
<td>1.80</td>
</tr>
<tr>
<td>2002-03</td>
<td>3,760</td>
<td>2.00</td>
</tr>
<tr>
<td>2003-04</td>
<td>3,957</td>
<td>2.00</td>
</tr>
<tr>
<td>2004-05</td>
<td>4,107</td>
<td>2.00</td>
</tr>
<tr>
<td>2005-06</td>
<td>4,220</td>
<td>2.20</td>
</tr>
<tr>
<td>2006-07</td>
<td>4,490</td>
<td>2.40</td>
</tr>
<tr>
<td>2007-08</td>
<td>4,743</td>
<td>2.80</td>
</tr>
<tr>
<td>2008-09</td>
<td>4,925</td>
<td>3.50</td>
</tr>
<tr>
<td>2009-10</td>
<td>5,063</td>
<td>3.60</td>
</tr>
<tr>
<td>2010-11</td>
<td>5,150</td>
<td>3.60</td>
</tr>
<tr>
<td>2011-12</td>
<td>5,400</td>
<td>4.00</td>
</tr>
<tr>
<td>2012-13</td>
<td>5,600</td>
<td>4.40</td>
</tr>
</tbody>
</table>

Source: BGMEA
Below Table 3 shows the trend of total export value from 1983 to 2013.

**Table 3:**

**COMPARATIVE STATEMENT ON EXPORT OF RMG AND TOTAL EXPORT OF BANGLADESH**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EXPORT OF RMG (IN MILLION US$)</th>
<th>TOTAL EXPORT OF BANGLADESH (IN MILLION US$)</th>
<th>% OF RMG’S TO TOTAL EXPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983-84</td>
<td>31.57</td>
<td>811.00</td>
<td>3.89</td>
</tr>
<tr>
<td>1984-85</td>
<td>116.2</td>
<td>934.43</td>
<td>12.44</td>
</tr>
<tr>
<td>1985-86</td>
<td>131.48</td>
<td>819.21</td>
<td>16.05</td>
</tr>
<tr>
<td>1986-87</td>
<td>298.67</td>
<td>1076.61</td>
<td>27.74</td>
</tr>
<tr>
<td>1987-88</td>
<td>433.92</td>
<td>1231.2</td>
<td>35.24</td>
</tr>
<tr>
<td>1988-89</td>
<td>471.09</td>
<td>1291.56</td>
<td>36.47</td>
</tr>
<tr>
<td>1989-90</td>
<td>624.16</td>
<td>1923.70</td>
<td>32.45</td>
</tr>
<tr>
<td>1990-91</td>
<td>866.82</td>
<td>1717.55</td>
<td>50.47</td>
</tr>
<tr>
<td>1991-92</td>
<td>1182.57</td>
<td>1993.90</td>
<td>59.31</td>
</tr>
<tr>
<td>1992-93</td>
<td>1445.02</td>
<td>2382.89</td>
<td>60.64</td>
</tr>
<tr>
<td>1993-94</td>
<td>1555.79</td>
<td>2533.90</td>
<td>61.40</td>
</tr>
<tr>
<td>1994-95</td>
<td>2228.35</td>
<td>3472.56</td>
<td>64.17</td>
</tr>
<tr>
<td>1995-96</td>
<td>2547.13</td>
<td>3882.42</td>
<td>65.61</td>
</tr>
<tr>
<td>1996-97</td>
<td>3001.25</td>
<td>4418.28</td>
<td>67.93</td>
</tr>
<tr>
<td>1997-98</td>
<td>3781.94</td>
<td>5161.20</td>
<td>73.28</td>
</tr>
<tr>
<td>1998-99</td>
<td>4019.98</td>
<td>5312.86</td>
<td>75.67</td>
</tr>
<tr>
<td>1999-00</td>
<td>4349.41</td>
<td>5752.20</td>
<td>75.61</td>
</tr>
<tr>
<td>2000-01</td>
<td>4859.83</td>
<td>6467.30</td>
<td>75.14</td>
</tr>
<tr>
<td>2001-02</td>
<td>4583.75</td>
<td>5986.09</td>
<td>76.57</td>
</tr>
<tr>
<td>2002-03</td>
<td>4912.09</td>
<td>6548.44</td>
<td>75.01</td>
</tr>
<tr>
<td>2003-04</td>
<td>5686.09</td>
<td>7602.99</td>
<td>74.79</td>
</tr>
<tr>
<td>2004-05</td>
<td>6417.67</td>
<td>8654.52</td>
<td>74.15</td>
</tr>
<tr>
<td>2005-06</td>
<td>7900.80</td>
<td>10526.16</td>
<td>75.06</td>
</tr>
<tr>
<td>2006-07</td>
<td>9211.23</td>
<td>12177.86</td>
<td>75.64</td>
</tr>
<tr>
<td>2007-08</td>
<td>10699.80</td>
<td>14110.80</td>
<td>75.83</td>
</tr>
<tr>
<td>2008-09</td>
<td>12347.77</td>
<td>15565.19</td>
<td>79.33</td>
</tr>
<tr>
<td>2009-10</td>
<td>12496.72</td>
<td>16204.65</td>
<td>77.12</td>
</tr>
<tr>
<td>2010-11</td>
<td>17914.46</td>
<td>22924.38</td>
<td>78.15</td>
</tr>
<tr>
<td>2011-12</td>
<td>19089.69</td>
<td>24287.66</td>
<td>78.60</td>
</tr>
<tr>
<td>2012-13</td>
<td>21515.73</td>
<td>27018.26</td>
<td>79.63</td>
</tr>
</tbody>
</table>

Data Source: Export Promotion Bureau Compiled by BGMEA
Following diplomatic negotiations dating back to 1986 among the three nations, the leaders met in San Antonio, Texas, on December 17, 1992, to sign NAFTA. With much consideration and emotional discussion, the House of Representatives approved NAFTA on November 17, 1993, 234-200. Clinton signed it into law on December 8, 1993; it went into effect on January 1, 1994. The vision and mission of NAFTA was to create more jobs, and unequivocally many international scholars subsumed that the establishment of the WTO marked a turning point in the governance of trade under neo-liberal globalism, from a “trade liberalization” project, in which governments were allowed to compensate those suffering injuries due to the process of free trade, to a “trade neo-liberalization” project, but a scenario is totally different in many developing nations where multinational corporations doing business and exploiting proletarians extensively, and Bangladesh is the current example of this process at the moment (Ahamed, 2004; Mottaleb & Sonobe, 2011; Majumder & Begum, 2000; Rahman, 2004). In fact from the very beginning the view of globalization was seemed a political project of establishing new institutional arrangements both at the national and international levels (Chorev, 2005).

Since the quota system was abolished, many developing nations have tremendously fallen into the pressure from neo-liberal globalized trade system, and this was more strong when China became free from quota restrictions from 2009 towards access to the US markets (Asuyama, et al. 2013). But fortunately, due to huge low paid abundant female workers, Bangladesh has received its favorable treatment during the last one decade or so (see Majumder & Begum, 2000; Rahman, 2004; Haider, 2006). The forces of globalization have sparked an ongoing debates between developed and developing countries regarding adherence to international labour standards in international trading agreements (Truscott, Brust & Fesmire, 2007, p.1; Hoq, et al. 2009).

Globalization has been playing an important role in many developing nations in changing its socio-economic structure. In Bangladesh, the economy moves from aid to trade. Bangladesh became the 2nd largest apparel exporting country in the world. During the fiscal year 2010-2011 garment exports totalised USD19.9 billion, a 43% increase over the previous year. It enjoys zero duty access in the European Union where 60 percent of garment products are exported along with Canada, Australia, Japan, Norway and Switzerland through the GSP scheme (BGMEA, 2013). In the global trade system, a garment could be designed in New York, made of fabric woven in China, spread and cut, and sewn in Bangladesh, and marketed in Australia. This is the chain of global trade and Bangladesh enjoying its positive outcomes at every stage of transactions with the modern and developed countries (Cheek & Moore, 2003).

The sweatshop: a movable system in the global order. The sweatshop requires little capital, basic technology and cheap labor for formation (Bender & Greenwald, 2003, p.7). In the 1980s and 1990s, economic globalization leveraged by advancements of technology led to the creation of more multinational companies (Cheek & Moore, 2003). Contemporary observers also understand the sweatshop as transnational. The contracting and subcontracting system that was once limited to a single nation or, more likely a single city, is now global (Bender & Greenwald, 2003, p.7). NAFTA and WTO agreements contributed to increased globalization (Cheek & Moore, 2003; WTO, 2012). To establish a global labour market the mobility of labour is not necessary since the price of labour is shaped via the global market prices of goods - the lower labour costs in developing countries play a significant role. They exert ever greater pressure on the wages in developed countries. The allocation of labour is achieved by the mobility of capital, which flows towards the basins of cheaper labour taking productivity levels into account. The situation has worsened in the last decade when capital in the developed countries has found investments in industry and new jobs uninteresting and reverted to financialisation. Globalization in the developed countries has thus turned into an outflow of investment capital and jobs, the stagnation of wages and living standards of masses of workers, restrictions on social security and welfare systems, the rising indebtedness of individuals, companies and states, and unemployment tremendously high.

3. Working conditions and minimum wages in the garment industry in Bangladesh in the era of free trade and neo-liberal globalization and the ILO’s obligation

Many international scholars raised their concern over working conditions and minimum wages for workers in the garment industry in Bangladesh. In fact, this news was unearthed to the public, NGOs, advocacy groups, international trade union forums, international buyers, both locally and internationally. To break up this postulate, so far very limited work has been done in this sector that I found in the literature review (see Cheek & Moore, 2003; Rahman, 2006; Ahmed, 2004; Mahmud, 2008; Majumder & Begum, 2000; Mottaleb & Sonobe, 2011; Islam &
McPhail, 2011). Working conditions in the Ready Made Garments (RMG) sector is vulnerable and do not often maintain international standards. Islam and McPhail (2011) found a similar notion as I found in my research.

A short list of ten countries, in 5 of the top 10 apparel-exporting countries to the United States-Bangladesh, Mexico, Honduras, Cambodia, and El Salvador-wages for garment workers declined in real terms between 2001 and 2011 by an average of 14.6 percent on a per country basis. This means that the gap between prevailing wages and living wages actually grew.

**Table 4: A list of monthly wages in 15 of the top 21 apparel exporters to the United States, in 2001 currency**

<table>
<thead>
<tr>
<th>Country</th>
<th>2001</th>
<th>2011</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>2,083.00</td>
<td>2,033.60</td>
<td>-2.37%</td>
</tr>
<tr>
<td>Cambodia</td>
<td>51.00</td>
<td>39.78</td>
<td>-22.01%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>2,698.00</td>
<td>2,057.45</td>
<td>-23.74%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>162.00</td>
<td>143.34</td>
<td>-11.52%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1,414.66</td>
<td>1,230.10</td>
<td>-13.05%</td>
</tr>
<tr>
<td>Haiti</td>
<td>1,014.00</td>
<td>1,502.99</td>
<td>+48.22%</td>
</tr>
<tr>
<td>Honduras</td>
<td>2,514.83</td>
<td>2,294.53</td>
<td>-8.76%</td>
</tr>
<tr>
<td>India</td>
<td>2,019.55</td>
<td>2,281.27</td>
<td>+12.96%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>421,958.00</td>
<td>583,786.75</td>
<td>+38.35%</td>
</tr>
<tr>
<td>Mexico</td>
<td>4,766.00</td>
<td>3,386.54</td>
<td>-28.94%</td>
</tr>
<tr>
<td>• Mexico (Min Wage)</td>
<td>1,258.00</td>
<td>1,297.31</td>
<td>+3.12%</td>
</tr>
<tr>
<td>Peru</td>
<td>487.50</td>
<td>570.94</td>
<td>+17.12%</td>
</tr>
<tr>
<td>Philippines</td>
<td>4,979.00</td>
<td>4,662.19</td>
<td>-6.36%</td>
</tr>
<tr>
<td>Thailand</td>
<td>5,748.50</td>
<td>5,378.25</td>
<td>-6.44%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>730,167.00</td>
<td>1,019,766.50</td>
<td>+39.66%</td>
</tr>
</tbody>
</table>

Source: Global Wage Trends for Apparel Workers, 2001-2011, Worker Rights Consortium July 2013 - Centre for American Progress

From Table 4 we can get a clear picture of real wages for the garment workers in Bangladesh, which are even below the living cost. It should not be forgotten that neo-liberalized free-trade globalization movement was created for more capital mobilization towards creating more jobs, but indeed, it has created more jobs in this globe, especially in the South, however it has drastically ruined workers harmony and suppressed workers’ individual and state’s productivity on a robust scale. Unfortunately world giant retailers remain unrepentant when they were required to take proper initiative in this turmoil. Recent analysis says, Wal-Mart refused to sign on the accord that is requiring factory compliance. Hensler (2013) an American Judge, prepared a report atop global wage trends for apparel workers, 2001-2011, which was held in July, 2013 and known as Worker
Rights Consortium, where he addresses very interesting things with research findings and other data over a period of time between 2001-2013, in which it clearly reveals that the garment workers' real wages dramatically declined in that period, but living costs and other liabilities increased unexpectedly.

Mr. Hensler also showed in his report that Bangladesh and Cambodia, the fourth-and eighth-largest clothing exporters to the United States in 2011, respectively, dramatically expanded their apparel exports to the United States during this period but concurrently workers' real wages waned by -2.37%, which is unjustifiable to any degrees. According to Cheek and Moore (2003), The United States are made by the nation's 10 largest retailers. The world's largest retailer, Wal-Mart, alone generated revenues of $166 billion in 1999 and almost $400 billion in 2013, an amount more substantial than the economics of 100 countries, including Portugal and Ireland (Cheek & Moore, 2003). This company has been identified as one of the retailers in the world, which company immensely exploits apparel workers in this globe, especially in Bangladesh, and an example has already been mentioned in the preceding discussion.

Astonishingly we observed that big international retail companies, never intended to take any major initiative to minimize this un-equilibrium trend in the real wages system in the garment industry in Bangladesh to demystify such notion being originated to the critics. Nevertheless the ILO declared in their fundamental constituents that workers should not be treated as a commodity, but it is truly known to everyone at present that workers are not only treated as a commodity, but also treated as an easy source of making huge profits by exploiting them to many degrees (see Hensler, 2013; Ahamed, 2013; Islam and McPhail, 2011; Rock, 2003). A tumultuous situation is being observed by the author in the garment sector in Bangladesh where he identified many shoddy problems occurring in the period of globalization during the last three decades or so. The paragraph below discusses and shows a few examples of current upheavals in the garment industry in Bangladesh.

Ullah (2014) identified Rana Plaza, April 24, 2013 (1135 garment workers lost their lives and approximately 3000 people were injured as the building owner did not follow the correct building code, also factory owners had forced the sweat-workers to move in the building, though the building was identified just days before of the incident as a shoddy building); Tazreen Fashions (117 workers were killed); Spectrum Garments (64 workers were killed and 80 others injured in 2005 - the illegally built extra floors within the building collapsed) and many more uncounted workers lost lives in the past decades since the country started producing the garment products, and the workers were brought up in a completely different atmospheres than a compliant milieu. Not maintaining international labour standards and working conditions are a clear violation of the ILO conventions that we all see from our closest observation, and international media and advocacy groups and local and international NGOs are urging for change in the labour conditions along with some other fundamental changes in this sector, but the question is why the ILO has failed to take its correct and innovative strategy to demote the number of accidents in the garment industry in Bangladesh till today (see, Cheek & Moore 2003; Rahman, 2006; Helfer, 2006; Ahmed 2004; Mahmud 2008; Majumder & Begum, 2000; ABC, 2013)?

The ILO was established in 1919 and became the first specialized agency of the UN in 1946 that we identified by analyzing some international scholar’s written documents Rodgers, et al. (2009); Helfer, (2006); Hughes, (2005); Henry, (2009), however, in our analysis it unequivocally identified too that the ILO is a very specialized organization advocated by the UN for its blatant work tenet which underpins the tripartite program by adhering equal opportunity in the dialectical conversation towards better management in the work place (Hughes, 2005). Determining the treatment of workers’ rights in the globalized economy is a conflictive process (Douglas, Ferguson & Klett, 2004). It has widespread conflicted arguments among multi-national corporations, local business enterprises, labour movements, and human rights NGOs, in the global North and global South, for carrying different values and interest in regard to workers’ rights. In these social conflicts the (ILO) has demonstrated a magnificent concept among all as a valuable means for conflict management (See, Douglas, Ferguson & Klett, 2004). The ILO is known as a specialist agency of the United Nations (UN) whose mandate is the protection of working people and the promotion of their human and labour rights (See Hughes, 2005; Henry, 2009; Rodgers, et al. 2009; Helfer, 2006). In recent years, the “ILO” has received great attention in the public debates about its triumph atop social injustice and infringement in the work place. In this debate, the ILO subsumed and gyrated to demystify the concept as unavailing in many facets.

The ILO sought to make a social balance since its foundation in 1919, and the preceding history of ILO is glorious in the wake-up call for changing the labour laws and other social inequalities within the member states. But, notwithstanding this is not the reality, in fact many international scholars are howling over the workers’ rights and questioning the ILO to justify their position over many problems encountering workers’ socio-economic life and adhering with more uncertainty (Helfer, 2006).

Bangladesh has been an active member state of the ILO since 22 June 1972 and has ratified 33 ILO Conventions including seven fundamental conventions. The ILO opened its office in Dhaka, Bangladesh on 25 June 1973, and initially started working on expanding income-earning opportunities through labour-based infrastructure development and maintenance. Bangladesh is the signatory of the ILO and ratified eight fundamental conventions by this time, but most of them are not yet being implemented, hence working conditions are not getting changed since the garment industry started their operation locally. But the question is: why has the ILO failed to obtain a remarkable result in this sector since many years back though they are trying onerously to save the garment industry’s reputation from its moribund situation, but nevertheless how strong aspiration do they have - this is a good question indeed? When the ILO faces its limitations over enforcement power, other state government get influenced to avoid the ILO conventions that they ratified already which we saw in Bangladesh and in many other nations (see Helfer, 2006).
The above quote by Marx perhaps aptly defines the condition of Bangladesh’s key export division and major foreign exchange earner industry - The Garments Industry. Marx characterized Globalization as Universalization of Capitalism. Globalization has often assumed a direct, unmediated, causal link between global economic pressures and the formation of new policies. In this process, the state flagrantly faces a deleterious situation in most cases as developing nations have less integration power over state economic policy, and state ignores the possible effect on state institutions that we see occurring in the garment industry in Bangladesh. However, developing nations can unitedly face this problem if problems are encountering the states’ prosperity. Developed countries that exploit labour should require provision of minimum wages and sufficient technical assistance to improve working conditions of the workers, in which process they can improve their living standard as well. If the countries do not do that of course consumers of these countries can boycott their products and raise their voice against capital manipulation.

It has been profoundly found that, the U.S. is the major player of the sweatshop industry in this globe. Relatively high wages, unionized northeast to the low-wage, nonunionized south in the 1920s and 1930s, the United States apparel manufacturers have for a long time relocated production in search of cheap labour (Bonacich & Appelbaum, 2003 p.142). However, the most careful observations are of the opinion that the first major step towards the implementation with the policy of the movement offshore did not begin, more or less, until well after World War II, (Bonacich & Appelbaum 2003, p.142). The development of expansion of offshore sourcing began in 1956 with a vision of producing low cost shirts “for the people who live between New York City to Los Angeles”, sourcing in Japan (Bonacich & Appelbaum, 2003, p.142).

Notwithstanding many international researchers and scholars assume that sub-Saharan Africa now to be given special and favourable treatment, such as duty-free and quota-free access to the US. Market provided by the African Growth and Opportunity Act (AGOA), have been a real concern for Bangladesh and other developing nation who are producing garment products for the US Market (see Mottaleb & Sonobe, 2011). If the situation is like that, of course a dynamic and timely strategic model should be implemented to keep this sector under smooth management for the greater interest of millions of livelihoods who are directly involved with this industry, and the national economy also belongs to this sector on a robust scale.

As described by Waltman (2008), the characteristics of the “New Liberalism” of the late nineteenth and early twentieth centuries was a conscious reaction against mid-Victorian libertarianism. The shift to new version of liberalism is described by him in his book in which he argues that: “New Liberalism is the next step in this evolution: the notion that, in order for a society to be maintained and to evolve, it is necessary to take into account our responsibility to future generations. The key challenges of our time, from climate change to the growing debt and deficits, and the growing inequalities all threaten not only our freedom, but the freedom of future generations. Where classical liberalism was centered on negative freedom (freedom from harm), and social liberalism was centered on the broader concept of positive freedom (freedom to develop), new liberalism adds a further dimension with the concept of timeless freedom (ensuring the freedom of future generations through proactive action taken today). And if this is the case, indeed we have to act right now to protect workers’ rights with more realistic observation against the current global political agenda that undoubtedly affecting poor workers and subverting their human rights at the very eminent scale.

The consequences have not examined the fatal disaster of the Spectrum Garments. Almost a decade after Spectrum, buildings in Bangladesh remained structurally unsafe: buildings are illegally converted into factories and factories run day and night in order to meet production targets. Keeping costs low is prioritized while widespread fatal health and safety faults remain. Faulty electrical circuits, unstable buildings, inadequate escape routes and unsafe equipment are a major cause of death and injury (a complete violation of the ILO conventions where Bangladesh is signatory) and (a complete violation of social justice). Working conditions are scant and it often does not maintain international standards, which is a prime concern for the retailers and anti-sweat shop campaigners. So the question is: How can the Bangladesh garment sector be better regulated?

References


Evaluation of increasing susceptibility of areas surrounding Kala Bagh Dam, Pakistan to flood risk: A review

Amna Butt
Aisha Khan
Sheikh Saeed Ahmad

Department of Environmental Sciences,
Fatima Jinnah Women University,
Rawalpindi, Pakistan

Correspondence:
Amna Butt
Department of Environmental Sciences,
Fatima Jinnah Women University,
Rawalpindi, Pakistan
Email: ambutt91@yahoo.com

Abstract

Natural calamities destabilize the financial status of the affected nation/country. It destroys the persisting infrastructure causing the destruction of accommodation, common facilities and the health care system. The 2010 Pakistan floods have killed over 1,700 people and directly destroyed the lives of over 20 million people. Khyber Pakhtunkhwa was the worst hit province which suffered massive losses of human lives, infrastructure and economy; and also caused serious environmental hazards. The expected heavy rainfalls of upcoming years in this region of the country will possibly lead to extreme flooding throughout the Indus river basin, thus increasing the flood risk and additional losses. Since dams are known to have a function for flood management, development of Kalabagh Dam is thought to be crucial for the alleviation of future flood risk in the province. However, at provincial level there are still a few objections regarding its construction but ample water wastage and livelihood loss caused by 2010 flood has brought its importance in regards of flood management to the forefront.

Key words: Natural disaster, Kalabagh Dam, Flood management, Flood Impacts, Flood prevention, Health impacts, Risk awareness, Monsoon rains, anthropogenic factors of flood, “La Niña”

1. Introduction

Floods are natural occurrences around the globe, predominantly caused by events such as heavy rainfall, steep slopes and topographic features of an area along with the role of anthropogenic activities (Khan and Mohmand, 2011). They cause immense losses in terms of human life, infrastructure and property (Montgomery, 2006; Kirsch et al, 2012). Pakistan, due to its topography and rainfall patterns, has records of floods varying in severity. However, among them the most devastating ones were the floods of 2010 and 2011 (Qureshi, 2011). Leading drivers of the increasing flood damage in Pakistan, especially in the Indus plain, are the anthropogenic factors such as global warming, extreme weather events, increase in sea level, deforestation, urbanization, economic growth and changes in land use practices.

The widespread floods all over Pakistan in the year 2010 (late July and August) became a trigger for flood riots, social unrest, and increasing concern over spread of epidemic diseases. It was claimed to be the worst naturally occurring calamity of Pakistan’s history and was said to be caused by the unprecedented monsoon rains which lasted for almost two months. At the peak of flooding, it approximately brought one-fifth of total land area of Pakistan underwater (Veresay, 2010). As shown in Fig. 1 the flooding was observed in the majority of the forty-six of Pakistan’s 135 districts and caused monetary loss of about $9.7 billion (ADB-WB, 2012). Approximately 20 million people were affected by flood that year in terms of damage to their lives, homes, crops and infrastructure (Straatsma et al. 2011; Akhter, 2011; WFP, 2012; Encyclopaedia Britannica, 2013) and were displaced (OCHA, 2010). This damage tended to have long lasting effects not only on farmers’ lives and economically valuable crops but also on schools (approximately more than 10,000) and other
physical infrastructure (Akhter, 2011; Encyclopaedia Britannica, 2013). The effect on the economy, including livestock, animal sheds, fertilizers, agriculture crops, personal seed stocks, agricultural machinery, fisheries and forestry, was more than any of the previously occurring losses due to a natural catastrophe in the region (FAO, 2012). Approximately, 80% of food reserves of Pakistan were lost (Polastro et al, 2012).

2. Impacts of 2010 flood on Pakistan

Flood damage in Pakistan was most evident in the districts of Nowshera and D.I. Khan in KPK, Rajanpur and Muzaffargarh in the Punjab, and Thatta, Shikarpur, Jaffarabad and Jacobabad in Sindh (ESP, 2010-2011). The flood produced an adverse effect on the health of the local population. 6.2 million consultations for dermatologic conditions, gastroenteritis, malaria and respiratory infections, were reported to the World Health Organization (WHO) from 50 districts of the total 64 affected districts between August and September 2010 (Warraich et al., 2011). The flood also resulted in the destruction of the natural environment and natural resources. It has caused the erosion of forest land, killing of wildlife, washing out of native aquatic fauna, growth and distribution of exotic flora and fauna, dispersal of epidemic diseases, increase in pollution, and destruction of the habitats and previously existing ecosystems (Khan et al, 2010).

2.1 Impacts of 2010 flood on KPK

About 22 July monsoon rains began to fall in northwest mountainous region of Pakistan leading to flash floods in Balochistan, Khyber Pakhtunkhwa and Punjab provinces (Akhter, 2011; Encyclopaedia Britannica, 2013). Khyber Pakhtunkhwa province was the worst hit province due to a westerly weather system combined with heavy and prolonged monsoon rains in the area (Khan and Mohmand, 2011). Table 1 (next page) shows the Indus and Kabul river outflows in different regions of KPK during the 2010 flood and their flow status.

Along with the destruction of human lives and livestock (Provincial disaster management cell, 2010), crops, irrigation water supply system, infrastructure and economy; 2010 floods also posed serious environmental hazards in KPK (Khan and Mohmand, 2011). The causes of these floods were steep slopes (topography), prolonged rainfall, rapid and unplanned urban development, deforestation, development of infrastructure and high sedimentation rate (Khan and Mohmand, 2011).
Table 1: Indus and Kabul river outflows in KPK flood during 2010

<table>
<thead>
<tr>
<th>River</th>
<th>Location</th>
<th>Discharge (Cusecs)</th>
<th>Flow Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kabul River</td>
<td>Warsak</td>
<td>41650</td>
<td>Low</td>
</tr>
<tr>
<td>Kabul River</td>
<td>Nowsehra</td>
<td>75700</td>
<td>Medium</td>
</tr>
<tr>
<td>Indus River</td>
<td>Tarbela Outflow</td>
<td>279100</td>
<td>Low</td>
</tr>
<tr>
<td>Indus River</td>
<td>Kalabagh Outflow</td>
<td>372975</td>
<td>Low</td>
</tr>
<tr>
<td>Indus River</td>
<td>Chashma Outflow</td>
<td>505007</td>
<td>High</td>
</tr>
<tr>
<td>Indus River</td>
<td>Attock Khairabad</td>
<td>343800</td>
<td>Low</td>
</tr>
</tbody>
</table>

3. Future Risk and implications of Flood

The late July - August 2010 monsoon rains was 180% above normal in KPK, Pakistan with the reports of 300mm in excess on 29 July, 2010 as reported by Sayah (2010), Slingo (2010), Vastag (2011) and Oxley (2011) in their respective analysis of 2010 floods in KPK Pakistan. These rains are considered to be caused by a combination of “La Nina” (induced high sea surface temperatures), strong winds (jet stream) and large amounts of moist air over the Indian Ocean (Oxley, 2011). The analysis of these factors lead to the proposition that in the upcoming years unusually heavy rainfalls would be experienced frequently in the northern areas of Pakistan, due to global warming. It is evident that the unusually heavy rains in the northern areas of the country caused the high levels of extreme flooding throughout the basin of the River Indus, that lead to the record losses across every region of Pakistan (Oxley, 2011). The soil of the region will be prone to erosion in the future and will also be a source of siltation of streams and rivers with pouring rains and high surface flows. The decrease in vegetation cover might contribute to surface run off and will decrease the percolation and aquifer revival rates. The loss of farms, forests and linear plantations on agricultural fields will lead to economic stress on the communities, as they will have to purchase energy sources such as LPG cylinders or they will cut trees for fuel wood causing additional loss of vegetation cover. The loss of agricultural crops, fruit orchards, forests and natural vegetation will affect the wildlife populations, as these problems result in the loss of cover, nesting sites, food resources and habitat for them. The ultimate result will be the exposure of wildlife to hunters (Khan et al, 2010). The floods incidents, if repeated, will cause the destruction of social and local community life and will cause stress on the local population resulting in many economical, occupational and psychological impacts.

4. Kalabagh Dam (KBD) Project and flood management

Flooding is a natural part of a river’s cycle and it only becomes catastrophic when people are not well prepared to cope up with it and property is not appropriately planned and designed. Many dams have the specifications of controlling flood, but in some cases dams actually cause floods (NFIP). The floods of 2010 resurrected the debate about the Kalabagh Dam as flood control is considered as one of the major benefits of this dam. The Kalabagh Dam site is 210 km downstream of the Tarbela Dam and approximately 26 km upstream of the Jinnah Barrage on the River Indus (Pakistan Water Gateway). Indus River rises in Tibet at an elevation of about 18,000 ft. above sea level. After flowing through the Himalayan mountain ranges and then foothills, it spreads into the Punjab plains at the town of Kalabagh and flows further 770 miles across the plains before reaching the sea (Izhar-ul-Haq, 1984-85). The proposed design of the dam presents the plan the construction of a 260 ft. high rock-fill dam having the maximum retention level at about 915 ft. Its reservoir would have the working storage of an estimated 6.1 MAF. It will also have two spillways on the right bank for the active distribution of flood water for quick disposal. It is also proposed that in the event of probable floods, these spillways will be able to discharge over 2 million cusecs of water. The final power house will be constructed on the left bank and will have the final generation capacity of 3600 MW (WAPDA, 1999). The mean annual river flow at Kalabagh is 90.00 MAF. It is due to the presence of many additional nullahs and tributaries that join the Indus River between KB Dam and Diamer Bhasha Dam. So, the mean volume of flood to be managed at Kalabagh is about 2,200,000 cusecs (Luna and Jabbar, 2011). The Kalabagh dam has been thoroughly investigated from multiple aspects since the inception of its idea in 1952. These technical (Izhar-ul-Haq, 1983; Luna and Jabbar, 2011; WAPDA, 2010) environmental and ecological impacts (Kazi, 2001; Ali, 2006), social (Memon, 2002), economical, power and energy provision (Abbasi et al, 2013), and political impacts (Mustafa, 2010; Feyyaz, 2011) have been rigorously investigated by various governmental, national and international organizations, technical consultants and experts, independent dam engineers and political, social and environmental experts.

As mentioned above, among the many proposed benefits of developing the Kalabagh dam (power generation, supply of water for irrigation etc.) one was flood alleviation. It was proposed that the project will be helpful in reducing the severity and frequency of damage caused by floods in downstream areas. It was proposed that the reservoir will absorb some floods while others will be abated significantly by refilling the reservoir and the annual average flood alleviation benefits to be derived from the dam were estimated to be Rs. 0.70 Billion (Pakistan water and development authority, 2001; GOP, 2001). However, historical evidence suggests differently such as the reported prevalence of severe flood impacts after the construction of other major dams in Pakistan namely Mangla and Tarbela (Water Sector Report, 1997; Khan, 1999; Khan, 2003). This leads KPK people to be concerned about the development of Kalabagh dam over the past years. This concern is based on the serious threat to the survival of Nowshera town and surrounding areas due to prevalent high flood (as in case of 1929) which they believed will happen due to backwater effect of Kalabagh dam. This effect is thought by them to raise water level of Kabul river and thus threaten the survival of Nowshera town. Yet Bhatti, (2011) argued that this concern is not valid.
since various investigations such as that of Water and Power Development Authority of Pakistan (WAPDA) negated this theory and stated that the backwater effect will not affect the town as it would end about 10 miles downstream (WAPDA, 1999). Similar results were obtained by the research of Malik, (2005) and Malik, (1999) also argued that Munda Dam project (Swat River) will further provide protection to the town against the flood as stated by Bhatti, (2011).

Figure 2 shows that along with KPK, other Provinces have also raised various objections regarding KBD based on the possible environmental and socio-economic impacts of its construction (Ahmad, 2014; Rasheed, 2013; Bhatti, 2011; Rajput, 2011; Khan, 1999). The specifications of these objections are illustrated in Table 2.

![Figure 2: Oppositions to KBD construction](image)

Research conducted on KBD from all the aforementioned perspectives makes its construction the most controversial issue in Pakistan where many are opposing it (Rasheed, 2013; Rajput, 2011; Khan, 1999) while others are supporting it (Bhatti, 2011; Malik, 2005; Malik, 1999). It is yet to be ascertained whether its harmful impacts overcome the positive ones (such as flood prevention) or vice versa.

5. Conclusion

Increasing climatic changes make it a necessity to develop infrastructure for water storage for upcoming dry periods. Unfortunately such infrastructure development is opposed by various societal segments in Pakistan. Kalabagh dam has particularly become an exceedingly controversial project of Pakistani history. Not only the province of Khyber Pakhtunkhwa but also Sindh has shown opposition to the dam construction even though the evidence proved their objections and reservations both baseless and groundless. The project is not only useful for economy and energy generation but the loss of lives and properties by the 2010 flood and ample wastage of water has revealed the importance of this dam in regards of flood and water management. Estimates revealed that 59 million acre feet water passed through Kotri barrage during flood and it is obvious that large dams like KBD can prove to be beneficial for flood prevention. However, it should not be considered as the only way of preventing the floods in the KPK region and other measures should also be adopted after the complete study of the region.

References


Table 2: Objections of Pakistani Provinces against KBD Construction based on its impacts

<table>
<thead>
<tr>
<th>Province</th>
<th>Possible Impacts</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPK</td>
<td>Population Dislocation: 16 unproctected villages will be acquired and their population resettled; 64933 persons will require resettlement elsewhere; Another 131000 persons will be requiring protection through 24 feet high dykes.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Threats to Nowshera: Fear of recurrence of 1929 record flood</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Destruction of SCARP Projects: The Mardan and Swabi SCARP projects, covering 123,000 acres of irrigated land, will face certain threat of failure, because of their outfalls being lower than the high flood levels in KBD reservoir.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in Salinity: Drainage of surrounding area of Mardan, Pabbi and Swabi plains would be adversely affected by the reservoir thus creating water logging and salinity.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Submergence of fertile cultivable land:</td>
<td></td>
</tr>
</tbody>
</table>
|          | Danger of Shallow Wells in Karak turning Brackish: With the construction of KBD in the proposed geological environment, it is feared that this life giving sweet-water aquifer will be lost due to:  
  • The lateral flow of saltish water into it;  
  • Its vertical mixing with deep-water saltlsh reservoir. |                                                                                |
| Baluchistan | Baluchistan does not touch River Indus and is not a riverain in the stricted sense. Baluchistan's opposition to KBD is therefore based on its apprehensions: |                                                                                |

<table>
<thead>
<tr>
<th>Province</th>
<th>Possible Impacts</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mangrove Forests: Reduction in size of forests; Decrease in biodiversity; Deforestation leading to desertification.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fisheries: Decrease in reproductive success of fish and shrimups.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deterioration of Water Quality: Accumulation of agricultural chemical in soil; Increase in growth of filamentous algae; Increased Salinization.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sea encroachment: With an unnatural storage on River Indus, the surface moisture in “Kacho” will be lost, resulting in soil degradation, salinity and wind erosion. Such devastation in “Kacho” will force massive migration of inhabitants and severely affect people attached to the trade of the riverain forests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effect on &quot;KATCHO&quot; in Sindh: Future requests for more water from River Indus will meet little success if KBD over stretches the demand of water in Indus River system; With the revised distribution of water in the post KBD scenario, Baluchistan fears a further reduction in its share of irrigation water usage, which is already very low.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultivation in riverain or &quot;Sailaba&quot; areas will be affected.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental Impact Assessment Report (1984): Effect on river ecosystem; Effects on the Indus delta; Effects on wildlife in the probable reservoir area etc.</td>
<td></td>
</tr>
</tbody>
</table>


Pakistan Environmental Movement Revisited

Rabail Urooj

Correspondence:  
Rabail Urooj  
Department of Environmental Sciences,  
Sardar Bahadur Khan Women University, Quetta,  
Balochistan, Pakistan  
Phone: 0092 345 5276713  
Email: rabail_urooj@yahoo.com

Abstract

Pakistan is a beautiful country having varieties of landforms, seasons and diversity of life. With these entire valuable gifts from the Allah, there are many other problems concerning the Environment. At the time of inception the Pakistani nation was not familiar with environmental concerns, but since the 1970s after the first international conference on human environment the government formulated its environmental law for the first time in the history of Pakistan. Pakistan Environmental Protection Act was enacted as Law in 1997, which comprised thirty four sections dealing with different matters. Under these sections council, tribunals and agencies for environment were established. As the result of government initiative, the National conservation strategy was formed which addressed fourteen main core areas of environment in order to show its commitment to environmental concerns. Till now Pakistan has signed many multilateral agreements and conventions just to promote a healthy environment not only in Pakistan but also acting globally to protect the environment.

Key words: Environmental history, Pakistan, Policy, Act 1997, Ministry of Environment.

Introduction

Pakistan is located in the south of Asian countries covering 796096 km². Currently Pakistan has 187 million population. Pakistan is a beautiful country having four seasons, landscapes, lakes, rivers, world highest peaks and largest system of canals. Approximately 5.2 percent area of land is cover with farm fields and forest. Around 11.6% of land is allocated as a protected area in concern of conservation practices. Besides a campaign for tree plantation is being carried out for enhancing forest cover in the country. In Pakistan four regular monitoring stations are installed for air pollution. Approximately 37 % of the population is in an urban area. And still urban areas are growing.

The entire Pakistani nation is suffering from different environmental problems like increasing population growth, urbanization, deforestation, habitat destruction, and misguided management of government utilities like sewage problem, flood and surface drainage, scarcity of fresh water, soil contamination and erosion, and weak governmental policies.

Being an agricultural country Pakistan is facing climate change and excessive use of pesticides. Usually it is attributed to insecurity of food and economic loss due to crop failure because of climate variation. An example is the recent flooding in Pakistan by monsoon which are thought to be a result of climate change [1].

Environment legislation was introduced in Pakistan for the first time as the result of the Pakistan constitution of 1973. The National Conservation Strategy (NCS) was formulated which gave a base for the development of sustainable development institute for policy making, as the result of which international donor agencies granted financial assistance to all four provinces for environmental related projects [2].
In Pakistan eight agencies and four provinces (Punjab, Sindh, Balochistan and NWFP) are working for environmental protection. Moreover the Pakistani Government has signed and ratified MEAs and conventions like the Basel Convention, Prior Informed Consent for dangerous pesticide and chemicals, earth summit on organic pollutants, Montreal protocol, Agenda 21, Convention on biological diversity, and convention on endangered species trading in order to dedicate its commitment, being a UN member state, to achieve development goals [3].

Research study was carried out on assessment of the environment in the public sector in 2010, in which the researcher deliberated about the need of environmental concerns. The research was based on how environmental concerns got incorporated in the policy and decision making at the provisional level of Pakistan and what efforts so far have been made in this area regarding environmental movements [4].

One report written by the World Bank on Environmental Assessment of Pakistan has mentioned that Pakistan has an admirable record about conservation and sustainability since 1992 to 2005, but the weak area is its implementation and its challenge for the country [5].

One study was carried out by Rafique on development institution and cleaner production in Pakistan. The study reflected that Pakistan took a sequence of environmental actions after the 1992 conference on environmental development like development of PEPA 1997, NCS, MDF, NEQs and establishment of Environmental Protection Agencies and Environmental Tribunal. After the promotion of environmental activities in Pakistan people became more aware of environmental friendly services and products. That’s why cleaner production technologies have been introduced in Pakistan’s 250 industries [6].

Runalls revealed in the report of NCS that the environmental movement has been disseminated. The NCS played a vital role in combining and carrying together all dispersed environmental and sustainable development problems and issues under one umbrella and played an effective role in starting the environmental movement in Pakistan [7].

Khan and Khan conducted research on the “Drivers of Change Pakistan” in 2004. This research was based on the environmental movement focusing on regional issues. According to the researcher environmental issues have been politicized by the government, like Dam construction. Few NGOs and little expertise is involved in raising environmental awareness across the country. So Pakistan needs to build links with international environmental institutions so that local awareness and information can be enhanced [8].

**History of Environmental movement**

In the beginning people were not much aware of environment, and were not even familiar with the word “Environment”. But the Environmental movements have made some significant achievements. The history of environmental law in Pakistan can be divided into three phases:

**Pre-colonial phase**: which was before 1857 when the system of common property rights was prevailing.

**Colonial phase**: which prevailed from 1857 to 1947 when the British government took charge of common right and applied a revenue collection system. In that phase the British Government redistributed land and irrigation among peoples and developed infrastructure like cantonment areas for bureaucrats and colonial officers to create attraction for urban areas. Pakistan introduced a forest policy which the British-Indian Government enacted in 1894. The British India Government also established a policy for exporting raw material like cotton to foreign countries and import of finished products which lead to injudicious use of resources which showed little concern for the environment.

**Post-independence phase starting from 1947**: Environmental laws in Pakistan were not formulated until the 1950s. But the legal system applied in Pakistan until the 1970s was the same as during the British rule. The Government of Pakistan used a policy for British India until 1955. Above and beyond this fact, one important institute was formed at the time of independence named the “Pakistan Forest Institute 1947” which at present works as part of the Ministry of Environment. Since its inception this institute has worked for management of natural renewable resources. Then after one year the government of Pakistan established the zoological survey department which worked on collecting and assembling of information about fauna, its management, conservation, habitat and creating awareness about animals among people through wildlife education. This department also performed advisory duties in order to advise the Government about import and export of wildlife. In 1955 the Pakistani Government formulated its own policy and rules. The best example is National Forest Policy, 1955. However development of environmental law in post-the independence phase in Pakistan can be divided into four periods:

**1962-1965**: In this period the following specific environmental laws were promulgated:

Capitol Development Authority Ordinance in 1960
Agricultural Development Bank Ordinance in 1961
Oil and Gas Development Corporation Ordinance in 1961
Islamabad Ordinance (Preservation of Landscape) in 1966
1970-1976: In 1972 Land Reform Act, Cutting of Trees (Prohibition) Act, Pakistan Fish Inspection and Quality Control Act were approved by Court. Council for wildlife at the national level was established in 1974 which worked successfully in formulating policies in order to protect and conserve wildlife. NCWC also made a list for the following national parks after consultative process in order to manage them at global standards:

- Chitlan Hazarganj National Park (situated in Balochistan)
- Chitral Gol National Park (situated in NWFP)
- Margalla Hill National Park (situated in ICT)
- Kirthar National Park (situated in Sindh)
- Khunjerab National Park (situated in Northern Areas)
- Lal Sohanka National Park (situated in Punjab)

The Environmental Ministry named “Environment and Urban Division using, workers and urban affairs” was established in 1975 as a follow up of the United Nation Conference on Human Environment, 1972. The Fishery Zone Act was passed in 1975 by the Pakistan Government and in 1976 the first draft of Pakistan Environmental Protection Ordinance, Maritime Zones Act and Territorial Waters act was enacted. Pakistan also signed and ratified agreement of endangered species trading (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and wetland convention on 1976. In 1979 Islamabad Wildlife Ordinance came into being for Protection, Preservation, Conservation and Management.

1980-1997: This is a very effective period of environmental law. Policy for Forestry and Wildlife was formed at national level, as part of Agricultural policy. In this period the first PEPO (1983) was promulgated and as follow up of PEPO, PEPC (Pakistan Environmental Protection Council) formed in 1984. Forest Department of NWFP started a program for the conservation of chiltan Markhor hunting in 1983. ENERCON (Energy conservation) was established in 1986 in Islamabad, in order to conserve energy, and for the formulation of policy in concern with environmental parameters. Pakistan signed the Convention on Migratory Species (CMS) in 1987. In 1988-89 EPAs were established at federal and provincial level. In 1992 Pakistan participated in the earth summit (UNCED) in Rio de Janeiro. In that earth summit the Pakistani Prime minister showed the National Conservation strategy (NCS-1980) as Pakistan’s commitment to environment after the Stockholm conference and became party to various international environmental conventions and protocols after signing them, such as:

- Convention on Biodiversity 1992: After signing CBD, Pakistan prepared Biodiversity Action Plan (BAP)
- Agenda 21: Pakistan signed and adopted Agenda 21 which is based on the 40 chapters related to different environmental issues. One special concern which was addressed by Agenda 21 was environmental education.
- United Nations Framework Convention on Climate Change [UNFCCC]: When Pakistan signed the UNFCCC in 1992 and ratified it in 1994 then a series of activities were commenced regarding climate issues in Pakistan. The result of these activities include first mega national project on climate change named Asia Least Cost Greenhouse as Abatement Strategy (ALGAS) completed in 1998.

United Nations Convention to Combat Desertification: In order to fulfill obligation of this convention Pakistan prepared the National Action Program (NAP) to combat desertification in the country.

In pursuance of earth summit, further NCS (National Conservation Strategy) was developed and approved by the Government of Pakistan on March 1, 1992. NCS determined an environmental improvement agenda for the country. Then the UN awarded a grant to Pakistan through IUCN for the implementation of Sustainable Development Network Program (SDNP). Pakistan also signed the Vienna Convention for the Protection of the Ozone Layer and Montreal Protocol (1987) on Substances that Deplete the Ozone Layer in 1992. Besides this Pakistan Environmental Quality Standards (NEQS) were notified in 1993. PEPA was drafted as well in 1993. In 1993 the government initiated the Tarbela watershed Management Project in order to create cognizance in the local population about management and conservation of environmental resources. This period marks the beginning of judicial activism for the environmental issues by the Pakistani judge. This started with the momentous decision of the supreme court in the Shela Zia case (1994) in which legal rights were established for the people who live close to the polluted sources. Afterwards many other decisions followed this and lead to deferral of polluting operations. In 1994 the court took action in the case of Environmental Pollution in Balochistan after an article was published in a newspaper that the coastal area of Balochistan was used for dumping nuclear waste. Pakistan is a signatory country of the Basel Convention since 1994. In 1995 Rachna Doab Afforestation Project was proposed and started between river Ravi and Jhelum. The Ministry of Environment, Urban Affairs, forestry and wildlife was established in 1994 then in 1995 the name changed to the Ministry of Environment local Government and Rural Development. Afterwards the Environmental Standards Committee (ESC), NEQS expert advisory committee, National Assembly Standing Committee on Environment, Senate Standing Committee on Environment, Drafts of provincial Environmental protection acts (NWFP and Punjab), Environmental Technology program for industry (ETPI) and Technology Transfer for Sustainable Industrial Development (TTSID) were established. In 1995, Rural Road Construction Project commenced with the help of a Japanese Donor Agency. Fuel Efficiency in Road Transport Sector (FERTS) was anticipated by Government in 1996 to reduce emission of CO2 and GHGs by improving fuel efficiency.

1997-update: With the help of the European Commission, the Pakistani government started a program of European Rehabilitation in NWFP and Punjab in 1997. The objective of this program was to stop the process of environmental degradation in three upland areas: Murree, Kahuta, Kotli Satian, Galiat-Abbottabad and Dir Kohistan.
Pakistan Environmental Protection Act (Dec 1997) was enacted as a replacement of PEPO1983. Act No XXXIV of 1997 was passed by the National Assembly in 1997. This Act had 34 sections that is why it is called Act XXXIV.

In section 1 a short title was given to Act XXXIV of “PEPA 1997”. Section 2 defines environment and its related concerns according to Pakistan standards. Pakistan Council (PEPC) was established under section 3 of PEPA1997 and Function and powers of the council were assigned under section 4. Federal EPA, its function and powers were assigned under section 5, 6 and 7 respectively. Similarly, Provincial EPAs were established, powered and functioning under section 8. Provincial Sustainable Fund was established and managed under section 9 and 10 respectively. Section 11 discussed prohibition of certain discharges or emissions. For commencing construction section 12 notified Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA). Section 13 and 14 describe prohibition of importing and handling of Hazardous waste. Regulation of motor vehicles comes under section 15. An Environmental protection order could be released against any defaulter by the federal agency and penalties to defaulters written under section 16 and 17. Offence by Government Agencies is described by section 18 and 19. Environmental Tribunals its Jurisdiction and Power were established under section 20 and 21. Section 22 and 23 explained how aggrieved persons can make an appeal to the Environmental Tribunal and from an order of the Environmental tribunal. Sections 24, 25, 26 and 27 described the jurisdiction of Environmental Magistrate, appeal from the order of Environmental Magistrate, Power to delegate and Power to give direction. The remaining Section 28, 29, 30, 31, 32, 33 and 34 are written in Act XXXIV for Indemnity, Due recoverable as arrears of Land revenue, Act to override other Laws, power to make rules, Power to amend schedule, Power to make regulation, and Repeal, saving and succession. Then after the establishment of a new Environmental protection council which took the decision to declare the following national symbols: Chakor as national bird, Markhor as animal, Jasmine as flower, Deodar as Tree.

Different standing committees on environment of various chambers of commerce were established after the enforcement of PEPA 1997. In 1997 the federal government banned plastic bags usage but implementation failed. So recently the court ordered to implement this ban again in 2008. In 1998 various rules and regulations of PEPA were drafted and Environmental Magistrate notified for NWFP. Furthermore NEQs revised and guidelines for Self-Monitoring And Reporting Program (SMARP) were suggested for industry. Besides this environmental tribunals were established in Karachi and Lahore. In 1999 Government Department and NGOs launched tree plantation campaigns. Since its inception every year trees are planted in spring and monsoon season at a national level. Pakistan has forest cover of 4.22 million ha. In 2000 the first rules under PEPA notified:

- Initiation of Pilot Phase of Self-Monitoring And Reporting Program [SMARP] for industry by giving Self-Monitoring And Reporting Tool (SMART)
- NEQs implementation Committee headed by Dr. Pervaz Hassan and comprising representatives of trade and industry, NGOs and other stakeholders.

In 2001 Pakistan signed and adopted Cartagena protocol on biosafety and biodiversity as well as protocol on strategic environmental assessment. Also in 2001 the following rules were formed:

- NEQs rules
- Industrial pollution charges rules
- Environmental samples rules
- Provincial Sustainable Development Fund rules

In 2001 a draft for new National forest Policy and Provincial Forest Policy was prepared and National Environmental Action Program (NEAP) was approved by PEPC and was implemented in 2002. Pakistan participated in the South Asian preparatory meeting for world summit on sustainable development in Colombo, 2001. In 2002 Pakistan attended the earth summit in Johannesburg, South Africa on sustainable development (WSSD) and presented the country assessment report; 101 ways to sustainable development; Children’s poster completion addressed Agenda 21 and Pakistani media mobilization.

In 2005, Mountain Area Conservancy Project (MACP) was implemented in Northern Area and NWFP. The focus of this project is to empower local communities to manage biodiversity in their area.

National Environmental Policy 2005-2015 was prepared in order to achieve goals of sustainable development through protection, conservation and restoration of Pakistan’s environment. NEP 2005-2015 and Mid Term Development Framework 2005-2010 (MTDF) are two other milestones in environmental movements of Pakistan. Pakistan signed the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade on 1999 and was ratified in the country in 2005. Pakistan signed the agreement on Persistent Organic Pollutants 2001 and it was ratified in 2008. Protected Areas Management Project to conserve important species and habitat of three national parks i.e Chitral Gol National park, Hingol National Park and Machar national park was started in 2001 and completed in 2009.
Result

The result of all these achievements since two decades are major incorporation of the environment into the country's economic, social and political decisions, rules and policies of Government and other organizations. Community participation and management gets involved in the forestry and conservation practices. Environmental Council, Environmental Protection Agency, Environmental Tribunals, Environmental Magistrate established and Commencement of EIA in the development and fuel efficiency in transport are all as the result of Pakistan's commitment to Environmental concerns. But it is a fact that environmental concerns are not effectively integrated into the country's economic growth and development plan. Promulgation of PEPA 1997 acts as a building stone in capacity building of the nation. Due to the capacity building people are much more realistic about their responsibilities.

Conclusions

Pakistan has had a strong environmental movement in the last two decades. Pakistan is also signatory and ratified country of almost all environmental conferences, conventions and protocols, but still there is great need of strong implementation of all these rules and policies which have been made in the country.

References


Al Ghurair Group: A Crossroads in Corporate Strategy

Vimi Jham (1)
Anupam Mehta (2)
Eric Van Genderen (3)

(1) Assoc. Professor of Marketing
Institute of Management Technology (IMT), Dubai, UAE
(2) Assoc. Professor of Accounting and Finance
Institute of Management Technology (IMT), Dubai, UAE
(3) Professor of Int’l Business/Strategic Management
Institute of Management Technology (IMT), Dubai, UAE

Correspondence:
Eric Van Genderen
Professor of Int’l Business/Strategic Management
Institute of Management Technology (IMT), Dubai, UAE
Email: ericvg@global.t-bird.edu

This case has been compiled from published sources. The case, itself, is intended to be used as a stand-alone informative case study representing the volatility companies operating within the Arabian Gulf face today, but can also be applied as a learning tool, initiating class discussion and stimulating critical thinking and strategic decision making.

Abstract

The Al Ghurair Group is a well-established family-owned diversified company located in Dubai, UAE. Mirroring the rapid growth of the country, itself, the Al Ghurair Group found many business opportunities, growing to become a prominent UAE-based conglomerate, with global investments and operations. The Dubai market was flourishing until 2008, when it experienced the outset of a major financial crisis, devastating the economy. Like other companies operating in the Dubai market, the Al Ghurair Group has been left with hard decisions to be made, not the least of which is the question of corporate strategy; should the Group continue with its diversification - or should it divest some of its struggling businesses?

1. Introduction: Al Ghurair

It was Thursday Morning, May 25, 2013, when the Executive Vice President, Sulaiman Al Khan, held a meeting in his Al Ghurair Centre Office, overlooking the beautiful city of Dubai, and its haze-filled morning cityscape. It was 10:00 am, and he and his team of senior executives, representing all of the Group’s business concerns, were present and attentive, to discuss the future of the Al Ghurair Group.

The Al Ghurair name had become synonymous with UAE industry, and its executives were proud to be part of its rich heritage. With a history of pioneering innovative businesses built upon excellence, trust and responsibility, the Al Ghurair Group was renowned for having a deep commitment to enhancing the lives of the communities they served. In support of this community-based mission, the corporate philosophy had always been ‘to build strong foundations in major market areas, with a focus primarily on business activities that would further develop the economies of Dubai and the UAE’ - respectively.

This mission and vision paid off as the Group not only prospered from Dubai’s rapid development, but actively contributed to it. In turn, the Al Ghurair Group grew into a massive conglomerate of businesses spanning diverse industries: e.g., education, cement, retail, shopping malls, and real estate, Al Ghurair was now one of the most prominent business groups in the Arabian Gulf - albeit not without its mounting challenges. The UAE’s financial crisis (starting in 2009) devastated Dubai’s economy. Sectors such as real estate (and real estate...
related industries) and retail were hit especially hard - two of the Group's core businesses. Expatriates and foreign direct investment (FDI) fled the UAE en masse, leaving bankruptcy and massive restructuring in its wake.

With a look of both pride and concern, Al Khan called the meeting to order, and opened the session:

“Ladies and gentlemen, we are here today to determine the future of the Al Ghurair Group, one of the most prestigious and established companies in the region. As you are all aware, we are highly diversified, due to our expertise and ability over the decades to identify product and service needs, and offer competitive products and services to fill these needs. That said, the financial crisis has brought our real estate, building, and retail concerns to a virtual standstill - with them only recently showing signs of improvement. In addition, the business environment in this age of digital technology has globalized, and competition is fierce in all of the Group’s business sectors. The question I want you to discuss, consider, debate, and resolve is ‘what is the Al Ghurair Group’s course into the future.’”

2. About the company

The original Al Ghurair Corporation was established in Dubai at the beginning of the 1960s, remaining a family business entity throughout the decades. During the 1990s, the corporation evolved into two unique - yet complementary - businesses. The Al Ghurair story began when Dubai first experienced phenomenal economic and commercial growth, which still characterizes its development today. Al Ghurair Group is a main business group contributing to the economy of Dubai and the UAE. The Group’s founder, Mr. Saif Al Ghurair, is a pioneer of UAE business and a pillar in the community. The Group is family owned and managed. This Group has been in business for over 40 years with expertise in retail, industry and manufacturing. The development was spearheaded by the Rulers of Dubai, the Al Maktoum family, and supported by the trading skills of Dubai’s prominent business families.

Mr. Saif Al Ghurair, the Group’s Chairman, began his economic activities in the 1930s, when he engaged in pearl diving and trading with his father. They later expanded their commercial ventures to include a cement factory, a flour mill, a sugar refinery, and an aluminum smelter. True then, and still true today, the company has retained its core values of: ‘quality, commitment, unity, and focus’. Al Ghurair is all about serving the customer, and they achieve this in a way that would make the management systems guru W. Edwards Deming proud; i.e., by delivering the highest standard of products and services; providing customers access to the most well-known global brands, and utilizing the latest range of technologies and materials available.

The Al Ghurair Group’s philosophy is very clear. According to them:

“You may be a civil contractor or developer seeking specialist construction services for a major project. Or, you may be an electoral commission requiring millions of ballot papers and election supplies. You may be an international fashion house or recognized name-brand seeking franchise opportunities in the Middle East. Perhaps you are a parent trying to secure a quality education for your child, or even a manufacturer of foods and bio-fuels in urgent need of quality raw materials.”

In all of these cases, the Al Ghurair Group has high quality products and services to help support customers and their needs. The Al Ghurair Group seems to take pride in being engaged in such diverse activities, and having the supply chain to source cutting edge technologies and resources from across the Arabian Gulf, and around the world.

3. Corporate Profile

The Al Ghurair Group is truly ‘multinational’, with employees coming from many different countries. Given the diversity of their workforce, the Group’s core values have been pillars that have propped up their corporate culture, and assisted them in shaping a healthy and supportive work environment - an important ingredient in their recipe for success over the years. The Al Ghurair Group invests heavily in its human resources, and empowers its employees by providing the necessary tools, training and development required to help them achieve their potentials, and perform at the high standards set by the company. Furthermore, the Group strives to offer its employees a work environment that fosters teamwork, productivity and innovation.

The Al Ghurair Group’s operations are based in Dubai, in the United Arab Emirates. Strategically located at the crossroads of Asia, Europe and Africa, Dubai provides access to the Middle East and beyond - an international market of over one billion people, making Dubai a leading commercial, financial and e-business capital of the region. Being in Dubai gives the Group the opportunity to benefit from a state-of-the-art infrastructure, and a world-class business environment, two advantages that enable the Al Ghurair Group to better serve its customers.

3.1 AL GHURAIR: A Family Business

The Saif Al Ghurair family owns and leads the different business units of the group. They also contribute actively to the economy of Dubai and the UAE. (The structure of the family can be seen in Figure 1.) The mission of the organization is: ‘To be a high-value partner for their customers, providing them with innovative products and professional support and services, while meeting their obligations to society and the environment’ Al Ghurair’s vision is: ‘To lead the industry in each line of business, and generate sustainable growth for stakeholders, while focusing on clients, employees, and suppliers.’

Al Ghurair is one of the most prominent names amongst the Middle East’s family businesses; having concerns ranging from heavy industry to financial services. The Group itself, has been quite successfully expanding operations internationally. The
Al Ghurair is an old Dubai merchant family, with interests in banking, malls and manufacturing. The main lines of business (LOBs; see Figure 2) are: Real Estate and Shopping Malls, Manufacturing (Packaging Solutions and Metals), and Investments.

The Real Estate LOB’s core functions are leasing and trading, having achieved acknowledged leadership in real estate retail in the Middle East. The Al Ghurair Group proudly owns and manages Burjuman Mall, a state-of-the-art fashion destination in the Middle East. In 2004, Al Reef Mall started operations and services targeting low- to middle-income consumers. ‘Al Ghurair Real-Estate’ is an experienced arm of the Group specializing in real estate leasing and trading.

The Al Ghurair Group’s focus on industrial investments has positioned the Group at the forefront of family-owned and operated manufacturers in the Gulf. The Manufacturing LOB has two sectors: Aluminum and Packaging. All the manufacturing industries of the Group are business-to-business (B2B) operations. Al Ghurair’s ‘Gulf Extrusions’ is the largest aluminum extrusion facility in the region, located right next to the city of Dubai – the world’s largest single smelter site. Al Ghurair ‘Packaging Solutions’ caters for a large customer base in the local, regional and overseas markets.

The ‘Arabian Packaging Corrugated Board Division (CBD)’ is a B2B operation satisfying customers’ needs for cardboard products used for storage and shipping purposes. The ‘Flexible Manufacturing Division’ supplies flexible printed materials suitable for packaging potato chips, nuts, confectionary, etc. ‘Taghleef Industries’ is the market leader and the largest producer in the Middle East and North Africa of Bi Axially Oriented Poly Propylene (BOPP) films. It produces and markets thin plastic film and thin aluminized film acting as a supplier to the Arabian Packaging Flexible Division as well. Arabian Can Industry supplies ‘food grade’ tin cans, sheets and can ends.

The Al Ghurair Group’s activities are maintained by eight Strategic Business Units (SBUs; see Figure 3), Al Ghurair Foods, established in 1976, has grown into a high-tech food enterprise, with operations in the UAE as well as overseas. Communities rely on brands they can trust to deliver essential meals every day (i.e., staple products), as well as for special occasions. Therefore, the Group started the first flour mill in the UAE; ‘Dubai Oil Mills’, the flagship unit of Al Ghurair Resources, has established itself as the largest producer of edible oil and protein in the region. It is also the largest single-line crushing plant in the world. Over the past six years, Dubai Oil Mills has been able to expand its sales into 20 countries, serving a customer-base on four continents.

‘Having set a benchmark for excellence in the field of manufacturing, we now have a greater responsibility to excel further to keep pace with the changing dynamics and industry trends,’ Essa Al Ghurair, Vice-Chairman of Al Ghurair, and Chairman of Al Ghurair Foods. Middle East,

The success of Dubai Oil Mills can be attributed to its unflinching commitment to quality enhancements for all of its products, processes and systems, which has led it to winning the Dubai Quality Award.

Jenan is the mill’s flagship brand. Made in the UAE, the brand offers exceptional levels of nutrition for processed food, largely due to the fact the mill maintains the highest standards in terms of flavor, purity, texture and nutrient content, thus winning the trust of consumers. With the current offering of more than 45 products across different categories of foodstuff, the mill is highly diversified in its offerings, yet intends to continue exploring new consumer food categories, which is in line with their strategic plan to maintain and consolidate their leadership position within the Fast Moving Consumer Goods (FMCG) sector.

Health and well-being is of paramount importance hence Dubai Oil Mill has included within its portfolio products created to address the serious problem of diabetes and high cholesterol levels that are pervasive within the GCC - and beyond. These products are among a growing number of offerings, which prove that healthy eating need not come at the expense of taste. The mill’s extensive product line offers consumers guaranteed fresh, nutritious, and tasty foods, that are carefully and conveniently packed.

Al Ghurair Resources is a key player in the field of agricultural commodities, specializing in grains, oils and proteins, and pulses sectors, providing agricultural raw materials to manufacturers and traders of foodstuffs, bio-fuels, and animal feed.

The construction business was established in 2004, Al Ghurair construction caters to residential and commercial developments, hotels, and resorts. Al Ghurair Construction - Aluminium is committed to delivering the highest standard of products and services, while at the same time offering their clients access to the widest spectrum of technologies and materials.

Al Ghurair Construction - Aluminium has been a key player in the industry since 1967. In many ways, their rapid expansion across the Gulf, mirrors the success of the UAE, itself. Their accomplishments to date include signature projects such as: the Burj Khalifa (at present the tallest building in the world), Burlington Towers, Churchill Towers, Concord Tower, the Corporate Executive Hotel and Office, and Phases One and Two of Dubai Business Park. Other Dubai landmarks clad in their signature aluminum and glazed curtain walling include: Emirates Financial Towers, The Fairmont Hotel, Iris Bay Tower, Liberty House - and Park Towers at the Dubai International Financial Center (DIFC). However, Al Ghurair Construction-Aluminium’s activities are not confined to Dubai and the UAE. The core market operations also extend into Qatar, Kuwait, Saudi Arabia and India, where the business offers full-range glazing systems and custom-designed architectural metal works.
The Al Ghurair Group’s involvement in the retail industry started in 1999. At present, Al Ghurair Retail has 44 outlets across the UAE, and has expanded into other countries in the GCC, with two in Kuwait, two in Qatar, and one in Bahrain. Al Ghurair Retail is currently considering further expansion in future years. In 2010, Al Ghurair Retail was nominated as the ‘best service performing outlet’ in the general retail category, for consistently maintaining good customer service standards during that year.

The Al Ghurair Group has two main initiatives in education; the Dar Al Marefa School and Al Ghurair University. Al Ghurair University is a community-oriented educational institution offering courses/programs targeting working executives, with flexible evening timings during the week, as well as evening classes, thus allowing working students to continue their studies without interrupting their careers. His Excellency Sheikh Mohammed Bin Abdullah Al Nuaimi praised AGU for offering several training courses through the ‘Center for Training and Consultations’ at AGU.

‘Honesty, compassion, respect, responsibility and courage’ are the five main ingredients of ‘good citizenship’ according to Al Ghurair University. Even more all-embracing is Al Ghurair’s stated purpose of commitment to the cause of education which is to produce good citizens - our future nation builders: AGU believes its task is to go beyond teaching and the classroom. Rather, it sees itself as a vital cog in the wheel of nation building - channeling new graduates into sectors of employment and entrepreneurship that will empower them to become future leaders of Emirati society.

Advocating ‘career education’, Al Ghurair University teaches students to manage and take responsibility for their career paths. Furthermore, the University provides experiences that foster students’ self-discovery, also delivering programs that help students develop the personal, academic, and professional skills and relationships needed for successful transition into diverse and global communities.

In the energy sector, Al Ghurair Energy is engaged in: oil and gas, refining and petrochemicals, in addition to the trading sector. Gulf Extrusions is one of the largest extrusion plants in the Gulf with more than 30 years history of high-quality production. Al Ghurair Energy has initiatives as joint ventures with both private and national oil companies, investing in - and upgrading - the complexity of their refinery and energy trading across multiple regions.

Al Ghurair Investments owns the well-known UAE-based ‘Mashreq Bank’, which is the UAE’s fourth largest bank by assets, also operating overseas branches in the US (New York), the UK (London), Bahrain, Qatar, Egypt, India and China (Hong Kong); the Chairman and CEO of Mashreq Bank, Abdul Aziz Al Ghurair, is reported to have assets of USD 2.7bn, making him the wealthiest man in the UAE, and 426th globally.

3.2 Competitive Advantage

Easa Al Ghurair, Vice Chairman of Al Ghurair and Chairman of Al Ghurair Foods stated that ‘the restructuring of the business units was imperative in order to achieve an even more distinct focus on our customers and brands, while ensuring more efficient coordination between the different business units.’

Al Ghurair Group has developed a reputation for excellence, commitment to their customers, along with financial stability. Their belief in ethics and moral values is central to their organizational culture. Al Ghurair Group is fortunate to have veteran leaders to head their business concerns; hiring seasoned executives to lead their businesses. Al Ghurair’s quest for success has also been achieved through their attention to vertical integration within their manufacturing LOB, in order to guarantee quality products for their customers.

Al Ghurair Group has not only proven itself to be a pioneer of industry, but has also set several standards and benchmarks; Al Ghurair was the first to open a shopping center in Dubai; Al Ghurair has installed the largest line of corrugators in the UAE; AG built the first and largest Bioxy-polypropylene plant in the GCC - and the Middle East; AG was the first to employ Linux as a platform for all of its enterprises business applications; AG achieved ISO quality, environmental and other certifications manufacturing operating units and were the first organization to migrate to Oracle on Red Hat Linux. Further, the Al Ghurair Group has implemented Oracle E-Business Suite and has deployed EAM in Gulf Extrusions. Al Ghurair Group is proudly the only organization in the region to have representation on the Oracle EAM Customer Advisory Board for Europe, the Middle East and Africa Regions. Moreover, in 2003, Al Ghurair Group received the Best Linux Site Award in the Middle East and Asia.

3.3 Core Values

The Al Ghurair Group states its core values to be:

i. Leadership - showing diligence to reach their vision and to be pioneers and captains of industry, setting standards in each of their lines of business.

ii. Excellence - striving for the highest standards in all aspects of doing business, including the employment of
leading edge technology used to increase effectiveness and expertise.

iii. Social Responsibility - commitment to building and sustaining communities, developing employees, and spearheading nation-building.

iv. Interpersonal Understanding - finding synergy within a multi-cultural environment, whilst fostering an organizational culture centered around mutual: respect, trust, honesty, and teamwork.

v. Professionalism - endures within the dynamic business world of today, adding value and benefiting all stakeholders.

vi. Integrity - doing the right thing in the right way e.g., adhering to a code of ethics, behaving morally, as well as working within the legal framework.

3.4 Corporate Social Responsibility

Until recently, CSR was a little-known acronym - especially in the Gulf and wider Middle East. Today, an increasing number of people know that it stands for ‘Corporate Social Responsibility’. To Al Ghurair, CSR is more than a business buzz phrase finally gaining traction in boardrooms across the UAE. In 2012, the Group’s role in developing CSR was recognized by the Dubai Chamber of Commerce and Industry, who applauded their efforts to communicate the corporate responsibility message. Commitment to CSR has been translated into concrete actions that touch people’s lives; it is a way to give back to the community, while, simultaneously, stimulating employees to be proud of what they do.

Al Ghurair Foods’ partnership with ‘Dubai Cares’ School Feeding Campaign is a testimonial to the Group’s commitment to education and health in developing countries. Prioritized by the United Nations as urgent, and by providing nutritious daily meals for school children, the campaign has created incentives for parents to send their children to school.

Al Ghurair Resources provides grains, pulses, oils and proteins for the global marketplace. Even in difficult economic times, the Resources Division never lowers its standards. The high-quality grains are only sourced from regions with the richest soils - ensuring uniform quality and high nutritional value. Al Ghurair Printing and Publishing has been a pioneer in the printing/publishing industry for more than 30 years. It is the leading printer of educational materials for the Middle East and much of Africa, where the business impacts many lives by providing books in braille.

Al Ghurair recognizes that it makes good business sense to supply its various products to communities in need. Al Ghurair’s employees voluntarily participate in the Ramadan Care and Share Campaign, as well as many other CSR initiatives dedicated to sustainable business practices; for sustainability is ultimately about caring about other people, the planet, and for the world’s scarce God-given resources. That’s why Al Ghurair is a leading member of the Dubai Chamber’s Sustainability Network; its Waste Management and Resource Efficiency Task Group; in addition to acting as a special advisory panel, helping to shape policy for the Government of Dubai.

Education is especially important to the Al Ghurair Group, which is why the company set up Al Ghurair University, a unique community-orientated institution. Commonly known as ‘AGU’, the University is a non-profit organization, dedicated to the advancement of young Emiratis. Another Dubai “institution” is Al Ghurair Center, the UAE’s very first shopping mall. Part of Al Ghurair Properties, this much-loved Dubai landmark has provided a social and community hub - endorsing welfare, wellness, education and environmental campaigns.

Transformations of a different kind are provided by The Face Shop, the popular cosmetic brand of Al Ghurair Retail. The Face Shop is a business venture with a distinctly social twist - to serve the UAE’s army of hard-working expat women, by providing quality cosmetics at a price they can afford. Few activities require socially responsible stewardship more than energy production - and Al Ghurair Energy keeps the wheels of industry and commerce turning. Operating in Oil and Gas, Refining & Petrochemicals, and Energy Trading, the Division is committed to meeting the energy needs of nations - but equally committed to safe and ethical guardianship of these most precious of assets.

4. The Group’s Future Strategy

The Dubai’s real estate market saw a widespread ‘boom’ from 2005 to 2008, followed by a disastrous crash amidst the financial crisis. With real estate prices crashing down, the real estate industry (and related businesses) was hit the worst of any business sector. The Al Ghurair Group did not escape this blow, holding a significant portion of its real estate investments in the Dubai market.

The Group’s cement business, retail and shopping mall concerns, and financial services interests had all seen huge drops in annual revenue, right up until recently, when the Dubai economy slowly began to grow, largely due to investment coming in from its war-torn neighbors, seeking a safe haven for their capital. Still, the Al Ghurair Group realized that the business climate had changed for good, and so must their corporate strategy. The days of sparse competition and rapidly growing industries seem to have been replaced by regional and global competition within a relatively consolidated market, yet still having room for opportunity.
Recovering from the recession, the retail sector of the company is back on track with its company’s three big brands, Springfield, Triumph and “The Face Shop” witnessing good growth. In the retail sector, the group’s strategy is to compete for market share and attention is being paid to the market so as to keep the prices of its top brands in line with the offering the value-for-money proposition.

Mr. Sulaiman Khan leaned forward on the massive oak boardroom table as he emphasized to his senior executives:

“Ladies and gentlemen, as you can see, the Al Ghurair Group is now at a strategic crossroads. Our legacy, the communities and customers we serve, not to mention the very nation we have played a central role in building, are all very much at stake. Therefore, the question I leave you is whether the Group should continue with a corporate strategy that emphasizes further diversification and growth, halt our growth and turn our attention to customer/product development within each of our industries, and/or to divest the poorer performers within the Al Ghurair Group, and streamline our operations. Consider these options carefully, and by the end of the day, I expect a consensus of opinion as to the future direction of the Al Ghurair Group, supported by strong evidence and clear thinking.”

References


Figure 1: The Al Ghurair Family

The Saif Al Ghurair family owns and leads the different business units of the group. They also contribute actively to the economy of Dubai and UAE.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saif Ahmad Al Ghurair</td>
<td>Member of the Dubai Executive Council</td>
</tr>
<tr>
<td></td>
<td>Member of the board of Dubai Chamber of Commerce and Industry’s Economic Board</td>
</tr>
<tr>
<td>Abdulrahman Saif Al Ghurair</td>
<td>Chairman of Al Ghurair Group</td>
</tr>
<tr>
<td></td>
<td>Vice president of Dubai Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mohamed Saif Al Ghurair</td>
<td>Managing Director of Al Ghurair Real Estate</td>
</tr>
<tr>
<td></td>
<td>CEO of Saif AL Ghurair Group</td>
</tr>
<tr>
<td></td>
<td>President of Burjuman</td>
</tr>
<tr>
<td></td>
<td>President of the Middle East Council of Shopping Centers (MECSC)</td>
</tr>
<tr>
<td></td>
<td>Chairman of Shuua Capital</td>
</tr>
<tr>
<td>Majid Saif Al Ghurair</td>
<td>Member of the Arab Business Council</td>
</tr>
<tr>
<td></td>
<td>Young Business Leader Personality of the Year 2004 in the UAE</td>
</tr>
<tr>
<td></td>
<td>Member of the World Economic Forum</td>
</tr>
<tr>
<td></td>
<td>Managing Director of Arabian Can Industry</td>
</tr>
<tr>
<td></td>
<td>Gulf Extrusions</td>
</tr>
<tr>
<td></td>
<td>Reef Mall</td>
</tr>
<tr>
<td>Ahmad Saif Al Ghurair</td>
<td>Managing Director of Arabian Packaging</td>
</tr>
<tr>
<td>Rashid Saif Al Ghurair</td>
<td>Managing Director of Taghleef Industries</td>
</tr>
<tr>
<td>Saeed Saif Al Ghurair</td>
<td>CEO of Al Ghurair Commodities</td>
</tr>
<tr>
<td></td>
<td>CEO of ALIYAT</td>
</tr>
<tr>
<td></td>
<td>CEO of Global Designers</td>
</tr>
<tr>
<td></td>
<td>Manager at Gulf Extrusions</td>
</tr>
</tbody>
</table>

Source: www.alghurair.com
Figure 2: Al Ghurair's Main Lines of Business (LOBs)

Figure 3: Al Ghurair's Strategic Business Units (SBUs)
How to avoid the rejection of your manuscript

Mohsen Rezaeian

Correspondence:
Professor Mohsen Rezaeian
PhD, Epidemiologist
Social Medicine Department
Occupational Environmental Research Center
Rafsanjan Medical School
Rafsanjan University of Medical Sciences
Rafsanjan-Iran
Tel: 03915234003
Fax: 03915225209
Email: moeygmr2@yahoo.co.uk

Abstract

Writing a manuscript based on scientific research is going to be hard work, let alone the scientific research by itself is a painstaking and time consuming task. Therefore, for a young scientist or even a seasoned one the rejection of a manuscript could be very disappointing. The good news is that there are some commonsense guidelines that help to decrease the likelihood rejection of a manuscript.

Key words: Rejection, manuscript

Introduction

Writing a manuscript based on scientific research is going to be hard work, let alone the scientific research by itself is a painstaking and time consuming task. Therefore, for a young scientist or even a seasoned one the rejection of a manuscript could be very disappointing. The good news is that there are some commonsense guidelines that help to decrease the likelihood rejection of a manuscript.

It should be noted that these guidelines only work if the scientific research by itself is not flawed. In other words imperfect research should not be designed at all. Nevertheless, if such blemished research has already been designed and carried out it should not be written as a manuscript for publication, since, in the health domain it might endanger the life of human beings. Now, let us discuss these commonsense guidelines.

Commonsense guidelines

1. For the first guideline let me again remind you that is not only vital to design and conduct sound research but also your research should add something new to the existing knowledge. Evidence suggests that one of the most important reasons for rejection of a manuscript is that it has no new and/or novel message.

2. Having well-designed research which also adds something new to our knowledge are two prerequisites for having an accepted manuscript. However, you should write your manuscript in a conventional format. The “IMRaD” format which stands for “Introduction,” “Methods,” “Results” and “Discussion” is a well-established format for writing scientific manuscripts. Make sure you are familiar enough with this format.

3. Although “IMRaD” has a unique and uniform structure, each journal also has its own specific instructions for authors. These instructions are designed to help the authors shape their manuscript in terms of its title, subtitles, abstract, references, etc. and if you do not follow exactly the instructions of your target journal, you put your manuscript in danger of rejection.

4. One of the other frequent reasons for rejection of a manuscript is to send it to an inappropriate journal. Each journal has its own scope and therefore, is keen to publish manuscripts which fall within its scope. As a result you should select your target journal wisely and meticulously. This is an important step which could guarantee the successful publication faith of your manuscript.

5. Although it is compulsory that all authors read and accept the final draft of the manuscript it is wise and highly suggested that someone not in the authorial team read the manuscript as well. This person might detect typo errors which have been overlooked by the authors and/or might have good sugges-
tions which help to increase the readability of the manuscript.

6. For those authors who do not have English as their first language it is absolutely important that a native English speaker read and approve their manuscript. Always bear in mind that well-designed high profile research might not have a chance for publication in a renowned journal if its English language is weak and inconsistent.

7. While writing a manuscript it is vital to avoid any inappropriate types of text copying which include: plagiarism and self-plagiarism. Almost all journals apply appropriate software to detect any forms of text copying.

8. Finally, when writing a manuscript it is also essential to avoid any other types of research misconduct which include: salami publication, redundant publication, duplicate publication. Besides software which detects text copying, almost all journals also ask two or three experienced peers to review your manuscript. Therefore, you should also avoid publishing the results of research in more than one article unless it is warranted.

Conclusion

Since the rejection of a manuscript could be very disappointing, researchers should prepare their manuscript meticulously. In this article eight commonsense guidelines are provided which should help to decrease the likelihood of rejection of a manuscript.

Further reading


Use of illegal toxic alcohol is killing hundreds every year in Pakistan; family physicians have to play a more proactive role in saving precious lives

**Manzoor Butt**

**Correspondence:**
Dr Manzoor Ahmed Butt  
Family Physician, Researcher & Trainer  
Rawalpindi, Pakistan  
Email: drmanzoor@ymail.com

**Background**

In 2012, about 3.3 million deaths, or 5.9% of all global deaths, were attributable to alcohol consumption. [1] The harmful use of alcohol ranks among the top five risk factors for disease, disability and death throughout the world. [2] It is a causal factor in more than 200 disease and injury conditions. [3] Drinking alcohol is associated with a risk of developing such health problems as alcohol dependence, liver cirrhosis, cancers and injuries [4].

For the past ten years, there has been an increase in alcohol users in Pakistan. The majority of alcohol users take illegal toxic liquors. The most alarming factor is the involvement of 10 years plus children in this habit.

**Introduction**

This article describes use of illegal toxic alcohol in Pakistan. Pakistan is a country of 97% Muslims. Alcohol use was permitted here until April, 1977. Although the majority of the population were alcohol abstainers those who were in habit of it could buy all types of beer, wine and spirits from wine shops. Pakistan has three main licensed brewers that distill various types of wines of export quality.

In April, 1977, the government of Pakistan banned use of all types of wines in the country. The use of beer was allowed but later, the Prohibition (Enforcement Of Hadd) Order, 1979 banned all types of alcohol use for Muslims. It forbids Muslims to buy, possess, transport and drink beverages containing alcohol. Despite this law, Muslims who used to drink wines did not stop, rather there is a definite rise in the number of people who use alcohol. This law allows non Muslims to buy wines from legal stores for them. They are provided special permits for purchase of liquor but they are not allowed its use in public. The minimum age limit for them is 21. Many poor non Muslims sell their legally purchased wines illegally to Muslims for making money. Upper and Middle class buy safe drinks from them.
Prevalence of alcohol use in Pakistan

Province wise

The majority of alcohol users live in the following three cities.

Karachi (KHI), Lahore (LHR) Twin cities of Rawalpindi-Islamabad (RWP/ISB)
A WHO report describes the following statistics for Pakistan [5]

**Almost zero consumption**

Recorded alcohol per capita (15+) consumption (in litres of pure alcohol) by type of alcoholic beverage, 2010

<table>
<thead>
<tr>
<th></th>
<th>Males</th>
<th>Females</th>
<th>Both sexes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lifetime abstainers (15+)</strong></td>
<td>89.6</td>
<td>94.8</td>
<td>92.1</td>
</tr>
<tr>
<td><em><em>Former drinkers</em> (15+)</em>*</td>
<td>5.2</td>
<td>2.6</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Abstainers (15+), past 12 months</strong></td>
<td>94.7</td>
<td>97.3</td>
<td>96.0</td>
</tr>
</tbody>
</table>

*Persons who used to drink alcoholic beverages but have not done so in the past 12 months.

**HEALTH CONSEQUENCES: MORTALITY AND MORBIDITY**

Age-standardized death rates (ASDR) and alcohol-attributable fractions (AAF), 2012

<table>
<thead>
<tr>
<th></th>
<th>ASDR*</th>
<th>AAF (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liver cirrhosis, males / females</td>
<td>37.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Road traffic accidents, males / females</td>
<td>40.8</td>
<td>0.1</td>
</tr>
</tbody>
</table>

*Per 100 000 population (15+).

Years of life lost (YLL) score*, 2012

*Based on alcohol-attributable years of life lost.
Drinking behavior in the community

The lowest drinking age is 10 and the percentage of new drinkers rises up to 30’s. The incidence of alcohol drops after 40’s because of disease, death or inability to purchase the liquor. The majority use water, soda or soft drinks (Seven up /Pepsi) to dilute their drinks. They usually drink with friends. One person drinks one bottle in a session which starts in the evening and lasts up to late night. Most of them (60%) drink on a daily basis. There is a huge rise in the number of drinkers and volume of alcohol used in marriages and festivals. The majority suffer from retching, stomach pain, and morning headache. Involvement in sex, crime and in other drugs like Hashish and Heroin is seen in some users.
Types of toxic liquors

1) Denatured alcohol is also called Methylated spirits. It is ethanol that has additives to make it poisonous, extremely bad tasting, foul smelling or nauseating, to discourage recreational consumption. The main additive has traditionally been 10% methanol, giving rise to the term "Methylated spirits". This is a very poor man's drink. The sellers mix water and cough syrups in it.

2) Non Muslims have a legal quota of purchase. Many of them who sell their quota mix Methylated spirits in it. This is more expensive than type 1.

3) Illegal brewing in homes by local and old methods. It is not possible to control percentage of ethanol in such wines. It can cause severe consequences including death due to high ethanol contents. This is known as Country or Desi (country) Sharab (wines). It is more expensive than the above two types.

4) Kachi Sharab is the most common form of illegal toxic liquor in Pakistan. It is being produced by the illegal brewers and many poor and working-class Pakistanis continue to lose their lives due to it. It is the major social problem of south Punjab and Sindh. It is manufactured using Methylated spirit, thinner, alcohol containing cough syrups, and Mandrax tablets (Methaqualone, a sedative and hypnotic drug). They mix all these ingredients in mineral water. The mafia involved in this business has labels and empty bottles from national and international brands. They even have a system that puts bottle caps with seals. It is not possible to differentiate this illegal toxic liquor from authentic wines.

According to a news report, 8600 people lost their lives during the last ten years due to toxic liquors. The real figures are much higher because all deaths are not reported due to social reasons as families tend to hide such deaths and declare it natural death. [6] Exact nationwide data is not available because many do not disclose information. Similarly no definite data is available regarding the morbidity and mortality of illegal alcohol use.

How to address this problem - what is the solution?

The protection of the health of populations by preventing and reducing the harmful use of alcohol is a public health priority. [1] The harmful use of alcohol is a component cause of more than 200 disease and injury conditions in individuals, most notably alcohol dependence, liver cirrhosis, cancers and injuries. The toxic liquor containing methanol is causing blindness and early deaths. The latest causal relationships suggested by research are those between harmful use of alcohol and infectious diseases such as tuberculosis and HIV/AIDS. [1]

The following steps, if taken with full will and commitment, can reduce the use of toxic liquors among children and other toxic liquor users.

1) Control of Methylated spirit sale for commercial and industrial use.

The most important action to prevent use of illegal toxic liquor depends upon the government. Pakistan Excise and Custom department has laws to regulate the use of Methylated spirit for commercial and industrial use. This law asks the licensed sellers to keep record of all sales and to restrict the sale to registered users for commercial and industrial use. This law is not in real implementation and toxic liquor mafia succeeds to buy large volumes of Methylated spirit for drinking purposes. There is intense need to ensure that this alcohol is not sold to those who mix it with rectified spirit and sell it for drinking purposes.
2) Treatment and counseling for alcoholics.

This is mainly the responsibility of the government sector. There are no separate centers for the counseling and treatment of these people in government hospitals. Medical and Chronic Liver Disease departments are supposed to provide treatment to them. They do help when gross complications develop but their role in helping the patients to quit alcohol is almost zero. They are regarded as sinners and not patients by most. They definitely have a right for treatment. Alcoholism is not simply a disease presenting with stomach, intestinal, lung and liver problems but it is a huge social problem with extremely dangerous outcomes. People are also afraid of disclosing this information as drinking is a crime for Muslims in Pakistan.

3) Role of Family Physicians in prevention, treatment and counseling of alcoholics at community level

The family physicians work in their communities and know these people well. They can provide social counseling using community volunteers. They can treat them directly and through shared care with government medical and gastro intestinal experts. People have more trust and faith in them. They in association with community members and support organizations can help to prevent and treat toxic liquor use. The suffering families literally beg doctors to help them in treating and rehabilitating their near and dear ones. Due to lack of interest of family physicians, this field is open for quacks that make money and worsen the cases. The media is full of advertisements from such quacks and money makers who claim to be expert in treating alcohol and substance abuse. The silence of family physicians is compelling people to consult quacks.

4) Helping the youth at community level

The involvement of small children in alcohol use demands urgent intervention for organizing healthy educational and recreational activities for this age group. They must be helped to have access to primary universal education and vocational training for better health and future. Government of Punjab provides free education and vocational training in government schools and other associated institutions. There is urgent need to augment social mobilization for helping these children to get benefit from these free facilities. These children belong to the extreme poverty fraction of community and their parents are not interested in educating them. They prefer to put them in small jobs and expose them to open hazards associated with such jobs.

Conclusion

Due to ban on alcohol beverages for Muslims in Pakistan, the use of illegal toxic liquors has increased many folds over past years. Various types of toxic liquors are being used by alcoholics. It is not possible to lift this ban due to social and religious reasons. The government needs to strengthen the laws controlling sale of Methylated spirits for commercial and industrial use. The government health care centers do not provide organized care for quitting alcohol. The majority of community based family physicians are not interested in treating alcohol and substance abuse. The sufferers are only left with a choice to consult quacks that not only make money but also spoil them because of lack of knowledge and training. The most important aspect of this problem is to prevent children and teenagers from using toxic liquors. People have trust and faith in their family physicians. The real solution rests with them as they are qualified persons and can increase their knowledge of this special care through CMEs and professional development strategies.

References

2. WHO, 2011a; Lim et al., 2012
4. WHO, 2004a; Baan et al., 2007; Shield, Parry & Rehm, 2013
6. The daily Jang, Rawalpindi, Pakistan; issue of 27th December, 2014.
Every day, tens of thousands of children, women and men die needlessly for want of simple, low-cost interventions – interventions that are often already locally available. A major contributing factor is that the mother, family caregiver or health worker does not have access to the information and knowledge they need, when they need it, to make appropriate decisions and save lives:

HIFA (Healthcare Information For All) is a professional global health network. The HIFA campaign was launched in Mombasa, Kenya in October 2006, at the 10th Congress of the Association for Health Information and Libraries in Africa. We are more than 14,000 health workers, librarians, publishers, researchers and policy-makers, committed to accelerate progress towards the HIFA Vision: A world where every person has access to the healthcare information they need to protect their own health and the health of others - people will no longer be dying for lack of knowledge. One-third of members are based in Africa, one-third in Europe, and one-third in the rest of the world. HIFA members represent more than 2500 organisations across 171 countries worldwide, and interact on five global email discussion forums (HIFA Global Forums) in three languages (English, French, Portuguese) and we are open to the possibility of starting in other languages, including Arabic. The Dgroups Foundation is the partnership that provides the platform on which HIFA members interact.

HIFA is just one of more than 700 communities of practice on Dgroups. (www.dgroups.info)

We welcome expressions of interest from new partners who share our vision: .........A world where every person is able to contribute to dialogue and decision-making for international development and social justice. We invite you to join HIFA. Its free.

For more information, please contact;
Dr Neil Pakenham-Walsh MB,BS, DCH, DRCOG
HIFA Coordinator, Co-director, Global Healthcare Information Network
Chair, Dgroups Foundation.

Email: Neil Pakenham-Walsh, UK <neil.pakenham-walsh@ghi-net.org>

Please visit our website www.hifa.org
Is Neoliberal Globalization Grief for Labour?  
An Experience of Bangladeshi Garment Industry

Anam Ullah

Correspondence:  
ASM Anam Ullah  
BBA, MCOM (HRM&IR) University of Western Sydney (UWS)  
PhD Candidate- The University of Newcastle (UoN) Australia  
Email: russell_adib@yahoo.com.au

Abstract

We have entered a new era in the relationship between organizations and their employees. The past loyalty relationship has receded and needs to be replaced by a new one which manifests the realities of today’s very challenging global business environment. This paper aims to delineate neoliberal globalization and its integration to the developing economy. In light of the neoliberal globalization and its economic integration in the global economics - especially in the South, this article looks at how its impact has a positive and negative legacy. The crux of this article is to navigate the spread of geo-political -economy and new-liberal-economy throughout the entire globe, and its position towards undermining developing economy and sovereignty. Neoliberal economy has had tremendous influence in reduction of trade unions and their affiliation with organizations incessantly in the last quarter of the twentieth century, thus workers’ solidarity is being reduced in an inadequate manner. The relationship between people and the organization they work for is changing. A state can not take further responsibilities in the matter of job security and social security as guided by international political economy, which is seemed more volatised in the global village nowadays.

Methodological choice: The research technique has used secondary data, collected through: Literature review, Case studies in various countries’, Journals, Research articles, Newspapers, Online news and survey reports, ILO’s yearly report and other publications. The data was collected through a number of different methods.

Key words: Neo-liberalization, globalization, geo-political-economy and state-economy, Bangladesh Garment Industry.

Introduction

“Globalization is thus also about global commodification of labour; it is about - global proletarianization - the creation of a world working class for capital to exploit.”

(David McNally (professor))

The question of workers’ fundamental rights at work could not be a separate issue of analysis than it is today (see Munch, 2010; Ruskola, 2014; Niklas, 2013). It is no coincidence that the two leading causes of social unrest around the world today are seriously globalization and neo-liberalization. These two have their extensive influence on labour exploitation. Ruskola (2014) pointed out that significantly and intentionally labour and land are under extreme part of commodification, which is against the ILO convention. Many nations like China and Bangladesh are using their abundant cheap labour like a commodity and transformation of these processes have astonishingly been adopted by those nations. The national state has played a crucial role in promoting the power of capital and their capacity to participate in the international economy in many nations like Bangladesh, where workers have suffered in the name of industry development.

This short article briefly delineates the actual traits of globalization and neo-liberalization, and how it encapsulates global crisis rather than its remedy. Workers are treated like a commodity nowadays, and have no fundamental rights at the workplace, therefore social cacophonies and income-inequalities are spurring, but the capitalists’ income is getting higher. Critics have widespread concern about workers’ unity and are asking can they protect their fundamental rights under the globalization and neo-liberalization milieu.

Recently published articles have shown dissatisfaction among the workers about globalization and neo-liberalization, often asking, in effect, whether or not globalization and neo-liberalization is intended to “save workers”. Research reveals, the forces of globalization have sparked ongoing debates between the developed and developing countries regarding adherence to the international labour standards in the international trading agreements (see Truscott, Brust & Fesmire, 2007). However, here, the gruesome face of neo-liberal free trade is all too apparent as the corporate hunt for ever cheaper labour drive low wages (Ross, 2003). Therefore, like, Bangladesh other developing nations have received its advantage in many ways. Simultaneously consequences are being estimated more meditatively; the question is what globalization and neo-liberalization could really do for millions of workers in a true sense.
If we look back at history and try to depict an authentic picture of that process, we see, during the 1980s and 1990s, economic globalization enhanced by advancements in technology led to the creation of multinational companies. Besides, North American Free Trade Agreement (NAFTA) and World Trade Organization (WTO) agreements have contributed in a robust form of creation of the garment industry in Bangladesh through proposed elimination of trade quotas by 2005 (see Asuyama, et al. 2013; Chorev, 2005). It was a major geo-political decision at that time. However, the massive impression of globalization and neo-liberalization over this period not only surprised us, but also stimulated us for changing income and social-inequalities from the world, but the ultimate result is totally different today (see Munck, 2010; Ruskola, 2014; Niklas, 2013).

Research shows, the model of globalization and neo-liberalization was designed to gear-up the trade relationships between the NAFTA members and to increase the economic power within the region. However, in the meantime, China, Bangladesh, Cambodia and some other nations became competitive clothing exporters, enhanced by offering their cheap and abundant labour force. In this category, nowadays, the majority of the large clothing exporters are located in Asia, and Bangladesh has the second position in the world ranking at present (Mottaleb & Sonobe, 2011).

Also, in the global North and the global South, multinational corporations, local business enterprises, labour movements, and human rights NGOs reflect differing values, which is aptly identified by Douglas, Ferguson and Klett (2004) in their study; the interest of having a clear idea of this organization and how it helps to provide a valuable suggestion for the conflict management and on its resolution towards better management in the workplace in the twenty-first century. But the result continuously shows, due to the low wages and working conditions, garments’ workers are seriously involved in physical violence that was identified by Rahman (2011) in his research study, which shows the antithesis relationships between workers and employers.

From the point of positive viewers of globalization, for the creation of the global market, this process has been playing an important role in many developing nations to the change of socio-economic structure. Perhaps Bangladesh is not isolated from this notion. This nation has moved from aid to trade and opened the doors for many. But the question is what actual socio-economic-development occurred in Bangladesh, and what is the actual situation of the garment workers at present, should be a major concern indeed. Nevertheless, Bangladesh became the 2nd largest apparel exporting country in the world with this process in the meantime. During the fiscal year 2010-2011 garment exports totalled USD17.91 billion, a 43% increase over the previous year. It enjoys zero duty access in the European Union where 60 percent of garment products are exported to Canada, Australia, Japan, Norway and Switzerland through GSP scheme (BGMEA, 2013).

However, in another study, Niklas (2013) pointed that, though globalization increased jobs in both developing and developed nations, working conditions of unskilled workers deteriorate in the course of globalization and that jobs of unskilled workers even disappear at the same time too. He had a sceptical view on this for two reasons: first he said, due to internationalization, investors are now facing global pressure in the open-market-operation. Firms, as a result, are considering decreasing wages to sustain the consumer market, rationalize production processes, and workers are told to be more productive. Secondly, and most volatile situation is being observed in the state level, where governments are deregulating labour markets to provide advantages to the national and foreign investors, which is a direct impact of globalization that Niklas pointed to. If governments do this job, for example, by reducing employment protection, unemployment benefits and minimum wages, more competition between firms and increasing trade liberalization is believed to induce a race to the bottom at the expense of workers, and labour market deregulation, in particular, is often held responsible for deteriorating working conditions and well-being of workers that we see in Bangladesh right now (see Niklas, 2013; Potrafke 2013; Munck, 2010; Friedman, 2007).

Globalization is a process of capital mobilization from national to international market and therefore more jobs can be created in the international labour market, but Potrafke (2013) asserted these both positively and negatively. He said in his research: Over the past 30 years, many nations took economic freedom and it has been possible for the globalized trade policy, but simultaneously increased income inequality within countries. He claimed global capital seeks corporate cheap labour and comparatively low regulated places for investments, so they can secure their investment and be free from basic obligation.

A recent study shows that the international movements of goods and services have accelerated exponentially to USD7.9 trillion (Friedman 2007). Most multinational companies are doing business in many developing nations where labour regulations are often shaky (Cheek & Moore, 2003). Large retailers in the global economy also have played a role in the return of sweatshops, and the world’s largest apparel manufacturer Walmart, alone generated revenues of USD166 billion in 1999, a greater figure by 2013 about USD 400 billion, and this amount is more substantial than the economies of 100 countries, including Portugal and Ireland (Cheek & Moore, 2003).

Another study shows, the garment industry was fully dominated by the United States and Europe until the mid-twentieth century, but the developing nations are now producing over half of the world’s textile exports and almost three quarter of the world’s apparel exports (Garwood, 2011, p.13). In 2007, the global textile and clothing sectors had a combined value of over USD583 billion and over 29 million women and men work in the garment industry worldwide with its 4 million workers in Bangladesh (Garwood, 2011, p.17; BGMEA, 2013). Between 1988 and 1992, United States imports to the US market Bonacich and Appelbom (2003, p.142) clothed grew by 50 percent, to USD30.5 billion; in 1992: 92.4 percent of all clothing imports...
were from developing economies and in Bangladesh alone 23 percent exported. Research shows, prior to the mid-1960s, there were only two EPZs in the world. By 2006, there were 3,500 zones with 66 million workers (Anner, 2011). These data show a significant impact of globalization in the world trade.

It is now worth asking the question whether or not globalization provides the backdrop for drama in the world. Many say the achievements of the garment industries’ growth in Bangladesh are indeed dramatic (Ahmed, 2004). If we see the growth rate of the garment industries over the last decade or so, we may find a strong co-relation over this assumption. A number of multinational companies have invested capital in the Bangladeshi garment sector, thus the country has more than 6000 RMG factories with about 4 million workers at the moment, and 80 percent of them are women workers. This workforce is primarily coming from rural communities and genuinely contributing to the Bangladesh economy (BGMEA, 2013; Ahmed, 2004; Mahmud, 2008; Majumder & Begum, 2000). We ought to ask this question now: What social and economic benefits have been given to them for their immense contribution to the national economy?

Bangladesh is the current example of such a dilemma where the garment sector is not regulated, though this country is committed to adopt such core international standards offered by the WTO and the ILO. Therefore a conflicted situation arises in Bangladesh. Moreover, it is assertively found that labour law in Bangladesh is also scant in the formal sector like the “garment sector” (see Islam & McPhail, 2011; Rahman, 2011; Ahmed, 2013; Majumder & Begum, 2000; Yunus & Yamagata, 2012). Truscott, Brust and Fesmire (2007) in their research identified an important issue which is: In the era of capital mobilization from west to east under a neo-liberalised and globalized environment, the developing nations are not adopting such international standards law as they realize adaptation of such standards could negate the competitiveness they have in the developed countries.

Regulation is an important issue in the industrial sector, and it has been more active right after the current disaster being held in 24 April 2013 at Rana Plaza, near the capital city of Dhaka, where 1,127 innocent garment workers were killed and about another 3000 garment workers were permanently disabled (ILO, 2013). Also, the quasi-official garment group, in the eyes of its critics, presents a major conflict of interest at the centre of Bangladesh’s troubles and is a big part of the systemic problems that have made the country a dangerous place for garment workers.

However, the government of Bangladesh remains under constant pressure to improve the working conditions, but strategically the state government shows a negative attitude to its fundamental change in concern of losing competitive positions in the world market (Truscott, Brust and Fesmire, 2007; Mahmud, 2008; Ahmed, 2004; Majumder & Begum, 2000; ILO, 2014, CCC, 2013, Rahman, 2011; Mottaleb & Sonobe, 2011). Now the question is: how this country would follow an international labour standards and how they will change their behaviour? If it is the state’s responsibility then why is the Bangladesh government reluctant to implement its proper regulation? International scholars claimed that ILO has no teeth to take any action against the state’s internal issues; however Bangladesh is an active member of the ILO since 1972, and has ratified almost every fundamental convention so far (see Helfer, 2006). Again the question comes to mind whether or not the ILO is capable of performing precisely as this organization has less constitutional power and is unable to compete with other big organizations, which are financially in a better position nowadays.

As we consider the relevancy of ILO core labour standards to Bangladesh in light of its certain circumstances, it is also crucial to keep in mind the extent to which Bangladesh’s changing labour practices and the changing relations of authority in the garment industry are an integral part of a global restructuring of economic relations (see Ruskola, 2014). We ought to consider that, the problems that have been emerging in the garment industry in Bangladesh are not simply a “local problem,” that any person with a rational sense of social justice must be concerned about. Rather, it is worth to say, they are part of a global problem that drastically infects us, and the garment industry is not an exception from that consideration. Global capital incessantly creates labour division on this earth, but due to low capital power, workers are yet to find space for re-union and go for massive call in the issue of labour standards and fundamental human rights, which are greatly absent at the moment.

The neoliberal legacy is encapsulated in many ways. The politically powerful corporation is the antithesis of the ideal separation of politics and economy propounded by liberal political economy, and dramatically declined the states’ integrity at the present time. In reality, obviously economy is fully or partially being controlled by the state policy, which is known as political economy, but in many cases, political economy may not be fruitful for the common people of the state, and this is very much an obvious fact in the global village that has been well known by all of us. The current ‘neoliberal regime of indebtedness’ has moved beyond the privatization of profits/socialization of risks to a system whose proponents deny all public responsibility. Thus a crisis for garments may become a crisis for everyone. Neoliberalism, therefore, requires almost all people to act as ‘amoral automatons’, as almost everyone has become a part of that global process (see Lafferty, 2013).

If globalization is a force that has a structural frame peoples and nations have developed and continue to develop or need to be developed - in this process neo-liberal claims that globalization and trade liberalization benefit all across the globe including the working place in the South. A hegemonic neo-liberal political ideology that celebrates the victory of capitalism over socialism and proclaims marketization and privatization is perhaps a wrong signal to the rest of the communities on this earth. Does neo-liberal trade policy have any legacy in Bangladesh, if yes, how and in what grounds can it be ratified through the state political economic policy by avoiding
geo-political conflicts? In the wake of ongoing crises largely attributable to neoliberal policies, neo-liberalism has nonetheless remained politically dominant, what we see in Bangladesh, but it was not supposed to be like the way we see it now, so we need to find the answers to get everything sorted soon.

Finally and importantly, however, in the current era, under the capital metamorphosis process, two things that have been reformed greatly at a more intentional mode and even at an erratic pace, are the extreme commodification of land and labour (see Ruskola, 2014). Neoliberal globalization has moreover, not only intensified exploitations at the work place and extended exploitations to the sphere of social reproduction, in such matters as health and education. Garment workers’ health and education dramatically declined over the periods. It is no coincidence that the leading causes of social unrest in Bangladesh today is precisely the commodification of labour, warning of a final confrontation between proletarians’ and capitalists’, which must be resolved today. On the other hand, it is momentous how astonishingly and more quickly in a generation the Bangladeshis have received it. Nevertheless, in this quick adaptation process national, social and political tensions have spurred, which is inevitable to some facets. Therefore, tensions between workers and employers ought to be resolved for a better future.

Nevertheless, as we know labour law and regulation are comparatively weak in Bangladesh; also the state is reluctant to go for drastic regulation in the garment sector, thus the question comes as to how this sector can be regulated under such milieu. It is quite irrational to think that 6000 garment factories where over 4 million workers are currently employed would be regulated without its overseas’ stakeholders’ support, thus state must negotiate with them in this matter - especially over increasing the wages and other facilities.

We’re experiencing the robust structural challenges over the workers’ social and economic benefit in the Twenty-First-Century, but it can decrease with correct step of work, which ought to come from the global traders, who are mostly responsible for proles’ exploitation on this earth. Neoliberal policies, and neoliberalism has political dominance that is identified by many international scholars at the moment, but such policies are creating a paradoxical image, asking why neoliberal trade policy was evolved then. To break-up this postulates this is the right time to take correct measure towards taking workers’ fundamental rights back in the work place. Also, a state must respond on these issues assertively and try to renew the state political-economic policy with changing its status-quo for the betterment of the workers because they are the vital group for any nation in this world. On a final vision of an alternative future, one centred not on capitalism which should look at profits and exploitation, but on the well-being of humans and the natural world.

References


University Press, New York, NY 10013-2473, USA.


Human resource practice in BD HRM 430. 2. IR &ER 2010, Industrial relations: the study of employment relations, lecture 8.


Available at: http://digitalcommons.mcmaster.ca/globallabour/vol1/iss2/1


Potrafke, N. (2013). Globalization and labor market institutions: international empirical evidence. University of Munich, Center for Economic Studies, Schackstr. 4/I, 80539 Munich, Germany, Ifo Institute, Department Public Finance, Poschingerstr. 5, 81679 Munich, Germany


Ullah, A.ASM. (2014). Legacy of Rana Plaza: has social justice being established in Bangladesh? Suprovat Sydney


Yunus, M., Yamagata, T. (2012). The garment industry in Bangladesh, Chapter 6, Experience of Asia and Africa (Interim Report). Chousakenkyu Houkokusho, IDE-JETRO