Can Corporate Social Responsibility (CSR) Ensure the Sustainable Growth of Ready Made Garments (RMG) Sector in Bangladesh

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Abstract

Corporate Social Responsibility (CSR) is the proceeding with duty by business work to continue the morally and keep on the enhancement of economy while increasing the personal satisfaction of the workforce and their families and also of the nearby group and society on the loose. This study has been directed to investigate the considerable significance of Corporate Social Responsibility (CSR). To accomplish result, research technique has relied based on information from secondary sources. This study finds the CSR practices and the practice is not well appropriately. Health problems, injured scenario increasing along with low payment of wages in RMG of Bangladesh. Also environment is polluting in the absence of proper CSR practice. Some of association attempting their best, however in the vast majority of cases association don’t know about that. Without implementation of CSR, sustainable growth is not possible in RMG sector. This study suggested that CSR practice is one and only approach to unravel the all boundaries and ensure the sustainable growth of RMG sector in Bangladesh.

Keywords

Corporate Social Responsibility (CSR), Sustainable Growth, RMG sector, Bangladesh

1. Introduction

Corporate Social Responsibility (CSR) has a long convention, particularly in privately-run companies however it truly came to refinement in the most recent decade when expansive multinationals started to receive it to exhibit that they were not kidding about conveying a positive social effect on the groups in which they worked (Smith, 2003). The societal commitments of organizations have started from various inspirations-saw good or religious commitments, humanitarian contemplations, or monetary self-enthusiasm as wellbeing and instruction administrations could likewise yield business advantages (Weber, 2008). While there is significant understanding that Corporate Social Responsibility (CSR) is
worried with the social commitments of business, there is less assurance about the nature and extent of these commitments. In the course of recent decades, Corporate Social Responsibility (CSR) has developed from a thin and regularly minimized idea into an intricate and multifaceted idea. In any case, these discourses were bound to little gathering of scholastics and expert. Corporate Social Responsibility accept that the organizations are socially cognizant to release their social commitment for the prosperity of the general public (Imam, 2000). CSR is the proceeding with duty by business to carry on morally and keep on economic improvement while enhancing the personal satisfaction of the workforce and their families and also of the nearby group and society on the loose (Monir, 2001). Corporate Social Responsibility (CSR) is a subject that is progressively catching the interest and creative ability of individuals in the business world. Corporate social obligation is a conspicuous component of the business and society writing, corporate social execution, worldwide corporate citizenship, and partner administration. CSR is an idea that has pulled in overall consideration and gained another reverberation in the worldwide economy (Jamail, 2006). According to these circumstances Sustainable Growth contains lots of matter which are ensuring the sustainable RMG in the near future of Bangladesh.

The readymade pieces of clothing industry go about as the foundation of our economy and as an impetus for the improvement of our nation. We take pride in the part that has been bringing billions of dollars as fare income and making employments for a huge number of individuals in the nation. The “Made in Bangladesh” tag has likewise brought wonderfulness for Bangladesh, making it a prestigious brand over the globe. Bangladesh, which was once named by critics an “unlimited wicker container”, has now turned into a “bushel brimming with miracles”. The nation with its restricted assets has been keeping up 6% yearly normal GDP development rate and has realized surprising social and human improvement. The business that has been making significant commitment to reconstructing the nation and its economy is none other than the readymade article of clothing (RMG) industry which is presently the single greatest fare worker for Bangladesh. The segment represents 81% of aggregate fare income of the nation (Dhaka, 2014). By numerous measures, Bangladesh’s instant article of clothing area has performed stupendously well over the previous decade. Yield has developed at yearly rates in abundance of 15% in the course of the last about six years, and Bangladesh is presently the second biggest exporter of dress on the planet, behind China. The main objective of the study is to understand the importance of Corporate Social Responsibility (CSR) practices in Ready Made Garments (RMG) sector of Bangladesh. To achieve this purpose, the study seeks to detail by the following objectives:

- To find out the monthly expenditure of Ready Made Garments (RMG) worker and their minimum wages.
- To address the health problems and injured scenario of garments worker.
2. Literature Review

Literature review exhibits the overall scenario of the sustainable growth of Ready Made Garments (RMG) sector in Bangladesh and its contribution to the Bangladeshi economy through the practices of Corporate Social Responsibility (CSR) and by doing so developing the social structure through creating the employment opportunities for mass unskilled labor force. Belal (2001) delineates that a large portion of the CSR concentrates on directed so far have been with regards to created nations, for example, Western Europe, the USA, and Australia. Not very many studies are accessible on the CSR hone in the creating nations. These studies were done with regards to recently industrialized nations, for example, Malaysia, Singapore, South Africa, Nigeria, and Uganda. Gupta (2007) depicts that Patterns in socially mindful activities are both positive and pivotal in nature in India. Gautam and Singh (2010) said that CSR is currently exhibited as a complete business methodology, emerging for the most part from execution contemplations and partner weight and they also told that business and CSR procedure have all the earmarks of being on a focalized way, towards business and CSR coordination over the organization.

Rahim (2012) clarified that the real Bangladeshi laws identified with corporate control and duty don’t have repetitive components to constrain corporate self-controllers to add to building up a socially mindful corporate society in Bangladesh. Masud et al. (2013) plainly said today’s CSR a practice is not spread appropriately. Some of association attempting their best, yet in the vast majority of cases association doesn’t know about that. Without legitimate deal with society none of the business association can’t experience their operation for long run. Saatci and Urper (2013) evidently portrayed regard between Social business and corporate social duty furthermore said that CSR ventures plan to lessen social and ecological negative effects of an organization.

Zabin (2013) attempt to clarify the genuine circumstance of CSR practices in the part of RMG in Bangladesh by utilizing Carroll’s (1991). Rahim and Wisuttiyakul (2013) specified that the consolidated CSR hence makes the trouble to little and medium-sized assembling endeavors (SMEs) furthermore said that ineptitude in institutionalized CSR practices is a vital issue that causes SMEs either losing their extension to get to worldwide market straightforwardly or serving as sub-temporary workers to huge undertakings. Haque and Azmat (2015) recommended that non-compliance of CSR in labor-intensive ventures is a component of the way of monetary globalization. The requirement for a partner approach towards CSR for the benefit and maintainability of this industry is additionally highlighted. Mahmud (2012) found that the hold of RMG in the total export earning has reached more than 81% in fiscal year of 2013-2014 and it shares almost 16% of total GDP and also the trend of RMG gift are strongly predicted to be improved in the upcoming year. According to BGMEA (2015) In FY 2013-2014 RMG industry providing direct earning opportunities to more than 4 million labor force and earns 22 billion US$ form exporting the apparels. The growth of factories in RMG industry has a key indicator how this industry has grown so fast with a number of 134 factories in FY 1983-1984 to 4222
in FY 2013-2014.

3. Methodology
The present study has made on descriptive research, is conducted to identify the importance of Corporate Social Responsibility (CSR) practices in Ready Made Garments (RMG) sector of Bangladesh. To accomplish result, researchers were prevented from visiting the factory. For this reason, we have ignored the direct data collection and surveys. Consequently the research technique has relied based on information from secondary sources. Those data collected through Case studies, Journals, Research articles, Thesis papers, Newspapers, Online news and survey reports, garments Manufacturing Industries Annual reports, BGMEA Yearly report and Files. The data was collected through a number of techniques. At the second stage in-depth discussion was carried out with a number of RMG entrepreneurs and BGMEA officials to elicit relevant information. After the completion of the data collection descriptive analyses was used illustrate the data. At the first phases, analyses the contribution of RMG in the economy of Bangladesh and the second phases illustrate the impacts of CRS practices. This study did not use any unethical means to collect information.

4. Result and Discussion
The clothing business of Bangladesh began its trip in the 1980s and has gone to the position it is in today. Since the good 'o1 days, diverse wellsprings of driving force have added to the advancement and development of the business at different stages.

![Figure 1. Growth of Factories in RMG](image)

*Source: Authors’ calculation based on BGMEA and BKMEA Statistical Yearbook (2015).*

In the year 1983-1984, there were just 134 RMG plants in this RMG area yet in the year 2012-2013 these number of RMG units expanded to 5876. After Rana Plaza crumpled, which was hung on 24th April, 2013, the quantity of RMG units diminished to 4328.
Development of RMG segment is seen to the best thing happened in Bangladeshi economy by its commitment through the fare procuring as well as the making of liberal work open door for work constrain exceptionally conveying women to the standard of economy (Islam, 2013). Presently more than 4 million specialists are straightforwardly utilized in RMG part and the numbers are expanding.

![Figure 2. Number of Workers in RMG Sector](image)

*Source:* Authors’ calculation based on BGMEA and BKMEA Statistical Yearbook (2015).

Figure 2 clearly shows that at present, the industry utilizes around 4.2 million specialists, of whom 90% are ladies, generally from provincial territories (Adnan et al., 2015).

The commitment of RMG to nation’s fare has encountered incredible development over the years. RMG has advanced as the primary fare procuring segment of Bangladesh. In the course of the most recent two decades venture RMG industry has secured the primary fuel of development in our economy, job and monetary advancement. While trade profit from the attire business were scarcely 1 million USD in 1978, it got to be 9.2 billion USD in 2006-2007 monetary years holding the 76% of aggregate fare of the nation.

![Figure 3. RMG and Its Contribution in Total Export (in Billion USD)](image)

*Source:* Authors’ calculation based on BGMEA and BKMEA Statistical Yearbook (2015).
The lucrative execution of fare exchange has been without any help driven by the RMG division, which has effectively demonstrated by its offer in complete fares ascending from for all intents and purposes nothing in 1980 to 82.05 percent in 2016.

This is the situation of RMG in Bangladesh. That’s okay however alternate hands the 4 million specialists are not upbeat. Figure 4 mentioned that since their wages are especially little rather than their living expense. Bangladeshi articles of clothing laborers wages is the most minimal among the Asian nations.

![Figure 4](image)

**Figure 4. Minimum Wage (Euro Dollar) Ratio in Asian Countries**

*Source: ILO compilation based on national sources, 2014.*

Bangladeshi specialists get just 50.50 Eurodollar (5,300 tk.) every month (Asia Wage Report, 2014). So in what manner would they be able to live with cheerful?

![Figure 5](image)

**Figure 5. Average Monthly Household Expenditure of RMG Workers (in tk.)**

An article of clothing laborer acquires little measure of cash like tk. 4000 to tk. 5000 as it were. Inside this cash he needs to lead their life. He needs to deal with every one of the things inside the little measure of his expense including nourishing his relatives, giving house rent, transport cost, expense of garments and so forth.

The pay of the article of clothing laborer is low to satisfy their essential needs. Along these lines, they
cannot purchase the necessities and adjusted nourishments to keep sound wellbeing. At some point they needed to starve and to take spoiled sustenance that outcome in nourishment harming, ravenousness issue, and different uneven characters in their body.

![Health Problems Caused from Imbalanced Diet](source)

**Figure 6. Health Problems Caused from Imbalanced Diet**

*Source: Ahmed and Raihan, 2014.*

The female specialists ordinarily experience the ill effects of gastric torment. The laborers by and large cannot take as much time as necessary because of the work load. In this way, they are to experience the ill effects of the wellbeing issues specified in the Figure 6. These variables have high component loadings that speak to solid association with them.

Figure 7 demonstrates that the specialists in the piece of clothing production line experience the ill effects of back agony as they are to work for long time with no interim. The way of work of the article of clothing laborers are in charge of the beneath specified infections of the piece of clothing specialists in Bangladesh. Another imperative wellbeing issue the female laborers face is stain on their eyes. As they are to work for long time and need a sharp fixation to their work, an additional weight is made on their eyes which likewise influence on the visual solace.

![Health Problems Caused from Long Working Hours](source)

**Figure 7. Health Problems Caused from Long Working Hours**

*Source: Ahmed and Raihan, 2014.*
Mehta (2012) additionally demonstrated that in the washing area, the specialists are presented to chemicals, especially dyes and cleansers and don’t know about their wellbeing perils prompting skin hypersensitivities.

Workers security is another key issue for actualizing CSR in RMG segment. Consistently there are heaps of mishap happens in this part, a great many laborers were kicked the bucket and harmed by these mischance particularly fire and crumple.

![Figure 8. Number of Dead & Injured Workers](image)

**Source**: Solidarity center (December 7, 2015).

Fire broke out on 24 November 2012, in the Tazreen Fashion industrial facility in the Ashulia region on the edges of Dhaka, Bangladesh. No less than 117 individuals were affirmed dead in the flame, and no less than 200 were harmed, making it the deadliest manufacturing plant fire in the country’s history.

Again we found another deadliest episode in Bangladesh. 24th April 2013, an eight-story business building Rana Plaza caved in Savar, a sub-region close Dhaka, the capital of Bangladesh. No less than 1,125 individuals kicked the bucket starting 12 May, numerous individuals were all the while missing.

In Figure 8 we attempt to say initially the aggregate number of dead and harmed laborers of RMG in Bangladesh.

An ecological issue in RMG of Bangladesh-Rapid development in the mechanical segment is assuming a basic part in the economy of Bangladesh. For the most part the development has been moved in articles of clothing which are fare situated enterprises. To bolster articles of clothing an extensive number of other material enterprises have been built up-more are developing to be set up without further ado. These fast developments of material ventures make natural contamination predominantly contamination in water bodies.

The contamination in a Composite Garments Industries can be classified into few gatherings:

**Air Pollution**: Some of the poisons bringing about air contamination are Sulfur dioxide, Metal sulfates, and fumes gasses exuding from polycondensation, melt turning fiber lines and the cushion produced amid turning and weaving forms and so forth.
Table 1. Air Pollution

<table>
<thead>
<tr>
<th>Pollutants</th>
<th>Effects on Human Being</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sulphur di oxide</td>
<td>Irritates respiratory system and causes bronchitis</td>
<td>Boiler flue gas, rayon plant etc.</td>
</tr>
<tr>
<td>Aldehydes</td>
<td>Irritates all parts of respiratory system</td>
<td>Polyester plant</td>
</tr>
<tr>
<td>Chlorine</td>
<td>Causes lung irritation and also irritation in eyes</td>
<td>Processing house</td>
</tr>
<tr>
<td>Carbon di oxide</td>
<td>Deprives body cells of oxygen and cause unconsciousness by CO combining with hemoglobin</td>
<td>Boiler house</td>
</tr>
</tbody>
</table>

*Source: Environmental Management Practice in RMG Sector, 2016.*

**Water Pollution:** A piece of clothing industry is one of the main customers of water. It devours around 3.2% of aggregate utilization of water for different procedures, for example, estimating, scouring, blanching, coloring, printing and other completing procedures. The utilized water containing different constituents, for example, colors, chemicals is specifically discharged into the wellsprings of water which gets debased and in this way coming about into water contamination.

The central wellsprings of water contamination at different phases of preparing are as per the following:

Table 2. Water Pollution

<table>
<thead>
<tr>
<th>Process</th>
<th>Conceivable Pollutants/Source</th>
<th>Nature of effluents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desizing</td>
<td>Starch, glucose, CMC, PVA, resins, fats and waxes not exert a high BOD</td>
<td>Very small volume, High Biochemical Oxygen Demand-BOD: (30%-50% of total) Carboxymethyl cellulose-CMC and Polyvinyl chloride-PVA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Small volume, strongly alkaline, dark colour, high BOD: (30% of total)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Small volume, strongly alkaline, low BOD: (5% of total)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Small volume, strongly alkaline, low BOD: (less than 1% of total)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Large volume, strongly colored, fairly high BOD: (6% of total)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very small volume, oily appearance, fairly high BOD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very small volume, less alkaline, low BOD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Volatile organic components toxic emission</td>
</tr>
</tbody>
</table>
Particulates, Nitrous oxides (Nox) Sulphur dioxide (SO2)
Volatile Organic Components (VOCs)

Kiering
Caustic soda, waxes and grease, soda ash, sodium silicate and fragments of cloth

Bleaching
Hypochlorite, chlorine, caustic soda, hydrogen peroxide, acids

Mercerization
Caustic soda

Dyeing
Dyestuff, mordant and reducing agents like sulphides, acetic acid and soap
Dyes, starch, gums oil, China clay, mordants, acids and metallic salts

Printing
Traces of starch, tallow, salts, special finishes, etc.

Wastewater
Emission from treatment tanks

Energy Production
Emission from boiler


Commotion and Vibration Pollution: Both of these cause dangers to wellbeing. This contamination is brought about by two sources: Dynamic sources another is Mechanical sources.

Figures 1, 2 and 3 are attempt to clarify the development of this RMG division, yes these measurement without a doubt demonstrates that the proprietor of the industrial facilities are particularly profited and they gain tremendous benefit. In any case, the other hand the Figures 4, 5, 6, 7 and 8 are the observer of the sufferance’s of 4 million laborers. They are not protected in work puts, each year extensive number of laborer passed on or executed by the benefit augmenting administration.

Their wages are next to no as opposed to living cost, so they lived in unfortunate environment thus the tremendous number of specialists are malnurtrate. For getting additional cash they doing long time function thus they are influenced by different solid maladies like bones, Ligament and nerves illnesses. Specialist is the principle components of any organization furthermore the piece of society. So proprietor must be accomplishing for everything so laborer can guarantee their sheltered and glad life.

In the event that CSR execute in each organizations then these issues are consequently settled.

Tables 1 and 2 plainly demonstrates that how the pieces of clothing production lines are contaminated the earth however they don’t find a way to ensure the earth. What’s more, this range CSR is completely
dismisses. After the examining our finding is that CSR practices are especially constrained in RMG area in Bangladesh.

5. Recommendation

From our study, we have found that CSR is especially fundamental for RMG Sector in Bangladesh. Since a vital way to deal with CSR is progressively critical to an organization’s aggressiveness. It additionally energizes more social and natural obligation from the corporate area of RMG during an era when the emergency has harmed buyer certainty and the levels of trust in business. According to our exchange the accompanying recommendation will emerge:

✓ Settled the wages related with living expense of the workers.
✓ Should provide at least two bonuses in a year for enjoying especial occasion.
✓ Additional time permitted 9 hours for every day with the assent of the specialists. Worker may deny extra minutes with no danger of punishment discipline.
✓ Should ensure the health insurance for worker.
✓ Should ensure the transport facility.
✓ Must be given no less than one time nourishing sustenance for the worker.
✓ Each organization must be appointed the Doctors and Nurses.
✓ The employer should made educational institution for the children of workers.
✓ Must be implement environment management system in every factories.
✓ Implement Wastewater and Effluent Management system.
✓ Ensuring the tree plantation in every year in the factory area.

The corporate assortment of piece of clothing industry additionally ought to find a way to enhance the workplace. Each production line must be incorporated flame security plant and manufacturing plant building ought to be worked by construction regulation of behavior. Specialist’s professional stability ought to be expanded. They ought to be given an arrangement letter and contract paper.

6. Conclusion

The piece of clothing industry of Bangladesh assumes an indispensable part in the country’s economy furthermore attempting to effectively tackle the unemployment issue of Bangladesh. This segment is the solid confirmation for engaging the ladies before the World. The piece of clothing division is the biggest manager of ladies in Bangladesh more than 90% laborer are women. The article of clothing segment has given vocation chances to ladies from the rustic territories that beforehand did not have any chance to be a piece of the formal workforce. This has allowed ladies to be fiscally autonomous. But this industry has been broadly scrutinized for their poor execution in rehearsing CSR. A couple articles of clothing have chosen to receive CSR exercises at the underlying stage however those are not executed practically. This paper basically highlighted two noteworthy piece of RMG segment one is
specialists’ improvement (considering wellbeing, compensation, security) another is natural impact by RMG. Yet, shockingly CSR is completely disregarded in these parts. Our study attempt to discover the genuine circumstance of rehearsing CSR in RMG area alongside this we likewise prescribe some significance recommendations, with the goal that they can without much of a stretch actualize CSR in RMG and ensure the practical development. Notwithstanding, there is no water administration treatment plant in those mechanical zones. It blends fluid toxic substance close to the waterways and water is completely dark in dry season, which is changing the environmental parities of the zones. A few people and creatures are utilizing this toxic substance water which is more destructive for wellbeing. It’s hampered the general wellbeing as well as hampered seriously the earth. Our suggestions to the proprietor of the plants to guarantee the advancement of specialists and make environment free from all contamination by actualizing the CSR. Existing every one of those issues we can’t say that feasible development is happens in RMG area in Bangladesh. CSR hone the main answer for guaranteeing the economic development of RMG. In the event that we need green, sheltered, secure and economical RMG, each proprietor ought to generally hone CSR in their Factories.

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ILO compilation based on national sources. (2014). *ILO Regional Office for Asia and the Pacific/Regional Economic and Social Analysis Unit.*


