Determinants of labor unrest in the Bangladesh readymade garments industry

Ripon Roy

School of Economics and Management, Chongqing University of Posts and Telecommunications, Chongqing 400065, China.

Abstract— *The purpose of this study is to Determinants of labor unrest in the Bangladesh readymade garments industry. The readymade garment (RMG) sector has been playing an important role in the overall economic Development of Bangladesh.*

Due to the labor unrest there has been huge loss of production and some of the garments factories were ruined by protesters, several laborers were killed and lots of injured and arrested.

It is said that there were legitimate demand of the laborers which should have been addressed by the owners. But these demands were not addressed which created the grievance the laborers. In course of the time these grievance bolstered the unrest.

In this connection, this study tried to find out the factors behind the unrest in the ready-made garment industry of Bangladesh and identifies some measures to improve the situation. In this study, 545 workers were interviewed from the different garment factories located in Savar, Gazipu and, Narayanganj district of Bangladesh. Data were analyzed with factor analysis, correlation analyzed, and regression model and by using other suitable statistical tools. The results show that the main causes of labor unrest include Health and hygiene, safety problem, working hours and leave, wages and payment, Labor union and owner's relations, political violence effect. If the policy makers of Bangladesh consider these causes and make policies to overcome the problems the labor unrest in garment sector may be minimized. Data analyzed using SPSS 23.0.

Keyword— ***Labor unrest, Readymade garments sector in Bangladesh.***

I. INTRODUCTION

The readymade garments (RMG) sector is the oxygen of Bangladesh economy. At present in Bangladesh has 4.56 thousand garments factory but garments worker don't get legitimate rights. Most export revenue in Bangladesh from RMG sector in Bangladesh but garments worker don't get their expected opportunity from RMG sector, that's why on occasionally happened labor unrest in RMG sector. The RMG sector is leading foreign currency earner of the country that received more than three fourth (about 81.32%) of total export earnings (Bangladesh Bank, 2017). This RMG sector is connected with the world economy through export, import and commodities marketing. The RMG sector circulates the Bangladesh economy. After the liberation period, Bangladesh economy depended on raw jute and jute products, when jute industry fallen then RMG sector come in first place by replacing jute industry. Bangladesh first exported RMG goods

to USA in 1978; then Reaz Garments exported only US$ 69,000 (Latifi, 2015) these industry played the vital role in employment generation and proper distribution of income. Labor unrest is the major complicated problem in RMG sector in Bangladesh. Labor unrest means measure how the workers are dissatisfied toward job and working environments. When the workers are mentally, physically, economically and socially dissatisfied the garments sector can be exaggerated from them. Many components are involved to dissatisfied of workers, if would be properly implemented, workers will be satisfied and can be reduce labor unrest in garments sector. It is also related to the co-worker, management, attitude, working conditions, work policy, wages, holiday and so on. Bangladesh is labor intensive country, where the low labor wage comparing with other exporting countries per month BDT 8000 (*Bangladesh Govt's additional Gazette, 2018)*. In Bangladesh there are 4222 garments factories and about 4

million employees engaged in RMG sector, 85 percent of which is women. According to BGMEA, 30 percent capacity of RMG sector is unutilized due to lack of skilled labor force. Since 2005 employment in RMG sector increases from 2 million to 4 million in FY 2014. As well as number of active factories increases from 4107 to 5600 in 2012-13 (Bangladesh Bank, 2015). According to S.M Akterujjaman and Md. Herok (2016) the RMG sector has many dissatisfaction issues to increase labor unrest in this sector. Its possible reduce worker dissatisfaction by taking appropriate action.

II.   LITERATURE REVIEW

S.M. Akterujjaman and MD. Herok Ahmad (2015) found that RMG sector of Bangladesh got remarkable development in the world, though the wages payment and others facilities were not satisfactory to the employees. Though most of the employees are women but they are working in the bottom level management such as helpers, machinists and less frequently as line supervisor and quality controllers, whereas most of the man are working in the top management.

Kamrul Hasan, Ashraful Islam, Md. Arifuzzaman(2015) aimed to identify of dissatisfaction of the service and employment, wage problem, communication gap, medicine and medical care problem, force to worker, political violence effect, emergency exit problem, discrimination problem and hygienic water& sanitation problem and labor union & garments owners relations problem. Labor unrest has been a common phenomenon in the RMG industry of Bangladesh. Workers are being embroiled in clashes frequently; they call strikes often to make their demand home. It causes enormous loss to the owners, cripples the economy and tarnishes the image of the country aboard. It also makes foreign buyers reluctant to render future orders. In addition the industry is losing competitive edge for this. In July 2009, due to massive labor unrest, Hameem Group, a leading garment manufacturing factory incurred a loss of around 100 crore taka and two workers died with resultant loss of 2000 jobs [3,4]. The long-standing grievance of the workers is the first cause for labor unrest. The growth of RMG industry of Bangladesh much depends on hard work of the labor force. But unfortunately they are deprived of minimum facilities. They are to live a sub-standard life in city slums for years. The wage they get is low. Very often they do not get their salary, overtime bills and bonus in time. Their recruitment system is hiring and firing as they do not get any appointment letter and identity card of the factory and at any time they can be dismissed by owners for any reason. They don't know anything about their job contract. Being maltreated by owners and mid-level officers, working long hours in congested environment without sufficient rest, lack of nutritious foods, medicine, right to legitimate protest against ruthless exploitations etc. are their daily destiny. They don't have any access to the decision making process. Factory building collapse, fire accident, stampede render many dead and injured. Nevertheless, if any worker protests against owners or management, he/she is threatened by various types of harassment such as dismissal, arrest or even physical assault by the hired hooligans of owners. Most of the labor force of this sector are uneducated, unskilled and have come from rural area simply in search of livelihood. They have to work hard in return for a very poor salary [3, 4]. Khatun&Shamsuzzaman (2015) focused on the job satisfaction of RMG industry in Bangladesh by reviewing on working conditions of employees and failure of existing labor laws. The study found that the workers in AKT group are satisfied with working environment, health facilities, female workers, and overtime benefits. On the other hand, workers are dissatisfied with wages, environment of present residence, and behavior of immediate superior and so on. Ahamed (2013) in his study found that the working conditions of RMG sector in Bangladesh are poor and facing challenges regarding social compliance. These include RMG sector's inadequate application of labor standards, and labor rights, law and enforcement, effective bargaining facilities. His study revealed that fair labor practices and government and entrepreneurs' role in the decent work implementation is necessary. Farhana, et al. (2015) studied about wages level, age group, gender, family life, living standard, and working hours of worker's in the RMG industry of Bangladesh. Having high demand the garments of Bangladesh in the international market and to capture this market, improvement is needed in some areas like labor wages, business climates, trade logistics, improvement compliance, and skills of workers.

Chowdhury &Ullah (2010) depicted the conditions of female workers from social and economic perspectives and recommended that to achieve female workers satisfaction improvement in the prevailing socio-economic facilities is highly needed, which will bring ultimate success of RMG sector in Bangladesh. Alam& Kamal(2006) studied to measure the overall job satisfaction of female Workers and to identify factors contributing to job satisfaction or dissatisfaction in the garment factories in Dhaka city.

As a result export performance of RMG sector in Bangladesh is decreasing which emphasis on the Failing to get expected sustain of the economy and increasing labor unrest.

III. HYPOTHESIS AND CONCEPTUAL FRAMEWORK

Based on the framework and objectives of research, the present study seeks to test the following hypothesis. Referring to relevant literatures and using typical variables, this study will try to test the following 6 theoretical hypothesis, which could demonstrate the determinants of labor unrest and also their relationships in Bangladeshi readymade garments industry sector.

H1: Health and hygiene has a positive significant relationship with Labor Unrest

H1: Safety and health has a positive significant relationship with Labor Unrest H2:

H3: Working hours and leave has a positive significant relationship with Labor Unrest

H4: Wages and payment has a positive significant relationship with Labor Unrest

H5: Labor unions and owners relations (management and worker Relation has a positive significant relationship with Labor Unrest

H6: Political violence effect has a positive significant relationship with Labor Unrest.
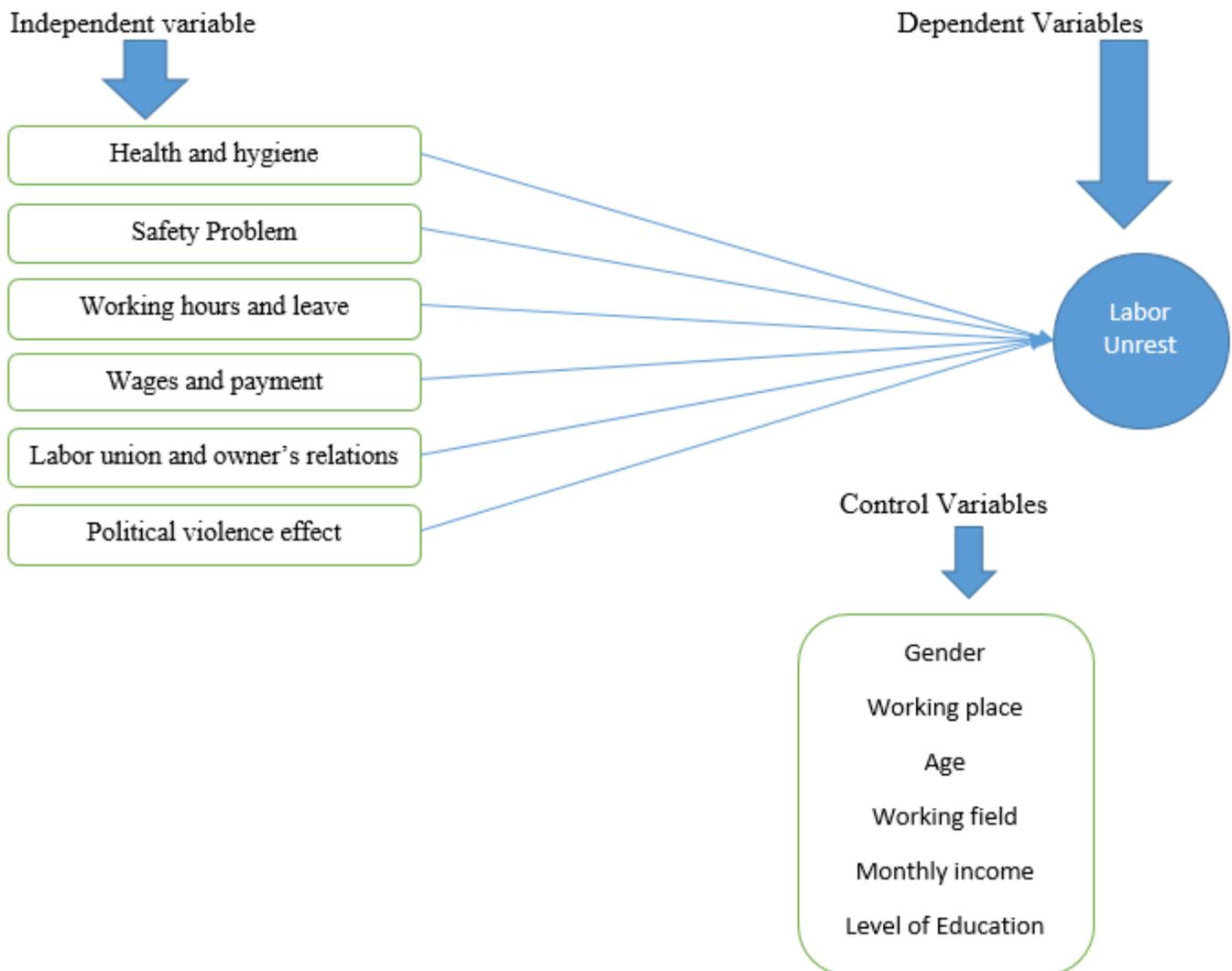

Fig.1: Conceptual framework

IV.   DATA COLLECTION

We collect the data by using questionnaire .The questionnaire have two parts. The first part was create to understand the personal information of respondents using nominal scale. The second part consists the perceptions of respondents regarding the constructs of the model. All constructs were measured using multiple items by a five point Likert-type scale (1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, and 5= strongly agree).For this research we collected dada by using simple random sampling. Data are collected from 545 randomly selected garments workers at different location of Bangladeshi readymade garments sector using a questionnaire consisting of 33 questions.

V.   ANALYSIS AND RESULT

Here we will provide the profile of the sample and results of the data analyses. All the scales showed satisfactory levels of internal consistency, with α value greater than .7. Finally, the hypotheses developed were tested through regression analysis in IBM SPSS. The results show that all hypotheses were supported.

5.1. Factor analysis

To investigate the appropriateness of factor analysis Kaiser-Meyer-Olkin (KMO) and Bartlett's test Statistic was used which were shown in above table. If, the KMO value is greater than 0.6 is considered as adequate [8]. From our analysis we found that the value of Kaiser-Meyer-Olkin

Measure of Sampling Adequacy is 0.810 that is greater than 0.6 indicates the value of Kaiser-Meyer is acceptable and the value of Bartlett's Test of Sphericity is also statistically significant and acceptable.

 Factors names are working hours, and leave, wages and payment, Labor union and owner's relations, Labor unrest, political violence effect Health and hygiene, safety problem, ,. Factor1 is combination of 4 variables WHL1, WHL2, WHL3, and WHL4 and had loading 0.742, 0.749, 0.656, and 0.703 respectively. Factor2 is combination of 4 variables WP1, WP2, WP3, and WP4 and had loading 0.884, 0.828, .0.727, 0.846 respectively. Factor3 is combination of 4 variables LOR1,LOR2,LOR,3,LOR4 and had loading 0.754, 0.719,0.781, 0.687 respectively.Factor-4 is combination of 4 variables LU1,LU2,LU3,LU4 and had loading 0.821, 0.824, 0.792, 0.917 respectively. Factor5 is combination of 3 variables PV1, PV2, PV3 and had loading 0.886, 0.900, and 0.851 respectively. Factor6 is combination of 5 variables HH1, HH2, HH3, HH4, HH5 and had loading 0.587, 0.557, 0.613, 0.887, 0.870 respectively. Factor7 is combination of 3 variables SP1, SP2, SP3 and had loading 0.704, 0.756, and 0.768 respectively.

To check multidimensionality of labor unrest, coefficient alpha was computed separately for all variables identified, indicating good consistency among the items variables.

Table 1. Rotated Component Matrix[a]

	Component						
	1	2	3	4	5	6	7
LU1				.821			
LU2				.824			
LU3				.792			
LU4				.917			
HH1						.587	
HH2						.551	
HH3						.613	
HH4						.887	
HH5						.870	
SP1							.704
SP2							.756

SP3						.768	
WHL1	.742						
WHL2	.749						
WHL3	.656						
WHL4	.703						
WP1		.884					
WP2		.828					
WP3		.726					
WP4		.846					
LOR1			.754				
LOR2			.719				
LOR3			.781				
LOR4			.687				
PVE1					.886		
PVE2					.900		
PVE3					.851		
Reliability	0.792	0.709	0.822	0.824	0.784	0.852	0.809

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

5.2. Correlation analysis

Correlation analysis is applied to test the correlation between variables. Only when the correlations are significant, it is meaningful to test the casual relationship between these variables. We use the following table-3 to show the correlation test results. Results show that the correlations between these variables are very significant (all the sig values are lower than 0.05). It means, the casual relationship between variables could be explored.

Table 2.Correlations

	LU	HH	SP	WHL	WP	LOR	PVE
LU	1.000						
HH	.359	1.000					
SP	.494	.434	1.000				
WHL	.550	.447	.772	1.000			
WP	-.138	.082	.130	.090	1.000		
LOR	.442	.238	.419	.495	.008	1.000	
PVE	.023	-.027	.040	.047	.096	.072	1.000

Table 3. Mean and std. Deviation

Descriptive Statistics

	Mean	Std. Deviation	N
LU	16.3358	3.99346	545
HH	7.7284	3.63748	545
SP	4.6826	2.46001	545
WHL	6.6495	3.15006	545
WP	5.3835	2.30044	545
LOR	6.1890	3.15399	545
PVE	13.9486	2.52144	545

5.3. Regression Analysis

Here we used the following regression model

$LU = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$

Where, LU = Labor unrest

X1= Health and hygiene

X2= Safety problem

X3= Working hours and leave

X4=Wages and payment

X5= Labor union and owner's relations

X6= political violence effect

Table 4. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3234.539	6	539.090	53.304	.000[b]
	Residual	5441.013	538	10.113		
	Total	8675.552	544			

a. Dependent Variable: LUL

b. Predictors: (Constant), PVE, HH, WP, LOR, SP, WHL

Table 5. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	21.890	.871		25.140	.000
	HH	.127	.043	.116	2.994	.003
	SP	.186	.089	.114	2.091	.037
	WHL	.371	.073	.293	5.113	.000
	WP	-.160	.060	-.092	-2.651	.008
	LOR	.285	.050	.225	5.708	.000
	PVE	.100	.055	.063	1.829	.068

a. Dependent Variable: LU

VI.   DISCUSSION

This research showed that Health and hygiene, safety problem, working hours and leave, wages and payment, Labor union and owner's relations, political violence effect are the key factors which are representing labor unrest in readymade garments sector of Bangladesh. This study finds working hours and leave and Labor union and owner's relations both have significant positive impact on labor unrest in readymade garments sector of Bangladesh. This result is consistent with finding of other scholars [9, 10]. Generally, working hours and leave is the vital predictor of labor unrest, but this research establishes working hours and leave has great impact on labor unrest simultaneously with Labor union and owner's relations. Again, the study results show safety problem has the mediating role between working hours and leave, Labor union and owner's relations and labor unrest. It implies that working hours and leave and Labor union and owner's relations both have indirect impact on labor unrest through safety problem, which is similar to the other studies [11]. This outcome also offers implications for garments industry in Bangladesh.

Health and hygiene and political violence effect also have positive effect on labor unrest. Safety problem have significant positive impact on labor unrest. In the readymade garments sector,

Safety problem is a functional factor in determining whether a working hours and leave is of Labor union and owner's relations or not [12].We also give contribution to parties, individual or organizations. Hence the current research can be

as reference for further research in future, especially those researches related to that Health and hygiene, safety problem, working hours and leave, wages and payment, Labor union and owner's relations, political violence effect. Readymade garments sector in Bangladesh need to consider their that Health and hygiene, safety problem, working hours and leave, wages and payment, Labor union and owner's relations, political violence effect and review their industry strategy. Finally, managerial implication of this research will help garments industry owners to evaluate their workers satisfaction strategies and upgrade their strategy to face new others industry workers opportunity by attracting more workers satisfaction.

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