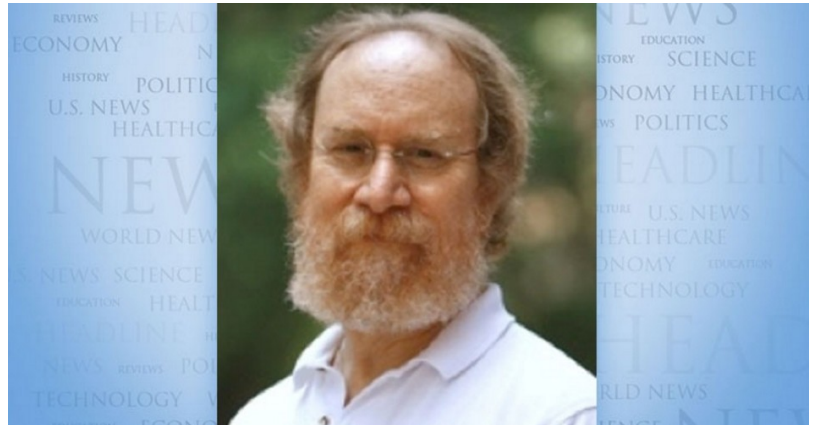




Written by [Sheldon Richman](#) on May 30, 2013

## Bangladeshi Workers Need Freed Markets

Since November, more than a thousand Bangladeshi garment workers have perished in two tragic factory calamities: a fire in Tazreen and a building collapse in Savar, outside the capital, Dhaka. Bangladesh is a major exporter of apparel to the West and “is set to become the world’s largest apparel exporter over the next few years,” the [Economist](#) reports. Wages are lower there than most places, including China, and a large percentage of the 4 million garment workers are women.



Are dangerous factories the price of progress? A passionate debate now rages over whether international safety standards should be enforced against manufacturers in the developing world and their Western retailers. Proponents of standards argue that the costs would be small and the benefits great. An Accord on Fire and Building Safety has been signed by major retailers in Europe and a few in North America, but the [Huffington Post](#) says that 14 other North American retailers have refused to endorse it. “Some retailers, like Walmart, claim they are working on separate initiatives to improve conditions and workplace safety in Bangladesh,” the online publication states, but this claim has been met with [skepticism](#).

Opponents of government regulation argue that artificially raising the costs of manufacturing in poor countries would harm intended beneficiaries by destroying jobs. If so, workers would face worse options, including life on the streets and prostitution.

Unfortunately, the debate is unnecessarily narrow. What needs discussing — and radical changing — is the country’s political-economic system, which benefits elites while keeping the mass of people down. The



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economists are correct that under the status quo, imposing safety standards would raise costs, cause unemployment, and aggravate poverty. But we can't leave the matter there. We must go on to examine how the political-economic system constricts people's employment opportunities, including self-employment, and otherwise stifles their efforts to improve their lives. Thus, a debate over whether garment factories should be subject to safety regulations, while the status quo goes largely undisturbed, misses the point.

According to a report ([PDF](#)) written for the Netherlands ministry of foreign affairs, most Bangladeshis, unsurprisingly, are victimized by a land system that has long benefited the rural and urban elites. "Land-grabbing of both rural and urban land by domestic actors is a problem in Bangladesh," the report states.

Wealthy and influential people have encroached on public lands..., often with help of officials in land-administration and management departments. Among other examples, hundreds of housing companies in urban areas have started to demarcate their project area using pillars and signboard before receiving titles. They use local musclemen with guns and occupy local administrations, including the police. Most of the time, land owners feel obliged to sell their productive resources to the companies at a price inferior to market value. Civil servants within the government support these companies and receive some plot of land in exchange.

Women suffer most because of the patriarchy supported by the political system. "Women in Bangladesh rarely have equal property rights and rarely hold title to land," the report notes. "Social and customary practices effectively exclude women from direct access to land."

As a result,

Many of the rural poor in Bangladesh are landless, have only small plots of land, are depending on tenancy, or sharecropping. Moreover, tenure insecurity is high due to outdated and unfair laws and policies.... These growing rural inequalities and instability also generate migration to towns, increasing the rates of urban poverty.

Much as in Britain after the Enclosures, urban migration swells the ranks of workers, allowing employers to take advantage of them. Since Bangladesh does not have a free-market economy, starting a business is mired in regulatory red tape — and worse, such as "[intellectual property](#)" law — that benefit the elite while stifling the chance for poor individuals to find alternatives to factory work. (The owner of the Savar factory, Mohammed Sohel Rana, got rich in a system where, the [Guardian](#) writes,



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“politics and business are closely connected, corruption is rife, and the gap between rich and poor continues to grow.”) Moreover, until the factory collapse, garment workers could not organize without [employer permission](#).

Crony capitalism deprives Bangladeshis of property rights, freedom of exchange, and therefore work options. The people need neither the corporatist status quo nor Western condescension. They need radical land reform and freed markets.

*Sheldon Richman is vice president and editor at [The Future of Freedom Foundation](#) in Fairfax, Va.*



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