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A case for India, Bangladesh weaving new ties in textile and apparel

India could become a big market for Bangladeshi suppliers if the central government pursues this as a priority but India also has a robust apparel sector of its own, which it cannot neglect

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Prime Minister Narendra Modi being received by his Bangladeshi counterpart Sheikh Hasina in Dhaka | Photo: PTI

Indian Prime Minister Narendra Modi's state visit to Bangladesh from March 26 to 27 concluded with a joint statement from both countries affirming their commitment to enhance trade through the removal of non-tariff barriers.

He was hosted by Bangladeshi Prime Minister Sheikh Hasina who joined him in stressing "the need for predictability of trade policies, regulations and procedures" to improve bilateral ties. They also welcomed the opening of new border *haats* for "the economic development of the people living along the remote and inaccessible points of the border of both countries."

A case for such reforms has been made in a paper titled "The Textile-Clothing Value Chain in India and Bangladesh: How Appropriate Policies Can Promote (or Inhibit) Trade and Investment." Mahfuz Kabir from the Bangladesh Institute of International and Strategic Studies in Dhaka, Surendar Singh at the Consumer

Unity Trust Society International in Jaipur, and Michael J Ferrantino from the World Bank in Washington DC published it in 2019.

This paper highlights value chain linkages, particularly in the textile and apparel sector. The authors write, "India specialises in the upstream segment, supplying such intermediate inputs as silk, cotton, yarn, and fabrics to Bangladesh. Bangladesh specialises in the downstream final apparel segment, exporting worldwide as well as to India." They blame tariffs and nontariff barriers for inhibiting the growth of value chain linkages.

The joint statement released by India and Bangladesh also mentions that an "MoU on Establishment of a Framework of Cooperation in the Area of Trade Remedial Measures between Bangladesh and India" was signed during the state visit. It places on record that both sides "emphasised on expeditious conclusion of the ongoing joint study on the prospects of entering into a Comprehensive Economic Partnership Agreement (CEPA)."

These are important developments because the two-day visit was meant to commemorate 50 years of the establishment of diplomatic ties between India and Bangladesh, counter China's rising influence in South Asia, and also reap some last-minute electoral gains for the Bharatiya Janata Party looking to bring about major changes in West Bengal.

"Bangladesh is the world's second largest Readymade Garment (RMG) exporter, after China. 81% of the country's exports are from the RMG sector, and the textile and apparel sector contribute around 20% to Bangladesh's GDP," writes Maheen Sultan in a 2020 report titled "COVID-19 Crisis Implications for the RMG Sector: Trade Union Responses" and published by the BRAC Institute of Governance and Development.

Based on data from the Bangladesh Garments Manufacturers and Exporters Association, she notes that $3.18 billion worth of orders were cancelled from 1150 factories from mid-March till 29 April 2020, affecting approximately 2.28 million workers leading to many workers being sent home without pay.

Replying to queries over email, Sanchita Banerjee Saxena, director of the Subir and Malini Chowdhury Center for Bangladesh Studies at the University of California, Berkeley, says, "The economic impact of COVID-19 has been devastating for workers, many whose economic situation was already precarious prior to the crisis. The Bangladeshi government introduced a stimulus package to help the garment factories pay for wages for workers. This package was only for the larger factories and many of the smaller factories could not avail of this funding."

Based on a rapid survey of 1057 garment workers, she co-authored a research brief titled "The Impact of COVID-19 on the Lives of Workers in the Bangladesh Garment Industry" (2020). Her co-authors are Atonu Rabbani at the James P Grant School of Public Health at BRAC University, and Md. Faizul Islam from the Mapped in Bangladesh Project, Centre for Entrepreneurship and Development, BRAC University.

According to this brief, the sector was badly hit because "consumer demand for apparel plummeted, leading to global retailers cancelling orders and revising their sourcing strategies." The authors also draw upon data from the Department of Inspection for Factories and Establishments about numbers of workers dismissed, laid off and retrenched since the onset of the pandemic, and argue that the sector will flourish when workers are provided with a safety net, adequate wages and job security.

The Business and Human Rights Resource Centre, a "global business and human rights knowledge hub" that works on issues of corporate accountability, published a report titled "Wage Theft and Pandemic Profits: The Right to a Living Wage for Garment Workers" in March 2021. It shows that major international fashion brands depending on Bangladeshi labour expect their suppliers to assume all financial risks, which in turn makes factory owners prefer casual labour rather than a stable workforce with full-time contracts.

India could become a big market for Bangladeshi suppliers if the central government pursues this as a priority but India also has a robust apparel sector of its own, which it cannot neglect while considering diplomatic options. Apart from readymade garments, another area of economic cooperation worth looking at is the revival of *kantha* embroidery – a traditional craft that is symbolic of the shared cultural heritage of

India and Bangladesh. India's Minister of Textiles Smriti Irani has also spoken publicly about her appreciation for *kantha*.

Earlier this month, Saxena moderated a discussion with Canadian filmmaker Cathy Stevulak who produced and directed *Threads* (2014), a documentary film about the life of Surayia Rahman – a pioneering artist, designer and entrepreneur who spent her youth in Calcutta (now Kolkata) during the British Raj but migrated to Dhaka along with her husband at the time of Partition in 1947. Rahman passed away two years ago. During her lifetime, she trained thousands of women to earn their livelihood through the craft of *kantha*.

Stevulak met Rahman 15 years ago while working as a senior adviser with the United Nations Development Programme in Bangladesh. Reflecting on the loss of sales for *kantha* artisans due to the pandemic, Stevulak (over email) says, "The appreciation of artisanship is essential to enable talented people with skills that have developed over time to continue their artisan careers, as well as to develop and evolve craft. Handcraft is a fundamental ingredient in the recipe for environmental sustainability and cultural preservation."

The discussion was hosted by the Subir and Malini Chowdhury Center for Bangladesh Studies, Institute for South Asia Studies, Phoebe A Hearst Museum of Anthropology and Textile Arts Council. Stevulak notes that opportunities to sell online were available only domestically to Bangladeshi artisans until BRAC Aarong recently established e-commerce beyond Bangladesh. She says, "I understand that Amazon India has been speaking with artisans and artisan organisations in Bangladesh to encourage them to sign onto their platform." There has been no official announcement on this front.

As India scripts a future with Bangladesh, it would do well to remember three crucial points made by Manjeet Kripalani, Rajiv Bhatia and Sagnik Chakraborty from the foreign policy think tank Gateway House in their article "Learning from Bangladesh" published in The Indian Express on March 25. They remind us that Bangladesh's rise is directly linked to the textiles and garments industry: 95 per cent of Bangladesh's workforce in its textiles sector comprises women. Bangladesh already enjoys preferential trade treatments with Canada, Australia, Japan and the European Union. Is India ready to join their ranks?