End of Textile Agreement Spells Huge Job Losses

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Nurun Nahar is four months away from falling into a trap she fears she will never be able to rise out of -- namely the twin evils of unemployment and poverty. And her fears are founded, for the 28-year-old woman from Bangladesh expects to lose her job when 2005 dawns.

BANGKOK, Sep 8 (IPS) - But Nahar, who has worked in a garment factory in the Bangladeshi capital Dhaka for 14 years, is not an isolated employee agonising over the fate that awaits her in the new year.

Close to one million garment factory workers may be forced out of their jobs by the end of December this year, Amirul Haque Amin, general secretary of Bangladesh's National Garment Workers Federation, said in an interview.

"You can just imagine the effect of all these factories closing in a poor country like Bangladesh," he added. "It will be terrible."

Over in Cambodia, another Asian country that is burdened with dire poverty, there is also a sense of impending misery due to the same reason - thousands of garment workers being forced out on to the streets due to factories shutting down.

Chrek Sophea, 24, is among them. "The money I earn is important to help my family. We have nine people," she told IPS. "But that may end if the factory I work in closes down."

Most of the workers are women from poor rural areas, said Sim Socheata of the Womyn's Agenda for Change, a Phnom Penh-based non-governmental organisation.

"We are worried about what will happen to them because we cannot rely on the country's agriculture sector to absorb large number of unemployed," she said. "Some families say they will die if the women don't send money from their factory jobs."

The plight of the Bangladeshi and Cambodian garment workers are part of a trend cutting across most of Asia's developing countries due to the Multifibre Agreement (MFA), an international quota system for the textile and clothing industry, coming to an end this year under international trade rules.

The MFA set the rules for international trade in textiles and garments made from cotton, wool and synthetic fibre. It sets quotas limiting the amount of imports of textiles and clothing from "developing" to "developed" countries, essentially safeguarding industries in the industrialised countries, controlling the level of market access for developing country imports.

Meanwhile the growth of textile and garments industries in many countries has been heavily dependent on the quota allocations under the MFA.

But as studies about the MFA reveal, not all of Asia should be in a state of gloom.

China, for instance, is expected to be the major beneficiary of the MFA drawing to a close, due to its cheap labour market serving as a magnet for clothing companies to relocate their factories from other developing nations.

According to some estimates, China will emerge as the most dominant supplier of clothing and textiles five years after the MFA ends, says Neil Kearney, General Secretary of the International Textile, Garment and Leather Workers' Federation (ITGLWF).

"China will be supplying over 80 percent of the U.S. market and 75 percent of the market in Europe," he added, referring to the two major markets that apparel-producing factories in developing countries ship their goods to.

"China is leading a race to the bottom," states the ITGLWF. "The ITGLWF estimates that millions of jobs will be lost in developing countries."

That is because many companies in developing countries, that previously took advantage of the garment production quotas they benefited under the MFA, would have relocated to China.

The MFA, which was set up 30 years ago, has been viewed by some in the developing world as a key pillar to support the growth of a highly lucrative textile industry. For under it, developing countries were able to supply the U.S. market with clothes according to an agreed quota.

Recent reports reflect this, given that the developing world account for 70 percent of global clothing exports and 50 percent of global textile exports, thus edging out the producers in the developed world who had held sway till the late 1980s.

The ITGLWF estimates that the value in clothing and textile trade accounted for 342 billion U.S. dollars in 2001.

And while that figure amounted to six percent of total world exports at that time, the percentage of clothing and textile exports at the national level in Asia's developing countries reflect a far higher percentage.

In Bangladesh, textile and clothing account for over 80 percent of the country's total exports, while in its South Asian neighbour Pakistan it stands at 72 percent and in Sri Lanka it is 42 percent of exports.

In Cambodia, one of South-east Asia's poorest countries, the garment sector accounted for 90 percent of the country's export earnings.

The dependence of these developing countries on the garment sector as a vital source of employment is amplified by the numbers who turned to it for their livelihood - in Bangladesh, some 1.8 million workers, in Cambodia, an estimated 24,000, in Pakistan, 1.4 million, and in Sri Lanka, 250,000.

And as in Bangladesh and Cambodia, the bulk of the labour force is made up of young women.

The transition after the MFA's end "will hit women workers particularly hard, since they have a few alternative job opportunities," states the British development agency Oxfam.

"Industrialised countries must greatly increase financial aid and technical assistance to help these countries get over the shock of sudden job losses and to become more competitive," it adds. (END/IPS/AP/LB/IF/DV/WD/MMM/SI/04)

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