

Labor Exploitation of Ready-Made Garments Sector in Bangladesh and its Social Impact.



Research Project and Field Study

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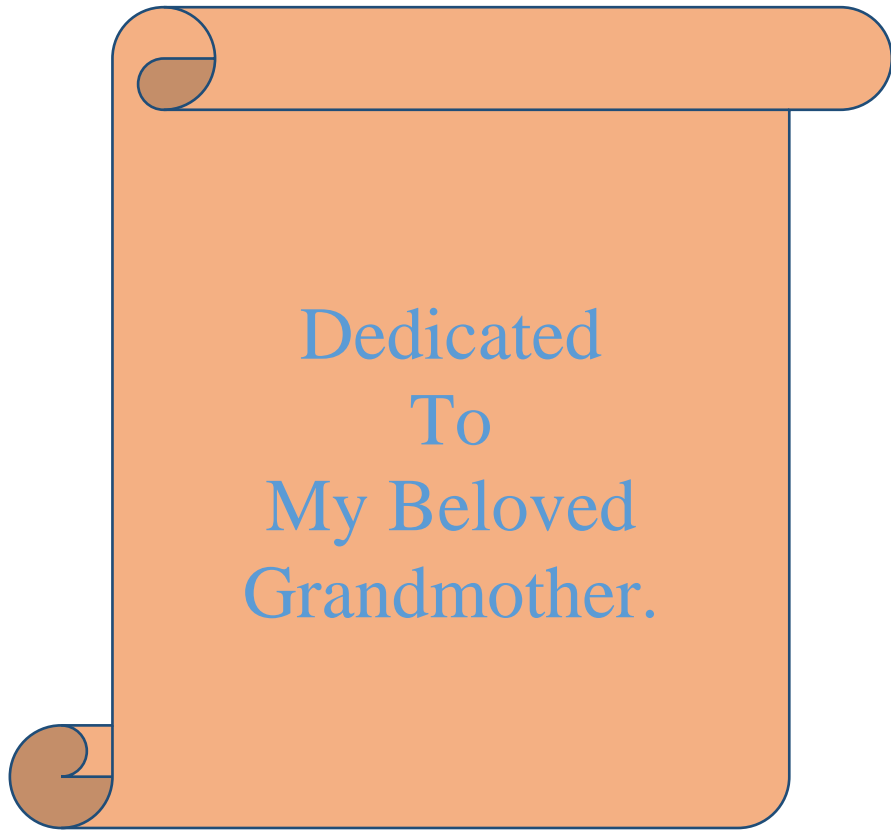
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BANGLADESH

May, 2017



Dedicated
To
My Beloved
Grandmother.

CERTIFICATE



This is to certify that this thesis contains the results of a research entitled “LABOR EXPLOITATION OF READY-MADE GARMENTS SECTOR IN BANGLADESH AND ITS SOCIAL IMPACT” has been carried out by **Fatema Akter Nova** under my supervision.

This is to note that the work presented here is appropriate for submission in partial fulfillment for the degree of Bachelor of Social Science in Economics in the Department of Economics, Pabna University of Science & Technology, Bangladesh.

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Abstract

The aim of this study is to describe some of workers of ready-made garments industry who Have encountered labor exploitation in their workplace. It equally looks at the effects of labor exploitation on RMG workers, and suggested possible ways that migrate workers could make themselves less vulnerable to workplace exploitation. The Bangladesh labor legislation and the international convention on the protection of the right of RMG workers were used as yardsticks to measure exploitation.

Labor exploitation can explain as an action of treating labor unfairly in order to benefit from their work exploitation is a broad concept because it's a fact of economical, moral, social and political in my study I analyze the economical labor exploitation of ready-made garments sector in Bangladesh perfectly competitive labor markets without distortionary taxes combined with a profit maximize behavior of firms should imply that real wages should equal marginal product of labor(MPL). In this paper, I study the RMG sector of Bangladesh and find that there exists a significant widening gap between real wage and marginal product of labor which on fact expressing the labor exploitation of RMG sector. This study also examines the several factors which are responsible for this exploitation. Due to less of education, poverty the people of country are bound to join in ready-made industry because it ensures a full salary in every month.

RMG industry is considered as the back bone of the country's economy. The main strength of RMG sector in Bangladesh is poorly paid garments workers. His study depicts the wages level, age group, gender, family life and working hours of workers in RMG industries in Bangladesh. It is notable that the living situation of garments workers may change last couple of years. Nowadays their children also go to school and they can serve their old parents. Already government but it is improving and due to economical exploitation every labor can claim more wage of their better living.

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CHAPTER 1

INTRODUCTION

1.Introduction:

The world bank approximated the gross domestic product (GDP) growth of Bangladesh in 2016 is 7.05% thriving by almost 27 times in a matter of four decades. Currently the economy of Bangladesh crucially relies on readymade garments export earnings. It is expected that roughly 5000 garments factories possess in the territory, encompassing more than four million people as labor in readymade garment sector. These all residents appear as labor in RMG sector cover about 3% of aggregate population of the realm. Indeed 3% inhabitants serves as a spinal cord of the nation currently.

Since Bangladesh allude to developing country, under poverty level residents be affiliated to a large amount, lay hold of as trump card to the owner of the industry as well as the foreigners. These owners take advantages or treat unfair of the poor labor because of his/her inferior position and a fundamentally asymmetric power relationship between them makes reference to as exploitation. Though the economy of Bangladesh has been spreading progressively but in a certain point it will fastened and prompt several drawbacks for foremost economic reinforcement.

Labor exploitation is a remarkable problem for a country which dated back to the time of industrial evolution. The problem still exists in current time and has shown different dimensions. It is not a problem that is just belongs to one country or one realm; it is a problem of whole country of the world. Anyone who is engaged in labor activity can suffer exploitation. However, some group of persons is seen more vulnerable to being exploited than others. One group that is more prone to exploitation is labor of readymade garment sector.

At present all the product produced from garment sector are selling at very cheap rate to the world wide, because the production cost is less due to low wage rate of labor. And it is

necessary to mention that all these factories are situated in the developing or underdeveloped countries. With this wage rate no developed country would be eager to work in the textile industry. So it is for sure that all the cheap product is due to low wage rate which can be refer as labor exploitation.

The interest of this research study is not to point accusing fingers on some employers, or to tarnish the image of a sector of Bangladeshi labor market; this study we wish to analyze, the issue of working conditions in the RMG sector, taking into account the economic aspect (labor wage rate).

In conclusion, this research work will present its findings by analyzing data collection that upholds the rights of workers. Especially the Bangladesh national labor laws and the international convention on the rights of workers.

1.1: Objectives

1. To overview the contribution of labor of readymade garments factory in export sector.
2. To recognize the beneficiations of ready-made garments sector in Bangladesh.
3. to overview the history of ready-made garments sector in Bangladesh.
4. To divulge the threatening working place condition in RMG industry
- .5. To manifest the several theories of exploitation of labor.
6. To inspect the term of labor exploitation.
7. To identify the exploited area of labor in readymade garment sector in Bangladesh.
8. To narrate the determinants of labor exploitation.
9. To analyze social impacts of exploited labor in Bangladesh.
10. To specify some particular policies to overcome the exploitation barriers from ready-made garments sector.

Key words: Ready-Made Garments, Labor exploitation, social impacts.

1.2: Background:

Bangladesh is listed as a developing country since 1990 though its birth year 1971 which is not as far from today comparing to other countries. In the following year of 1971 the country was suffering several famines, scarcity, dearth, departure etc on the whole society in Bangladesh. In the present time Bangladesh does not need to look out on those problems. Because from 1990 Bangladesh started to progress its economic condition like increases the life expectancy of people then before, and the fertility rate, infant and maternal mortality rates have fallen of the residence of Bangladesh etc; which actually shows the symbol of development. Since Bangladesh is a highly densely populated country; creating all these populations as proficient and skillful the country can be one of the developed countries sharply and firmly, what is Bangladesh doing right now. Using 4 million skillful and efficient labors in different five thousand garment factories [expected], earned 31.4 billion in F Y 2014-15. Thus, a part of residence of Bangladesh is used to keep significance in Bangladesh economic growth year after year. But in general view as the country raises its development progress and the garments factories earns its profits; the development of individual labor does not see much in the society. The life expectancy is quite low still than their contribution. Then the issue of exploitation comes to the forward to understand the confusion which indeed indiscernible to the general society and the labors too.

To make sure sustainable development to the society the exploitation of labor would be the main barrier for a country. Exploitation basically occurs in terms of economic, social, moral, psychological, physical, righteous etc. conditions. It creates a chain of hindrance to make them manifested as a result a certain part of the country remains underdeveloped generation to generation. All the people who are working as labor in readymade garment factories generally belong from rural area and needy or substandard family. About 99.99% people are under class 10 pass. They all come to the industrial area for a regular work where they don't require any level of education but earn a full month salary. But as a labor their life expectancy does not bloom as expected, they treated as the lower class person in the society, the light of the education never touches their family that much, they never belong any harmony circumstance, their medical treatment never completes properly. All

these problems can be indicated as social or national obstacles for a sustainable economic development. That is a certain part of the residents never upgrade their life standard with their next generation.

Exploitation expresses the injustice or unfairness behavior to the labor. Most of times it impairs the labor legislations and laws of Bangladesh and international labor organization about rights and privileges of labors. All these particular laws conceal and conserve all the rights and justice for the labor. It explains the relationship between workers, employing entities, trade union and the government. Since the labors of readymade garment industries most of them are illiterates all these laws are unknown to the workers, as a result the exploitation also uncertain to the labor too. Most of the factories ignore labor union, besides accept child labor, less salary for each month etc which are against of labor law. All these kinds of injustice behavior occur due to economic advantage to the owners or the management systems for earning more profit or more production to that garment factories. But labors do not pay back as much as they contributed to the factory, then economical exploitation appear.

The management system of the factory uses the weakest point of the labor [like illiteracy, needy, unhealthy] for exploiting them. Poverty creates a cheap labor; illiterate people are bounded to do "labor" work rather than doing general work, and above all cannot understand about the exploitation they are suffering. Generally, the factory always gives full priority as employee to the female workers at first because they always remain blind about the exploitation and act as weaker vessel. The factory staff constantly keep the labor engaged in production so that they cannot aware about any type of injustice to the other labor if take place. The impact of imperceptible exploitation to the labor of readymade garment factories people can be noticed one of this is avalanche of Rana Plaza and Tazreen in Bangladesh. It focuses how much labors are neglected and unfortunate in a garment factory. This occurrence shows that labor is just a useable machine to owners for their own end because of an unbalanced power relationship between them.

Utilizing the power of population all the factories use very cheap labor for more profit and available buyers for their production, which is another kind of exploitation to the labor.

Then this exploitation becomes another reason for social bandit or social crime. For example, stealing different equipment from the factory and the final product of the factory, act dishonestly to other people economically, physical maltreatment to other people for lacking of proper education et cetera.

The greatest economist and philosophies Karl Marx gave his popular theory about labor exploitation or surplus labor in. *He argued that the extreme source of profit, the driving force behind capitalist production, is the unpaid labor of workers. So for Marx, exploitation forms the foundation of the capitalist system.* That's why we feel interested to practically watch the theory and explain it again.

We rise up in an industrial region, life style of labors always generate anxiety to us. So it is necessary to express clearly about the exploitation of labor and its socio economic impact of Bangladesh economy. So that government of Bangladesh gets aware about this ill-treatment to the RMG labor and take necessary step against this. This thesis paper analyzes that without labor exploitation what is the economic condition of Bangladesh prevails. And also point out the wage gap between the marginal rate of production and actual wage. It discusses other types of exploitations to the labor too; like psychological, moral et Cetera in literature way due to unclouded every inequity and unfairness activity to the labor of Readymade garments factories management or owner for their own advantages. And also explain about the socio economic impact of labor exploitation.

1.3: Motivation of This Studies:

We are live in Gazipur district (chowrasta ,tongi) . There many female garment workers were living in a nearby slum area. I observed in every morning and evening that lots of female garment workers go to and come from garment factories. At that time, I thought that the garment workers do not get their right, minimum advantage or other facility which is need for the standard living. Because of they are poor living conditions touched me. Apart from this, I knew through different newspapers and TV channels that one of the major

causes of street violence created by the garment workers in Bangladesh is the low payment and deprivation of payment of the workers by the owners of the garment factories. Thus, when I look at the Bangladeshi garment workers' poor living and working conditions, their low salary and frequent accidents in the factories through different electronic and print media, a general view of structural violence appears to me. Moreover, the recent garment factory building collapse in Dhaka, Bangladesh on 24th April, 2013, with more than 1000 peoples' death and injuries 3(Yardley, 2013), has also shocked me. The death of huge numbers of people due to the garment building collapse and other issues such as workers' salary, their working and living conditions motivated me to write about this vulnerable sector for the workers. As a majority of the workers in the garment sector are female, and as these groups of people face lots of challenges from their family life to their working life, I decided to write my B.S.S honors

on the Labor exploitation of RMG sector in Bangladesh and its social impact. I hope that this project can be used by other students in order to enhance garment factory workers' social impact. This thesis is focusing on the labor exploitation of garment sector and its impact of society. This thesis is very much related with Peace Studies, WOMEN IN THE GARMENT INDUSTRY OF BANGLADESH; A PARADOX OF WOMEN EMPOWERMENT AND TRANSFORMATION OF STRUCTURAL VIOLENCE (SVF-3901, December, 2014). Socioeconomic Deprivation and Garment Worker Movement in Bangladesh: A Sociological Analysis (American Journal of Sociological Research 2012, 2(4): 82-89 DOI: 10.5923). Therefore, in order to ensure development, it is necessary to remove all kinds of exploitation from garment worker, because this garment sector main key of industrial development for our country .12 million people employed in this sector. On the other hand, readymade garments play a vital role for the total economy of Bangladesh. It's also help to increase GDP growth rate and also help to increase per capita income. Garment worker lives in the slum area. They do not get proper treatment; maternity facility. healthy sanitary system. they cannot get proper nutritious food. And for this reason one third people are living in poverty line. this reason we cannot fulfill our goal. ultimately we are live in third world or developing countries if we are solving this problem then we will get us deserve place in the world.

1.4: 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 midlevel 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 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 exploitation in garment sector of Bangladesh cannot be ruled out as history records hundreds of wars to capture another market. Labor exploitation occur when a worker does not get his/her actual payment. When worker face

exploitation he/she do not know about this term because of education, experience, knowledge of labor law. In this reason labors do not know about the exploitation on the other hand who have knowledge about the labor law but worker do not take any action on the exploitation. Another reason of exploitation is poverty. Readymade garment workers in Bangladesh major part of this class come from below the poverty line if labor blame the garments owner or management for her/his exploitation then he/she do not enter his job. In this time, we are saw another reason of exploitation that the maximum garment they are stop vacancy for male worker. because of male worker conscious about his salary and other harassment but female worker does not get fired or any violence when she does not get his salary and female worker are weak they are tolerating any kind of exploitation. The garments workers do not get his minimum wage from many garments industry.

. Most of the factories ignore labor union, besides accept child labor, less salary for each month etc which are against of labor law. All these kinds of injustice behavior occur due to economic advantage to the owners or the management systems for earning more profit or more production to that garment factories. But labors do not pay back as much as they contributed to the factory, then economical exploitation appear.

The impact of imperceptible exploitation to the labor of readymade garment factories people can be noticed one of this is avalanche of Rana Plaza and Tazreen in Bangladesh. It focuses how much labors are neglected and unfortunate in a garment factory. This occurrence shows that labor is just a useable machine to owners for their own end because of an unbalanced power relationship between them.

Utilizing the power of population all the factories use very cheap labor for more profit and available buyers for their production, which is another kind of exploitation to the labor. Then this exploitation becomes another reason for social bandit or social crime. For example, stealing different equipment from the factory and the final product of the factory, act dishonestly to other people economically, physical maltreatment to other people for lacking of proper education et cetera.

Solving labor exploitation in the RMG sector requires a collective effort. The root causes of exploitation are to be explored. The government and the Bangladesh Garment

Manufacturers and Exporters Association (BGMEA) should ensure compliance with the labor law, and sanction companies which abuse worker rights. Bangladesh has ratified International Labor Organization (ILO) conventions 87 and 98 on freedom of association and collective bargaining, and is required to protect the rights contained in them.

1.5. Limitation of this project:

There have several challenges we have to face when we are completing the study. The main problem was lack of time. If we get more extra time we are sure that we would include more information and this study could be more perfect. Another of the very important challenge we have to face that is lack of money. The short of money make us suffer to collect the answer of the questionnaire. An adequate of money could make the data collection easier.

The subject of the project of ours is very controversial worldwide. The information which we need had to collect from the management sector and also from the labor of the industry. It was very difficult to collect all the data from the management sector because it is a contentious matter to them. They were worried about their reputation of the industry. After giving them total ensure that the name of their industry will not reveal then keeping trust to us they give the information.

In next section when we were start asking to the worker of the industry we face several barriers. First 90% of labor was illiterate. Being uneducated might have caused my informants not to give me complete answers to my questions. Second they work in the factory with a limited lunch break and other working time they remain so busy that there has no option to look at surroundings. As a result, some of their answer does not satisfy me.

Another limitation was that we have to collect the data after evening. Because every labor works all day long; in the night they complete their household chores and take rest, in that time they do not want to welcome us to answer us. We feel some barriers here, and due to collect data only in the night time we got slow in collection of data collection, it took several days.

We can include many other terms related to the exploitation and ready-made garments sector. But in order to lack of time we cannot include others term. As result the study remain very simple. Besides we did not have enough resources to collect the data so in contrary this gives us a hard work during that time.

Being an insider as a Bangladeshi, the challenge I faced was a possible bias during interviewing, interpretation and data analysis of Ready-made sector of labor of Bangladesh society. Accept all I make every barrier possible and smooth.

CHAPTER 2

LITERATURE REVIEW

Literature review:

Several authors have analyzed aspects of the garment industry in Bangladesh. Of the various aspects of the industry, the problems and the working conditions of garment workers have received the greatest attention. A study by Md. Salim Uddin and Mohammed Abu jahed (2007) revealed that how the RMG sector is contributing as prime mover of the socio economic development of Bangladesh. According to them, the garments industry has been leading the Bangladesh economy since the early 1990s. Garments are the country's biggest export making up about three quarters of total exports, and the industry is a symbol of the country's dynamism in the world economy. The industry is also the main non-farm formal sector creating employment opportunities for the poor. The greater part of the workforce is female; less educated, and has migrated from rural areas. Thus, the garment industry is seen as contributing to poverty reduction in Bangladesh by providing employment opportunities with higher wages for the poor who would otherwise be engaged in low-wage economic activities in rural areas. There was much discussion about the survival of Bangladesh garment industry prior to the final phase out of the Multi-Fiber Agreement (MFA) from 1 January 2005 which was expected to greatly intensify competition in the international garment market. One of the most influential forecasts was that only China and India would gain from the MFA phase out and that Bangladesh and other smaller suppliers of garments would lose out. Fortunately, there was no immediate major adverse effect in Bangladesh. Garment exports to the United States grew over the whole. While those to ED declined only slightly. However, the prospects for the industry in Bangladesh are not certain and the future trend in garment exports needs to be watched. Dr. Greg gajewski & Alex Riley discussed about Bangladesh's export trade practices and their effect on the competitiveness of the garment industry. Bangladesh over the past two decades has surpassed the most optimistic expectations. The

paper reviews the literature on this industry, presents recent data on the sector's performance, and evaluates future trends in the international and domestic clothing industry.

As garment industry is a leading sector in Bangladesh economy and labor exploitation 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 exploitation 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.

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.

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?

Elgin C and kuzubas T U,(2010) 'wage –productivity gap in Turkish Manufacturing Sector. 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.

CHAPTER 3

READY-MADE GARMENTS SECTOR

3. Ready - made garments (RMG):

The economy of Bangladesh is largely dependent on agriculture. However, the Ready Made Garments (RMG) sector has emerged as the biggest earner of foreign currency. ... The RMG sector has experienced an exponential growth since the 1980s. The sector contributes significantly to the GDP.

3.1. History of Ready-Made Garments Industry:

Bangladesh is an agro based country but now a day's textile sector of Bangladesh gets retains its top position in global market. Bangladesh readymade garments industry is the largest industrial sector of the country. Although the history of readymade garments industry is not old but clothing business of Bangladesh has a golden history. Clothing business of Bangladesh it may be started from Mughal age (16th to the 19th century) in Indian sub-continent through Dhakai musline. Dhakai musline it had a good reputation and demandable market around the world. The beginning period of readymade garments was 1950 in western world in order to control the level of imported readymade garments product from developing country to developed country. And Bangladesh is a developing country. Readymade garments industry for large scale production and import oriented industry is a new phenomenon for Bangladesh. The base of textile sector was first established in 60th decade. The readymade garments business was first established by "Mercury shirts" which is originated from Karachi. In 1965-66 first exported shirts to the European market. The readymade garments industry started developing in 1970's as an export oriented industry. 100% export oriented readymade garments industry started grow the last 15 or so year. In 1977-78 only 9 exporting industry were available in Bangladesh. which export earning approximately one million dollars. There were three big garments industries which was available in that time. they were:

- 1) Riaz garments
- 2) Jewel garments
- 3) Paris garments

In 1960 Reaz garments was established as a small tailoring shop in Dhaka .it provide only domestic requirements for about 15 year. At the initial stage the name was tailoring shop was Reaz store. After the liberation war in 1973 it changed its name to reaz garments ltd and it also expatiate on its operation into market by selling 10000 pieces of men's shirts worth French 13 million to Paris based firm in 1978. This deal was the first direct export product of garments industries from Bangladesh. Dosh garments are another garment factory of Bangladesh. This was treated also as trendsetter of textile sector in Bangladesh. A Dosh garment was established as a joint venture company with south Korean company "Daiyuu". And Dosh garments were also established as a 100% export oriented company. In this time, it had 120 operators and 3 women trained in South Korea and with these trained it started its production in early 1980. Another south Korean company Youngones corporation formed was the first equity joint venture garments factory with a Bangladeshi garment that name was "Tnexim ltd" in 1980. In this garments Bangladeshi partnership was 51%. In 1980 December it exported its product first consignment of padded and non – padded jacket till the end of 1982. Every year 22 billion USD deals with readymade garments of Bangladesh. 4 million people directly or indirectly depend on the ups and down of this sector. At present 81% of the total export earnings are comes from garment industry. The number of garment factories is increased to 5000. At present Bangladesh is now one of the 12 largest garments product exporters of the globe and the sixth largest distributor in the US market and fifth largest distributor of T –shirts in the EU market. The textile sector passes its golden time now with the help of government and different organization .we may hope for the amelioration of this sector.

3.2. Contribution of RMG sector in Bangladesh Economy:

Industry is a main path of development. When a country is labor incentive they are counted as developing country because of they can not develop their whole sector .labor incentive country is mainly based on agriculture on the other hand capital incentive country is based on industry. And Bangladesh is labor incentive country. Also Bangladesh is agriculture base developing country. Where ready made garments is a new source for economy. About two-fifths of the economy is now connected with the global economy through exports, imports, factor and commodity markets; the degree of openness of the economy¹ currently stands at 40%. Bangladesh can now rightfully claim that she has graduated from a predominantly aid receiving nation to a trading nation. The export-oriented RMG sector has made crucial contribution to this abovementioned transformation of the Bangladesh economy. The role of our RMG entrepreneurs, domestic fiscal and financial, institutional policy support and incentives put in place by successive governments, substantial RMG-supportive linkage activities within the domestic economy and global market opportunities combined to create a story which is, to be honest and true, unparalleled in the developing world. The export-oriented readymade garments (RMG) sector in Bangladesh started its journey in late 1970. . Bangladesh exported RMG worth only US\$ 69 thousand in 1978. By FY2002, within a span of about two decades exports have gone up to US\$4.5 billion. Her share in total US imports of apparels was 3.2%; in EU it was 3.3% and in Canada it was 3.0%. Bangladesh's garment exports increased from USD 6.8 billion in 2005 to USD 19.9 billion in 2012, recording a compounded annual growth rate (CAGR) of 16.6 percent. The remarkable success of readymade garment exports from Bangladesh over the last 15 years has, despite varied domestic and global challenges, not only surpassed the most optimistic forecast, it has also made us confident to think of big gains in the future. Today apparel export stands at USD 24 billion and it seems this labour-intensive industry is set to exceed the USD 50 billion mark within the next 7 years. The overall impact of readymade garment exports is certainly one of the most significant social and economic developments in contemporary Bangladesh. With over five million workers (60 percent women) employed in semi-skilled and skilled jobs in producing garments for exports, the development of the apparel export industry has had far-reaching

implications for the society and economy. Its contribution to women empowerment is well recognised globally and is the subject of numerous studies. Micro-credit initiatives and larger participation of women in readymade garments manufacturing are two major contributing factors in this success for economic and social empowerment of poor women.

Ready-made garments also help to increase



Source: www.trade and commerce, Bangladesh Bank

And GDP growth rate by readymade garments industry



Source: www.trade and commerce, Bangladesh Bank

3.3. Labor Law of RMG Sector in Bangladesh

The labor law system is more than a century old in Bangladesh. The first labor law was enacted in the Indian sub-continent during the British period, in 1881. Subsequently, the British Government introduced several laws concerning different labor issues, e.g., working hour, employment of children, maternity benefit, trade union activities, wage, etc. The Factories Act (1881), Workmen's Compensation Act (1923), Trade Unions Act (1926), Trade Disputes Act (1929), Payment of Wages Act (1936), Maternity Benefit Act (1939), and the Employment of Children Act (1938) were remarkable labor laws enacted during the British period.

After the separation of the Indian sub-continent in 1947, almost all the laws during the preparation period were kept in force with some modifications and amendments, in the form of administrative rules, by the Pakistan Government. After the independence in 1971, the Bangladesh government retained the previous laws through the Bangladesh Laws

Order (President's Order No. 48). It also enacted additional laws in response to the changing circumstances and needs of the working class and the country. In 2006, the country adopted the revised Bangladesh Labor Law of 2006 or BLL.

The BLL is fairly comprehensive and progressive. The law is a consolidation and updating of the 25 separate acts. The comprehensive nature of the law can immediately be gleaned from its coverage -- conditions of service and employment, youth employment, maternity benefit, health and hygiene, safety, welfare, working hours and leave, wages and payment, workers' compensation for injury, trade unions and industrial relations, disputes, labor court, workers' participation in companies profits, regulation of employment and safety of dock workers, provident funds, apprenticeship, penalty and procedure, administration, inspection, etc.

The BLL is also considered an advance because it removes certain ambiguities in the old and diverse labor acts and aligns the labor law system with the ILO core conventions. On the removal of ambiguities, the definition of a "worker" is now very specific. Another example: the exclusion under the term "wages" of the following items -- expense for housing facilities like lighting and water supply, employers' contribution to the provident fund, traveling allowances and other sums paid to worker that are needed to cover work-related expenses.

The BLL is also an advance because of its wider coverage, for example, workers and staff of hospitals, nursing homes and even non-governmental organizations are now covered by the law. Also, certain welfare and social benefits have been improved or instituted, e.g., death benefit (financial support to family of deceased worker), application of provident fund benefit to all workers in the private sector, expansion of maternity benefit from 12 to 16 weeks, adoption of group insurance for establishments with 200 or more workers, and increased employee compensation for work-related injury, disability and death.

On the ILO core conventions, Bangladesh has ratified the following International Labour Conventions (ILCs):

- ILC 29 (Forced Labor),
- ILC 87 (Freedom of Association and Protection of the Right to Organize),
- ILC 98 (Right to Organize and Collective Bargaining), ☐ ILC 100 (Equal Remuneration),
- ILC 105 (Abolition of Forced Labor),
- ILC 111 (Discrimination in Employment and Occupation)
- ILC 182 (Elimination of the Worst Forms of Child Labor).

The only core convention not ratified by Bangladesh is ILC 138 (Minimum Age Convention). However, the BLA provides that the minimum age to work is 14 (although a special clause states that children between the ages of 12 and 14 may be employed to do “light work” that does not endanger their health, development and education).

The BLL features the following key provisions: Employment standards

- An employee or “labor” is defined as any person, including a trainee/probationer, whether the terms and conditions of his/her employment are expressly written or not, who is employed directly or through a contractor/agency, for any skilled, unskilled, physical, technical, business development or clerical job in any establishment or industry.
- Workers are classified into six categories:
- Apprentice: A worker who is employed in an establishment as a trainee and during the period of training he is paid an allowance is called an apprentice
- Badli: A worker who is employed in an establishment for the period of temporary absence of a permanent or probationer worker.
- Casual: A worker employed on a casual basis.
- Temporary: A temporary worker in an establishment for work that is basically temporary in nature and is likely to be finished within a limited period.
- Probationer: A worker provisionally employed in any establishment to fill up a post of permanent vacancy and his probationer period has not to be completed
- Permanent: A worker employed with a view to fill up a permanent post or if he completes satisfactorily his probation period in the establishment.

- Appointment letters, ID cards and service books are made mandatory. The law specifies what information should be included in the appointment letter and in the service book, and requires the latter to be signed by both the employer and the worker.
- The law defines who is responsible for payment of wages: employer/owner; chief executive officer (CEO); manager/person assigned responsible by the company; and the contractor, in case of worker appointed by the contractor. In case of the failure of the contractor to pay the wages to the worker, the principal owner shall pay the same and subsequently it can be adjusted with the accounts of the contractor.
- On job terminations, the employer is required in the case of
- Retrenchment: to give one month's notice and the equivalent 30-day wages or gratuity for every year of service if the worker is employed on continuous service for not less than one year; and
- Discharge: to give financial benefit equivalent to 30-day wages for every completed year of service by an employee found to have physical or mental incapacity.
- Termination simplicitor: to terminate services of worker without explaining any reason by giving a written notice of 120 days for permanent workers employed in a monthly basis and 60 days to other workers.
- Misconduct: to dismiss workers without serving prior notice due to worker's conviction for any criminal offence, or if the worker is proved guilty of misconduct, which may be any of the following: willful insubordination (alone or in combination with others) to any lawful or reasonable order, theft or fraud or dishonesty, taking or giving bribes, habitual absence without leave for more than 10 days, habitual late attendance, habitual breach of any rule or law applicable to the establishment, riotous or disorderly behavior, habitual negligence or neglect of work, frequent repetition of work on which fine can be imposed, resorting to illegal strike or to go slow or instigating others to do so, and falsifying, tampering the official document of the employer.
- Retirement age for workers employed in any establishment is 57.
- Work hours are set at eight hours a day, 48 hours a week, with a weekly rest day.
- Overtime (OT) work is maximum of two hours a day. OT pay is twice the hourly remuneration.
- Workers are entitled to rest and meal in a day as follows: (i) one hour interval for over six hours work a day; (ii) half an hour interval for more than five hour work; and (iii) one hour interval once or half an hour interval twice for more than eight hours work a day.

- Workers are entitled to holidays, casual leave, festival leave, annual leave and sick leave.
- Every worker has the right to participate in company's profits/benefits.
- No young worker is permitted to work in any establishment between the hours of 7 p.m. and 7 am.
- No children (under 14 years of age) are allowed to work in any occupation or establishment. However, a child who has completed 12 years of age is permitted to do light work not harmful to his health, development and education.
- A 'Minimum Wage Board' is established to determine the minimum rates of wages in different private sectors, taking into consideration varied criteria: cost of living, standard of living, cost of production, productivity, price of products, business capability, and economic and social conditions of the country.
- Employers are mandated to observe equal wages for male and female workers for work of equal nature or value.
- Forced labor is prohibited. Occupational safety and health
- Establishments are required to put up for every 150 workers one first aid box.

3.4. Current minimum wage rate of ready-made garments sector in Bangladesh:

Bangladesh, the world's second-leading apparel exporter after China, keep costs down by paying garment workers the lowest wages in the world — the current minimum is 3,000 taka, about \$38, a month. The wage board recommended on Monday that it be raised to 5,300 taka, about \$68 (Nov 4, 2013).

Table no:1 National Minimum Wage

Minimum wage per Month
1,500.00
Days per month specified:26
Hours per month specified:208

Source: wage indicator .org

Table no:2 : Skill wise minimum wage:

Industry	Skill level	Minimum wage per Day	Minimum Wage per Month
Ready Made Garment			5,300.00 Days per month specified: 26 Hours per month specified: 208
Cotton Textile Industry	Skilled worker	248.17 Hours per day specified: 8	
	Unskilled worker	176.25 Hours per day specified: 8	
Jute textile industry	Skilled worker	247.50 Hours per day specified: 8	

	Unskilled worker	165.33 Hours per day specified: 8	
Engineering Industry	Skilled worker	350.00 Hours per day specified: 8	
	Unskilled worker	232.00 Hours per day specified: 8	

Source: wage indicator .org

3.5. Present scenario of Ready-Made garments industry:

The garment industry **has** played a pioneering role in the development of industrial sector of Bangladesh. Though it took a rather late start i.e., in 1976 but it soon established its reputation in the world market within a short span of time. Resultantly garment is now one of the main export items of the country. Besides, enriching the country's economy it has played a very important role in alleviating unemployment. At present there are more than two thousand one hundred garment factories in the country employing more than 12 lack labors85 percent of the labor force is women.

With 5,000 factories employing about 3.6 million workers (of a total workforce of 74 million), Bangladesh is clearly ahead of other Southeast Asian suppliers in terms of capacity of the ready-made-garment industry. It also offers satisfactory levels of quality, especially in value and entry-level midmarket products.

Ready-made garments manufactured in Bangladesh are divided mainly into two broad categories: woven and knit products. Shirts, T-shirts and trousers are the main woven products and undergarments, socks, stockings, T-shirts, sweaters and other casual and soft garments are the main knit products. Woven garment products still dominate the garment export earnings of the country. The share of knit garment products has been increasing since the early 1990s; such products currently account for more than 40 per cent of the country's total RMG export earnings (BGMEA website). Although various types of garments are manufactured in the country, only a few

categories, such as shirts, T-shirts, trousers, jackets and sweaters, constitute the major production-share (BGMEA website; and Nath, 2001). Economies of scale for large-scale production and export-quota holdings in the corresponding categories are the principal reasons for such a narrow product concentration. With about \$15 billion in exports in 2010, ready-made garments are the country's most important industrial sector; they represent 13% of GDP and more than 75% of total exports. Recent surveys carried out by the consulting firm McKinsey and the accounting firm KPMG identified attractive prices as the most important reason for purchasing in Bangladesh. Price levels will remain highly competitive in the future, since significant efficiency increases will offset rising wage costs.

3.5.1. Major export Items and Recipient:

Bangladesh is the second largest apparel exporter in the world, after China. The market share of Bangladesh, in the \$503 billion global garment items is 5.1 percent, according to data from the International Trade Statistics of the World Bank in 2014.

China's market share is 38.6 percent and Vietnam and India share 3.7 percent. However, China has been losing its market share mainly due to higher cost of production and shortage of skilled workforce in China.

Bangladesh is one of the major beneficiary countries of shifting work orders from China. Following such shift, Bangladesh's export of garment items is on the rise as the global apparel retail giants are also increasing the volume of work orders for quality garment at competitive prices.

Bangladesh exported garment items worth \$25.50 billion in 2014-15 fiscal and the earning from garment export during first 11 months (July-May) of the current fiscal year is \$25.08 billion.

Only five items covered 78.59 percent or \$20.04 billion of the total garment export earnings at \$25.50 billion in 2014-15 fiscal. The five items include shirts, trousers, jackets and sweaters.

The target for the fiscal was set at \$27.37 billion. Almost all major retailers have been increasing their volume of work orders in Bangladesh.

Currently, the Swedish retail giant H&M is the largest apparel buying company from Bangladesh which purchases nearly \$3billion in a year. The H&M mainly purchases T-shirts, cotton trousers both for males and females, woven shirts, jackets and sweaters.

After the H&M, the US retail giant Wal-mart purchases more than \$2.5 billion worth of garment items. Wal-Mart also buys T-shirts, kid swears, trousers both for males and females and sweaters. The other major retailers are Li & Fung purchases nearly \$1.5 billion worth of mainly trousers, T-shirts, shirts and sweaters. The British retailer Primark buys \$1.0 billion worth of jeans pants, shirts and other denim products from Bangladesh in a year.

Table 3 : Major Apparel items exported from Bangladesh (VALUE IN MN. US\$)

Year	shirts	Trousers	Jackets	T- shirts	sweater
1993-1994	805.34	80.56	126.85	225.9	-
1997-1998	961.13	333.28	467.19	388.5	296.29
2000-2001	1073.59	656.33	573.74	597.42	476.87
2010-2011	1566.42	4164.16	1887.50	4696.57	2488.19
2015-2016	2317.09	6319.00	3774.08	6118.53	3182.47

Source: EPB, Compiled by: RDTI Cell, BGMEA

3.5.2. Export of Dynamics of Bangladesh garments sector:

Bangladesh's exports have marked significant shifts since 1990s to a ready-made garment-centric one, which make up the bulk (about two-third) of the export earnings. Its phenomenal expansion from an insignificant sector in the 1970s to a major supplier of garments in the global market is mostly attributed to the multi-fiber agreement that expired on December 31, 2004. In fiscal 2004-05, the RMG constitutes about 74.15 per cent of the total export earnings, up from just little above one per cent in 1981-82. Apart from RMG, frozen food is the second largest export earning sector, which constitute 5.13 per cent followed by jute goods, leather and chemical products that respectively account for 3.24 per cent, 2.78per cent and 1.59 per cent.

In terms of export destinations export underwent important changes over the decades. The USA and the EU became the most important export destinations of Bangladeshi products in the global market.

Bangladesh's exports to the two major export markets registered growth throughout the 1990s. While in1981-82, the American region account for only 9 per cent of the total Bangladesh exports. The EU has become the largest market for Bangladeshi goods with export share rising to 53 per cent from 17 per cent over the same period.

Table 4 :VALUE OF TOTAL APPAREL EXPORT (Fiscal Year Basis)

Year	WOVEN	Kint	total
1992-1993	1240.48	204.54	1445.02
1997-1998	2844.43	year	3781.94
2002-2003	3364.32	1495.51	4859.83
2005-2006	4083.82	3816.98	7900.80
2010-2011	8432.40	9482.06	17914.46
2015-2016	14738.74	13355.42	28084.16

Data Source Export Promotion Bureau Compiled by BGMEA

3.5.3. Trade union movement of garment sector:

Trade Union movement in garments sector is very weak. Even it is weaker than other sector. There are 8 country wide registered trade union federations. There Are 9 federations registered as division based. Another 5 registered federations are combined with Jute, Textile and leather Sector. Apart from these, there are 6 unregistered federations in this sector. There are 3 alliances in the garment sector. These are: 1. Bangladesh Garments Workers Unity Council. 2. Bangladesh Garments Workers and Employees Unity Council. 3. B.N.C.C.(Bangladesh Coordinating Committee, affiliated with (ITGLWF).

Main Reason of the Weakness of trade union movement of garment sector in Bangladesh are: 1. Disunity and division of organizations. 2. Unlimited and long working hours. 3.

Absence of Job security. 4. Migration from factory to factory. 5. Absence of weekly holiday and other holidays. 6. Majority of women. 7. State policy. 8. Elite class ownership. 9. Low wage. 10. Unemployment of the country.

3.5.4. Problems of garment workers:

1. Poorly served by labor laws
2. Promote and protect workers' rights and enforce
3. Too much of trade unionism
4. Do not provide weekly holiday, casual leave, a bearable increase in their wages and safe conditions of work in the factories.
5. The lowest salary
6. Govt. is not trying to serve the interests of garment workers
7. Do not implement any worker health and safety measures
8. Do not pay workers their salaries on time
9. Do not have appointment letters, identity cards, and service books to use as proof of employment
10. An employee may work a maximum of 10 hours a day and 6 days per week but workers in Bangladesh are allegedly forced to work 14 to 16 hours a day and seven days in a week.
11. No safety measures
12. No residential facilities

13. They do not get tips, pensions or life insurance, and after retirement, many garment workers have to go back home without any money at all in hand.
14. Workers, especially female workers, alleged that although there were physicians in some of the factories the level of care is not good, and there is little or no medicine there.
15. Some times they work whole night.
16. Overtime work is compulsory and forceful
17. There is no doctor, first aid, sufficient light and ventilation
18. There are no sufficient and pure drinking water and toilets for the workers
19. Maternity leaves is absence
20. Do not have the day care centers
21. Management does not ensure the security of the women workers. Women workers faced rape and sexual harassment out side the factories and some times inside the factories
22. Women workers are deprived from Equal wage, Equal dignity, Equal rights and Equal promotions.

CHAPTER 4

METHODOLOGY AND DATA DESCRIPTION

4. Methodology

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Research method is simply means the research techniques or tools used for conducting research irrespective whether the research belong to physical or social science and research methodology is a way to study the various steps that are generally adopted by researcher in studying his research problems systematically along with the logic, assumption and rational behind them. This chapter highlights the research methodology, which is followed throughout the research study and the description of data that are collected from respondents from the purpose of analyses. The methodology includes the way in which data has been collected, the techniques which are used for analyses, and the empirical design of the model. The combination of analytical tools was employed in this study. This included descriptive statistics (mean, frequencies, standard deviation and OLS regression) was used to examine the socio economic impact of labor by using statistical package SPSS 16 and MS-office. This chapter also provides a description of the explanatory and dependent variables used in the study and the relationship between them. We also use the cob Douglas production function for analyzing the study. It is difficult to conduct research on labor exploitation due to lack of secondary data on expenditure, total income et cetera of ready-made garments sector. People always want to hide all the information about all these to the outsider. Again the respondents who are the labor of the readymade garments sector have lower level of education. All of these created few problems during the data collection. However reliability of any study depends upon the objectives of research, nature of data, and techniques of sampling and analysis (Kothari, 2003). Therefore, this chapter also provides some key characteristics and features of the collected data.

4.1. The empirical analysis:

This section consists of three subsections. In the first one, we explain our data sources and particularly, how we create the marginal product of labor series and the exploitation rate. In the next sub section we describe the determinants of labor exploitation. Finally, the last subsection shows the actual scenario of life standard of labor .

4.2. The empirical models:

At first, to calculate exploitation rate we assume that the production in the manufacturing sector is characterized by the following constant returns to scale production function:

$$Y_i = A_i K_i^\alpha L_i^{1-\alpha} \quad (1)$$

Here Y_i is the total value added in readymade garments factory, K_i is the amount of capital and L_i marginal product of labor, defined by $MPL = (1 - \alpha) Y_i / L_i$, we need an estimate of the capital share α . We obtain such an estimate by running the following regression equation:

$$\text{Log}(Y_i) = \beta_0 + \beta_1 \text{Log}(k_i) + \beta_2 \text{Log}(L_i) + \varepsilon_i \quad (2)$$

Here, obviously ε_i is the error term. Estimating equation (2) above yields an estimate for α i.e. the estimated value of β_1 turns out to be $b_1=0.216$. Once we have an estimate of α , we can easily create the marginal product of labor series $MPL = (1 - \alpha) Y_i / L_i$, i.e. and hence the MPL-to-W ratio. This is what Persky and Tsang (1974) define as the Pigouvian exploitation rate. . The Pigouvian exploitation of labor can be expressed as the percentage difference between the marginal revenue product of labor and its wage (i.e., the income that labor receives for additional hours of work).

Secondly, in order to examine the determinants of exploitation of readymade garment sector labor the multiple regression model is used. The general form of model as follows:

$$Y = \alpha + \beta_1 S + \beta_2 A + \beta_3 ED + \beta_4 EX + \beta_5 U + \beta_6 L + \varepsilon$$

Where,

Y= Exploitation rate

α = constant term

$\beta_1 - \beta_6$ = Regression coefficient

S = sex of the respondents

A = Age of the respondents

ED = Education of the respondents

U = participation on trade union of the garments factory

L = Acknowledge about labor law

EX = years of experience

ε = error term

The above regression model shows that one unit change in “ S ” will change the “ Y ” by β_1 . The sign of the coefficient of this particular variable is expected to be positive, because it directly affects the exploitation rate.

4.3. The estimating procedure

It is assumed that in a single equation linear regression model there exist a one-way cause and effect relationship. In the present study there is one dependent variable i.e. exploitation rate and six explanatory variables i.e. age of the respondents, sex of the respondents, education level of the respondents, experience of the respondents, participation on trade union and acknowledge of labor law. The double log regression model is linear to parameters. Therefore the ordinary least square (OLS) method is used in estimating the effects of explanatory variables on dependent variable. The regressions run with the help of familiar statistical software 'SPSS' version 21. The information, findings in the study and results of the estimations are analyzed and presented through table, charts, graphs and figures.

4.4 Conceptual frame work

In this section we are going to analyze the theory about labor exploitation given by two economists named Karl Marx (1818-1883) and the founder of economics Adam Smith (1723-1790).

4.4.1 According to karl Marx:

By far the most influential theory of exploitation ever set forth is that of Karl Marx, who held that workers in a capitalist society are exploited insofar as they are forced to sell their labor power to capitalists for less than the full value of the commodities they produce with their labor.

Marx thought, workers' labor under capitalism is neither truly voluntary nor entirely for the benefit of the workers themselves. It is not truly voluntary because workers are *forced* by their lack of ownership of the means of production to sell their labor power to capitalists or else starve. And workers are not laboring entirely for their own benefit because capitalists use their privileged position to *exploit* workers, appropriating for themselves some of the value created by workers' labor.

To understand Marx's charge of exploitation, it is first necessary to understand Marx's analysis of market prices, which he largely inherited from earlier classical economists such as Adam Smith and David Ricardo. Under capitalism, Marx argued, workers' labor power is treated as a commodity. And because Marx subscribed to a labor theory of value, this means that just like any other commodity such as butter or corn, the price (or wage) of labor power is determined by its cost of production—specifically, by the quantity of socially necessary labor required to produce it. The cost of producing labor power is the value or labor-cost required for the conservation and reproduction of a worker's labor power. In other words, Marx thought that workers under capitalism will therefore be paid just enough to cover the bare necessities of living. They will be paid subsistence wages.

But while labor power is just like any other commodity in terms of how its price is determined, it is unique in one very important respect. Labor, and labor alone, according to Marx, has the capacity to *produce* value beyond that which is necessary for its own reproduction. In other words, the value that goes into the commodities that sustain a worker for a twelve-hour work day is less than the value of the commodities that worker can *produce* during those twelve hours. This difference between the value a worker produces in a given period of time and the value of the consumption goods necessary to sustain the worker for that period is what Marx called *surplus value*.

According to Marx, then, it is as though the worker's day is split into two parts. During the first part, the laborer works for himself, producing commodities the value of which is equal to the value of the wages he receives. During the second part, the laborer works for the capitalist, producing surplus value for the capitalist for which he receives no equivalent wages. During this second part of the day, the laborer's work is, in effect, unpaid, in precisely the same way (though not as visibly) as a feudal serf's *corvée* is unpaid (Marx 1867).

Capitalist exploitation thus consists in the forced appropriation by capitalists of the surplus value produced by workers. Workers under capitalism are compelled by their lack of ownership of the means of production to sell their labor power to capitalists for less than the full value of the goods they produce. Capitalists, in turn, need not produce anything themselves but are able to live instead off the productive energies of workers. And the surplus value that capitalists are thereby able to appropriate from workers becomes the source of capitalist profit, thereby "*strengthening that very power whose slave it is*" (Marx 1847: 40).

4.4.2 According to Adam Smith:

Karl Marx described the source of profits, interest, and rent as value added by workers not paid out in wages. That is, Marx said the value of a commodity produced under capitalism is

the sum of the value of the goods worked up by the workers into that commodity and the value added by workers. Insofar as this value-added is not fully paid out to the workers, they are exploited. But, according to Marx, capitalism is sustainable only when a source exists for returns to capital, that is, only when workers are exploited. Adam Smith said much the same:

"As soon as stock has accumulated in the hands of particular persons, some of them will naturally employ it in setting to work industrious people, whom they will supply with materials and subsistence, in order to make a profit by the sale of their work, or by what their labour adds to the value of the materials... The value which the workmen add to the materials, therefore, resolves itself in this case into two parts, of which one pays their wages, the other the profits of their employer upon the whole stock of materials and wages which he advanced." -- Adam Smith (1976, Book I, Chapter VI)

Smith provided the same explanation of profit a few chapters later, albeit mixed with an account of the source of rent:

"The produce of labour constitutes the natural recompense or wages of labour.

In that original state of things, which precedes both the appropriation of land and the accumulation of stock, the whole produce of labour belongs to the labourer. He has neither landlord nor master to share with him...

...As soon as land becomes private property, the landlord demands a share of almost all the produce which the labourer can either raise, or collect from it. His rent makes the first deduction from the produce of the labour which is employed upon land.

It seldom happens that the person who tills the ground has wherewithal to maintain himself till he reaps the harvest. His maintenance is generally advanced to him from the stock of a master, the farmer who employs him, and who would have no interest to employ him, unless he was to share in the produce of his labour, or unless his stock was to be replaced to him with

a profit. This profit makes a second deduction from the produce of the labour which is employed upon land.

The produce of almost all other labour is liable to the like deduction of profit. In all arts and manufactures the greater part of the workmen stand in need of a master to advance them the materials of their work, and their wages and maintenance till it be completed. He shares in the produce of their labour, or in the value which it adds to the materials upon which it is bestowed; and in this share consists his profit." -- Adam Smith (1976, Book I, Chapter VIII)

This reading of Adam Smith, in which he offers an account of the source of profits in the exploitation of workers, was a commonplace in the 19th century among the so-called Ricardian socialists.

4.5 Data and Sampling Design:

Sources of data, selection of the study area, description of the study area, selection of the respondent, questionnaire preparation, interview method, and data description are provided in this section.

4.5.1 Source of Data:

This study is based on the primary data collection through ready made garment industry survey. The questionnaire was denoted to the labor of ready made garments factory .The sample size of the survey is 100 workers and 50 garments management information. The questionnaire was develop to collect three types of information including general information about the garments labor including the name of industry, age, sex, education ,the number of family member and details information of the workers condition .and also collect expenses of household , savings, house rent, condition of sanitary system and standard of the living area. Some secondary data have also been taken from various journals, articles, literatures and publication. The secondary data had been collected from various publications of The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Ministry of labor and employment, and Bangladesh Bank.

4.5.2. Selection of the study area:

In the present research, the study area has been selected with a great care so that successful and good result emerges. To select the sample area the researcher has to consider all the difficulties and complexities related to the research work. For the data collection purpose 100 labors were randomly selected from these areas (Gazipur city corporation) .Among the garment worker, a few garment workers has reported to the exploitation. And we select Gazipur city because of its industrial area .Many garment industry are situated in this area and our home town .In Gazipur city corporation we have select few ward (07,42) obtaining the information directly from the garments labor themselves would be more accurate, due to data limitation, the data are collected from the garments worker.

4.5.3. Background of the Study area:

The study area is the gazipur district. Gazipur district is a district of Dhaka Division; it has an area of 1741.53 km² and is bounded by Mymensingh and Kishoreganj districts on the north, Dhaka, Narayanganj districts on the south, Narsingdi on the east, Dhaka and Tangail districts on the west. Main rivers: old Brahmaputra, Shitalakshya, Turag, Bangshi, Balu, Banar. Gazipur (Town) consists of 9 wards.

The area of the town is 49.32 km². The town has a population of 123531; male 52.52%, female 47.48%, density of population is 2505 per km. Gazipur City Corporation established in 2013, is one of the city corporations of Bangladesh. Before its establishment as city corporation, it was a municipal corporation. Current mayor of GCC is M. A. Mannan. He is the first mayor of Gazipur City Corporation. Basically, Gazipur City Corporation is a formation under the local government administration of Bangladesh to regulate the city area of Gazipur, which is under the Ministry of Local Government & Rural Development (LGRD). Currently the minister of LGRD ministry is Sayed Ashraful Islam. Generally under local government, an election is held to elect a mayor of Gazipur City Corporation. Gazipur City Corporation's total area is 329.23 square kilometers with approximately has the population of 25,00,000 people in the city corporation area.



we are data collect from mainly two industrial area of Gazipur city corporation (Gazipur Shadar , and Tongi) .on the other hand garments industry are situated other place of Gazipur city Gazipur city corporation .



Figure: Map of the Study Area

In RMG sector of Bangladesh, there are more than 5000 garment factories (private statistics) at the current time, employing more than 12 lack labors, where 85% of the labor force is Women. But, according to BGMEA the number of garment factories in Bangladesh around 45000. Now, RMG industry is the country's largest export earner with the value of over \$24.49bn of exports in the last financial year. It's a great news for us that, Bangladesh is clearly ahead from other South Asian suppliers in terms of capacity of the readymade garments industry.

4.6. Field work organization and data collection:

4.6.1. field work organization:

A structured questionnaire (the sample questionnaire is presented in the appendix) was developed for the survey and attention was paid to keep the questions simple and unambiguous to avoid confusion. The questionnaire was field tested along with the field workers. Whatever possible, the questions were converted into multiple choice questions. the survey questionnaire was initially developed in English and later translated into Bangla before the survey was conducted. The field team for the survey was constructed in april, 2017 to conduct the field survey. The respondents were instructed about questionnaire. After completing the survey, data entry was done by the researcher himself.

4.6.2. Data collection and Selection of the Area:

There is a deficiency of official data regarding garments industry information on Gazipur district in Bangladesh. The seasonal character of work related. BGMEA manage the garment industry and they are carry the whole data of this industry Data have been coded directly on questionnaire and the entered into personal computer to SPSS program 21. As first step of analysis the collected data has been classified and tabulated based on different attributes. For the data collection purpose, 100 workers from 50 industries and 50 garments management staff were randomly selected from these two industrial areas (Gazipur shadar, tongi).

Table 5: selection of the study area

Name of ward	Number of worker selected	Number of garment industry	Percentage of total worker	Percentage of total garments industry
Chowrasta	75	22	75%	61%
Tongi	25	28	25%	39%

Source: field study, 2017.

CHAPTER 5

SOCIO ECONOMIC CHARECTERISTICS OF LABOR FORCE OF RMG

5. Socio economic characteristics of labor

One of the most important factors that caused the rapid development of RMG industry in Bangladesh is the population. Whether population is a boon or bane for a country depends largely on how it is managed and utilized. Besides, the prospect of a country's economy hugely depends on the management of its population. The population has appeared to be the blessing for Bangladesh as it is the driving force behind success of RMG industry, which requires a good number of work forces. The demographic profile of Bangladesh's population has helped the apparel industry to thrive. Most of the female workers are very young & their average is below 30 years (Md. Mehedi, 2014). The vibrant and young population of this country is the major strength of RMG sector. So some socio economic characteristics and some general characteristics of labor force and their social impact are describing in below:

5.1. Age group wise workers:

Most of the workers are very young. The result shows that most of workers are aged in between 17-30 years which is the about 78% of the total (Table 6)

Table 6: Percentage of workers as per age group

Age groups (year)	respondents	percentage
17-20	17	17
21-25	28	28
26-30	33	33
31-35	14	14
36-40	4	4
41-45	4	4

Source: Authors' own calculation

This implies that workers cannot work in the garment fully for long time because of occupational hazards and the employers do not prefer aged experienced workers in the factories may be to reduce cost by employing fresh workers at low remuneration.

5.2. Gender wise workers:

Maximum 45% workers are from 17-25 years' old which create great empowerment to RMG sector. This energetic worker just changes the development & they contribute greatly in country's GDP growth. In garment industry 71% workers are female where 29% workers are male, which means garment industry empowered by women shown in Table 7.

Table 7: Percentage of workers as per gender

categories	respondents	percentage
male	29	29
female	71	71

Source: Authors' own calculation

Also before 20 years back the ratio of man & woman working in Bangladesh is 9:1. Just unbelievable development occurs in this sector. It is now a dream ratio for women workers. There is a great contribution towards national economy. GDP now just depends on these women workers.

5.3. Schooling and family of workers:

It is very hopeful that all the children of garment workers are now going to school with dress, books as well as essential things. Unbelievable contribution towards worker's parents now. If we see the statistics some years ago of their lifestyle and their parents' lifestyle, it was very poor in shape; they couldn't take regular food & wear dress. But

nowadays after their revised salary; now they can help their parents continuously, not only this they provide them festival dress (Table 8).

Table 8: percentage of labors as they expense on education per month

Cost in education porpous (Tk) per month	respondents	percentage
0	51	51
1-1000	21	21
1001-2000	16	16
2001-3000	12	12

Source: Authors' own calculation

The above table explaining that about 51% people does not use their salary in education porous or they belong no children who need education. And other 49% labor expense different amount of money for education porous.

5. 4. Residence facilities:

Proper sanitation issue now also improving not only for garments workers but also for total Bangladesh. This is a massive improvement for Bangladesh. 80% of garments & textile workers get sanitation. But main problem is sharing of a toilet; about 20-30 persons now use one toilet which create not only problem but also unhygienic. Maximum workers want a toilet for every 10 persons. The table for illustrating that 37 sanitary system are good and rest of sanitary system are bad or worse. It is because they cannot afford good quality of residence due to low salary.

The no of sharing toilet is also kind of unhygienic because one toilete is being used by 10 to 20 people continuously that is 25%.

The following table also showing that 1 to 4 rooms share a single kitchen (97%) where in general one kitchen should be shared by one room or family.

And at last 83% of labors are sharing a single room from 1 to 4 people we can see from the table 9.

Table 9 : percentage of labor of RMG as residence facilities

categories	characteristics	Respondents percentage
Sanitary system	worse	28
	bad	35
	good	37
No of share of a toilet	1-5 people	33
	6-10 people	42
	11-15people	16
	16-20people	9
No of share of a kitchen	1-4 rooms	97
	5-8 rooms	3
No of share of a room	1-4 people	83
	5-7 people	17

Source: Authors' own calculation

5.5. Working hours of Workers

In recent time it is argued that the crisis in the Ready Made Garment (RMG) sector is not only limited to the wages and allowances of the workers but also with working hours. Productions and exports of the factories have been decreased and the price of the apparels is also decreasing in the international market. The owners of this industry allege that, the supply of gas and electricity is not continuous, because of which they are compelled to use generators to keep the production process of the factories uninterrupted, resulting in the increasing cost of productions. But it is urgent to reduce the cost of production to comply with the foreign customer's demand and the competitive international price. Moreover, serious and untoward incidents in the form of chaos and confusions are frequently happened in this sector on the basis of rumors and petty

demands of the workers. Working hour is a very important factor for every worker's life. Textiles & apparels sector is a sector where workers are doing their work each & every day because it is directly related with physical production. If working hour is more than production is more. Table 10 shows 69 percent of worker's working hours is 10 hours although standard working hour is 8 per day (ILO, 2005).

Table 10: percentage of labor as working hour per day

Working hour	respondents	percentage
8	17	17
10	62	62
11	2	2
12	13	13
13	4	4
14	2	2

Source: Authors' own calculation

5. 6. Income of Workers:

Maximum worker doing work 10 hours a day, the situation is improving day by day due to pressure of complains, Government & International customers. The most important & highlighted issue for garments worker is their income. Amidst some of the biggest worker movements and unrest in the history of Bangladesh in which precious lives have been lost and hundreds injured, the wage board published the gazette declaring BDT 5300 as the minimum wage for workers (Wage Gazette, 2013). In this gazette, the distribution is 3,000 BDT as basic, 1,200 BDT as house rent, 2,50 BDT as medical allowance, 200 BDT as transport allowance and 650 BDT as food allowance under the new minimum wage structure (Wage Gazette, 2013). In Bangladesh there is huge demand of garment workers. It has been observed in survey that entry level garments & textile workers are called helper and their wage is 7000-8000 BDT per month including overtime and it will continue for months. When they migrate to other factory they promoted to assistant operator or operator they

get monthly 9000-10000BDT per month. Also it is a blessing for Bangladeshi workers that they have huge facility to migrate from one factory to another for the availabilities of factories as well as it is a big marketplace of workers. This is only reason they can increase their salary after a certain period of time. Also skill worker is the key for RMG products, so Human Resources department have a great responsibility to find out skill worker for their factory. Some of the factory provides incentive to skill workers as per production so there is huge scope to income. Income also may increase if workers get promotion as a supervisor or in charge which means his/her earning almost 20000 BDT/month. Maximum about 77% worker's income is 5000-10000 BDT/month (Table 11) though it is not sufficient but the situation is continuously improving (survey, 2015).

Table 11: percentage of labor as income per month

Income per month (TK)	Respondents	Percentage
5,000-7,000	13	13
7,001-10,000	64	64
10,001-12,000	18	18
12,001-15,000	5	5

Source: Authors' own calculation

5.7. Proper nutrition:

Proper nutrition for healthy life is very important. As a result, proper food for every individual is the first necessary. This theory is not different from the labor of readymade garments sector. With their low wage per month their full family requirement of food cost is given bellow in table 12. It is showing that up to 8000 tk from their monthly wage they use for their monthly food requirement nearly 80% of labor. And rest of labor use more than 8000 tk for monthly food expense.

Table 12: percentage of labor as expenditure on food

Cost on Food per month (tk)	respondents	percentage
2500-4000	12	12
4001-6000	13	13
6001-8000	55	55
8001-10,000	12	12
10,001-12000	6	6
12,001-14000	2	2

Source: Authors' own calculation

5.8. Proper health care:

Proper health care is the one of basic right in Bangladesh. But in case of labors of readymade garments industry with the less wage rate than actually what they require proper health care cannot be possible. Table 13 is showing the percentage of labors as the cost flow in health purpose per month. It is showing that 0-500 tk is used be 42% of people. And rest of people use more than 500 tk up to 2000 tk.

Table 13: The percentage of labors as the cost flow in health.

Cost on health porous per month (TK)	respondents	percentage
0-500	42	42
501-1000	32	32
1001-1500	15	15
1501-2000	11	11

Source: Authors' own calculation

5.9. Savings and loans:

There's no question more fundamental to personal finance than how much money we should save. Our savings rate is the cornerstone of virtually every other decision about money we make. It affects everything from buying a home to saving for emergencies to retirement. Yet the guidance on this important topic is less than stellar. It usually takes the form of a rule of thumb, such as the admonishment to save 10% of our income. Some advice saving as much as 20%, as with the income. But the following table is showing that there is 63% people who does not have any savings. And the following table showing the loans of labors that is in case of loan too about 51% of respondents does not contain any loans and other 49% respondents require loans up to 2,00,000 tk. This analysis is not good for economic condition of the labors of readymade garments sector.

Table 14: percentage of labors as the savings flow

Amount of savings	respondents	percentage
0	63	63
1-2000	23	23
2001-4000	14	14

Source: Authors' own calculation

Table 15 : percentage of labors as the loans flow

Amount of loans	respondent	percentage
0	51	51
1-1,00,000	32	32
1,00,001-2,00,000	1	17

Source: Authors' own calculation

CHAPTER 6

RESULTS AND FINDINGS

6.1 Percentage distribution of labor exploitation

In this chapter the result of the econometric analysis is presented. From the regression analysis on table 16, we can see that the exploitation rate that is the divergence between labor productivity and the wage rate from 0.86 to 1.00 consist in 20% readymade garment industries and labors of 60% garment industries is suffering exploitation from 1.00 to 1.50. Then 10% industry shows exploitation rate from 1.50 to 2.00 and at last rest 10% readymade garments factories reveal exploitation at the rate from 2.00 to 2.64. From the table it is clear that about from 1.00 to 2.64 exploitation rate consist in most of the industries (80%). That is marginal productivity of labor or marginal revenue of product is 1.00 to 2.64 times higher than the total labor share of a readymade garments factory. As a result, exploitation to the labor is seriously happening in the readymade garments factories. Which is clearly explaining that labor of that 80% readymade garments industries are getting less wage like maximum 2.64 times less than the value of the production in where they are paying out their hour or energy in the production. But exploitation rate from 1.00 to 1.50 be made up of more than half of the readymade garments industries that is 60% as the result is showing. So we can say that a general exploitation is occurring to average industries in the readymade garments sector in Bangladesh.

TABLE 16: DISTRIBUTION OF LABOR EXPLOITATION

Exploitation rate	Percentage
0.86-1.00	20%
1.00-1.50	60%
1.50-2.00	10%
2.00-2.64	10%

Source: Authors' own calculation

Additionally, according to the first row of the frequency table of exploitation rate shows no exploitation in likely 20% readymade garments industries. Because it is interpreting like marginal productivity of labor is from 0.86 to 1.00 times higher than wage rate in one month. Indeed, which is indicating that marginal productivity of labor is no longer greater than the labor share or both are equal. Since this data collection bound in only one month, in any month some factories can face losses or on that month no exploitation can be take place. Besides some factories would also never put any kind of exploitation to the worker. That's why 20% of industries are not showing any kind of exploitation rate to the labor.

TABLE 17: Descriptive statistics of exploitation rate

	N	Minimum	Maximum	Mean	Std. Deviation
Exploitation rate	50	.8617	2.6434	1.3286760	.3942954

The table 17 is expressing that the average exploitation rate is 1.3286 and the interpretation of that exploitation rate is that total marginal productivity of labor of a readymade garment factories are 1.3286 times higher than the total labor share of that factory. Where the minimum exploitation rate is 0.86 and highest exploitation rate is 2.64. Perfectly competitive labor markets without distortionary taxes combined with a profit maximizing behavior of firms should imply that real wages should equal marginal product of labor (MPL). In this paper, we study the readymade garments industries and find that there exists a significant widening gap between real wages and marginal product of labor which is actually mentioning in this study as labor exploitation and that is nearly up to 2.64.

6.2 Determinants of labor exploitation:

Here we are analyzing econometric model which we used for describing the determinants of labor exploitation or explaining what factors are responsible for the labor exploitation of readymade garments sector and examine the effect of each determinant with significance level and the t statistics. The empirical result is both consistent and inconsistent with the theoretical postulation of the model. This clearly shows that the model is very strong reliable and high predictable ability. Again the no of observation is 50 and R Square is about 0.649 that is 64% of the variation in labor exploitation might explain by the model.

The following table is showing six variables as the determinants of the labor exploitations, they are age of the respondents, sex of the respondents, education level of the respondents, experience of the labor or total working year in ready-made garments industry, the membership of trade union in garments industry and the acknowledge of labor law. The coefficients, significance level and the t- ratio is given in the table too.

Table 18: Determinants of labor exploitation

Variables	Coefficients	Standard error	T-ratio
Constant	1.94	0.53	3.65
Age	-0.23	0.19	1.24
Sex	-0.03	0.01	2.05
Education	-0.19	0.06	2.98
Experience	-0.11	0.05	2.23
Trade union	-0.44	0.58	0.76
Labor law	-0.29	0.26	1.13

Source: Authors' own calculation

$$Y = 1.9 + 0.23 A - 0.03 S - 0.19 ED - 0.11 EX + 0.44 U + 0.29 L + \varepsilon$$

The coefficients of every variable which are determinants of labor exploitation; age, sex, education, experience, trade union, labor law are respectively -0.23, -0.03, -0.19, -0.11, -

0.44, -0.29. Here we can notice that all the coefficients are expressing negative coefficients. In my study negative coefficients are better for my result, because it indicates that the change of independent variable causes changes in exploitation rate. And the standard error and the t statistics of those variable are respectively 0.19, 0.01, 0.06, 0.05, 0.58, 0.26 and 3.65, 1.24, 2.05, 2.98, 2.23, 0.76, 1.13. It is clearly expressing that sex, education and experience both variables are statistically significant. And others variables are insignificant.

The regression model has positive intercept or constant mentioned as 1.94 which means that if all the independent variables have no effect on exploitation rate of labor but there has some amount exist might be treated as autonomous. Numerically, the respondents have 1.94-unit exploitation when all other factors have zero effect on exploitation rate or dependent variable in the mathematical sense.

The first independent variable is age of the respondent. In this regression analysis on exploitation rate shows the coefficient of age is - 0.23 which implies that if other variables are remaining unchanged the age has positive impact on labor exploitation. But the variable is significant at 10% level.

The second variable is sex of the respondent. Here the regression analysis on the exploitation rate shows negative coefficient is -0.03 which is negative; implies that if other variables are remaining unchanged the variable sex has direct impact on labor exploitation that is female are more exploited than the male. It is statistically significant at 5% level.

The third variable is education in my study and its coefficient is -0.19 which is negative. So that it interprets as the education level changed the exploitation rate is also getting changed. If education level of labor increases, then the exploitation rate will be decreased at 0.19 rate. This variable is significance at the level of 1%. So the education has a great impact on exploitation.

The fourth variable is experience of the respondent. Here the regression analysis on the exploitation rate shows negative coefficient is -0.11 which is negative; implies that if other variables are remaining unchanged the variable experience has direct impact on labor

exploitation that is the change experience in the ready-made garments industry or more skill will cause change in labor exploitation rate. If experience level of labor increases, then the exploitation rate will be decreased at 0.11 rate It is statistically significant at 5% level. So the experience has a great impact on exploitation.

The fifth independent variable is the membership of trade union of the respondent. In this regression analysis on exploitation rate shows the coefficient is - 0.44 which implies that if other variables are remaining unchanged this variable has positive impact. But the result is showing that the data is statistically insignificant. As a result, participation at trade union does not have as much impact on labor exploitation as like education or experience or sex.

The sixth variable is the acknowledgement of labor law. The table is showing that this variable is not significant like trade union. So it does not have a greater impact on dependent variable of labor exploitation.

6.3. Socio economic condition and life standard of RMG labor:

The following table shows that the monthly average salary of a labor is TK. 9227.80 where highest TK. 15000 And lowest TK. 5000. It is observed that difference between highest and lowest labor salary is about 10,000. It depends on working experience, gender, activeness of trade union et cetera. With this very low level of wage, the average savings of labor is about TK 1642, where the highest total savings of a labor is TK 40,000 and the lowest total savings is TK. 0. It is showing that every labors total current savings is very low level. And average loan of a labor is tk. 1.37, where the highest and lowest amount of loan is respectively TK. 2,00,000 and 0. Here, in the table different average expenditure of a family of labor like health cost, education cost, cost regarding with cloth and food cost are respectively about TK. 1090.50, 757, 838.70, 6985 in a month. Sanitary system in this study is used as a dummy variable. The table indicating that the average sanitary system is 2.09 which is actually mean as bad sanitary system and of course every latrine is used by 8.04 individual averagely where the highest use of one latrine is by 20 people and lowest is by 1 person. Additionally, a room sharing and a kitchen sharing averagely calculated to respectively 2.89 person and 2.44 family.

Table 19: descriptive statistics of socio economic variables of RMG labors

variables	N	Minimu m	Maximu m	Mean	Std. Deviation
family member	100	1	9	3.74	1.587
amount of salary	100	5000	15000	9227.80	1935.704
amount of savings	100	0	40000	1642.00	4859.879
amount of loan	100	0	200000	1.37	29145.568
amount of house rent	100	1500	3200	2398.90	413.436
cost purpose of health in month	100	100	5000	1090.50	885.167
cost purpose of education in month	100	0	3000	757.00	949.881
cost purp0se of cloth in month	100	100	2000	838.70	462.559
cost purpose of food in month	100	2500	15000	6985.00	2746.398
sanitary system	100	1	3	2.09	.805
sharing a toilet	100	1	20	8.04	4.180
sharing a room	100	1	7	2.89	1.317
sharing a kitchen	100	1	5	2.44	.880

Source: Authors' own calculation

CHAPTER 7

CONCLUSION AND POLICY IMPLICATION

7.1 Conclusion

Exploitation is a huge term. It cannot be measure in a single theory. It is not only an economical phenomenon but also social, moral, psychological too. Exploitation of workers in readymade garment factories in Bangladesh is an invisible problem which effects the victims adversely internally and externally and also affect the overall economic growth of Bangladesh. No sustainable development can be possible if the exploitation of labor remains in the country. I have been able to demonstrate that this economical phenomenon of exploitation is real through the experiences of the labor who work in readymade garment sector. Being a resident of industrial area who have notice that impact of labor exploitation, I believe that labor of RMG should not wait for the authorities to come and discover their problems; rather they should tell their problems with their own mouth in their own words. This research has fulfilled its aim by providing a platform for the voiceless labor workers to voice out their experiences in RMG.

I compared relative productivities and relative wages for various groups of workers and jointly estimated wages and output functions. This approach allows not only for assessing the marginal impact of demographic or other characteristics on wages, but also shows of the impact of these exploitation to the labor itself. The analysis found that wage differentials match productivity differentials for certain groups of workers, while for others they do not. The victims are not acquainted about the wage gap. But they can feel that something to them is not right.

Though Bangladesh has high foreign demand for its garments, it has to bring improvement in some areas like labor wages, business climate, trade logistics and skills of the workers. If the country can eliminate all limitations related to garment export, it can become world's number one largest exporter. Only then sustainable development can be possible. Also, the

quality of the product has to be sure to sustain in the long run. Bangladesh has to improve the productivity to sustain in the market. The labors of Bangladesh have low skills which are the constraint of the productivity and growth of RMG exports of the country. If the country can overcome these constraints, it could do much better in the garment industry.

Finally, I believe that this research work will encourage other researchers do further investigation into working conditions of RMG workers in other sectors such as construction sector, agricultural sector, domestic work sector, and other unskilled labors sectors where worker might be exposed to abuse and exploitation. It is my conviction that this research study will go a long way to expose the problem of exploitation as experienced by RMG labor.

7.2. Discussion and Policy Implication:

We want to use this chapter to discuss our personal thoughts and some policies on the issue of exploitation RMG workers in Bangladesh, and this will equally include some suggestions of RMG workers who were interviewed during the data collection process. My work was to present experiences of victims of exploitation as they were told. I must add here that the life of workers of RMG in Bangladesh is not characterized by negative behaviors or from the employers, rather there are also positive gains and advantages which the workers receive as employees in Bangladesh. It is important to note that some RMG employers treat workers as fair as their Bangladeshi counterparts. But as the topic suggest, my interest is on those who have or are encountering workplace difficulties as result of being RMG workers.

The analysis in this paper clearly suggest that RMG sector play a very vital role in Bangladesh economy with regard to export earnings and for under poverty individual a great opportunity for employment. which is creating a regular growth of economy in Bangladesh. But country get stuck in the same level of economic status and create a far distance in income inequality in a country which does not create more development in the indicating country. So it is very much important to make sure that no exploitation can occur

in the ready-made garments factory. Then sustainable development can be possible or every person can have the right to fulfill their every basic need. There are Some call for specific policy actions from the government and from labors of ready-made garments sectors as well.

1. Knowledge of the labor legislations

Knowing the Bangladesh labor legislations put a migrant worker in advantage position in the workplace. The interviewees all agreed that ignorance of law is a big disadvantage for any RMG worker. Some bad employers take advantage of it to the detriment of a low level worker. I share the position of the interviewees that it is important for an working in Bangladesh RMG sector to endeavor to know his rights as contained in the labor legislations. Belonging to the trade union is also one way of protecting oneself from exploitation.

2. Increase monitoring of Workplaces

There is a consensus by the respondents that monthly supervision of workplaces by the labor supervisors can go a long in curtailing exploitation, and it will equally improve and protect the wellbeing of migrant workers in their work places. Each city should have workplace monitors, whose work is not only to check on tax defaulters, but also to examine the working conditions of RMG persons and the safety of the workplace.

3. RMG worker's information center

This is my personal opinion. I am of the view that every big city that host large number of RMG industries should have an information center where Labor who intend to seek employment will go and receive. Besides the clear information their wage, their rights, their allowance will keep on that information center. The users of the center should be provided with information. Employees' rights, different labor acts, trade unions and authorities to inform when exploitation is encountered. The center should also include legal advice and services for exploited workers.

4. Increase the effectiveness of labor law:

Government should imply his power for more effectiveness in labor law after imposing law. That's why the chance of being exploitation is getting more less than before. Not only the government different NGO or organization should also take the step to increase the effectiveness of labor law. Bangladesh Garments Manufacturers and exporters association (BGMEA) should also take several strict step to impose the labor law effectively.

5. More activeness of trade union:

Every ready-made garments factory has to be exist an active trade union for labor. And every management system of factory would be responsible to the member of trade union. Active union always lessen the exploitation rate. According to ILO trade union should must be in a garments factory. So every industry should be consisting an active trade union.

6. The increase of wage rate:

Wage rate have to be increase otherwise economically exploitation will always be prevailing in the society. So government should take an increase in wage rate or productivity to less; otherwise mpl and wage rate will never be same again.

7. Less the hour work per day:

The general rule to work per day is 8 hours. But in Bangladesh the hour work day is way above than 8hour.so it should be more than 8 hours. So government should take strict rules to work only 8hours. otherwise several problems could be occurring like low productivity illness etcetera

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