

# **Labor Unrest in the RMG Sector of Bangladesh: A Public-Private Cooperation Perspective**

**Submitted by:**

**Mohammad Aminul Islam Khan**



**2011**

**Master in Public Policy and Governance Program  
Department of General and Continuing Education  
North South University, Dhaka, Bangladesh**

**DEDICATED TO MY LOVING SON**

**ZAHIN**

## **Acknowledgement**

First and foremost, I express my thanks and gratitude to MPPG authority for incorporating a thesis in MPPG course curriculum that has given me a chance to conduct a thesis on labor unrest in the readymade garment industry of Bangladesh about which I had scattered ideas for a long. Combining divergent ideas of a topic and finally giving it a concrete shape of thesis is really a matter of great pleasure.

I would like to express my heartiest gratitude to my supervisor, Dr. Md. Emdadul Haq, Chairman, Department of General and Continuing Education, North South University for his tremendous help and encouragement. He gave me necessary advices and guidelines; provided me with relevant materials and directed me where and how to get necessary data and information for my study.

I would like to extend my gratitude to Dr. Istiaq Jamil, Visiting Professor, MPPG Program, North South University, Professor Dr. Salahuddin M. Aminuzzaman, Advisor, MPPG Program, North South University, Dr. Mobasser Monem, Professor, MPPG Program, North South University, Dr. Rizwan Khair, Associate Professor, MPPG Program, North South University, Dr. Sk. Tawfique M. Haque Associate Professor, MPPG Program, North South University for providing valuable comments and suggestions during dissertation presentation.

For collecting data for my thesis, I had to talk to a number of personalities including members of civil society organizations, NGO activists, owners and managers of garment factories, government officials in the ministries and directorates, members of BGMEA. All of them helped me a lot by providing valuable indications on my research project and I am thankful to them.

Special thanks to Mrs. Sharfun Ara, Program Officer, Mrs. Mahfuza Siddika and Mr. Md. Bariul Karim, Research Associate, MPPG Program, North South University for their sincere co-operation during my study at North South University.

Last but not the least, my heartiest thanks and gratitude extend to those garment workers who during their busy working hours at the factory or being tired and reluctant to respond after the long working hours at night helped me by answering the queries of the questionnaire.

**Mohammad Aminul Islam Khan**

North South University

June 2011

## **Abstract**

In recent years, labor unrest in RMG sector of Bangladesh has been a matter of serious concern. The RMG industry of Bangladesh started its modest journey in late 1970s and within three decades, it has been a flourishing sector. Contribution of the RMG sector in national economy is great. It is the highest foreign exchange earning sector. It has been able to create employment opportunities for about 3.5 million of people, most of whom are poor, uneducated and unskilled women from the rural area. Besides, it has been able to attract foreign direct investment, accelerate industrialization process, alleviate poverty to a certain extent and create a good image of Bangladesh in the world. To a certain extent, it has been able to bring about a positive change to the socio-economic condition of the country. But this sector is infested with a number of problems which are threatening the very existence of this industry. Labor unrest is one of the serious problems. The present study is designed to unearth the causes of labor unrest in the RMG sector of Bangladesh. It also attempts to address the problem from public-private cooperation perspective.

The RMG sector of Bangladesh has emerged entirely through private entrepreneurship. But it is not beyond government or public concern. In all respect, it is a huge industry. Solving labor unrest in the RMG sector is not an easy task. It requires a collective effort. As the sector involves stakeholders from both public and private sector, cooperation between these two sectors can be a better option to solve the problem. Four areas regarding labor unrest in the RMG sector such as i) investigating the incidents of labor unrest, ii) maintaining law and order situation, iii) bridging gap between owners and workers and iv) representation of the work-force in the decision-making process are identified where public and private sector can work together to solve the problem. For collecting data the study has used questionnaire and interview methods. 30 workers from different garment factory of Dhaka, Savar and Gazipur have been brought under the questionnaire method while 20 respondents from both public and private sector (owners and managers of various garment factory, members of BGMEA, political leaders, member of civil society organizations, government high officials, member of law enforcing agency) have been interviewed.

The major causes of labor unrest have been explored from the responses of the respondents. These are- irregularities in payment, low wage, mistreatment of the workers by managers/officers, rumor, absence of trade unionism, conspiracy, non-execution of labor laws, unruly nature of the workers and political intervention. In key issues regarding labor unrest such as investigating the incidents of labor unrest, bridging the gap between the factory owners and workers, improving law and order situation, majority of the respondents want the involvement of 'tripartite committee' (a committee formed by the representatives of Government, factory owners and workers) which indicates a bright prospect of public-private cooperation in addressing labor unrest in the RMG sector of Bangladesh. If private sectors with their first-hand knowledge and experience cooperate with public agencies having power and authority, labor unrest in the RMG sector of Bangladesh is supposed to be solved.

## Table of Contents

Sl. No.	Title	Page No.
1	Dedication	i
2	Acknowledgement	ii
3	Abstract	iii
4	Table of contents	iv
5	List of tables	vi
6	List of diagrams and charts	vii
7	Acronyms	viii

### **Chapter 01: Introduction**

1.1	Background of the study	1
1.2	Statement of the problem	2
1.3	Significance of the study	3
1.4	Operational definitions	5
1.5	Review of literature	6
1.6	Research questions	9
1.7	Objectives of the study	9
1.8	Organization of the thesis	9

### **Chapter 02: Framework of the Research**

2.1	Introduction	11
2.2	Concept of Public-Private Cooperation	11
2.3	Public-Private Cooperation in Bangladesh perspective	13
2.4	Public-Private Cooperation in addressing labor unrest	14
2.5	Analytical framework	15
2.6	Research design	17
2.7	Methodology	17
2.7	Data analysis plan	17

2.9	Conclusion	18
-----	------------	----

### **Chapter 03: Growth of RMG industry in Bangladesh**

3.1	Introduction	19
3.2	History of growth of RMG industry in Bangladesh	19
3.3	Factors promoting growth of RMG sector	22
3.4	Contributions of RMG in national economy	25
3.5	RMG in post-MFA scenario	26
3.6	Problems surrounding RMG industry	27
3.7	Conclusion	28

### **Chapter 04: Labor Unrest**

4.1	Introduction	29
4.2	History of labor unrest	29
4.3	Labor unrest in the RMG sector of Bangladesh	31
4.4	Impact of labor unrest	36
4.5	Conclusion	36

### **Chapter 05: Data Analysis and Findings**

5.1	Area of the study	37
5.2	Source of data	37
5.3	Composition of the respondents	37
5.4	Personal profile of the respondent	38
5.5	Analysis of collected data	41
5.6	Findings	54
5.7	Limitations of the study	57

## Chapter-06: Conclusion and Recommendations

6.1	Conclusion	58
6.2	Recommendations	60

	References	61
	Appendix 1: Questionnaire in English	65
	Appendix 2: Questionnaire in Bangla	68
	Appendix 3: Checklist for interview	71

### List of tables:

2.1	Independent variables with indicative questions	16
3.1	No. of textile mills in East and West Pakistan	21
3.2	Country-wise per hour wage of garment workers	23
4.1	4 <sup>th</sup> minimum wage structure for the garment workers	32
4.2	Sector-wise minimum wage for workers	34
5.1	Distribution of respondents for questionnaire	37
5.2	Distribution of respondents for interview	38
5.3	Distribution of garment workers by age	38
5.4	Distribution of interviewees by age	39
5.5	Distribution of garment workers by gender	39
5.6	Distribution of interviewees by gender	39
5.7	Distribution of garment workers by education	40
5.8	Distribution of interviewees by education	40
5.9	Distribution of garment workers by working experience	41
5.10	Distribution of interviewees by working experience	41
5.11	Responses about existence of conspiracy	43
5.12	Responses about how to prevent conspiracy	45

5.13	Responses about importance of investigation	45
5.14	Responses about recent occurrence of labor unrest	47
5.15	Responses about causes of recent labor unrest	47
5.16	Responses about retrenchment after labor unrest	48
5.17	Responses about investigation after labor unrest	48
5.18	Responses about operations of law enforcing agencies	49
5.19	Perception how to improve performance of Industrial Police	50
5.20	Perception regarding owner-worker relation	51
5.21	Options for actors that can bridge the gap	51
5.22	Importance of representation of work-force	52

**List of diagrams and charts:**

Diagram: 1	Analytical Framework	15
Bar chart: 1	Various causes of labor unrest	42
Pie-chart: 1	Types of conspiracy perceived by the respondents	44
Pie-chart: 2	Investigating agencies preferred by the respondents	46
Pie-chart: 3	Performance of the Industrial Police	40
Pie-chart: 4	Responses regarding workers' representation	52
Bar chart: 2	Suggestions by the respondents for solving the problem	53

## Acronyms

ATC	Agreement on Textiles and Clothing
BB	Bangladesh Bank
BBS	Bangladesh Bureau of Statistics
BGMEA	Bangladesh Garment Manufacturers and Exporters' Association
BIDS	Bangladesh Institute of Development Studies
BILS	Bangladesh Institute of Labor Studies
CAB	Consumers' Association of Bangladesh
CAGR	Cumulative Average Growth Rate
CPD	Centre for Policy Dialogue
FY	Fiscal Year
GATT	General Agreement on Trade and Tariff
GDP	Gross Domestic Product
GSP	General System of Preference
HIID	Harvard Institute of International Development
LDC	Least Developed Country
ILO	International Labor Organization
MFA	Multi-Fiber Arrangement
NGO	Non-Government Organization
NIP	National Industrial Policy
RMG	Readymade Garment
RoO	Rules of Origin
SKOP	Sramik Kallan Okkay Parishad
SFYP	Second Five Year Plan
TIP	Trade and Industrial Policy
T&G	Textile and Garment
WTO	World Trade Organization

# Chapter One: Introduction

## 1.1. Background of the Research

The export-oriented apparel industry of Bangladesh, popularly known as readymade garment (RMG) or simply the garment industry occupies a unique position in economy of Bangladesh. It is the largest exporting industry, which experienced a phenomenal growth during the last three decades. By taking advantage of cheap labor and quota-based market in the USA and EU under the provision of Multi Fiber Arrangement (MFA) of GATT, it attained a high profile in terms of economic growth of the country. The industry started its modest journey in late 1970s and enjoyed a meteoric rise from 30 enterprises in 1980 increased to 4825 in 2008<sup>1</sup>. Average growth rate of this sector was over 20% per over the last two decades. This single sector alone earns about 80% of yearly foreign exchange of the country. Its contribution to GDP reaches 13% in fiscal year 2009-2010. Since independence, no single sector could accelerate the industrialization process in the country as the RMG sector could do. It has created employment opportunity for about 3.5 million people. Most of them are uneducated and unskilled. About 80% of them are women. To a creditable extent, it has been able to relieve the country from the burden of unemployment and at the same time contribute to the empowerment of women. Thus this sector is playing a vital role in socio-economic development of the country.

But this sector is struggling with a number of problems. Conflict between owners and workers, labor unrest, shortage of gas and electricity, poor infrastructure, poor port facility, lead time complexities, conspiracy of home and abroad, advancing competitors in the quota free international market are some of them which are posing a great threat to its survival. In recent time, labor unrest in the RMG sector has been a matter of serious concern. Almost every day electronic and print media cover news of labor unrest in RMG sector in one place or another across the country. Fixing new minimum wage for the garment workers and issue of implementing the new wage structure have been the prime causes of recent labor unrests across the country. The unrest takes shape of violence and vandalism. The agitated workers come to the street and go storming on vehicles and garment factories. The attacked factory is

---

<sup>1</sup> Source: BGMEA website

declared closed; many labor leaders are arrested, many workers lose jobs or suffer from uncertainty; losing interest in the uncertainty, the international buyers cancel their orders and divert to another market. The industry comes to a deadlock situation.

The growth of RMG sector in Bangladesh is amazing one and it has been possible mainly because of hard work of labor-force. Rashid, (2010) observes, “It is a story of success, of winning against all odds. It is a story of a nation, which has vowed to overcome all the barriers with limited resources and immense passion. It is not a story of "Veni Vidi Vici<sup>2</sup>." Rather, it is a tale of toil, a tale of rising, of starting small and finally finding glory”. But this glory is being diminished day by day due to labor unrest in this sector. This study is designed to unearth the causes of labor unrest and search the areas where Public-Private Partnership can work to address the problem.

## **1.2. Statement of the Problem**

There are, mainly, four parties involved in apparel industry: government, factory owners, international buyers of finished garments, and workers. Of four parties, the first three are immense beneficiaries, while workers remain deprived. Government receives a handsome amount of revenue from this sector. Buyers, who get garment products at the cheapest possible price, make huge profits in international markets. Most of the local factory owners make adequate money out of this business to build palatial houses in posh area of capital, have their children educated and treated abroad, ride luxury cars, spend holidays at tourist resorts across the world. But garment workers, who make all these profits and benefits possible for other three parties, are to live a sub-standard life for years. The wage they get is low. Very often they do not get their salary, overtime bills and bonus in time. Their recruitment system is hiring and firing as they do not get any appointment letter and at any time they can be dismissed by owners for any reason. Being maltreated by owners and mid-level officers, working long hours in a congested room without sufficient rest, lack of recreational opportunity, nutritious foods, medicine, right to legitimate protest against ruthless exploitations, etc are their daily destiny. They don't have any access to the decision making process. Factory building collapse, fire accident, stampede render many dead and

---

<sup>2</sup> A Latin sentence reportedly written by Julius Caesar in 47 BC meaning easy triumph

injured. Nevertheless, if any worker protests against owners or management, he/she is threatened by various types of harassment such as dismissal, arrest or even physical assault by the hired hooligans of owners.

There are allegations that a vested group is behind the violence in garments industry. Some Human-right-based NGOs are alleged to instigate the work-force in the name of their rights and privileges without knowing the actual capacity of the owners. Very often, agitating workers are aided by outsiders. Nowhere in the world is labor as cheap as in Bangladesh. It is one of the main factors for flourishing of this sector in Bangladesh. Therefore, foreign conspiracies in instigating labor unrest in garment sector of Bangladesh cannot be ruled out as history records hundreds of wars to capture another market.

At every incidence of labor unrest, police is deployed to disperse agitators. The coercive measures of the forces rather deteriorate the situation. Concerned groups engage themselves in blame game and do not waste time to put their readymade comments. Party in power always takes it as a subversive act of opposition party to destabilize government. Opposition party labels it as a failure of government and demands resignation. Factory owners blame workers and vice-versa. Very often, after some violent unrest, an inquiry committee is formed to look into the fact. But the fact is that, hardly people come across the investigation report. After some days people forget the issue and things go on as usual.

Solving labor unrest in the RMG sector requires a collective effort. The root causes of unrest are to be explored. If private sectors (garment factory owners, managers, workers, BGMEA, workers' association, members of civil society organizations, NGO activists) with their firsthand knowledge and experience work together with the public bodies, solution of this problem is possible.

### **1.3. Significance of the Study**

Bangladesh is well known across the globe for its stunning success in the arena of readymade garment industry. It constitutes about 80% of total export of Bangladesh. It has been able to create employment opportunity for millions, alleviate poverty, accelerate industrialization, attract foreign direct investment, mobilize business and create a positive image of

Bangladesh abroad. But these achievements are going to be shattered due to labor unrest in this sector. If labor unrest is not addressed, Bangladesh will have to count a heavy loss. The affected garment factories will be declared closed. Production will be hampered. The foreign investors will close their business here. The foreign buyers will cancel their order and divert to other countries. Government will lose huge revenue. Thousands of garment workers will lose their job. After all, it will create an adverse impact on the socio-economic condition of the country.

The present study aims to find out the causes of labor unrest in the RMG sector of Bangladesh and possible solution of the problem through public-private cooperation perspectives. Before venturing to solve any problem, it is wise to explore the root causes of the problem and diagnose them. Accordingly, the causes of labor unrest have been explored and areas where public and private sector can work to address the problem are identified. The RMG industry involves various stakeholders covering from public, private and international organizations. Ministry of Labor and Employment and its sub-ordinate offices, Ministry of Home Affairs and various law enforcing agencies, political leaders of central and local government, local administration comprise the public side whereas factory owners, managers, officers, garment workers, BGMEA, workers' association, member of civil society organizations, NGO activists fall in private sector. In the analytical framework, public-private cooperation has been taken as dependent variables whereas investigating the incidents of labor unrest, maintaining law and order situation, bridging gap between the owners and workers and involving the representatives of work-force in the decision-making process have been taken as independent variables. If public and private sectors can work together in these four areas, labor unrest is supposed to be addressed.

Public-Private Cooperation is an agreement between government and private for bringing together social priorities with the managerial skill of private sector, relieving government of the burden of large capital expenditure, and transferring the cost overruns to the private sector. The success rate of public-private cooperation is high in western world. It is relatively new in Bangladesh and other South Asian countries. For the successful implementation of PPP in solving labor unrest in the RMG sector of Bangladesh, the level of trust, communication and co-operation between public and private sectors needs to be enhanced.

A good number of researches have been done on various issues ranging from gender discrimination to impact of globalization in garment industry of Bangladesh. But no research is conducted on public–private cooperation approach to solve labor unrest. In this respect, this study is new one. It attempts to address a burning problem of vital sector of economy from an innovative perspective.

#### **1.4. Operational Definitions**

**Labor unrest:** Labor unrest is a term used by employers or those generally in the business community to describe organizing and strike actions undertaken by labor unions, especially where labor disputes become violent or where industrial actions in which members of a workforce obstruct the normal process of business. Labor-force is an important element in economic activities. Labor unrest occurs when the labor-force is aggrieved with some decisions of the authority or their demands are not fulfilled, they organize themselves, come out to the street to protest the decision of the authority or pressurize the authority to fulfill their demand. Sometimes, they engage themselves in violence and vandalism.

**Public-Private Cooperation:** Cooperation is the process of working or acting together, which can be accomplished by both intentional and non-intentional agents. In its simplest form it involves things working in harmony, side by side, while in its more complicated forms, it can involve something as complex as the inner workings of a human being or even the social patterns of a nation. It is the alternative to working separately in competition. When an individual or an institution or a group fails to solve a problem he/she or the institution or the group seeks cooperation from other person or institution or group. Cooperation is the common effort of a group for their mutual benefit. It is like a teamwork where the cooperating agencies prefer to listen each other rather than direct, encourage their peers rather than compete, allow and invite others to contribute their talents and skills, follow as well as lead, recognize their strengths and use them for the common good, treat others equitably, recognize the needs of the group, think before acting, communicate calmly and put competition aside. It is a win-win situation and achieving goals is its prime motto.

The RMG industry involves various stakeholders covering from public, private and international organizations. Ministry of Labor and Employment and its sub-ordinate offices, Ministry of Home Affairs and various law enforcing agencies, political leaders of central and local government, local administration comprise the public side whereas factory owners, managers, officers, garment workers, BGMEA, workers' association, member of civil society organizations, NGO activists fall in private sector. If these two sectors work together, labor unrest is supposed to be solved.

### **1.5. Review of Literature**

As garment industry is a leading sector in Bangladesh economy and labor unrest is a burning issue at present, a good number of books, reports, articles and publications of different organizations are available. In course of conducting this thesis, a number of literatures in this regard have been reviewed.

Siddiqi (2004) in his book 'The Readymade Garment Industry of Bangladesh' discusses the importance of RMG industry in the national economy and notes, the RMG industry has become so important that the future of the economy of Bangladesh is greatly dependent on this single sector. Any slowdown in this sector will slow down the economic progress of Bangladesh. He analyses the strength and weakness of RMG industry of Bangladesh and suggests how to ensure its better future in the context of changing global apparel market. He explains why the problems caused by the phasing out of MFA will continue to be a matter of great concern. He argues that the industry would survive and be able to thrive in the post-MFA era if appropriate strategies on capacity building through backward and forward linkages, cost reduction, market diversification, product differentiation, infrastructural development, reduction of lead time etc are implemented. To substantiate his position, he draws insights from the experience of many countries. However, issue of labor unrest in this sector has not been discussed.

Jakir, (2010) observes long-standing deprivation of basic human needs often force the garment workers to follow the path of violence. He states, the living condition of RMG workers is worse than that of prisoners in Bangladesh. According to The Jail Code of 1920, livelihood requirements are decided for the prisoners confined in different jails of

Bangladesh. According to the current TCB price index for Dhaka city, the minimum cost of food items prescribed for a prisoner is Tk. 52.39 per day. The market price for the allocated amount of food for the prisoner is Tk. 1,571.70 per month. If the daily allotment of food amount is calculated for an average family in Bangladesh, it means the family would require Tk. 7,544.16 to have access to the same level of food items that are allotted to be consumed by every under-trial prisoner. This implies that the current minimum wage structure of the RMG sector is still below the cost of food for prisoners in different jails, writes Jakir. He also points that, ‘in recent years, in the face of unusual price hike, the government initiated special social security programs for rural workers. According to the program, considering the standard of daily wages of day laborers at Tk. 150 per day, their monthly wage stands at Tk. 4,500. Furthermore, while the productivity of the garment workers is more than that of the public-sector entry-level workers, the minimum wage of the workers of a similar level in state-owned industries denotes sheer inequality among the same group of people plying the same type of job in the country.’

Sultan (2010) says, from the total net profit, only 30 per cent is being spent on the workers whereas around 50 per cent is spent on workers' wages in other countries. He further notes, ‘in our country, people do not pay heed to any movement unless you come out to the roads. The same happened in the case of the garment workers. They were facing severe problems and unless they came out on to the roads, no one would have taken their problems seriously,’

Fahmida and Moazzem (2007) suggest a number of factors need to be considered while fixing the minimum wage of industrial workers. These are : i) workers’ minimum requirement for decent living; ii) enterprise’s capacity to adjust with the additional cost originating from the rise in wage; iii) consideration of the wage structure of similar types of industrial sectors; and iv) adjustment of the wage with country’s economic development.

A CPD research entitled “Bangladesh Apparel Sector in Post-MFA Era: A Study on the Ongoing Restructuring Process” notes, there is a need for a continuing dialogue between workers and management, particularly in view of changing employment composition and new types of demands. Management of RMG enterprises should take necessary and prompt measures in case any misconduct with workers is reported. There should be a proper

mechanism for placement and addressing of worker's complaint at factory level. Enterprises, in a position to do so, should appoint a "grievance officer" to deal with factory level misconducts. Labor relations is likely to become crucially important in near future and RMG enterprises must accord due attention to this.

Shahiduzzaman (2010), notes in absence of an appropriate formal channel to air grievances and seek redress, the only avenues open to the RMG workers are street protest, picketing, or gherao<sup>3</sup> of a manager's office or a factory. So far, the government has largely left the RMG sector to such devices. Most garment factories do not follow the labor law and ILO conventions. The Labor Act, 2006 clearly stipulates that the wages of a worker must be paid within seven working days of the completion of the stipulated wage period. This is not followed in practice. In addition, some of the factories do not provide appointment letters, identity cards and service books.

Based on a survey conducted by BIDS, Majumder and Begum (2006) show the gender differentiated socio-economic impacts in the export-oriented garment industry of Bangladesh. They found that women's employment in the export-oriented garment industry of Bangladesh has narrowed down the gender gap in many spheres like employment, income, social prestige, control over income, decision-making etc. At the same time, women's employment has widened the gender gap in other spheres such as health, social security etc. Tension and ambivalence are also more prevalent among female workers than their male counterpart. They also found that occupational segregation and gender discrimination in wage rate was wide. 'Women cannot reap the full potential of their employment if the gender imbalances are not addressed', they observed.

Ali, (2010) observes the adverse impact of labor unrest in national economy of Bangladesh. He states, during last one year, ownership of about 40 large scale garment factories has been handed over to the foreigners and ownership of about 100 factories is under process of handing over. This is happening under intensive supervision of high officials of factories who are responsible for widening the gap between the owners and workers.

---

<sup>3</sup> Surrounding

Umar, (2010) notes that low wage and sub-standard living condition are major causes of labor unrest in the readymade garment industry of Bangladesh. He states, those who can take proper food and live in better environment can contribute more to the production than those are deprived of these. In respect of wage and living standard, the garment workers of Bangladesh lag far behind of those of China, Sri Lanka and Vietnam. Yet production is high in Bangladesh. The owners of garment factories should take it into consideration. He further points out another cause of labor unrest in the readymade garment industry of Bangladesh which is workers' lack of feeling of ownership. How can they feel an organization where they are valued only for their work, where their job is not secure, where they have no right to say anything in any matter?

Gender discrimination, working environment, conspiracy, wage, owner-worker relations, life-standard and socio-economic condition of the garment workers especially of women workers are the major issue of study in the field of RMG industry of Bangladesh. However, causes of labor unrest and its impact on national economy have been focused in many studies.

### **1.6. Research Question**

- I) Can public-private cooperation help address labor unrest in the RMG sector of Bangladesh?

### **1.7. Objectives of the study**

- I) To find out the causes of labor unrest in RMG sector of Bangladesh
- II) To identify areas where public and private sector work together to solve the problem

### **1.8. Organization of the thesis**

The thesis is divided into six chapters. The first chapter is the introductory part of the thesis which presents the background of the study, statement of the problem, significance of the study, operational definitions, review of literature, research question, objectives of the study, and organization of the thesis. The second chapter discusses the framework of the research. It includes concept of public-private cooperation, public-private cooperation in Bangladesh

perspective, scope of public-private cooperation in addressing labor unrest, analytical framework, research design, methodology used and data analysis plan. Chapter three deals with evolution of RMG industry in Bangladesh. It narrates the growth of RMG industry in Bangladesh from historical perspective, factors promoting growth of RMG sector, contributions of RMG in national economy, RMG in post-MFA era and problems surrounding RMG industry of Bangladesh. Chapter four describes the problem of the thesis which is labor unrest. It includes history of labor unrest, labor unrest in the RMG sector of Bangladesh and impact of labor unrest on various stakeholders. Chapter five is data analysis and findings. It is done after field study. It covers area of the study, source of data, composition of the respondents, personal profile of the respondent, analysis of collected data, findings, some new findings which contradict with secondary data and limitations of the study. Chapter six starts with conclusion and ends with some recommendations. It also comes up with some relevant issues which deserve further research.

## **Chapter Two: Framework of the Research**

### **2.1. Introduction**

The objective of this chapter is to develop a framework for analysis. This chapter is divided into three parts. The first part deals with concept of public-private cooperation, its experience in Bangladesh and its scope to address the problem of labor unrest in the RMG sector of Bangladesh. The second part of this chapter deals with analytical framework. The analytical framework comprises of a dependent variable and four independent variables. Public-Private Cooperation has been taken here as dependent variable while four areas such as investigating the incidents of labor unrest, maintaining law and order situation, bridging the gap between the factory owners and workers and involving the representatives of work-force in the decision-making process have been taken as independent variables. The third section deals with research design, methodology and data analysis plan.

### **2.2. Concept of Public-Private Cooperation**

Concept of cooperation is as old as history of human civilization on earth. Nothing is self-sufficient on earth and every object of the universe is interdependent on each other. Life-cycle, state function, international relations cannot do without mutual cooperation. In the new world system where complexities, problems and unrest are ever-increasing, cooperation among people, society, group and nations is a must. Cooperation is the process of working or acting together, which can be accomplished by both intentional and non-intentional agents. In its simplest form it involves things working in harmony, side by side, while in its more complicated forms, it can involve something as complex as the inner workings of a human being or even the social patterns of a nation. It is the alternative to working separately in competition. When an individual or an institution or a group fails to solve a problem he/she or the institution or the group seeks cooperation from other person or institution or group. Cooperation is the common effort of a group for their mutual benefit. It is like a teamwork where the cooperating agencies prefer to listen each other rather than direct, encourage their peers rather than compete, allow and invite others to contribute their talents and skills, follow as well as lead, recognize their strengths and use them for the common good, treat others

equitably, recognize the needs of the group, think before acting, communicate calmly and put competition aside. It is a win-win situation and achieving goals is its prime motto.

Public-Private Cooperation combines the resources of government with those of private agents (business or non-profit bodies) in order to deliver societal goals. The forms taken by public-private cooperation include contracting out of services, business management of public utilities, and the design of hybrid organizations for risk sharing and co- production between government and private agents. It gives rise to a series of ideological and managerial choices. These concern the relationship between private actors and the state, the extent to which business and not-for profits should substitute for government and the costs and benefits of different public-private solutions (Linder and Rosenau, 2000).

Conceptual clarity is a prerequisite of any decision of public-private cooperation. The term public, private and cooperation are overworked, individually and collectively and their meanings are contingent on context (Linder 2000; Pollitt 2003). Though ordinarily the term public refers to mass people but from administrative point of view, it denotes an organized group of people who are authorized to serve the mass people. The term public, public sector and state, unless otherwise noted, are used interchangeably, referring to that sets of institutions which exercise legitimate authority over populations, for the most part within a given geographical area (Osborne, 2000). The term private or private sector refers to all institutions other than those of the state. The private sector is that part of the economy which is both run for private profit and is not controlled by the state. The private economy is a concept based on economic components. In accordance with the classification of economic components it is defined as the portion of the economy that belongs to the individuals. In addition to individual and private enterprises, many foreign funded enterprises and shareholding enterprises also contain private economic components. However, most official statistics are not based on this economic component classification, but rather on the classification of the registered status (Osbrone, 2003)

The RMG industry involves various stakeholders covering from public, private and international organizations. Ministry of Labor and Employment and its sub-ordinate offices, Ministry of Home Affairs and various law enforcing agencies, political leaders of central and

local government, local administration comprise the public side whereas factory owners, managers, officers, garment workers, BGMEA, workers' association, member of civil society organizations, NGO activists fall in private sector. In respect of production, export, earning foreign exchange, contribution to GDP, employment, investment and business mobilization, RMG sector of Bangladesh has been a flourishing industry. Its importance has crossed geographical boundary of the country. Garment business of many international markets in Europe and North America depends on production of garment factories of Bangladesh. It involves stakeholders from various corners covering public, private and international organizations. Given the fabulous volume of trade of the industry, the increasing trends of labor unrest in the RMG sector has been a matter of serious concern. Solving labor unrest in this sector is nearly impossible by a single agency like government or BGMEA or a civil society organization. If private sector (garment factory owners, managers, officers, workforce, labor leaders, BGMEA, civil society organizations) with their first-hand knowledge and experience cooperate with public agencies having power and authority, labor unrest in the RMG sector is supposed to be solved.

### **2.3. Public-Private Cooperation in Bangladesh perspective**

In 1996, government of Bangladesh adopted a private sector power generation policy to promote private sector participation. In 1997, under administrative control of the Economic Relation Division, Infrastructure Development Company Limited (IDCOL) was established in order to promote private sector investment in infrastructure development. Similarly, Infrastructure Investment Facilitation Center (IIFC) was established by the government to assist relevant ministries. Primarily the tracing out of 50 projects related to telecommunication, land port and other physical infrastructure accelerates PPP initiatives in Bangladesh. But the actual journey of public-private cooperation started in the fiscal year 1998-99 with two mega power plant projects at Haripur and Meghnaghat. These projects opened the door for the private sector involvement in public venture. Later on Private Sector Infrastructure Guidelines (PSIG) has been formulated in 2004 incorporating the concept of public-private cooperation for the first time.

In 2007, a five year term Investment Promotion and Financing Facility (IPFF) endowed with BDT 4.18 billion (equivalent to US\$ 60 million) was set up in Bangladesh Bank to finance government approved PPP based infrastructure development projects to be implemented by the private sector. Later on in 2008, policy to promote private sector participation in power sector was formulated. Although these initiatives have been successful in financing and implementing a few small scale infrastructure development projects, they are not sufficient to cater to the requirements and potential of the country. Finally public-private partnership has been incorporated for the first time in the national budget of Bangladesh formulated for the fiscal year 2009-10.

#### **2.4. Public-Private Cooperation in addressing labor unrest**

The concept of public-private cooperation is relatively new in Bangladesh and it is primarily meant for developing activities especially infrastructural development having financial involvement. In this thesis, public-private cooperation has been taken as a non-financial and social factor. RMG sector of Bangladesh emerged as a result of private entrepreneurship. The factory owners, the international buyers, the managers and workers of the factories, BGMEA, workers' association – all fall in the group of private sector. In respect of labor unrest in the RMG sector, public bodies include ministry of Labor and Employment, its sub-ordinate offices such as Directorate of Labor, Office of the Chief Inspector of Factories and Establishment, Minimum Wage Board; ministry of Home Affairs and various law enforcing agencies. Initially the government was not much attentive to this sector though it provided necessary support for the business. Government started paying attention within two decades of its inception in late seventies when it became a colossal business. Government's attention was due to some positive achievement of this sector such as its being highest exporting items and earning highest foreign exchange, rendering handsome revenue to government exchequer, creating employment opportunity for millions etc. However, government's attention to this sector got a new dimension after May 2006 when this sector was crippled with labor unrest and this unrest reached to apex in 2009 and 2010. In this thesis causes of labor unrest have been explored. Four areas such as investigating the incidents of labor unrest, maintaining law and order in the factory area, bridging the gap between the factory owners and workers and involving the workforce of the RMG industry in the decision-

making process have been identified where public-private cooperation can work together to solve the problem. In all the four areas, the private organizations have resources and first-hand knowledge and the public agencies have power and authority. Addressing labor unrest in the RMG sector will be easier and effective if the capacities of two are combined.

## 2.5. Analytical Framework

The following analytical framework has been developed for the study.

Independent Variables

Dependent Variable

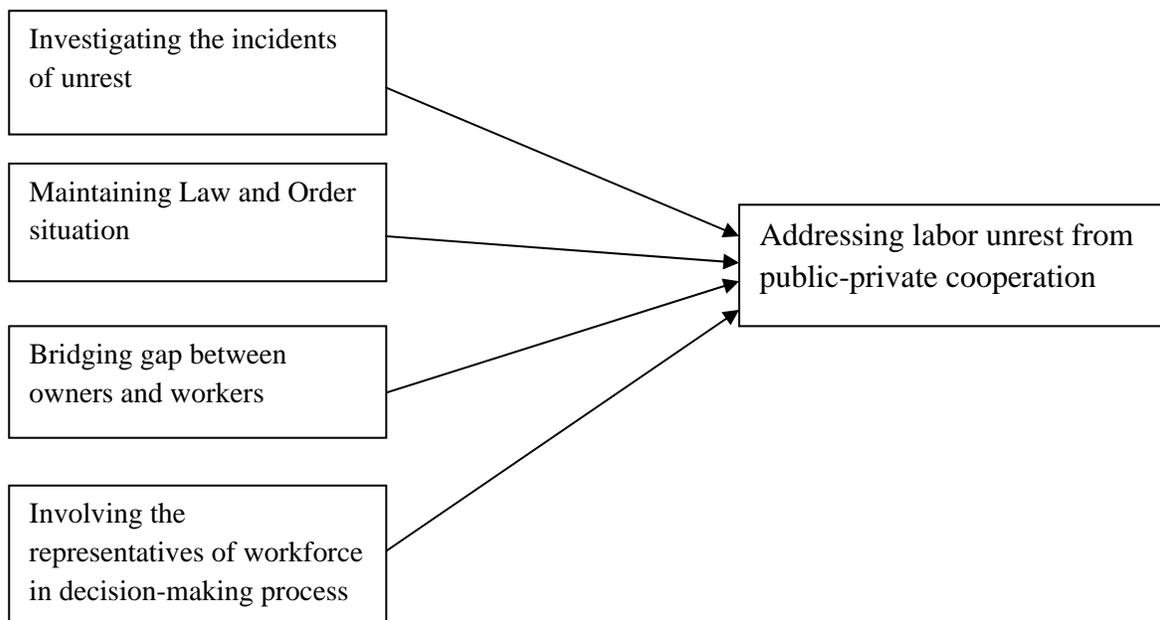


Diagram 1. Analytical Framework

Public-Private Cooperation in addressing labor unrest has been set as the dependent variable which depends on four independent variables such as investigating the incidents of labor unrest, maintaining law and order situation, bridging gap between owners and workers and involving the representatives of work-force in the decision-making process. Each independent variable carries some indicative questions or queries. Questionnaire and interview- the two methods used for collecting data have been set as sources of data.

Independent variables	Indicative Questions/Queries	Source of Information
Investigating the incidents of labor unrest	<p>*Do you think investigating the incidence of labor unrest necessary?</p> <p>*If yes, by whom, do you think, the investigations should be conducted?</p> <p>*Has there been any investigation on the incidence of labor unrest recently?</p> <p>*If yes, what was done with the investigation report?</p>	Q+I <sup>4</sup>
Maintaining law and order situation	<p>*Do the law enforcing agencies work in your factory area?</p> <p>*How is the performance of the industrial police?</p> <p>*How to improve the performance of the industrial police?</p>	Q+I
Bridging gap between owners and workers	<p>*Do you think that there exists a communication gap between the owners and workers in RMG sector?</p> <p>*If yes, who is to negotiate between the owners and workers?</p>	Q+I
Involving the workforce in decision-making process	<p>*Does the work-force have any access to the decision-making process?</p> <p>*Do you think involving the work-force in decision-making process can help minimize labor unrest?</p> <p>*How the work-force can be involved in the decision-making process?</p>	Q+I

Table 2.1 Independent variables with indicative questions

<sup>4</sup> Questionnaire and Interview

## **2.6. Research design**

Research design provides a framework to the researcher to navigate the journey in the field and finally execute the study. The nature of the problem to be studied and research questions to be answered which are the guiding pillars to decide what approach and strategy would be employed to pursue a research. According to Creswell (2003) research design fall into three categories: a. Quantitative b. Qualitative and c. Mixed method. The present study utilizes a mixed method approach. The qualitative approach is used as a predominant method because the research is conducted in its natural setting where the quantitative method will be used to analyze the data.

## **2.7. Methodology**

A research needs methodology which reveals how the researcher is going to achieve his/her objectives of the stipulated study. Aminuzzaman in “*Introduction to Social Research*” states, as a systematic study, research methodology deals primarily with the approaches and techniques as how to undertake a research without being biased and prejudiced. It offers a bunch of tactical approaches and logical skills to observe, record, interpret and infer on matters under study. According to Kothari (2004, p. 8), research methodology is a way to solve the research problem systematically and scientifically. The objectives of the study are to explore the causes of labor unrest in the RMG sector of Bangladesh and identify areas where PPP can help address the problem. Three research methods- content analysis, questionnaire and interview are used in this study. Content analysis is used for the descriptive part of the study. Interview and questionnaire methods have been used for collecting data for the study. Use of three methods is supposed to reduce biasness and work as a reliable tool for research.

## **2.8. Data analysis plan**

Collected data have been validated through cross-checking with the responses of the various respondents. Primary data collected through questionnaire and interview have been compared with secondary data. Simple arithmetic calculation has been used to analyze data.

Data have been presented through computer generated graphs, charts and tables using Microsoft Office tools.

## **2.9. Conclusion**

This chapter guides the study to reach to its end. The concept of public-private cooperation, its experience in Bangladesh and its scope in addressing labor unrest in the RMG sector of Bangladesh have been discussed. In the analytical framework public-private cooperation in addressing labor unrest has been taken as dependent variable which is dependent on four independent variables such as investigating the incidents of labor unrest, maintaining law and order situation, bridging the gap between the factory owners and workers and involving the work-force in the decision-making process. For collecting data, questionnaire and interview methods are selected. Questionnaire and checklist for interview are developed in the light of analytical framework. In fact, this chapter works as a baseline of the study.

## **Chapter Three: Growth of RMG Industry in Bangladesh**

### **3.1. Introduction:**

It will not be a hyperbole to say that economy of Bangladesh is what it is today mainly because of readymade garment industry. A population of around 160 million for a small country like Bangladesh, in all probability, is considered a serious liability. However, with the inception and subsequent exponential growth of RMG sector, it has turned that liability into an invaluable asset. In the post-liberation economy of Bangladesh, this sector has acted as an engine of growth for the rest of the economy. Even in the face of recent global economic recession, economy of Bangladesh is not shaken mainly because of steady growth of this sector and smooth flow of remittance. Quota-based access to EU and USA and other countries under MFA, local demand, cheap labor, low production cost and private entrepreneurship have been the contributing factors for evolution of RMG sector in Bangladesh. Accelerating industrialization process in the country, attracting foreign direct investment, alleviating poverty through creating employment opportunities for millions, mobilizing business, empowering women and creating a positive image of Bangladesh abroad are major contributions of this sector. However, this sector is enmeshed with a number of problems and challenges such as conflict between factory owners and garment workers, labor unrest, conspiracy of home and abroad, non-compliance, shortage of gas and electricity, poor infrastructure, political interference, regional and international advancing competitors, lack of effective government policies, and lack of initiatives to search international markets etc. This chapter discusses history of growth of RMG sector in Bangladesh, factors promoting the growth of RMG industry in Bangladesh, contribution of this sector to national economy, RMG industry in quota-free post-MFA era and problems surrounding this sector.

### **3.2. History of growth of RMG sector in Bangladesh**

In the field of industrialization, the role of textile industry is found very prominent in both developed and developing countries. Economic history of Britain reveals that in the 18<sup>th</sup> century the cotton mills of Lancashire ushered the first industrial revolution in the world. Moreover, during the last 200 years or more, many countries of the world have used textile

and clothing industry as an engine for growth and a basis for economic development (Ahmed 1991). Bangladesh has a long and illustrious history of producing world-class fabrics. During the Mughal period (in the 17<sup>th</sup> and 18<sup>th</sup> century) Moslin<sup>5</sup> of Dhaka was a legend in the world fabric market. It was adored by members of royal palaces of many countries of Asia and Europe. The unique craftsmanship of the artisans, the cheap labor and locally developed technology were the basis of textile industry of Bengal to flourish for several centuries prior to the British colonial rule. Andre Gunder Frank in this connection comments, ‘Bengal once provided the life blood of mercantile and industrial capitalist development in the metropolis’<sup>6</sup>. Unfortunately the industry did not survive. The East India Company suppressed the export of textile from Bengal, often with draconian means, at the behest of British manufacturers of cloth who were unwilling to compete with the cheaper and better cloth of Bengal (Rashid, 1990). History is the evident of inhuman torture upon craftsmen of Moslin by the British colonist. The British colonist even cut the fingers of craftsmen of Moslin and thus bunged the glory of fine textile of Bengal. On the other hand, to ensure the supply of raw materials of textile mills of Britain, they imposed compulsory indigo cultivation upon the farmers of Bengal. The ‘Nil Bidroho’ (Revolution against compulsory cultivation of indigo) in early 1860s by the agrarian class of Bengal was one of the major shakes against British Imperialism in India.

In 1947, at the end of British rule in India, this part of the sub-continent (present Bangladesh) was part of Pakistan. Despite a number of dissimilarities (having only similarity in religion) two parts of Pakistan (West Pakistan- the main land and East Pakistan-present Bangladesh) started journey as an independent country enduring practically and theoretically wide gap. Though Bangladesh was a fertile land for jute and other raw materials, industrialization did not flourish here mainly because of economic exploitation and discriminatory policies of government of Pakistan (centered in West Pakistan). On the contrary, based on the raw materials of Bangladesh industrialization took place in West Pakistan. The following table shows the difference of West and East Pakistan in terms of number of textile mills between 1947 and 1971.

---

<sup>5</sup> A very thin and soft garment produced in Bangladesh

<sup>6</sup> Cited by Haq, M. Emdadul in “Industrial Revolution, Democracy and Contemporary Bangladesh”

	1947	1971
East Pakistan	11	26
West Pakistan	09	150

Table 3.1 No. of textile mills in East and West Pakistan between 1947 and 1971

Source: First five- year plan (1973-78)

In all sectors, people of East Pakistan felt themselves deprived which led them to take arms against the occupation Pakistani army and finally after a nine-month-long bloodshed war in 1971 (from 26 March to 16 December) Bangladesh emerged as an independent country in the map of world.

In 1972, the first government of Bangladesh headed by Sheik Mujibur Rahman decided to run the country on the basis of socialist ideology. He nationalized most of the mills and factories. Corruption, system loss, mismanagement, inefficiency, bureaucratic complexities crippled the growth of the nationalized enterprises. Despite huge government subsidy, year after year loss brought these public enterprises on the verge of extinction.

The successive military administrations that controlled the country from 1975 to 1990 gradually liberalized the economy. The pressure for liberalization and reform came from several quarters: the donors, the academics, researchers, technocrats and last but not the least the private sector entrepreneurs. Under the first military administration of Zia (1975-1981) economic controls were gradually dismantled, increased emphasis was placed on the private sector to provide the lead in the process of industrialization; industries in public sectors were privatized and limits on private investment were relaxed. But the high potential of RMG could not attract the attention of the policy-makers. Even in 1979, when the draft of Second Five Year Plan (SFYP) 1980-1985 was finalized, the future potential of RMG sector was not adequately realized. However, the economy initially responded sluggishly, with per capita income stagnating at 1.1% even though the GDP increased at the rate of 4% per annum (Mellon and Stern, 1991).

In 1982 under the second military administration, a reform program called Trade and Industrial Policy (TIP) was launched with technical assistance from Harvard Institute of International Development (HIID). The New Industrial Policy (NIP) of Bangladesh approved in 1982 instituted various export promotion measures, particularly to promote export of non-traditional items like garment. It should be noted that in case of garment it was the external forces that worked more strongly during the early years than the internally planned proactive efforts.

The real breakthrough occurred in 1984-85 when the number of readymade garment factory increased to 587. The export earning shot up from \$ 31.57 million in 1983-84 to 116.2 million in 1984-85, a 268.07% rise in a year. During 1985-90, the sector grew at a cumulative average growth rate (CAGR) of 40%. The earnings from this sector crossed the billion-dollar mark in FY 91-92, with a total export of \$1.18 billion. In FY 94-95, the share of apparel export increased to 64% of total exports and earnings doubled to \$2.2 billion. The industry grew at CAGR of 29% during 1990-95. Within the next five years, the export proceeds from this sector again doubled to \$4.35 billion and the share of apparel export to total exports grew to 76%. Since then, the apparel sector has continued to contribute more than 75% of total exports.

### **3.3. Factors promoting growth of RMG industry**

Factors which promoted growth of RMG sector in Bangladesh can be categorized into two groups- 1) domestic and 2) external.

#### **Domestic Factors**

**Cheap labor:** RMG is a labor-intensive sector. Bangladesh is an over-populated country burdened with unemployment problem. The private entrepreneurs in the late 1970s and early 1980s got an opportunity to use cheap labor to flourish this sector over-night. At present, about 3.5 million people are working in this sector. About 80% of them are women. They got a chance to change their fate by working in the garment factories which helped boom the sector. Nowhere in the world is labor as cheap as it is in Bangladesh. The following table shows a comparative study of per hour labor wage in major RMG exporting countries.

Country	Per hour wage (US\$)
Turkey	2.44
Mexico	2.17
China	1.88
Pakistan	0.56
India	0.51
Sri Lanka	0.44
Vietnam	0.44
Bangladesh	0.22

Table 3.2 Country-wise per hour wage of garment workers

Source: The Daily New Age, 13 Aug, 2010

**Low production cost:** As labor cost is very low, RMG factories in Bangladesh can produce quality garment at lower cost which has attracted the foreign buyers. International companies like Wal-Mart, JC Penney, H&M, Zara, Tesco, Carrefour, Gap, Metro, Marks & Spencer, Kohl's, Levi Strauss and Tommy Hilfiger all import in bulk from Bangladesh. The total export from the sector has doubled from \$6.4 billion in FY 04-05 to \$12.5 billion in FY09-10. The comparative advantage of low production cost also attracted foreign direct investment. As a result, both backward and forward linkage industry flourished in Bangladesh. Currently, the backward industry is able to meet up to 85% of the demand for the raw materials, which significantly contributed to the country's growth of apparel and knitwear exports.

**Local Demand:** Clothing is a basic need. Bangladesh is one of the most densely populated countries in the world. Every year Bangladesh needs a huge quantity of garment for its local need. Culturally people of Bangladesh like to wear new cloths on the eve of various festivals like Eid<sup>7</sup>, Puja<sup>8</sup>, Pohela Baishakh<sup>9</sup> etc. Before emergence of RMG industry, people of

---

<sup>7</sup> Religious festival of Muslims

<sup>8</sup> Religious festival of Hindus

<sup>9</sup> First day of Bangla new year

Bangladesh had to depend on the tailors for their domestic need of clothing. Though tailoring still exists, ready-made garment business is very prolific in Bangladesh.

**Government Support:** The apparel industry received support from the government, which included measures like duty drawback facilities, tax holidays, cash assistance, income tax rebate, creation of export processing zones, zero tariff on machinery inputs, rebate on freight and power rate, bonded warehouse facilities, provision of import under back-to-back letters of credit, loans at concessional rate, export development fund, etc.

**Back to Back Letter of Credit:** Back to Back Letter of Credit is one of the important factors in the initial and continuing success of this sector. It considerably eases the financing requirement of garment business for the local entrepreneurs. The entrepreneurs are able to complete the complicated process of manufacturing and export with very little of their own funds for working capital. Even if the turnover is Tk. 50 million and the profit is only 5% the returns are still decent since the funds are borrowed largely from the banks. Therefore the rate of return does not need to be high. In the absence of back to back L/C, it would have been very difficult for the new entrepreneurs to raise funds from local financial institutions to import fabrics and accessories.

**Private entrepreneurship:** The export-oriented RMG sector started its journey entirely with private initiatives. The journey was not smooth. The entrepreneurs faced tremendous constraints in terms of power and gas supply. Political instability, frequent hartals (strikes), poor port facility, and labor unrest created longer lead time, which became another barrier in competing with neighboring nations. Amidst all the constraints, the RMG entrepreneurs lived up to the buyers' expectations of reduced price margin, improved compliance standards, and quality assurance. There were also significant investments in backward integration.

### **External Factors**

**Quota facility:** The key factor behind the growth was the quota system under the Multi-Fibre Arrangement (MFA). The General System of Preferences (GSP) facilities and RoO (Rules of Origin) offered by the developed nations also helped Bangladesh to accelerate its export. In

short, MFA provided market protection for Bangladesh, whereas GSP facilities offered preferential treatment and market access opportunities in developed economies.

**Civil War in Sri Lanka:** Civil War in Sri Lanka which started in late 1970s proved to be boon for Bangladesh in respect of RMG industry, though it was a bane for Sri Lanka. Sri Lanka was a leading country in exporting RMG among Asian countries. But due to the civil war, the western buyers turned away from Sri Lanka and were looking for substitute of Sri Lanka. Finally Bangladesh came forward to replace Sri Lanka in RMG business based on its huge cheap labor force.

**Supply Side Factors:** On the supply side, several factors can be mentioned that have contributed to the growth of Bangladesh as an apparel exporter. First as the wages of the East Asian Countries rose and quota restrictions limited shipments from these countries to particularly the US markets, apparel firms from those countries established production operations in other countries with cheaper labor and with few or no quota restrictions. In the second half of 1970s, business houses from the Republic of Korea, Daewoo in particular, ventured into Bangladesh to transfer the technology of production and to provide marketing channels. The number of garment exports business from this arrangement remained small but awareness as regard the prospects developed within the garment industry. In 1978, fewer than a dozen companies were in operation. The number grew to 80 just in three years. Since then, the growth of the industry has been fabulous. The Korean investment provided the garment industry the decisive advantage without which a much longer time would have been taken by the Bangladesh garment industry to attain its present status.

### **3.4. Contributions of RMG industry to national economy**

Garments Industry occupies a unique position in Bangladesh economy. It is the largest exporting industry in Bangladesh, which experienced phenomenal growth during last three decades. The industry plays a key role in employment generation and in the provision of income to the poor. More than 3.5 million workers are directly and more than ten million people are indirectly associated with the industry. The sector has also played a significant role in the socio-economic development of the country.

In terms of GDP, RMG's contribution is highly remarkable; it reaches 13% in FY 2009-10 which was only 3% in FY 1990-91. This is a clear indication of the industry's contribution to the overall economy. It plays a vital role to promote the development of other key sectors of economy like banking, insurance, shipping, hotel, housing, transport, etc.

Till now Bangladesh is known as an agricultural country. Except, RMG sector, there is no other mention-worthy industrial establishment. It is the RMG sector which has accelerated the process of industrialization in the country. Bangladesh is one of the most densely populated countries of the world. With limited land area and natural resource, the increasing population is creating heavy burden on unemployment problem. The RMG sector has been able, to a great extent, to relieve the country from the burden of unemployment by creating employment opportunities for more than three million people. Bangladesh is known as a poor and over-populated country stricken with a lot of problems. RMG carrying the label of "made in Bangladesh" is working to create a positive image of Bangladesh in the world. It has also proved that the heavy burden of population can be turned into an asset by using them as workforce.

### **3.5. RMG in Post- MFA Scenario**

Over the last thirty years, international trade and investment in the global textile and garment (T&G) sectors has been influenced by Multi-Fiber Arrangement (MFA) quantitative restrictions (quotas) applied by the major developed country importers (the United States, the European Union, Canada and Norway) on T&G exports from (predominantly) developing countries. MFA quotas were negotiated bilaterally and applied on a discriminatory basis to some exporting countries but not to others, thus differing from country to country in both product coverage and the degree of restrictiveness. In such a context, the Multi-Fiber Arrangement governed the trade in textiles and clothing from 1974 to 1994. This arrangement was superseded in 1995 by the Agreement on Textiles and Clothing (ATC) under the administration of the World Trade Organization (WTO). From 1 January 2005 all such quantitative restrictions on the trade in textiles and clothing were phased out, and finally abolished. The quota system under the MFA has distorted international T&G trade and has resulted in global welfare losses since quota limits on the exports of selective producers have prevented an allocation of resources to the most efficient T&G producers and prevented

prices in quota protected developed country markets from falling. Competitive exporting countries with comparative advantages in T&G production have been restrained from expanding under the MFA quota system, while relatively uncompetitive producers have enjoyed guaranteed market access (up to the quota limit) to developed country markets (Spinanger, 1999). In such a context, there was serious concern that low income countries, such as Bangladesh, Cambodia and the like, which relied heavily on the garment industry, would suffer from the keen competition expected to be triggered by the complete liberalization of trade in textiles and clothing from the beginning of 2005. From the many corners it was predicted that China would expand its exports and India would follow, and that the other relatively small exporters would suffer seriously from the competition of these two giants. However, it turned out that some garment-exporting Least Developed Countries (LDCs), such as Bangladesh, Cambodia and Haiti, fared very well throughout the year 2005. In this context, an attempt has been made to examine the export data of selected countries during MFA and post MFA to US and EU markets in order to assess the indicative impact of post MFA scenario in Bangladesh as well as other largest garments exporters. It was revealed that China and India expanded garment exports to the US and EU, the world's two largest markets. Along with China and India, Bangladesh and Cambodia have also increased their exports to the United States during 2005 by more than 20 percent. Though their garment exports to the EU declined between 2004 and 2005, the drops were not significant; and the growth in the same figures by more than 30 percent between 2003 and 2004 surpassed the decline in 2005. As a whole, the sum of garment exports to the two largest markets grew by 2.54 percent for Bangladesh and by 11.06 percent for Cambodia in 2005. Since the US and EU are going to be imposing new restrictions on textile and garment imports from China for at least a couple of years, exports from that country will slow down, making room for the remaining garment exporters to increase growth. Thus, the prospects for Bangladesh to continue expanding its garment exports are encouraging.

### **3.6. Problems surrounding RMG sector:**

Though RMG sector in Bangladesh enjoyed a meteoric growth and is contributing a great to the national economy, this sector is facing a lot of problems. Acute shortage of power and gas, political instability, frequent hartals (strikes), poor port facility often hamper the

production and export. Surpassing all these, labor unrest has become a chronic disease in this sector. At present, labor unrest has been labeled as a conflict of interest between the owners and workers. Generally labor unrest emerges when workers come to the street demanding some facilities (financial or other) which the owners are not ready to provide. Sometimes some rumors spread unrest among the labors. Conspiracy of home and abroad is also responsible. Sometimes it is found that workers of a factory attack intentionally another factory to damage the factory or hampers its growth as there is competition among the factories. Some NGOs financed by foreign donors are blamed to instigate the garment labors regarding their rights and privileges. The actual causes of labor unrest must be addressed and proper action must be taken to solve this problem. Government, owners and workers have to work hand to hand to come out the situation.

### **3.7. Conclusion**

The RMG industry of Bangladesh has come a long way. This industry has proved that it can sustain competition despite negative predictions and adversities. This sector is not only helping the country's economy by earning significant amount of foreign exchange, but has also brought about a major shift in developing support industries, employment generation, and women empowerment. Since the country's economic advancement depends substantially on development of this sector, strong commitment and policy support from the government are needed to the sector survive in the quota-free competitive international market.

## Chapter Four: Labor Unrest

### 4.1. Introduction

Labor-force is an important input in industrial production and this is truer in garment industry of Bangladesh. Mechanization and automation have not diminished the role of human element in industrial establishments. In fact, the role of workforce has become highly critical in garment industry. Nor have the economic reforms belittled the significance of labor. Human resource is taken to be an important factor to increase productivity, improve quality and reduce costs; all necessary to survive in the competitive world. But the basic needs of the labor force must be mitigated. The socio-economic condition of labor force of RMG industry of Bangladesh, in no way, can be said well. As most of them are uneducated and unskilled, they get very poor salary in contrast to ever-increasing expense of livelihood. Very often they do not get their salary, bonus and overtime bills in time. In many factories they are forced to work long hours in unhygienic condition. Maltreatment by the mid-level officers is their common fate. As there is no provision for trade unionism, they don't have any access to the policy-making process. In such a situation, they come to the street to raise their voice and involve themselves in vandalism and rampage. Despite having a significant achievement in national economy, labor unrest in this sector is diminishing all its credit. In order to survive in the quota-free competitive international market, addressing labor unrest has been a crying need.

### 4.2. History of labor unrest

History of labor unrest is as old as history of industrialization. Industrialization process requires two classes of people - owners or elite class and working class. History of the Industrial Revolution in England in late 18<sup>th</sup> century records the plight and struggle of working class people. Workers were to work for a long hours in an unhygienic environment for a low wage. They lived in shabby slums of Lancashire and London and were deprived of nutritious food, medicine and health care, education for their children. There were no day care centre and women with children had to work in the factory keeping their children asleep with sleeping syrup. Frederick Engels comments, "in truth, they were not human beings; they

were merely toiling machines in the service of the few aristocrats who had guided history down to that time.” He further says, intellectually, they were dead; lived only for their petty, private interest, for their looms and gardens, and knew nothing of the mighty movement which, beyond their horizon, was sweeping through mankind”<sup>10</sup>. However, in course of time, government realized the importance of workforce and adopted welfare policies such as increasing wages, limiting working hours, providing trainings, establishing day care centers and schools for the children of the workers etc. and thus made an industrial revolution possible. The condition of workforce of RMG industry of Bangladesh which emerged in late twentieth century can easily be compared with the condition of working class in England at the outset of Industrial revolution. But the government as well as the owners association is yet to realize the importance of the workforce. Garments workers in Chicago fought against working 12 hours a day and seven days a week in 1886, some 125 years ago. Every year on 1<sup>st</sup> May, International Labor Day is observed in commemorating the sacrifice of garment workers in Chicago while the phenomenon still remains same in Bangladesh.

The conflict of interests between buyer and seller of labor power has become conspicuous and this has led to the rise of trade union movement throughout the world. The tradition of the parallel development of the nationalist and the trade union movement, which has originated in British India continued through the Pakistan period down to the birth of Bangladesh. Bombay Mill Hands Association, first of its type in India, formed in 1890 gave impetus to the trade union movement in British India. The establishment of ILO in 1919 provided a source of inspiration for the workers to organize themselves and shape their destiny.

Berch Berberoglu, in his book ‘Class, State and Development in India in Historical Perspective’ observes, with the growth of industrial working class in India, conflict between labor and capital intensified. The capitalist assault on workers’ wage and democratic rights met with stiff resistance from organized labor and trade union movement and led to the radicalization of large segments of working class, whose demands became increasingly political. Threatened with these developments and fearful of a general social explosion based on a revolutionary alliance between workers and peasants, the bourgeois state became more

---

<sup>10</sup> Mentioned in Introduction of ‘Condition of the working class people in England’

repressive. It also opened its door to transnational monopolies, thus seeking refuge in imperialism.”

History is the evident that the outburst of workforce deriving from their struggle for a humble living can never be subdued. Coercive measures to disperse the agitation only infuriate the workforce which can take the shape of a revolution. Taking necessary steps to solve labor unrest in RMG industry is a demand of time.

### **4.3. Labor Unrest in RMG sector of Bangladesh**

Labor unrest has been a common phenomenon in the RMG industry of Bangladesh. Workers are being embroiled in clashes frequently; they call strikes often to make their demand home. It causes enormous loss to the owners, cripples the economy and tarnishes the image of the country abroad. It also makes foreign buyers reluctant to render future orders. In addition the industry is losing competitive edge for this. In July 2009, due to massive labor unrest, Hameem Group, a leading garment manufacturing factory incurred a loss of around 100 crore taka and two workers died with resultant loss of 2000 jobs<sup>11</sup>.

Causes of labor unrest are many. First and foremost is the long-standing grievance of the workers. The growth of RMG industry of Bangladesh much depends on hard work of the labor force. But unfortunately they are deprived of minimum facilities. They are to live a sub-standard life in city slums for years. The wage they get is low. Very often they do not get their salary, overtime bills and bonus in time. Their recruitment system is hiring and firing as they do not get any appointment letter and identity card of the factory and at any time they can be dismissed by owners for any reason. They don't know anything about their job contract. Being maltreated by owners and mid-level officers, working long hours in congested environment without sufficient rest, lack of nutritious foods, medicine, right to legitimate protest against ruthless exploitations etc are their daily destiny. They don't have any access to the decision making process. Factory building collapse, fire accident, stampede render many dead and injured. Nevertheless, if any worker protests against owners or management, he/she is threatened by various types of harassment such as dismissal, arrest or

---

<sup>11</sup> Source: The Quarterly Wheel, Oct-Dec 2010

even physical assault by the hired hooligans of owners. Common causes of labor unrest in the RMG sector in Bangladesh are discussed briefly below. Most of the labor force of this sector are uneducated and unskilled and have come from rural area simply in search of livelihood. They have to work hard in return for a very poor salary. The detailed 4<sup>th</sup> wage structure for the garment workers is shown in the following table.

Grade with posts	Basic	House rent (40% of Basic)	Medical Allowance	Net Salary
Grade 1 : Pattern Master, Chief Quality Controller etc.	Tk.6500	TK.2600	Tk.200	Tk. 9300
Grade 2 : Mechanic, Electrician, Cutting Master etc.	Tk.5000	TK.2000	Tk.200	Tk. 7200
Grade 3 : Sample Machinist, Senior Machine Operator etc.	Tk.2870	TK.1148	Tk.200	Tk. 4218
Grade 4 : Sewing Machine Operator, Quality Inspector, Cutter, Packer, Line Leader etc.	Tk.2615	TK.1046	Tk.200	Tk.3861
Grade 5 : Junior Machine Operator, Junior Cutter, Junior Marker etc.	Tk. 2395	TK.958	Tk.200	Tk. 3553
Grade 6 : Operator of General Sewing/ Button Machine etc.	Tk.2230	TK.892	Tk.200	Tk. 3322

Grade 7 : Assistant Sewing Machine Operator, Assistant Dry washing man, Line Iron man etc.	Tk.2000	TK.800	Tk.200	Tk. 3000
--	---------	--------	--------	----------

Table 4.1 4<sup>th</sup> minimum wage structure for the garment workers

Source: Minimum Wage Board, 2010

The board recommended the minimum wages in light of 10 issues — cost of living, living standards, production cost, productivity, cost of the goods produced, inflation rate, job pattern and associated risks, business capacity, socio-economic condition of the specific industrial sector and the country as well as other relevant issues.

The minimum wage board asked for and gathered views of various social stakeholders on the impact of inflation from the Bangladesh Bank (BB), Bangladesh Institute of Development Studies (BIDS), Bangladesh Bureau of Statistics (BBS), Centre for Policy Dialogue (CPD), Bangladesh Institute of Labor Studies (BILS), Consumer Association of Bangladesh (CAB) and others. It has also asked for a report on the nutritional requirements of the apparel workers from the Institute of Food and Nutrition of the University of Dhaka, Sramik Karmachari Oikya Parishad (SKOP) and other garment worker’s association.

While government institutions, like the BB, BIDS and BBS, reported that since 2006, the cost of living increased by at least 35 per cent, the private think-tank, CPD reported that the average cost of living has risen by around 70 per cent. CAB reported that the average cost of selected food items and other major utilities, consumed by workers, had increased by 53 per cent on an average.

Institute of Food and Nutrition of University of Dhaka estimated that if a worker toils for eight hours a day, as a stitching operator or helper, he needs 3,200 calories daily. If the worker does two-hour overtime work every day, he requires 3,400 calories, said the

study that was submitted to the Minimum Wage Board. A female worker needs a slightly lesser amount of calories.

‘The minimum wage fixed for a worker is not enough to live a standard life when compared with the high cost of living,’ says Razekuzzaman Ratan, general secretary of Samjtantrik Sramik Front. According to him, a garment worker needs about 3,030 calories a day, accounting for a daily amount of Tk. 64.50. ‘Thus a person will need about Tk. 1,935 a month and to maintain a four member family, Tk. 7,740 would have to be spent on food alone. After adding utilities, house rent, transport cost, medicine and outfits, the total amount will stand at about Tk. 14,240 a month. If two members of a family are RMG workers, we believe that the minimum wage should be Tk. 7,120 per person,’ opines Ratan. On the other hand, according to the BILS survey, the minimum wage for a single worker has to be Tk. 5,277 amounting to Tk. 8,452 for a four member family to live a standard life.

The minimum wage for workers of RMG sector, in any account, is very low in the face of ever-increasing prices of daily necessities. The following table shows a comparative study of minimum wage of workers of RMG sector with other industries of Bangladesh.

Sl. No.	Sector	Minimum wage in Tk.
01.	Oil-mills	7420
02.	Re-rolling	6100
03.	Foundry	5100
04.	Ship breaking	4645
05.	Ayurvedic unit	4350
06.	Pharmaceutical	3645
07.	Soap and cosmetic	3300
08.	RMG	3000
09.	Shrimp processing unit	2645
10.	Tailoring shop	2350

Table 4.2 Sector-wise minimum wage for workers

Source: Daily New Age, 13 Aug, 2010

Second phase of labor unrest in the RMG sector in 2010 began with the implementation of the new wage. Though reluctantly the workers accepted the new wage structure, many factories are found not implementing the new scale under various excuses. There is severe warning from government; yet many factories found to be going on their own way. Sometimes, deferred payment of salary, bonus and overtime bill spread unrest among labors.

Rumor plays a crucial role in swelling unrest among the labors. ‘Bonus will not be given before Eid’ / ‘A worker is beaten by the manager’ / ‘A labor leader is arrested’ – these types of rumors ignite the workers and without knowing the fact, the workers sometimes come to the street and involve in vandalism and rampage. Sudden closure of a factory without prior notice to the workers which poses uncertainty and fear of losing job among the workers works as a source of unrest.

The coercive role of law-enforcing agencies angers the labors. A common picture in time of unrest is that the deployed police charge the workers and the agitating workers reiterate causing injuries to both side. Filing cases or arresting the agitating workers is a common means to subdue the workers. Nevertheless, the law enforcing agencies are often found to play a biased role against the workers. As the owners are rich and influential, there is hardly any instance of their arrest or police’s taking case against them by the workers.

Theory of conspiracy regarding labor unrest cannot be ruled out. There may be two types of conspiracy- 1) domestic and 2) external. There exists competition among the factories. The owners or management of a factory may instigate the workforce of its rival factory with some misinformation which results in unrest and disorder in that factory. Hamper of production of a factory as a result of labor unrest may benefit its competitor.

Some NGOs financed by foreign donors are blamed to instigating the workers in the name of working for the improvement of workers’ condition. This may be a blue print of some regional competitors of Bangladesh in RMG business. If the RMG sector of Bangladesh can be paralyzed causing labor unrest, foreign investors and buyers divert to another country.

#### **4.4. Impact of labor unrest**

Whatever might be the cause of labor unrest in the RMG sector, impact is, beyond doubt, catastrophic. All the four parties- the workers, the owners, government and foreign buyers will be affected. If labor unrest continues, the foreign buyers will cancel their orders and divert to other exporters like, India, China or Cambodia. Hundreds of factories will be closed. Many owners may be bankrupt. Labors, losing jobs will lose their livelihood and many will be involved in criminal activities. This will create burden on the existing unemployment problem and increase various types of crimes in the country. The government will be deprived of huge foreign exchange and revenue income. The industrialization process of the country will be impeded. The foreign buyers, who could buy quality garments at a low price and make huge profit in the US or EU market will have to eye on another exporter country from where they have to count a high price for the same garments. Hundreds of businesses, grown based on RMG industry, will suffer. The whole economy of Bangladesh will be adversely affected.

#### **4.5. Conclusion**

Labor unrest is a social phenomenon of enormous complexity and it is very difficult to give any complete explanation of this phenomenon. It is a matter of controversy whether the predominant factors underlying labor unrest are economic or non-economic. It has been concluded that so long as income remained the all important means for satisfying human wants and needs, wage would continue to be major consideration in labor unrest. Labor force has been the most important factor in RMG industry. It is the labor force which can help the sector reach to the optimum goal as well as down it to the dust. Labor unrest originated mainly from deprivation and longstanding grievances of the workforce can diminish all achievement of the RMG sector. Hence addressing the problem is a crying need. Government is to play a vital role in addressing the problem. By formulating policy regarding management of labor force of RMG industry, by involving the workers in the decision-making process, by regular monitoring the factories and conditions of the workers, by evaluating the implemented policies and reviewing opinions of the stakeholders, government can help a lot to solve the problem and continue the success story.

## Chapter Five: Data Analysis and Findings

### 5.1. Area of the study

Most of the garment factories of Bangladesh are located in Dhaka and adjacent towns of Dhaka like Savar, Ashulia, Tongi, Gazipur and Narayangang. Some are located in Chittagong. As regard labor unrest or owners-workers relations, all garment factories share some common problems. For the convenience of primary data collection, factories of Dhaka, Savar and Gazipur have been visited. Garment workers, factory owners, managers and officers are covered from garment factories of these areas.

### 5.2. Source of data

Both primary and secondary sources of data have been used. Primary data have been collected through interview and questionnaire methods. Secondary data have been collected from different relevant publications, dissertations, books, journals, newspaper articles and reports, government publications, rules, acts, websites etc.

### 5.3. Composition of respondents

For questionnaire:

Location	No. of Factories	Respondents (Garment workers)	Female	Male
Dhaka	05	15	10	05
Savar	03	09	06	03
Gazipur	02	06	04	02
Total	10	30	20	10

Table 5.1 Distribution of respondents for questionnaire

For interview:

Respondents	No.
Member of civil society Org.	04
Government official	04
Representative of BGMEA.	02
Factory owner	02
Manager/ officer	04
Political leader	02
Law enforcer	02
Total	20

Table 5.2 Distribution of respondents for interview

#### 5.4. Personal profile of the Respondents

##### Distribution of respondents by age, gender, education and working experience

Distribution of garment workers by age:

[n – 30]

Age group	frequency	percentage
18-25	09	30%
26-35	12	40%
36-45	05	17%
46-55	04	13%
55+	00	00%

Table 5.3 Distribution of garment workers by age

Table 5.3 shows the age distribution of the garment workers. It reveals that 70% of them are aged between 18-35 and 30% of them are aged between 36-55. The young age of majority of the workers demonstrates their physical strength and workability as well as inclination towards resistance which sometimes leads to labor unrest.

Distribution of interviewees by age:

[n – 20]

Age group	Frequency	Percentage
18-25	00	00%
26-35	04	20%
36-45	04	20%
46-55	08	40%
55+	04	20%

Table 5.4 Distribution of interviewees by age

Table 5.4 shows the age distribution of the interviewees. Only 20% of them are aged between 26 -35 and 80% of them are above 36.

Distribution of garment workers by gender:

[n- 30]

Gender	Frequency	Percentage
Male	10	33%
Female	20	67%
Total	30	100%

Table 5.5 Distribution of garment workers by gender

Table 5.5 shows gender percentage of the garment workers. The no. of female is double of that of male. It is taken purposively as more than 80% of the workers of RMG industry of Bangladesh are women.

Distribution of interviewees by gender:

[n – 20]

Gender	Frequency	Percentage
Male	16	80%
Female	04	20%
Total	15	100%

Table 5.6 Distribution of interviewees by gender

Table 5.6 shows the gender percentage of the interviewees. It is done on random basis. Here, no. of male (80%) dominates over that of female (20%).

Distribution of garment workers by education:

[n - 30]

Education Level	Frequency	Percentage
Illiterate	00	00%
Primary level	02	07%
Below SSC	16	53%
SSC	08	27%
HSC	04	13%
Graduate	00	00%
Others	00	00%

Table 5.7 Distribution of garment workers by education

Table 5.7 shows the education level of the garment workers. It reveals that 60% of them are below SSC and only 27% have completed SSC and 13% have completed HSC. It proves that most of the garment workers are low educated and unskilled. Their physical ability is their main capital.

Distribution of interviewees by education:

[n - 20]

Education	Frequency	Percentage
Masters	16	80%
Graduate	04	20%

Table 5.8 Distribution of interviewees by education

Table 5.8 shows the education status of the interviewees. 80% of them have masters' degree and 20% of them are graduates. It reveals that most of them are educated.

Distribution of garment workers by working-experience:

[n – 30]

Experience (years)	Frequency	Percentage
1-5	03	10%
6-10	12	40%
11-15	09	30%
16-20	05	17%
21-25	01	03%

Table 5.9 Distribution of garment workers by working experience

Table 5.9 demonstrates the working experience of the garment workers. It reveals that 80% of them have experience less than 15 years. Only 20% have experience above 15 years.

Distribution of interviewees by working-experience:

[n – 20]

Experience (years)	Frequency	Percentage
5-10	02	10%
11-15	03	15%
16-20	05	25%
21-25	06	30%
25 +	04	20%

Table 5.10 Distribution of interviewees by working experience

Table 5.10 demonstrates 25% of the interviewees have 5-15 years of experience, 55% of them have 16-25 years of experience and 20% have experience of more than 25 years.

### 5.5. Analysis of collected data

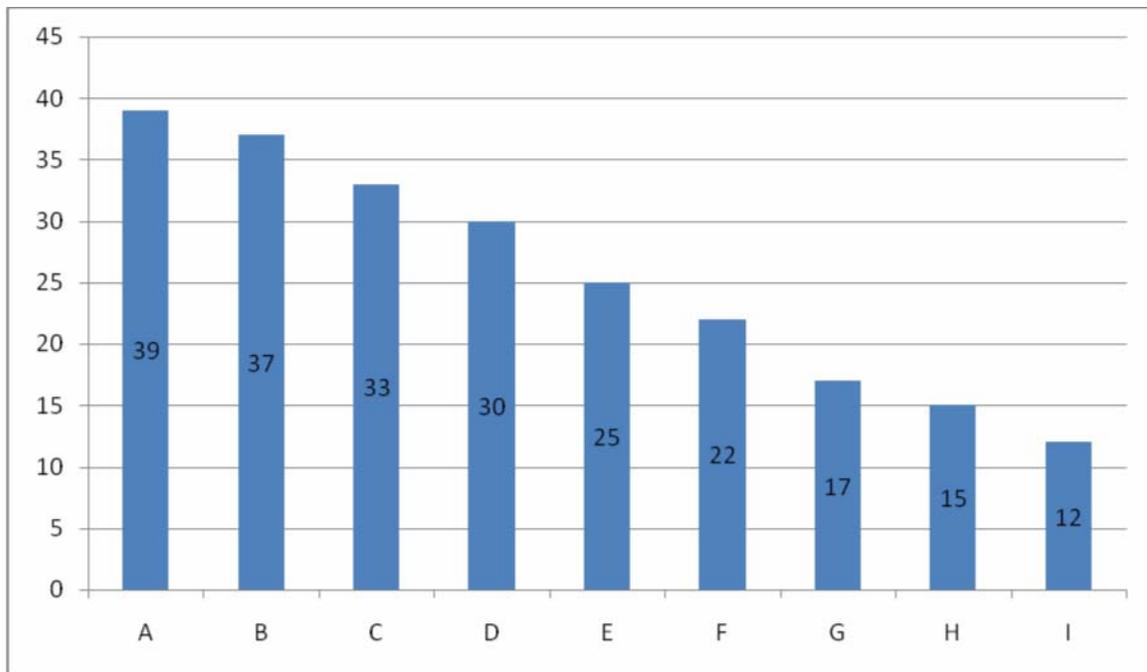
A semi-structured questionnaire carrying 20 questions has been developed for the garment workers. The questions are grouped in some clusters such as causes of labor unrest, conspiracy, importance of investigation, law and order situation, involving the work-force in decision-making process etc. Besides, 20 respondents comprising of representatives from civil society organizations, factory owners, managers/officers, political leaders, government

officials, representatives of BGMEA, member of law enforcing agency are interviewed on the same issues. Data collected from both questionnaire and interview are combined for analysis. A mixed (qualitative + quantitative) method is followed to analyze the data. However, no. of respondents varies from question to question.

### Causes of labor unrest

To find out the causes of labor unrest is one of the two objectives of the study. Accordingly, the first question to the respondents was about causes of labor unrest in the RMG sector of Bangladesh. In response to this question, the respondents express different views. The following bar chart ranks various causes of labor unrest as perceived by the respondents.

[n – 50]



Bar chart 1 ranks various causes of labor unrest

A-I: Various causes of labor unrest

0-45: Frequency

A- Irregularities in payment

B- Low wage

- C- Mistreatment of the workers by managers/ officers
- D- Rumor
- E- Absence of trade unionism
- F- Conspiracy
- G- Non-execution of labor laws
- H- Unruly nature of the workers
- I- Political intervention

Out of 50 respondents, 78% take irregularities in payment as one of the prime causes of labor unrest. Irregularities covers delay in payment of salary and bonus (a policy followed by the factory owners and managers to hold them in their factory and have control over the workers), cutting salary for causal leaves or late attendance; dilly-dally in executing of new wage scale etc. Payment of salary is a vital issue for the workers. Many things of their life-cycle depend upon it. One of the interviewees observes, if it is delayed or disturbed, it badly troubles their family life which pushes its wave to the factory and production. 74% respondents think low wage of the workers is the cause of labor unrest. 66% respondents think mistreatment of the workers by the managers/ officers forces the workers to go the street. 60% think rumor works as an agitating factor among the workers. 50% think absence of trade unionism, 44% think conspiracy, 34% think non-execution of labor laws (national and international), 30% think unruly nature of the workers and 24% consider political intervention as causes of labor unrest in the readymade garment sector of Bangladesh.

**Conspiracy as a cause of labor unrest**

[n - 50]

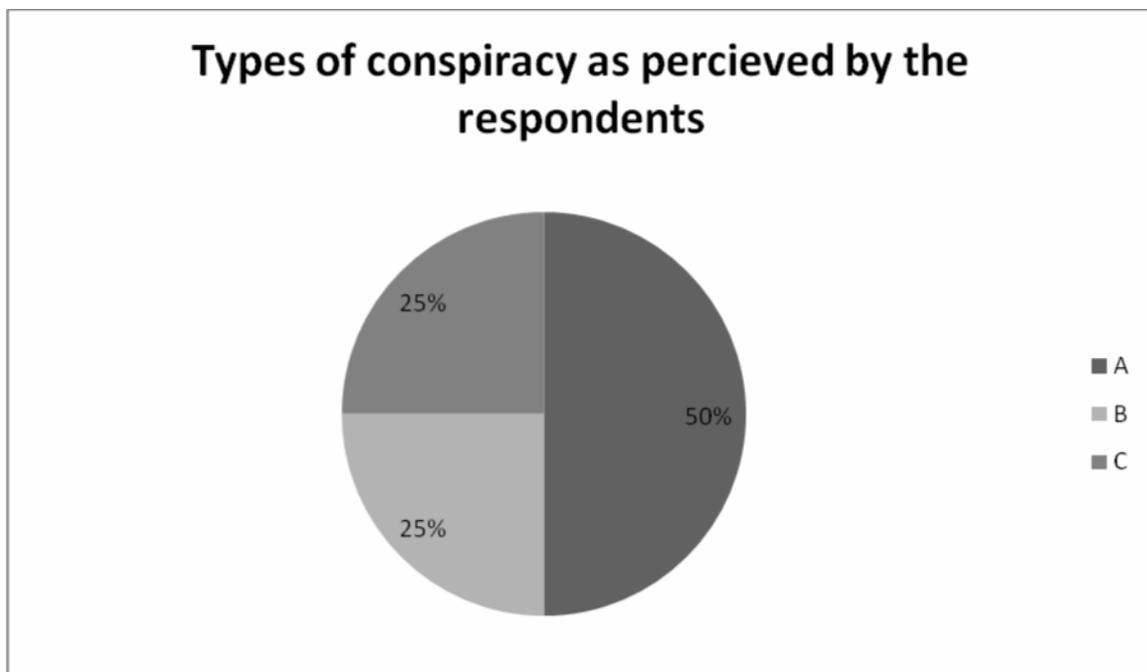
	Response	Respondents	Percentage
Do you think there is any conspiracy behind labor unrest in the RMG sector of Bangladesh?	Yes	28	56%
	No	10	20%
	No answer	12	24%

Table 5.11 Responses about existence of conspiracy

Out of 50 respondents, 56% believe that there is conspiracy behind labor unrest, 20% rule out the theory of conspiracy while 24% don't know anything about the matter and all of them fall in workers group. It reveals that most of the garment workers don't think deeply other than their salary and work.

In response to the question of type of conspiracy, out of 28 respondents, 50% eye other country's intrigue in this sector, 25% consider some NGOs' instigation and 25% blame evil designs of some mid-level officers of the factories.

[n – 28]



Pie-chart 1: Types of conspiracy as perceived by the respondents.

A-Other country's intrigue

B-Some NGOs' instigation

C-Evil design of some mid-level officers

Though Bangladesh is a small and poor country, it has done excellent in exporting RMG in many countries of the world. It has been possible mainly due to the availability of cheap labor in the country. Bangladesh has defeated many regional countries in this sector. It has been a matter of envy for many competitors of Bangladesh. Half of the respondents consider

labor unrest in RMG sector of Bangladesh as creation of those countries. If the RMG sector of Bangladesh can be trouble-torn by labor unrest, foreign buyers will lose their interest here and divert to other exporting countries. 25% respondents allege that some NGOs funded by the foreign donors and working for human rights, labor rights, gender issues and health facility are responsible for instigating the labor-force. They don't know the ability of the owners and profit of the factory. They only excite the workers to exert pressure on the owners and management of the factory. 25% respondents consider the labor unrest as a product of evil design of the mid-level officers of the factories. For their personal interest they make a gap between the owners and workers and present fabricated report to the two parties and thus worsen the situation.

[n - 28]

	Response	Respondents	Percentage
How to prevent conspiracies?	By proper investigation	21	75%
	By close monitoring of the activities of alleged NGOs	07	25%

Table 5.12 Responses about how to prevent conspiracy

As a measure of preventing conspiracy in the RMG sector, 75% opine for proper investigation while 25% suggest for close monitoring of the activities of the alleged NGOs.

### Investigation

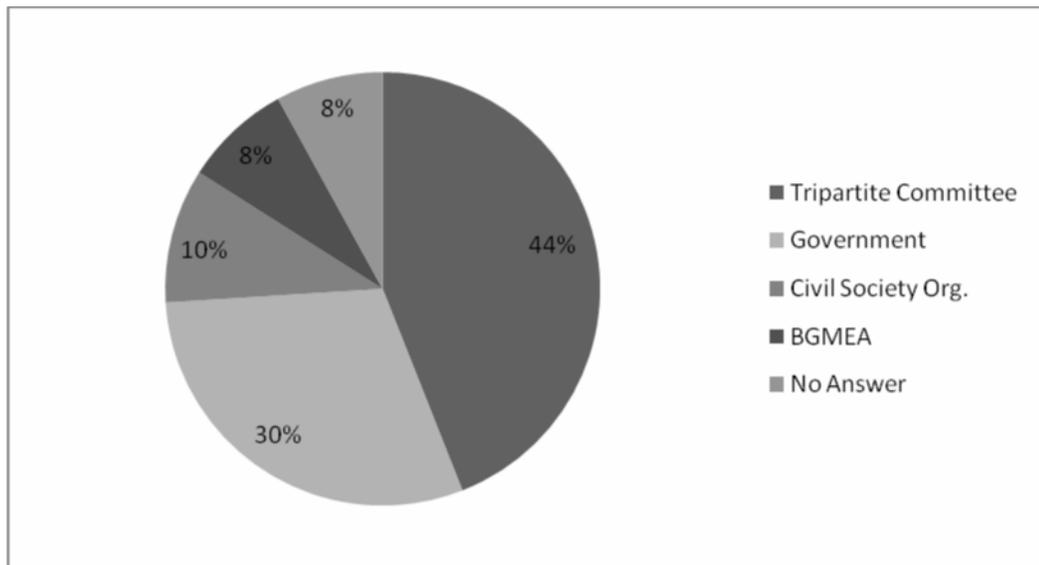
[n – 50]

	Response	Respondents	Percentage
Do you think that the incidents of labor unrest should be investigated?	Yes	50	100%
	No	00	00%

Table 5.13 Responses about importance of investigation

100% respondents emphasize the importance of investigation of the incidents of labor unrest occurred in the RMG sector. But to the query by whom the incidents should be investigated, the respondents divide in opinion. Out of 50 respondents, 44% suggest for tripartite committee (a committee formed by the representatives of Government, owners and workers), 30% suggest for government, 10% think some civil society organization and 8% consider BGMEA to be assigned with the task of investigating the incidents of labor unrest. 8% left the question unanswered. The following pie chart shows the choices of the respondents for the task.

[n- 50]



Pie-chart 2: Investigating agencies preferred by the respondents

The pie chart shows that majority of the respondents (44%) like to assign tripartite committee the task of investigating the incidents of labor unrest which indicates a bright prospect of PPP approach in this issue.

[n- 38]

	Response	Respondents	Percentage
Has there been any incident of labor unrest in your factory recently (2006-2010)?	Yes	20	53%
	No	18	47%

Table 5.14 Responses about recent occurrence of labor unrest

Out of 38 respondents, 53% admitted that there had been incidents of labor unrest recently in their factory while 47% answered that there had been no incidence of labor unrest in their factories. It means that more than half of the garment factories which are visited for data collection are affected by labor unrest recently.

[n -20]

	Response	Respondents	Percentage
What were the reasons of the labor unrest in your factory?	For fixation of minimum wage for the garment workers	14	70%
	For implementation of newly declared wage scale	06	30%

Table 5.15 Responses about causes of recent labor unrest

Out of 20 respondents, 70% termed fixation of minimum wage for the garment workers as ground for labor unrest while 30% answered that the reason behind the labor unrest had been workers' agitation for implementation of new wage structure which was declared on July 2010.

[n – 20]

	Response	Respondents	Percentage
Had there been any retrenchment after the incident of labor unrest?	Yes	04	20%
	No	16	80%

Table 5.16 Responses about retrenchment after labor unrest

Closing of the affected garment factories and retrenchment of a number of labors has been a common phenomenon in RMG industry in Bangladesh. But here only 20% respondents of the affected factories told that there had been retrenchment after the incident of labor unrest.

[n – 20]

	Response	Respondents	Percentage
Had there been any investigation after the incident of labor unrest?	Yes	00	00%
	No	20	100%

Table 5.17 Responses about investigation after labor unrest

100% respondents informed that no investigation was conducted after the incident of labor unrest. It reveals that the issue though felt important is being neglected. However, 6 respondents told that there were discussions among the factory owners, managers and workers after the incidents of labor unrest.

### Law and Order situation

[n – 38]

	Response	Respondents	Percentage
Do the law enforcing agencies work in your factory area?	Yes	18	47%
	No	14	37%
	No answer	06	16%

Table 5.18 Responses about operations of law enforcing agencies

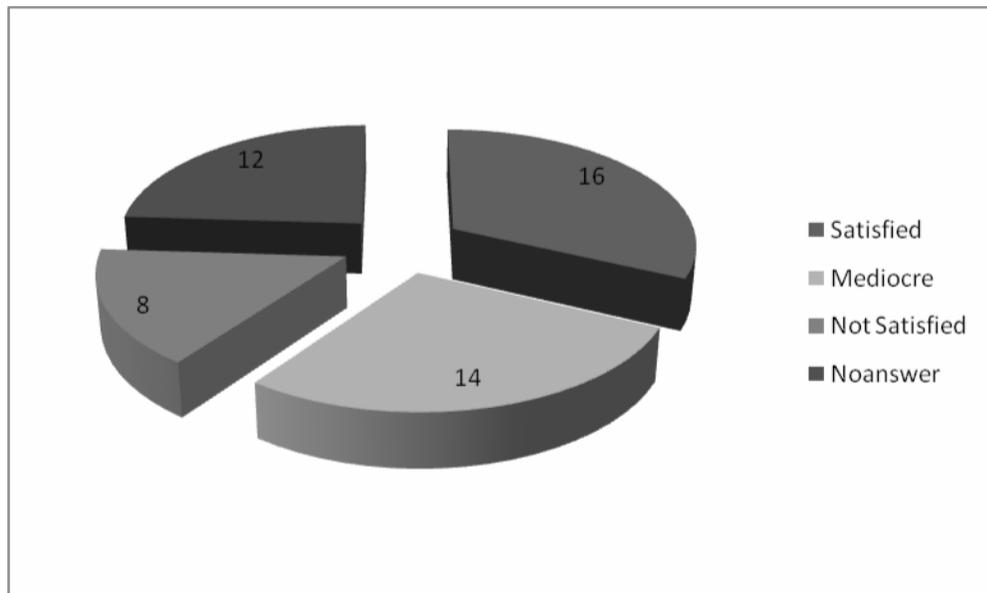
47% respondents answered that the law enforcing agencies are vigilant in their factory area. 37% of them answered negatively while 16% left the question unanswered. Most of the respondents who answered positively are from outside Dhaka city and most of the respondents who answered negatively are from Dhaka city. In fact the law enforcing agencies in Dhaka city are so busy in maintaining law and order situation that it is very difficult for them to concentrate on RMG sector.

### Performance of Industrial Police

To maintain law and order in industrial area, operation of a new branch of police department namely Industrial Police has been launched. But it is very new and suffering from acute shortage of manpower and logistic support. At present it is working in a handful industrial areas which are prone to labor unrest. The respondents were asked about performance of

Industrial Police. The following pie-chart shows the responses about performance of Industrial Police.

[n – 50]



Pie-chart 3: Performance of the Industrial Police

Out of 50 respondents, 32% are satisfied with the performance of industrial police, 28% termed it as mediocre, 16% are not satisfied with it while 24% have not put any comment.

To a sequel question how to improve the performance of industrial police, 62% suggest for improving manpower and logistic support of the force while 38% opine for inclusion of intelligence unit in it.

[n – 26]

	Response	Respondents	Percentage

How to improve the performance of industrial police?	Improving manpower and logistic support of the force	16	62%
	Including intelligence unit in it	10	38%

Table 5.19 Perception of respondents regarding how to improve the performance of Industrial Police

### Relationship between owners and workers

[n- 50]

	Response	Respondents	Percentage
Do you think that there exists a communication gap between the owners and workers in RMG sector?	Yes	25	50%
	No	15	30%
	No answer	10	20%

Table 5.20 Perception regarding owner-worker relations

Half of the respondents admit that there is a communication gap between the owners and workers. However, 30% of the respondents rule out the issue while 20% have left the question unanswered.

In response to a link question, who is to negotiate between the workers and owners, out of 25 respondents, 48% assigned the task with tripartite committee, 40% chose for government while 12% assigned the task with BGMEA. Again, scope of PPP approach in addressing labor unrest is emphasized.

[n – 25]

	Response	Respondents	Percentage
Who is to negotiate between the owners and workers?	Tripartite Committee	12	48%
	Government	10	40%
	BGMEA	03	12%

Table 5.21 Options for actors that can bridge the gap

### Representation of work- force in the decision making process

Most of the respondents (70%) think that the work- force has no representation in the decision-making process while only 30% are not agreed with them.

[n – 50]



Pie-chart 5.4 Responses regarding workers representation in decision-making process

[n – 50]

Do you think representation of the	Response	Respondents	Percentage

work-force in decision-making process can help minimize labor unrest?	Yes	46	92%
	No	04	08%

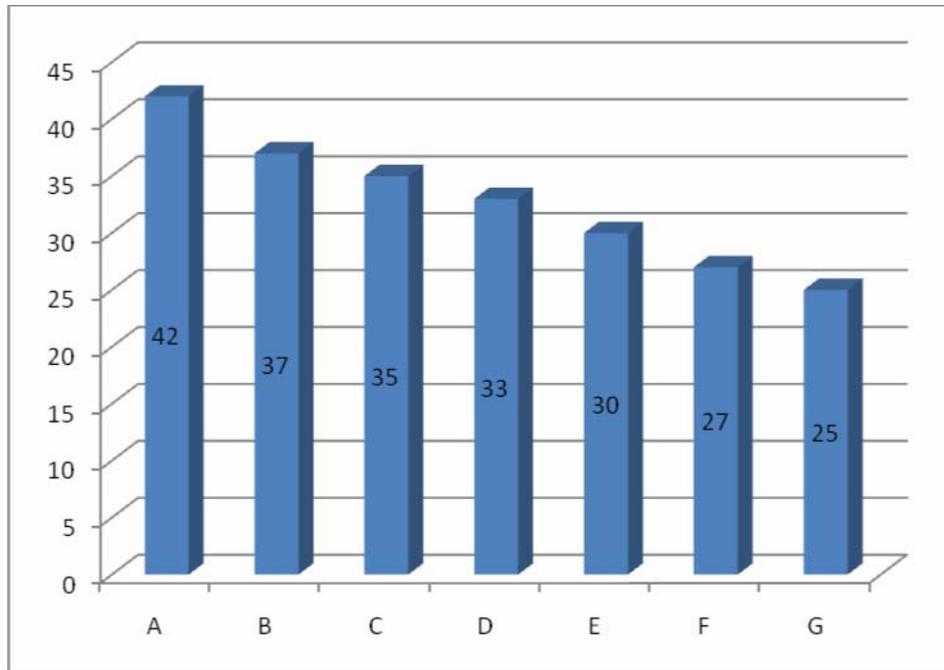
Table 5.22 Importance of representation of work-force

92% of the respondents are of the view that if the representation of the work-force is included in the decision-making process, the chance of labor unrest will be diminished while 08% of the respondents opposed the view and argued that representation of the work-force in the decision –making process would deteriorate the situation.

In response to a sequel question how the work-force can be represented in the decision-making process, the respondents expressed different views. Out of 46 respondents, 33 suggest that representatives of the work-force should be included in the regular meeting of the factory, 7 opine for forming committees with the representatives of workers, managers and owners of a factory while 6 demand the right of forming workers’ association which can bargain with the owners or BGMEA or even with government.

Finally, the respondents were asked to suggest how to address labor unrest in the RMG sector of Bangladesh. The following bar chart ranks the observations of the respondents for the issue.

[n – 50]



Bar chart: 2. Suggestions by the respondents for solving the problem

A-G: suggestions to address labor unrest

0-45: intensity

A- Regularize the wage structure and implement it properly

B- Exemplary punishment for the defaulters

C- Investigating the incidents of labor unrest and following up the report

D- Enhancing trust, communication and co-operation between public and private sector

E- Monitoring the working environment of RMG factories

F- Ensuring the appointment of “Grievance Officer” in the factories

G- Inclusion of representatives of labor-force in the decision-making process

84% of the respondents suggest that the wage structure for the garment workers should be regularized and implemented properly, 74% respondents are of the view that the defaulters should be awarded exemplary punishment, 70% emphasize investigating the incidents of labor unrest and following up the report, 66% suggest for enhancing trust, communication and co-operation between public and private sector, 60% prioritize monitoring the working environment of the RMG factory regularly, 54% feel the importance of appointing

“Grievance Officer” in the factories and 50% says that representatives of the work-force should be included in the decision-making process.

## **5.6. Findings**

**Link with the research questions:** The causes of labor unrest in the RMG sector of Bangladesh have been explored. Irregularities in payment, low wage, mistreatment of the workers by managers/ officers, rumor, absence of trade unionism, conspiracy, non-execution of labor laws, unruly nature of the workers and political intervention have been found to be the major causes of labor unrest.

The prospect of public-private cooperation in addressing labor unrest in the RMG sector is validated. Majority of the respondents emphasized cooperation of public and private sectors in four areas such as maintaining law and order situation, investigating the incidents of labor unrest, bridging gap between the owners and workers and involving the work-force in the decision-making process in attempt to solve the problem.

- 100% respondents emphasize the importance of investigation of the incidents of labor unrest occurred in the RMG sector. Majority of the respondents (44%) like to assign tripartite committee (a committee formed by the representatives of Government, owners and workers) the task of investigating the incidents of labor unrest which indicates a bright prospect of PPP approach in this issue.
- To improve the performance of industrial police, 62% respondents suggest for improving manpower and logistic support of the force while 38% respondents opine for inclusion of intelligence unit in it.
- Half of the respondents admit that there is a communication gap between the owners and workers. Majority of the respondents choose tripartite committee to act to bridge the gap between the owners and workers which further unfolds the scope of PPP in this issue.
- Most of the respondents (70%) think that the work-force has no access to the decision-making process. 92% of the respondents are of the view that if the representatives of the work-force are involved in the decision-making process both at inside the factory and at national level, the chance of labor unrest will be diminished.

- Regularization of workers' wage structure and its proper implementation, exemplary punishment for the defaulters, investigating the incidents of labor unrest and following up the report, enhancing co-operation between public and private sector, monitoring the working environment of the RMG factory regularly, appointing "Grievance Officer" in the factories and involving the work-force in the decision-making process are the major recommendations by the respondents for addressing labor unrest in the RMG industry of Bangladesh.

### **Some new findings**

Primary data collected from questionnaire and interview methods have been cross-checked with secondary data collected from content analysis. In most cases, data collected from primary source match with those of secondary source. However, two statements collected while interviewing a garment factory owner and a manager directly contradict with the secondary data which has attracted the concentration of the researcher.

- i) One of the factory owners from Dhaka says, low wage of the garment workers is justified. He argues, after the phase-out of MFA in 31 Dec 2004, Bangladesh is competing with the other garment exporters in a level playing field. Many apprehended that RMG sector of Bangladesh will not be able to absorb the shock. But this apprehension proved to be invalid as growth and export of RMG sector of Bangladesh is continuing at its progressing pace. He asks, why foreign buyers prefer Bangladesh to China, India, Sri Lanka, Cambodia, Vietnam, and Mexico? Because, Bangladesh can provide quality garment in comparatively low price. It is possible because production cost of RMG is comparatively low. It is possible because Bangladesh can recruit garment workers at comparatively low wage. Most of the garment workers are unskilled and uneducated. Their physical ability is their main capital and they are willing to work at this low wage as they have no other option.

The remark though seems to be harsh bears some truth. But it cannot be universally accepted as it constitutes only 2% of the total responses.

- ii) One of the managers from a garment factory of Dhaka negates the statement that workers are mistreated by the managers. In the face of country-wide labor unrest in the RMG sector of Bangladesh in 2009 and 2010, he says, rather the management of garment factory is afraid of workers as they are huge in number, united, organized and unruly in nature in demanding their privileges. Very often they do not consider the capacity of the factory owners.

His remark deserves attention as 30% respondents consider unruly behavior of the workers as one of the causes of labor unrest.

### **5.7. Limitations of the study**

- Owing to time and distance constraint, factories of Chittagong and other distant places could not be covered.
- Inside the garment factory, workers are very reserve to answer the questions. They seem to be afraid of disclosing the facts in front of the managers or officers. Their responses differ outside the factory. Another problem is their low level of education and knowledge. Many of them know nothing conspiracy, industrial police, concern authority and many other important matters.
- Factory owners, managers and officers are reluctant to give detail information. The situation is worse in the factories affected by labor unrest recently. Officers and managers of some of these factories either deny that there had been incident of labor unrest in their factories or inform that they are directed by the factory owners not to speak with anybody in this issue.
- Practice of blame game is common among various respondents. The owners and managers accuse the workers of unruly behavior and demanding over without knowing the real profit of the business. The workers accuse the owners and managers of exploitation. The private bodies blame government agencies of inefficiency and

inaction whereas some government officials blame the businessmen of their too much money making motives.

## **Chapter Six: Conclusion and Recommendations**

### **6.1. Conclusion**

In respect of production, export, earning foreign exchange, contribution to GDP, employment, investment and business mobilization, RMG sector of Bangladesh has been a flourishing industry. Its importance has crossed geographical boundary of the country. Garment business of many international markets in Europe and North America depends on

production of garment factories of Bangladesh. It involves stakeholders from various corners covering public, private and international organizations. Given the fabulous volume of trade of the industry, the increasing trends of labor unrest in the RMG sector has been a matter of serious concern. Solving labor unrest in this sector is nearly impossible by a single agency like government or BGMEA or a civil society organization. Findings from data analysis show that public-private cooperation is the most chosen way of addressing labor unrest in the RMG sector of Bangladesh.

The objectives of this present study are to find out the causes of labor unrest and identify areas where public and private agencies can work to address the issue. The responses of the respondents unfold that irregularities in payment, low wage, mistreatment of the workers by managers/ officers, rumor, absence of trade unionism, conspiracy, non-execution of labor laws, unruly nature of the workers and political intervention are the major causes of labor unrest in the RMG sector of Bangladesh. The causes are to be diagnosed through investigation. Findings of the study suggest that investigating the incidents of labor unrest and following up the recommendations is an important attempt to solve the problem. For investigation, most of the respondents like to assign the task with tripartite committee (a committee formed by taking representatives of factory owners, government and garment workers) which emphasizes the need of cooperation between public and private organizations in this issue.

For a flourishing industry like RMG, maintaining law and order situation in the industrial area is very important. During labor uprising, it was found that unidentified outsiders entered the factory area and participated in violence in the name of workers. To control the situation sometimes law enforcers use to rely on coercive measures and disperse the agitating workers. However, it often deteriorates the situation. There is another allegation maintained by the garment workers against the law enforcers that latter work in favor of the garment owners and against the workers. To ensure sound law and order situation, co-operation between the conflicting parties is a crying need. The law enforcers, with all impartially can help trace the culprits into book and award exemplary punishment. On the hand, the factory owners, managers and garment workers have to have full support to them, provide genuine

information to them and help in time of investigation. To avert further unrest, intelligence agency can work in the garment industry area.

Factory owners and garment workers are two most vital actors in RMG sector. They are complementary to each other. The strength of the factory owners is that they are rich, organized and influential in the society. On the other hand, the huge number and unity of the garment workers are their power. Good relationship between the workers and owners is essential for the production as well as boost of the industry. Majority of the respondents (70%) perceive that there exists a communication gap between the owners and workers of garment factories. 'Tripartite committee' is preferred by 48% respondents to bridge the gap between the owners and workers.

Involving labor-force in decision-making process is important in addressing labor unrest in the readymade garment industry. It is perceived by 92% of the respondents. While exploring the causes of labor unrest, it is found that irregularities in payment and low wage rank top among the causes of labor unrest. When this thesis is taken in hand, it was time for declaring new wage scale for the garment workers. There was tough bargaining between the factory owners and labor-leaders for the fixation of minimum wage. The labor-leaders demanded the minimum wage to be fixed at Tk. 5000 while the factory owners started it with TK. 2000. After a series of meetings with factory owners, Minimum Wage Board and labor-leaders finally it was settled at TK. 3000. Participation of all stakeholders in the decision-making process really helped settle the dispute. Respondents are of the view that representatives of labor-force should be included in regular meetings inside the factory as well as decision-making process at national level. They are also to be included in various committees with the factory owners and managers. Finally, it can be concluded that public-private cooperation in addressing labor unrest in the RMG sector of Bangladesh can be a viable and effective measure. However, level of mutual trust, communication and co-operation between workers and management of a garment factory as well as public and private sector should be uplifted.

## **6.2. Recommendations**

Minimum wage for the garment workers should be regularized and implemented properly. The labor-force needs to shun the path of violence and vandalism. Rather, they can place their rightful demands to the respective authority. The factory owners can hear and address the problems of the labor-force. A ‘Grievance Officer’ in all garment factories can be appointed. Incidents of labor unrest need to be investigated taking stakeholders from all concerned sector. Recommendations of investigation report need to be implemented properly. The real defaulters irrespective of their identity and status can be brought under legal provisions. Intelligence agency may work in garment industry area to avert further unrest and take preventive measure. Both public and private sector should work together to solve the problem of labor unrest. Level of mutual trust, communication and cooperation between the two sectors need to be uplifted.

The implementation of above-mentioned recommendations is supposed to help address labor unrest in the readymade garment industry of Bangladesh. However, a number of issues relating to labor unrest in the garment industry of Bangladesh like industrial policy, labor relations, owner-worker relations, trust between public and private sector and conspiracy deserve further attention.

## **References**

Absar , Syeda Sharmin, *Problems Surrounding wages : The Ready-made Garment Sector in Bangladesh*, Labour and Management in Development Journal, Vol. 2, No. 7.

Haider, Mohammed Ziaul, *Competitiveness of the Bangladesh RMG Industries in major International Markets*. Asia Pacific Trade and Investment Review, Vol. 3, No. 1, June 2007.

Uddin, Md. Salim and Jahed, Mohammad Abu, *Garments Industry: a prime mover of socio-economic development of Bangladesh.*

Ali, Muhammad Mahboob, *Profile of women labor force in the RMG Industries: A Supply and Demand side analysis*, Bangladesh Arthonaitik Samity Samoiky, 2007.

Mainuddin, Khandaker (2000), *Case of the Garment Industry of Dhaka, Bangladesh*, Urban and Local Government Background Series, No. 6, Washington, D.C., World Bank.

Quddus, Munir and Salim Rashid (2000). *Entrepreneurs and Economic Development: The Remarkable Story of Garment Exports from Bangladesh* (Dhaka University Press Limited).

Ahmed, R. S. (1991), “*Garment Industry: A Quite Triumph,*” *Holiday*, December.

Ahmed, M. N. and M.S. Hossain (2006),“*Future Prospects of Bangladesh’s RMG Industry and the Supportive Policy Regime,*” Mimeo, Bangladesh Bank, Dhaka.

Bakht, Z. (1993), “*Social Dimension of Economic Reforms in Bangladesh,*” Proceedings of the National Tripartite Workshop, (Dhaka, Bangladesh): 71.

Chowdhury, S.I.(1991), “*Garment Industry and the Economy of Bangladesh,*” The Bangladesh Trade Journal.

Islam, Mafizul A.F.M. (1984), “*Notes on the Growth of Bangladesh Garments Industry,*” The Journal of Management Business and Economics, 10(4): 536.

Haq, M. Emdadul, “*Industrial Revolution, Democracy and Contemporary Bangladesh*”, Chittagong University Studies, Faculty of Social Sciences, Vol. 9, No. 1, 1984

Mohmood, S.A. (2002), “*How the Bangladesh Garment Industry Took Off in The Early Eighties: The Role of Policy Reforms and Diffusion of Good Practices,*” *Alochona Magazine.*

Rahman, S. (2004), “*Global Shift: Bangladesh Garment Industry in Perspective*,” Asian Affairs, 26(1): 75-91.

Rock, M. (2001), “*Globalisation and Bangladesh: The Case of Export Oriented Garment Manufacture*,” South Asia, 24(1): 201-225.

Islam, Sadequl, 2001, *The Textile and Clothing Industry of Bangladesh in a Changing World Economy*, CPD and The University Press Ltd.

Abdullah, Md. Abu Yousuf, 1997, “*International Trade Implications and Future of Ready-Made Garments Sector of Bangladesh*”, Journal of Business Administration, Vol. 23, No. 3 & 4, Page 41-69.

Azim, M. Tahlil, and Nasir Uddin, 2003, “*Challenges for Garments Sector in Bangladesh after 2004: Avenues for Survival and Growth*” Bangladesh Institute of International and Strategic Studies Journal, Vol. 24, No. 1, Page 49-82.

Bhattacharya, D and M. Rahman, 1999, “*Female Employment Under Export-Propelled Industrialization: Prospects for Internalizing Global Opportunities in Bangladesh's Apparel Sector*”, UNRISD Occasional Paper.

Bhattacharya, D and M. Rahman, 2000, “*Experience with Implementation of WTO-ATC and Implications for Bangladesh*”, CPD Occasional Paper Series, Paper 7.

Bhattacharya, D, M. Rahman and A. Raihan, 2002, “*Contribution of the RMG Sector to the Bangladesh Economy*”, CPD Occasional Paper Series, Paper 50.

Bow, J. J, 2000, “*Bangladesh's Export Apparel Industry into the 21<sup>st</sup> Century – the Next Challenge*”, The Asia Foundation.

“*Coping with Post-MFA Challenges: Strategic Responses for Bangladesh RMG Sector*”, CPD Dialog Report No. 55, Dhaka, Bangladesh.

Jahan, Sarwat, 2005, “*The End of Multi-Fiber Arrangement: Challenges and Opportunities for Bangladesh*”, WBI Policy Note.

Katti, Vijaya and Subir Sen, 2000, “*MFA Phasing Out and Indian Textiles Industry: Selected Issues for Negotiation*”, *Foreign Trade Review*, Vol. XXXIV No. 3 & 4, Page 102-120.

Aminuzzaman, M. Salahuddin, (1991), *Introduction to Social Research*, Bangladesh Publishers, Dhaka.

Bryman, Alan, (1989), *Research Methods and Organization Study*, Boston, Unwin Hyman.

Mannur, H.G.(2000), (second revised edition), *International Economics*, Vikas Publishing House Pvt. Ltd. India.

Mlachula, Montfort and Yongzheng Yang, 2004, “*The End of Textiles Quotas: A Case Study of the Impact on Bangladesh*”, IMF Working Paper WP/04/08.

Alam, Dr. Khurshid, *The Role of Ministry of Labor, Labor Administration and Labor Directorate in preserving rights of labor-force*.

Khalili, Masumur Rahman, *RMG, The Boon of Bangladesh Economy*, The Quarterly Wheel, Oct - Dec 2010.

Bhuiyan, Manir Ibn Hafiz, *Labor unrest in the RMG industry, Need for effective HRM*, The Quarterly Wheel, Oct - Dec 2010.

Islam, Amirul (1994), *Impact of Garments Industry on Economic Development of Bangladesh*, Arthanity Journal, Vol. IX Nov. 1999.

Siddiqi, Hafiz G. A. (2004), *The Readymade Garment Industry of Bangladesh*, The University Press Limited, Dhaka.

Rahman, Jyoti, (2010), *Unanswered Questions about the Garments Wage Issue*, The Daily Star/ Forum, October, 2010.

Alamgir, Mohiuddin, (2010), *Exploiting the economy builders*, The Daily New Age/ Extra, August,13, 2010.

Afroz, Mahfuza, (2001), *Industry Report on The Readymade Garment Sector of Bangladesh*, Indian Institute of Foreign Trade, New Delhi.

Ali, Toufique, (2003), “*WTO Rules and the Readymade Garment Industry of Bangladesh*”, a paper presented at a seminar organized by East West University, Dhaka and BGMEA.

Dowla, C.A.F. (1999) “*The Future of Readymade Clothing Industry of Bangladesh in the Post-Uruguay Round World*”, The World Economy.

Hossian, M. Ismail and Rahman, Shamsur (2002), “*Contribution of RMG to our national economy and its impact on our society*”. A keynote paper presented at the seminar organized by the BGMEA, October, 2002, Dhaka.

Choudhury, Ziauddin, (2010), “*Made in Bangladesh, Our garments sold abroad*”, The Daily Star / Forum, October, 2010.

Khan, Md. Assaduzzaman (1994), “*Foreign Trade of Bangladesh: Problems and Prospects*” Bank Parikrama, Vol. XIX, No. 1, 2.

Khandakar, Nasreen, (1995), “*Gender issues in export-based Industrialization of Bangladesh*”, paper presented in a seminar organized by Centre for Policy Dialogue, Dhaka and United Nations Research Institute for Social Development.

Majumder, Pratima Pual and Zohir, Salma Chaudhuri, (1994), *Dynamics of Wage Employment, A case study of employment in the garment industry*, The Bangladesh Development Studies, Vol. XXII, June-September

Islam, Farmin, (1994), “*Aspect of women’s work in Bangladesh: International vis a vis domestic legal framework*”. The Dhaka University Studies, Part: F, Vol. V, No. I.

### **Appendix 1: Questionnaire in English**

This questionnaire has been prepared for collecting data for conducting an academic research entitled “**Labor Unrest in the RMG sector of Bangladesh: A Public-Private Cooperation Perspective**” as a partial requirement for Master in Public Policy and Governance (MPPG) Program at North South University. Collected data will be used only for academic purposes.

Name: (Optional) .....

Age: .....

Sex: a) Male b) Female

Education: i) Illiterate ii) Primary level iii) Below SSC or equivalent

iv) SSC or equivalent v) HSC or equivalent vi) Graduate vii) Others

Occupation: .....

Designation: .....

Working experience: ..... years. Monthly income: .....

Name of the Organization: (Optional) .....

1) What are the causes of labor unrest in RMG sector of Bangladesh?

a) .....

b) .....

c) .....

d) .....

e) .....

2) Do you think that there exists any conspiracy behind labor unrest?

a) Yes

b) No

3) If yes, what type of conspiracy?

.....

4) If yes, how it can be prevented?

.....

5) Do you think that the incidents of labor unrest should be investigated?

a) Yes

b) No

6) If yes, by whom, do you think, the investigations should be conducted?

.....

7) Has there been any incident of labor unrest in your factory in recent years (2006-2010)?

- a) Yes
- b) No

8) If yes, what were the reasons behind the unrest?

.....

9) Had there been any retrenchment after the incidents of labor unrest?

- a) Yes
- b) No

10) Had there been any investigation on the incidence?

- a) Yes
- b) No

11) If yes, what was done with the investigation report?

.....

12) Do the law enforcing agencies work in your factory area?

- a) Yes
- b) No

13) Performance of law enforcing agencies in RMG industry area -----

- a) Satisfactory
- b) Mediocre
- c) Not satisfactory

14) If b) or c), how it can be improved?

.....

15) Do you think that there exists a communication gap between the owners and workers in RMG sector?

- a) Yes
- b) No

16) If yes, who is to negotiate between them?

.....

17) Does the work-force have any representation to the decision-making process?

- a) Yes
- b) No

18) Do you think representation of the work-force in decision-making process can help minimize labor unrest?

- a) Yes
- b) No

19) If yes, how they can be involved?

.....

20) Any other suggestions to address the problem-

.....

.....

.....

### Appendix 2: Questionnaire in Bangla

b\_©mvD\_ wekpe`vj tq Master in Public Policy and Governance tKv®mi Ask wntmte  
Ùevsj vt`tki %Zix-tcvkvK LvZ kigK-AmšH: mi Kvix-temi Kvix mnthwMZv cwi tci]ZÓkxl R  
w\_wm†mi Z\_-DcvÈ msMñni wbg†È G ckegv v`Zix Kiv ntqtQ| msMnxZ Z\_-DcvÈ i'agvÎ  
w\_wm†mi Kv†R e'eüZ nte |

bvg (Hw'QK) : .....

eqm : ..... wj ½ : K) cji "l L) gijnj v

wk'vMZ thvM'Zv : K) wbi 'ji L) c0\_vgK M) GmGmwm ev mggv'bi wbtP

N) GmGmwm ev mggvb 0) GBPGmwm ev mggvb P) m'vZK ev mggvb Q) Ab'vb''

Kg'f'AZv : .....eQi gvmK Avq : .....

tckv : ..... c`ex : .....

c0Z0v'bi bvg (Hw'QK) : .....

01) Avcbvi gtZ evsj v' tki ^Zix-tcvkvK wkt'f k'gK-Am's'fI i Kvi Ymgn ---

K).....

L).....

M).....

N).....

O).....

02) Avcvb wk gtb Kti b k'gK-Am's'fI i tcQtb tKvb lohšjAvtQ ?

K) niiv

L) bv

03) hw` niiv nq, Zvntj tKvb ai tbi lohšj?

.....

04) hw` niiv nq, Zvntj Zv c0Zti v'tai Dcvq wk ?

.....

05) Avcvb wk gtb Kti b k'gK-Am's'fI i NUbvmgn Z` š-nl qv c0qvRb ?

K) niiv

L) bv

06) hw` niuv nq, Zvntj Avcbvi gtz Kvi Øviv Z` š-Kiv DvPr ?

.....

07) mæcZ (2006-2010) Avcbvi d'v±ixz wK tKvb kigK-Amšš#i i NUbv NtUtQ ?

- K) niuv
- L) bv

08) hw` niuv nq, Zvntj wK Kvi tY NtUtQ ?

.....

09) hw` niuv nq, Zvntj NUbvi ci wK tKvb kigK QuUvB ntqtQ ?

- K) niuv
- L) bv

10) hw` niuv nq, Zvntj G NUbvi tKvb Z` š-ntqtQ wK bv ?

- K) niuv
- L) bv

11) hw` niuv nq, Zvntj Z` š-cZte` b Abhvqx Kx Kiv ntqtQ ?

.....

12) Avcbvi wKí Gj vKvq AvBb-k;Lj v i ¶vKvi x emnbx `wqZj cvj b Kti wK bv ?

- K) niuv
- L) bv

13) wKí Gj vKvq wqwrZ wKí -cjj tki Kvhpig ---

- K) mššH RbK
- L) tgvUvgvU
- M) mššH RbK bq

14) hw` L A\_ev M nq, Zvntj Zv wKfvte DbwZ Kiv hvq ?

.....



- How to prevent conspiracy
- Investigation of incidence of labor unrest
- Preference for investigating agency
- Law and order situation in garment area
- Performance of Industrial Police
- Relationship between factory owners and workers
- How to bridge the gap between the factory owners and workers
- Representation of labor-force in the decision-making process
- How to include the representatives of labor-force in the decision-making process
- PPP approach in addressing labor unrest
- Suggestions to solve the problem