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Academic

- Research Note on Decent Wage for RMG Workers: Proposals for Changes in the Structure of Minimum Wages
- Inequality and Inclusive Growth- Perspective Bangladesh
- Nature of Victimization of Female Garments Workers: An Empirical Study in Dhaka
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- Determining minimum wage of RMG workers
- Bangladesh's income inequality continues to grow
- Sustainable Development Goals and Reality

Trade Union

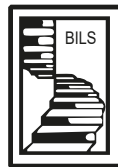
- The Economy of discrimination against women in labour market

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Phone: 880-2-9020015, 9126145, 9143236, 9116553

Fax: 880-2-58152810, E-mail: bils@citech.net

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Editorial

The shape and size of labour market in Bangladesh is changing day by day due to the demand of supply chain and nature of the economy. Employers and workers are contributing equally for economic development. But it is unfortunate to see that rich become richer and poor get poorer. "Household Income and Expenditure Survey (HIES) 2016" published by Bangladesh Bureau of Statistics (BBS) shows that the poorest five percent had 0.78 percent of the national income in their possession back in 2010, and now their share is only 0.23 percent. In contrast, the richest five percent, who had 24.61 percent of the national income six years back, now has a higher share, 27.89 percent to be precise.

Workers are giving relentless effort to continue productivity in a view to keep revolving the wheel of economy. In spite of that, they suffer more to ensure basic requirement for their livelihood. Hundreds of reasons stand behind their sufferings, while inequality plays a major role there. Economic inequality, gender inequality, big distance between government and non-government jobs and formal and informal sectors could be mentioned in case of these.

The distance between government and non-government jobs, formal and informal sectors and men and women workers considering workers' rights are widening day by day, while the Constitution of the People's Republic of Bangladesh authorizes the State to remove social and economic inequality and to ensure the equitable distribution of wealth among citizens in order to attain a uniform level of economic development.

We hope to see the end of this situation and expect that workers' dignity and fair share will be ensured in Bangladesh. Articles that published on the present issue have tried to analyse different situations in a view to focus causes and effects of inequality and way forward.

We thank Friedrich-Ebert-Stiftung (FES), LO-FTF Council and Mondiaal FNV for their support and cooperation regarding publication of this journal.

Md. Mojibur Rahman Bhuiyan

Editor

The views expressed by the experts and the writers who wrote and gave interviews in this publication are reflections of their opinions; BILS Editorial Board has no liability in this regard

Academic

Research Note on Decent Wage for RMG Workers: Proposals for Changes in the Structure of Minimum Wages

Khondaker Golam Moazzeem¹

Md Arfanuzzaman²

1. Introduction

Workers' wages are the most important means for meeting their livelihood expenses. In this context, the revision of the minimum wage of the RMG workers which has been carried out in regular intervals, is one of the most critically important regulatory measures undertaken concerning workers of this sector. Despite legal obligations to set the minimum wages through tri-partite discussion and debate, the Minimum Wage Board (MWB) often faces challenges in finding a pragmatic solution because of procedural, methodological and data related weaknesses; instead, the process is intervened by the high-up of the government. In March 2018, the MoLE formed the MWB for the garments sector to revise minimum wages of RMG workers. Since the announcement of the MWB, the representatives of workers and employers have submitted their proposals to the Chairman of the MWB. In this backdrop, present study intends to contribute in areas where the methodology for determining minimum wage is not clear, the evidence is not sufficient and understandings on certain issues are biased.

2. Discussion on Minimum Wage of RMG Workers

Workers' Current Minimum Wages: The minimum wage of RMG workers set in 2013 made some important changes both in structure and composition as well as in the extent of rising. The wage for grade VII workers was set at Tk.5300 (US\$69), which has increased by 76.6 percent from that in 2010. Such changes in grade VII and in other grades made a significant improvement in the earnings of all grade workers. However, inter-grade differences in wage were

1 Research Director, Centre for Policy Dialogue (CPD)

2 Programme Manager, Centre for Policy Dialogue (CPD)

slashed down for all grades in 2013 compared to that in 2010 which is against the rise in productivity and skills in upper grades of the operations (Table 1). Besides, a formal grade was introduced for 'apprentices' below grade VII which was earlier have no wage scale. In fact, 'apprentices' have turned out to be the entry level for the workers with a wage of Tk.4180. On the other hand, the wage board has introduced a 5 percent annual increment for workers who work for at least one year in the same factory. However, not by all factories and not in full amount workers received their increment adjusted wages.

Besides, two new components have been introduced in the wage structure such as transport allowance and food allowance which are positive inclusion in the wage structure. But, a basic wage which was earlier accounted as 50 percent of the net wages have been reduced to 40 percent of the net wages in 2013. Thus inclusion of new allowances happened at the cost of reduction of basic wages. This reduction of basic wages has reduced workers' pay in bonus and overtime payment.

Adjustment of Inflation: From December 2013 to December 2018 (H1 MPS, 2018) overall national consumer price index would increase by 32.4 percent. Adjusting this level of inflation would increase the minimum wage for grade VII workers to Tk.7017. This amount is higher than the overall rise in wages by 5 percent for grade VII workers. At the same time, it is important to take into account that there is a historical backlog of unadjusted minimum wages of garment workers because of no revision of minimum wages in different time periods - first for 12 years (between 1983 and 1995) and second for 11 years (between 1995 and 2006). Such unadjusted minimum wages and rise in per capita income would make a significant rise in workers' wages. In case of adjustment of wages with nominal per capita GDP growth between FY2014 and FY2018, which adjusted both inflation and real per capita GDP growth, the estimated changes will be 94.5 percent.

Cost of Production, Productivity, Price of Products and Business Capability: According to the Labour Act, 2013 (amendment) minimum wage board decides adjustment of wages based on a number of indicators which are related to the business in the RMG sector. These include cost of production, productivity, price of products, nature of work and business capability. Unfortunately, there

is no publicly available data to analyse these indicators. An analysis of the unit value of top 10 knit and woven products of Bangladesh during 2012 to 2015 show a mixed trend (Figures 1). In case of knit products, 7 out of 10 products have experienced a modest rise in unit values; in contrast, only 4 out of 10 woven products have experienced a similar level of rising in unit values. This trend did not change in the following years. Thus, entrepreneurs were not benefitted much in terms of the price of products; however, entrepreneurs might enjoy some short-term gains because of reduction of cotton prices, depreciation of taka against US\$ and reduction of the corporate tax rate for a limited period etc. Because of the slowdown in global demand, entrepreneurs' net revenue has decelerated over the years. On average the net income of sample enterprises has declined between 2012 and 2016. However, the majority of enterprises made some level of profit in 2016 (over 90 percent). In other words, majority of enterprises are supposed to accommodate the additional costs.

Besides, rise in the level of efficiency enables enterprises to accommodate additional costs. According to the CPD-RMG Survey, the average level of line efficiency of sample factories is 58.4 percent with a standard deviation of 21.3 percent. Such an improvement in the efficiency and productivity enable enterprises to accommodate a part of their additional expenses. On the other hand, workers' higher level of efficiency and productivity create a further rationale to justify higher wages.

3. Exploring Scope of Minimum Wages and Beyond

An inflation-only adjustment of minimum wages will seriously undermine workers requirement: Since workers' monthly family expense is about Tk.22435, an adjustment of wages based on inflation will seriously undermine their family expenditure. Most importantly, a large part of this inflation has already been covered through an annual increment in wages and there is only limited incremental adjustment left that would happen. Given the huge gap between workers' income and their family expenses, the proposed wage should make the necessary adjustment to better accommodate family expense.

The wage structure needs major revisions taking into consideration of changes in the living costs: A number of non-food related costs

become crucial which include education and medical expenses. These items need to be included in the wage structure. Moreover, the number of allowances currently allocated to different heads such as house rent, medical, food, and transport are highly inadequate to meet the required need of the workers (Table 2). Even after adjustment of family costs with a number of earning members, there is serious undermining in the costs of medical expenses and food costs in the wage structure across all grades. Hence, worker's revision of minimum wages needs more than the proportionate rise of medical allowances and substantive rise in food allowances.

Table 1: Grade Wise Stipulated Wages and Actual Costs in 2018: A Comparison

Grading (Main Posts)	House rent (40% of basic)		Medical		Transport		Food	
	With 5% increment adjusted	House rent in 2018	Medical Allowance	Medical expense in 2018	Transport Allowance	Transport cost in 2018	Food Allowance	Food cost in 2018
Grade III	2080	2534	250	1428	200	417	650	8053
Grade IV	1940	2786	250	1012	200	404	650	7535
Grade V	1802	2680	250	1681	200	456	650	7862
Grade VI	1669	4167	250	2700	200	367	650	7971
Grade VII	1532	2263	250	1519	200	419	650	8867
Adjusted with number of earning members								
Grade III	2080	1267	250	714	200	209	650	4027
Grade IV	1940	970	250	506	200	202	650	3768
Grade V	1802	1340	250	841	200	228	650	3931
Grade VI	1669	1667	250	1080	200	147	650	3188
Grade VII	1532	984	250	660	200	182	650	3855

Source: Authors' estimate based on MoLE, 2013 and RMG Workers' Livelihood Survey, CPD, 2018

Necessary changes in the composition of grades and grade wise wages are necessary: With the rise in workers' skills, the proportionate share of workers in lower-middle and upper grades have been increasing. In order to encourage skilled workers to work for a longer period, grade III to be upgraded to grade II. Existing grade I and II could be made the grade I (A&B). On another hand,

grade VII should be upgraded as grade VI. There need not require any grade VII. Consequently, the other grades will be made upward adjustment. Moreover, the wage gap between different grades needs to be widened in order to recognize the skills and experience of workers.

The gap in minimum wages between Bangladesh and major competing countries need to be reduced: The huge gap in wages between Bangladesh and its major competing countries cannot be explained by efficiency gap and other constraints. At present Bangladesh is providing a minimum wage of US\$64 which is only 41 percent, 38 percent, and 40 percent respectively of its major competing countries. A comparative assessment of wage-gap and productivity-gap between different countries reveal that Bangladesh's minimum wage is still much lower considering the productivity gap with other countries. Given the huge gap in minimum wage between Bangladesh and other competing countries, there are relatively fewer risks for being less competitive in price negotiation after the adjustment of workers' wages.

4. CPD's Proposal for Revision of Minimum Wage

In 2013, CPD proposed to introduce a proper method for calculating minimum wages for workers. According to Anker (2011), workers minimum wage should consider food and non-food costs of the family; besides, it should consider the number of household members, number of earning members as well as ensuring a certain percentage of discretionary income or savings. The method as follows:

$$\frac{\{[(\text{Food Costs} + \text{Non-food Costs}) \times \text{Household Size}] / \text{Number of Earners}\} + X\% \text{ Savings}}{\text{Source: Anker 2011: p.116.}}$$

A number of changes in the grade structure and composition is proposed. Given the rise in skill and technology, the number of grades of workers could be reduced. Grade VII workers could be upgraded and renamed as Grade VI workers. Likewise, grade VI workers to be upgraded as grade V, grade V to be grade IV, grade IV to be grade III and grade III to be grade II. Grades I and II could be considered under the top grade as 'Grade IA' and 'Grade IB' respectively. Besides, promotion of workers could be incentivized in progressive manner - the proportionate rise of wages for getting

promotion from grades VI, V, IV, III and II would be 7 per cent, 10 per cent, 13 per cent and 15 per cent respectively.

Considering the high expenses for children, a ‘child care and education allowance’ is proposed which will be provided to workers with children below 18 years old certain financial incentives. Since workers need a long term savings, a component of service benefit is proposed in the wage structure. The amount of the benefit would be 3 percent of the basic. This service benefit could be deposited in a centrally managed ‘Provident Fund’. Since worker’s expenses for communications is growing, the current item of transport allowance is proposed to be renamed as ‘Transport and communication allowance’ with rise in the amount.

Taking into consideration of a family size of 4 members, total food and non-food costs are found to be Tk.22435. With 2.1 earning members in the family and a 3 percent savings on basic, the minimum wage for newly introduced grade VI workers should be Tk.11004. Considering the slowdown in profit margin of enterprises as well as possible future business risks (such as trade war, rise in petroleum price, rise in gas price etc.), the minimum wage for newly introduced grade VI is proposed to be Tk.10028 (US\$119) (Table 2). For workers with no children, the wage for grade VI worker would be Tk.9228 (US\$110). The wages for following grades would be Tk.10715 for grade V, Tk.11786 for grade IV, Tk.13319 for grade III, Tk.15317 for grade II.

Table 2: Proposed Wage Structure

Proposed Grading (Main Posts)	Basic	House Rent (40% of Basic)	Medical Allowance	Transport and Communication Allowance	Food Allowance	Childcare and Education Allowance	Service Benefit (3% of basic)	Net Salary
Grade 1 A								Open
Grade 1 B								Open
Grade 2	6127	2451	1224	1071	3059	1224	184	15338
Grade 3	5327	2131	1064	931	2660	1064	160	13337
Grade 4	4715	1886	942	824	2354	942	141	11803
Grade 5	4286	1714	856	749	2140	856	129	10730
Grade 6	4006	1602	800	700	2000	800	120	10028

Source: Authors’ estimate

5. Concluding Remarks

It is well appreciated that rise in workers' wages over the last one decade have been slowly improving workers' livelihood. Despite that workers are still confronting difficulties in managing modest levels of living. The process of livelihood development needs to be continued with active engagement and partnership between entrepreneurs, government, brands, buyers and workers. Brands/retailers/buyers should make it public regarding their stance on revision of minimum wage. In fact, without full cooperation from the brands/buyers implementation of revised minimum wage would be difficult. MoLE should encourage factories to make all transactions by banks and should gradually make mandatory to do all kinds of financial transactions by banks and other financial systems. Besides, development partners and international organizations could extend support for community development which will help to make visible progress in workers' livelihood development.

Inequality and Inclusive Growth- Perspective Bangladesh

Talukder Golam Rabby¹

Khaleda Husna Fariha²

Shanzida Mehnaz³

Introduction

Efficiency and equity cannot go hand to hand. Efficient resource utilization is a precondition to achieve high economic growth in one hand, and often fails yielding social harmony on the other hand. Asymmetrical distribution of proceeds among the stakeholders involved in the production process needs to be addressed in this regard. Efficiency of stakeholders -e.g, labourer- largely depends on effort and circumstances. Implication of effort can be observed in the nexus of Human Capital Theory and economic development. Theory of Geographical Isolation explains how circumstances affect effort negatively and thus, inefficiency arises. Therefore, population live in 10% of the World's remote land (travel to large city needs more than 48 hours)⁴ may be classified as inefficient. Theory of Individual Deficiencies demonstrates that people have inborn incapability (e.g., handicapped) for which they are unable to put effort to become efficient. They live on their merger income and cannot contribute any to the capital accumulation of the economy they are belonged to. If the few people are involved in the process of economic growth, then the financial condition of the most of the population would continue to worsen. In contrast, if many people are involved in the production process, then the benefits of economic growth would be shared more evenly. Evidences suggest that bringing any significant positive change in the people's livelihood is difficult with only rapid and high economic growth but providing opportunities for the majority of the labour force, poor and middle-class alike (Lundstrom, 2009) .

1 Assistant Professor, Department of Economics, Southeast University

2 Student, BBA (General), Bangladesh University of Professional

3 Student, BBA (General), Bangladesh University of Professional

4 <https://www.sciencedaily.com/releases/2008/12/081217192745.htm>;
accessed 09/11/2018

According to a report of Asian Development Bank (ADB), growth with uneven distribution of income and wealth inequalities within a country may endanger social peace, force poor and unemployed people into criminal activities, make women more vulnerable to prostitution, force children into undesirable labour, and further weaken other disadvantaged and vulnerable sections of population—resulting in a waste of vast human capital that could otherwise be used productively in creating economic outputs for sustainable growth (bank, 2011).

Country like Bangladesh which is moving so fast with 7.86% growth rate (GDP growth) still is badly in need of inclusive growth. But income inequality which has risen over the last three decades in Bangladesh is the main obstacle to achieve inclusive growth. Available household level information suggests that the distribution of income is much more unequal than the distribution of consumption (Matin, 2014)⁵ where basic economic knowledge says that distribution of income should be equal to distribution of consumption. Many studies have done to find out the reasons and factors behind this situation. But in context of Bangladesh inclusive growth and income inequality is still a raising question.

Motivation of the study:

Achieving more inclusive growth in one of the most significant long term strategic challenges facing developing countries like Bangladesh as inclusive growth has to assure that the most vulnerable portion of the country are getting the equal opportunities and participation in growth process along with the expansion of national economies. Besides, inclusive growth is ensuring the equal opportunities to labour force and to middle class people in Bangladesh as well. According to the Organization for Economic Co-operation and Development (OECD) a country often fails to tackle three overarching elements: poverty, unemployment and inequality. Therefore, there is a need to address the quality and inclusiveness of economic growth (Durán, 2015)⁶.

5 <http://bea-bd.org/site/images/pdf/063.pdf>

6 <http://www.undp.org/content/undp/en/home/blog/2015/7/31/What-does-inclusive-economic-growth-actually-mean-in-practice-.html>

But the current unemployment rate of Bangladesh remained unchanged at 4.20% in 2017 from 4.20% in 2016. Not only that if we see the historical data of unemployment rate then rate has decreased from 5.10% in 1997 to 4.1% in 2015 and now is in a stable rate for last two years (2016 & 2017). And it is forecasted that it will remain same in 2018 as well.

Again, the survey named “Bangladesh Household Income and Expenditure Survey 2016” reported that Bangladesh’s poverty rate reduced to 24.3% at the end of the last year from 31.55% in previous years.

Where in Bangladesh, poverty rate and unemployment rate is decreasing but at the same time income inequality is increasing significantly. If we see the Gini Index⁷ from 1983 to 2016, then we will see that it has increased from 25.90 to 32.40 and according to the IMF's latest World Economic Outlook (October, 2017), there is a downward trend in labour income shares since 1980s in advance economies and at present it is 4% lower than they were in 1970. Table 1 shows the trends of income inequality and corresponding GDP growth rate in Bangladesh.

Table 1: Gini Index with GDP growth rate of Bangladesh⁸

Year	Value	Change (in %)	GDP Rate
2016	32.40	0.93 %	7.2%
2010	32.10	-3.31%	6.0%
2005	33.20	-0.60 %	6.3%
2000	33.40	1.52%	5.6%
1995	32.90	19.20 %	4.8%
1991	27.60	-4.17%	4.2%
1988	28.80	7.06 %	2.4%
1985	26.90	3.86%	3.7%
1983	25.90	-	4.6%

7 Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

8 The table is taken from world data atlas, Bangladesh-GINI Index

That means income inequality is the major problem for Bangladesh achieving inclusive growth. This paper, therefore, contribute to the identification the factors causing income inequalities and the factors that are needed for achieving inclusive growth, examine and establish relationship among the factors.

Background of the study

Bangladesh has prioritized 13 goals from the SDGs⁹ and put emphasis on securing economic growth that is inclusive, reducing poverty and enhanced equality and improving living conditions of the common people (Jalil, 2016)¹⁰. Among the SDG goals, tenth goal is 'reduce inequality' but achieving the goal is crucial for Bangladesh within 2030s. Recently Bangladesh Bank has published second strategic financial planning covering period, 2015-2019, with the aim of establishing financial good governance, in which six areas including inclusive growth have been emphasized in its detail (Jalil, 2016)¹¹.

Financial inclusion is an important part that can boost up economic growth. For achieving sustainable growth through financial inclusion Bangladesh has become a role model for many other developing nations. Besides, Bangladesh Bank is planning to speed up this financial inclusion through agent banking to reach the rest of the unbanked people. But inequality obstructs this inclusive growth and leads to increase poverty. Inequality also harms the quality relations in the public and political spheres and individual's sense of fulfillment and self-worth. Dhaka city contribute 35% GDP and other cities of Bangladesh have small contribution on total GDP except Chittagong city.

9 Sustainable Development Goals (also known as Global Goals) are a collection of 17 global goals set by the United Nations General Assembly are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

10 <http://dspace.easternuni.edu.bd:8080/xmlui/bitstream/handle/12345/202/The%20concept%20of%20inclusive%20growth%20and%20its%20status%20in%20BD%20%28Part-2%29.pdf?sequence=1&isAllowed=y>

11 <http://dspace.easternuni.edu.bd:8080/xmlui/bitstream/handle/12345/202/The%20concept%20of%20inclusive%20growth%20and%20its%20status%20in%20BD%20%28Part-2%29.pdf?sequence=1&isAllowed=y>

The latest Household Income and Expenditure Survey released by Bangladesh Bureau of Statistics (BBS) found that the income share of the poorest five percent of our population was 0.23 percent of overall income, a sharp fall from 2010 when it was 0.78 percent. In contrast, the richest 5 percent's share of income grew to 27.89 percent, up from 24.61 percent in 2010. This means that the bottom five percent's share of national income has decreased, whereas the richest five percent's has increased (Ahasan, 2018)¹². Income inequality in countries is at its highest level for the past half century. The economic crisis has added urgency to the need to address inequality. Uncertainty and fears of social decline and exclusion have reached the middle classes in many societies.

Then for earning more people are coming to Dhaka City which is bad for the capital of Bangladesh. Because of Centralizing Dhaka city, the government policy makers have less concern about rural areas and people of rural areas. That is resulting in income inequality of poor people of Bangladesh.

The OECD analyses trends in inequality and poverty for advanced and emerging economies. It examines the drivers of growing inequalities, such as globalization, skill-biased technological change and changes in countries' policy approaches. And it assesses the effectiveness and efficiency of a wide range of policies, including education, labour market and social policies, in tackling poverty and promoting more inclusive growth¹³. When inclusive growth is the objective of national development strategies, the focus is on securing economic growth through investing in the social and human resources that enable such growth to be resilient.

Problem statement

The current GDP growth rate of Bangladesh is 7.86% and it is expected to grow by 8.25% in the current fiscal year yet Bangladesh

12 <https://www.thedailystar.net/opinion/economics/why-bangladeshs-inequality-likely-rise-1575079>

13 The information is collected from an article of OECD named inclusive growth-inequality.

<http://www.oecd.org/inclusive-growth/inequality.htm>

is a country of low income economies¹⁴. But studies have shown that poverty has reduced but is the poverty really reducing?As according to recent Asian Development Bank (ADB) data, almost 25% of Bangladesh's population remains below poverty line. And the condition of these people is remaining unchanged because of income inequality. Besides this higher growth rate Bangladesh is experiencing a serious long-term rise in income inequality which is a major concern in Asian countries along with Bangladesh. Income inequality is on the rise and it is not stable. If inequality had remained constant, the same level of growth would have lifted an additional 240 million people or 6.5% of their total populations out of poverty in Asian countries(Donghyun Park, 2015)¹⁵.

Besides, in this crucial point, Bangladesh is badly in need of an inclusive growth as this situation will not change if the labour force and middle class people are not taken into counts along with the poor people. But this, inclusive growth, is not happening for the raising income inequality in this country and many are suggesting that this is the main big reason that is preventing Bangladesh from achieving inclusive growth. Income inequality is the worldwide problem and people are concern about it and focusing more on inclusive growth to solve this problem.

Good governance, good fiscal policy, promotional tax policy etc are some suggestions given by some experts to achieve inclusive economy in Bangladesh. But how these factors will affect to reduce income inequality problem in Bangladesh is still leaving a gap.

Evaluation and Concept of Inclusive Growth

Evaluation of Inclusive Growth

Inclusive growth and inequality have been thoroughly examined by different researchers and experts around the world for a good period of time. Where inclusive growth remains primarily an aspiration and yet no systematic framework has emerged to guide the policy and

14 As of 1 July 2016, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,025 or less in 2015; lower middle-income economies are those with a GNI per capita between \$1,026 and \$4,035

15 <https://www.adb.org/sites/default/files/publication/159536/inequality-inclusive-growth-fiscal-policy-asia.pdf>

practice of inclusive growth (The Inclusive Growth and Development Report 2017, 2017)¹⁶.

When economists see that economic growth and only increasing rate of GDP are not enough to fix problems like income inequality they move for the concept of pro-poor growth that is usually helpful to distribute the weight in an economy and economists claimed to solve problem like income inequality and poverty in a society with this concept of pro-poor growth as it benefits poor. It is the difference between the poverty reduction associated with any particular growth spell and the poverty reduction had growth been equally distributed(Kakwani, 2000). The literature on Pro-Poor Growth had two goals: one technical, of developing new indicators to focus policy on poverty reduction; one economic, as a reaction to Washington Consensus policies which were seen as having increased inequality, with little impact on poverty(Grimm, Sipangule, Thiele, & Wiebelt, 2015). And this concept of pro poor growth gained popularity in late 1990. And it is noted that ‘almost everyone in the development community is talking about “Pro-Poor Growth”’(Ravallion, 2004).

Even though the concept of ‘pro-poor’ gained popularity back then in 1990 but still there are some drawbacks in the concept as the concept of pro-poor growth is only concerned about the people who are below the poverty line. It doesn’t count the people who are above the poverty line such as the middle class people are being ignored. As a result if the poor are only given the opportunity to access into economic growth the problem of income inequality didn’t (doesn’t) solve fully as it is ignoring the existence of middle class people who are living above the poverty line still are the victim of income inequality in an economy. So another alternative policies and growth strategies were needed and this necessitated the need for broad based inclusive growth (Paramasivan S Vellala, 2014). Thus, the concept of pro-poor growth is replaced by the new concept of inclusive growth. And it seems the problem of pro-poor growth being solved as according to inclusive growth it is giving the equal opportunity of participating in economic growth both the middle class people and the poor along with labour force.

16 http://www3.weforum.org/docs/WEF_Forum_IncGrwth_2017.pdf

Concept of Inclusive Growth

Economic growth is the increase in GDP per capita and the measurement must remove the effects of inflation. It talks about the employment rate in an economy along with the labour productivity. It captures only one aspect of development which is income of individuals. Where economic growth doesn't cover any particular group rather it is concern about the growth of economy as a whole. It is good for an economy if its GDP growth rises but it doesn't solve many problems like income inequality in an economy rather there is a concern that economic growth is simply raising income inequality. In 1974, the World Bank published an influential study Redistribution with Growth that suggested that rather than assuming increased incomes were of equal value in the economy, as does gross domestic product (GDP), instead 'distributional weights' should be used to reflect the greater utility of increased income for those on low incomes (Chenery, 1974) (Figure 1).

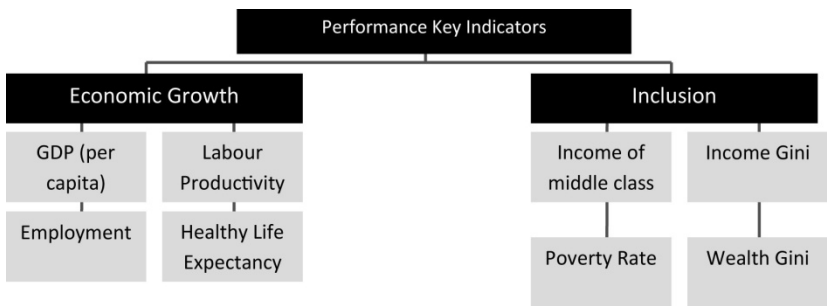


Figure 1: Inclusive Growth and Economic growth Key Performance Indicators¹⁷

The concept of 'distributional weight' goes with inclusive growth. Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all¹⁸. Inclusive growth is broad

17 The figure is inspired by the figure named 'Inclusive Growth and Development Key Performance Indicators', taken from 'The Inclusive Growth and Development Report 2017'.

18 The definition of inclusive growth is given by OECD (The Organisation for Economic Co-operation and Development)

based high growth in which the poor not only benefits there from but also participate in the growth process. It not only creates new economic opportunities but also ensures the equal access to them by all, particularly the poor the maximum possible extent (Paramasivan S Vellala, 2014). Even it focuses on the people who are above the poverty line also. Inclusive growth focuses on ex-ante analysis of sources of, and constraints to sustained, high growth, and not only on one group – the poor (Lundstrom, 2009). That means inclusive growth deals with the people who are below the poverty line such as labour and poor people and it also deals with the condition on middle class people in an economy. And it gives the equal opportunity to all to participate in the economic growth. And by increasing the pace and distribution of growth across sectors and provide productive employment opportunities to close the inequality gap.

Inclusive growth measurement

There are many studies that have shown the measurement of inclusive growth. According to one study macroeconomic stability, human capital, and structural changes are foundations for achieving inclusive growth (Anand, Mishra, & Peiris, 2013).

Some studies are conscious about the measurements that are not same as the measurement of pro-poor growth. Ramos et al.¹⁹ stated that unlike measuring pro-poor growth, measuring inclusive growth requires measuring participation in the growth process using indicators such as employment to population ratio.

Another measurement of inclusive growth is being proposed based on a utilitarian social welfare function drawn from consumer choice literature, where inclusive growth depends on two factors: income growth and income distribution (MISHRA, 2013). In terms of measurement of inclusive growth the author pointed the social mobility curve where greater the area under the social mobility curve the higher is inclusive growth and has tracked the evolution of inclusive growth by the distribution of emerging markets on inclusive markets.

19 Ramos, R., Ranieri, R. and Lammens, J. (2013). Mapping Inclusive Growth. Brasilia: International Policy Centre for Inclusive Growth. <http://www.ipc-undp.org/pub/IPCWorkingPaper105.pdf>

World Bank has measured income growth of bottom 40 percent of population. It can be benchmarked against average income growth of entire population. Asian Development Bank (ADB) has come with another measurement tool named indicator system that includes both positive indicators and reverse indicators, as well as range indicators. The other existing approaches of measuring inclusive growth are given in the table below:

Table 2: Existing approaches of measuring inclusive growth²⁰

Framework (source)	Key features	Stated rationale
Single or headline indicator(s)		
World Bank's Global Database of Shared Prosperity (World Bank, 2015)	Measures income growth of bottom 40 per cent of population. Can be benchmarked against average income growth of entire population.	Provides direct focus on less well-off and moves way from emphasis on GDP per capita.
LSE Growth Commission (Aghion et al., 2013)	Advocates measuring median household income as a complementary indicator to GDP growth.	GDP is an inadequate measure of human wellbeing. The choice of a single complementary indicator reflects our 'limited collective attention span'
New Economics Foundation (NEF) proposal to set targets for tackling inequality in the UK (NEF, 2014)	NEF propose setting targets within the UK for inequalities using the following indicators: income inequality as measured by the Palma ratio (the ratio of richest 10% of the population's share	The negative social and economic impacts of rising inequality demand that the UK government set targets for tackling inequality in the same way that it currently

20 Christina Beatty, Richard Crisp and Tony Gore. In inclusive growth monitor for measuring the relationship between poverty and growth.

https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/inclusive-growth-monitor-poverty-growth_0.pdf

	of gross national income (GNI) divided by the poorest 40% of the population's share); inclusive growth measured by change in real median household incomes to gauge if and how the population is benefitting from economic growth or being hit by recession; wealth inequality measured by the concentration of wealth in the top 1%, captured using tax records and ONS surveys	has targets for poverty.
Dashboard of indicators		
Asian Development Bank's Framework of Inclusive Growth Indicators (ADB, 2011)	An annual dashboard of 35 inclusive growth indicators across 48 Asian and Pacific countries that cuts across a series of themes: (i) poverty and inequality (income and non income); (ii) economic growth and employment; (iii) key infrastructure endowment; (iv) access to education and health; (v) access to basic infrastructure utilities and services; (vi) gender equality and opportunity; (vii) social safety nets; and (viii) good governance and institutions.	Growing income inequalities in the Asia Pacific region despite economic growth can exclude the poor from the benefits of growth, waste human capital and threaten social unrest that could undermine the long term sustainability of growth
Minneapolis-St. Paul (MSP) Regional	A dashboard of 55 indicators across eight	The dashboard is intended to track the

Indicators Dashboard (Greater MSP, 2015)	themes (economy, education, infrastructure, business vitality, environment, talent, livability, and vital statistics) that compares the performance of MSP to 11 other regions in the United States. It includes two 'shared prosperity' indicators based on poverty rates for, respectively, white people and people of color	region's change on economic, environmental, and social outcomes as the basis for improving the region's economic competitiveness
Composite index		
International Policy Centre for Inclusive Growth (IPC-IG) Inclusiveness Index (II) (Ramos et al., 2013)	Index of developing countries based on three indicators of: poverty (headcount ratio at US\$2 a day PPP); inequality (measured using GINI); employment (employment to population ratio). Countries are scored using a min-max normalization of data on its three component parts i.e. scores for each country are based on distance from the best situations within the group of developing countries analyzed.	Addresses a need to develop an inclusive growth framework that can measure how the proceeds of growth are distributed (poverty and inequality) and how growth changes opportunities for economic participation (employment).
Demos-PWC Good Growth Index (PWC, 2013)	The Demos-PWC Good Growth for Cities Index measures the performance of the largest UK cities (at LEP level) against a basket of ten categories	Aims to shift debate on local economic development from a narrow focus on Gross Value Added (GVA) to a more holistic measure,

	defined and Weighted through public surveys of what economic success and wellbeing means. Each category is represented by a single indicator.	understanding the wider impacts that are associated with economic success in a city.
Brookings Metro Monitor (Brookings, 2016)	Assesses relative change in the 100 largest US metropolitan areas by using nine indicators that are standardized and aggregated into composite ranks against three headline categories: growth, prosperity and inclusion.	Aims to advance newways of measuring success in metropolitan America and provide data to help local and regional leaders understand whether economic development is yielding better outcomes.

Understanding income inequality

The issue of income inequality is now a common phenomenon around the world and there are empirical evidence available that inequality has been on the rise for the four decades in developed countries. From the word the common assumption of income inequality is uneven distribution of income among the people of a society. In the theory of economy, income inequality is the discrepancy between poor and rich in terms of income distribution.

Another definition of income inequality is- income inequality is a measurement of the distribution of income that highlights the gap between individuals or households making most of the income in a given country and those making very little.²¹

Inequality is concerned with the uneven distribution of resources and opportunities among individuals, among groups in a population or among countries, occurring at a given point in time or over time

21 The definition of income inequality is taken from 'Business Dictionary'.
<http://www.businessdictionary.com/definition/income-inequality.html>

(Yang, 2017)²². It is different from economic inequality in a sense that unlike economic inequality it just focuses on the discrepancy in income where economic equality focuses on the disparities in income, wealth and consumption.

Income inequality is a raising concern around the world and Bangladesh is not an exception. This is an objective of economic policy to decrease income inequality as it is related with the country's overall economic growth.

Income inequality and poverty

The basic concept of poverty is the situation where people are unable to meet the need of basic commodities like food, cloths etc due to lack of money. But the concept of poverty is not limited to that. It is more than just having lacking in money. And the concept of poverty varies person to person. There are many scholarly articles that have defined poverty. But in this paper, by poverty we will mean the people who are living under poverty line.

Though the usual relation between poverty and income inequality is income inequality raises the poverty rate as it widens the discrepancy of income between rich and poor. As a result the rich becomes richer and the condition of poor becomes worse. A report by the Organization for Economic Cooperation and Development (OECD) suggests that the overall rise in income inequality is driven by the top rich 1% who have seen their incomes accelerate away from the average. But the data of poverty rate Bangladesh gives a positive indication that the poverty rate of Bangladesh is dropping year to year. According to National Poverty Rate of Bangladesh the poverty rate in 2016 for April- June was 23.2% which is dropped from the poverty rate 48.9% in 2000 (Table 3).

22 <http://sticerd.lse.ac.uk/dps/case/cp/casepaper205.pdf> (Date: 10.22.18)

Table 3: Poverty rate trends in Bangladesh²³

Year	Annual Poverty Rate	Quarterly Poverty Rate	Comment
2000	48.9%	34.3%	Annual Extreme Poverty
2005	40.0%	25.1%	Annual Extreme Poverty
2010	31.5%	17.6%	Annual Extreme Poverty
2016	23.2%	12.9%	New Quarterly Poverty Rate

Even if we see the scenario of poverty in different district we will see a gradual fall in poverty in Bangladesh.

Table 4: Poverty and Income Inequality Scenario²⁴

National Poverty	2010	2016
Moderate Poverty	31.5	24.3
Extreme Poverty	17.6	12.9
Income inequality		
Gini coefficient	0.458	0.483
Household Income		
Share of lowest 5%	0.78	0.23
Share of Top 5%	24.61	27.89

Table 4 indicates that the poverty of Bangladesh has decreased from 31.5 in 2010 to 24.3 in 2016. But the scenario of income inequality is just the reverse. It has risen from 0.458 in 2010 to 0.483 in 2016. And if we see the 5% share of lowest has more decreased in 2017 than

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- 23 National Poverty Rate of Bangladesh the poverty Based on Quarterly Estimates
http://203.112.218.65:8008/WebTestApplication/userfiles/Image/Latest News/Infographic_HIES_2016.pdf
- 24 Source: BBS, HIES 2016; HCR= Head Count Rate
 The table is taken from a news report of Financial Express.
<https://thefinancialexpress.com.bd/views/revisiting-income-inequality-and-poverty-in-bangladesh-1512309283> (10.23.2018)

2010 but on the other side the 5% share of the top has raised in 2016. This is a clear indication of increasing income inequality in Bangladesh.

In 2016, 5 districts were recorded with highest poverty rate and 5 districts were recorded as lowest poverty rate (Table 5).

Table 5: Districts with highest and lowest poverty rate²⁵

2016			
Top 5 districts with highest poverty HCR (%)		Top 5 districts with lowest poverty HCR (%)	
District	Rate	District	Rate
Kurigram	70.8	Narayanganj	2.6
Dinajpur	64.3	Munshiganj	3.1
Bandarban	63.2	Madaripur	3.7
Magura	56.7	Gazipur	6.9
Kisharganj	53.5	Faridpur	7.7

Vision 2021, Inclusive growth, income inequality and poverty

Bangladesh govt. has set a goal for the country named ‘Vision 2021’. The vision is making Bangladesh a digital Bangladesh by 2021 when Bangladesh will be celebrating 50 years of independence. The goal relate to the following aspirations(Hasan, 2007)²⁶:

- To become a participatory democracy
- To have an efficient, accountable, transparent and decentralized system of governance
- To become a poverty-free middle-income country
- To have a nation of healthy citizens

25 Source: BBS, HIES 2016; HCR= Head Count Rate

The table is taken from a news report of Financial Express.

<https://thefinancialexpress.com.bd/views/revisiting-income-inequality-and-poverty-in-bangladesh-1512309283> (10.23.2018)

26 <http://saber.eaber.org/sites/default/files/documents/Bangladesh%20Vision%202021.pdf> (10.23.2018)

- To have a skilled and creative human resource
- To become a globally integrated regional economic and commercial hub,
- To be environmentally sustainable
- To be a more inclusive and equitable society

Making Bangladesh poverty free middle-income Bangladesh and to be a more inclusive and equitable society are one of the aspirations of 'Vision 2021'. Poverty free middle income Bangladesh means reaching an average per capita income level of around US\$1000 (in present day dollar terms), based on a GDP growth rate of at least 8 percent per annum over the next fifteen years. It is aimed that Bangladesh will be poverty free as it is focusing on inclusive growth rather than economic growth. And data prove that poverty rate is decreasing in this country but income inequality is not that is hindering to achieve inclusive growth in Bangladesh.

Factors affecting inclusive growth and income inequality

1.Human Development: For achieving inclusive growth human development is a fundamental factor²⁷. Poor people live on labour. So their health is very important to them. If the govt. of Bangladesh gives a concentration on that then they will be more active in participating economic growth. For this, policies addressing human resource development should be implemented.

People who are healthy and capable earn more money than the people who are not physically strong and when the people of an economy is developed they will be more capable in providing labour this is will decrease income inequality. So, unhealthy human resource is a reason for income inequality as well. If the human is developed it will decrease income inequality and will help to pave a way to achieve inclusive growth.

2. Employment opportunity and Reducing Gender based inequality: Employment opportunities should be created for the poor along with the middle class people of Bangladesh. If these people are given more employment opportunity then it will create more ways to them to perform for the economic growth.

27 <http://gsdrc.org/wp-content/uploads/2015/06/InclusiveGrowth.pdf>
(23.10.2018)

Bangladesh has experienced good GDP growth for the last few years and it is forecasted that it will have good GDP growth in future as well but jobless growth is a problem to Bangladesh. The data in Table 6 show that there is decrease in unemployment rate in Bangladesh but the problem is yet as acute as the rate of unemployment rate is till concerning. So for achieving inclusive growth creating employment opportunity is an important factor.

Table 6: Unemployment Rate in Bangladesh²⁸

Year	Unemployment Rate (%)
2008	3
2009	5
2010	4.5
2011	4.5
2012	4.5
2013	4.3
2014	4.2
2015	4.1
2016	4.2
2017	4.2

The unemployment rate shows that the rate is quite stable and even it has risen from 4.1 to 4.2 in 2015 and 2016. So, this is problem to Bangladesh for achieving inclusive growth.

Many researchers have showed the relation between unemployment rate and income inequality. The distribution of income in different sectors, including gender is also reasons for income inequality.

Apart from the income inequality between poor and rich people in Bangladesh another income inequality that is acute in Bangladesh is income inequality between men and women (Table 7). Women play an important role in an economic growth of a country, if these women don't get what they deserve then it becomes a loss for an economy of a country.

28 <https://tradingeconomics.com/bangladesh/unemployment-rate>
(23.10.2018)

Table7: Employed population in Bangladesh (in millions)

Year	Women	Men
1999-2000	7.90	31.10
2002-03	9.80	34.50
2005-06	11.30	36.10
2010	16.20	37.90
2013	16.80	41.20

Above statistics (Table 7) shows that even if the employment rate is decreasing for both female and male but there is a sharp discrimination between male and female employment rate. And this difference between male and female employment rate the income inequality is on a rise in Bangladesh as well.

Apart from the income inequality between male and female of the country, the female citizens don't get so much benefit for their transportation system. In this country bus is the major public transportation. But most of the time buses remain overcrowded because of deficiency and improper management which cause the adverse and unsafe environment for the traveler, especially for women(Sazida Binta Islam, 2016)²⁹. As a result women often become the victim of harassment in these public transportations. Besides, it is easy for men to move from one place to another in a crowded bus, they even manage to reach their workplaces in these crowded buses but this is quite unsuitable and uncomfortable for women. The consequences result in their productivity. They cannot reach their workplace on time, they have to think about their safety, as result they cannot be as productive as men are even though they have the same productivity.

The government of Bangladesh should give concentration on this problem along with solving the income inequality gender based. Women are weaker than men in nature but they are not less productive than men. And not having same or some benefits they are more falling behind. And for not being able to give what they are intending to, they cannot participate in economic growth as men. Bangladesh govt. in this case, can make the transportation system of this country woman friendly. This can be a possible way to reduce

29 file:///C:/Users/USER/Downloads/249-14611346771-6.pdf
(26.10.2018)

the income inequality between men and women. If it is done then it will help Bangladesh to have inclusive growth as well because it will create opportunities for female both poor and middle class to contribute more in the economy.

3. Fiscal Policy: Fiscal policy is another important factor that affects inclusive growth. The ADB (2014) has found that government expenditure is a more effective fiscal tool than taxation as it can target low-income groups directly, and that government investment in the human capital of the poor is fundamental for inclusive growth³⁰. The fiscal policy of Bangladesh should be progressive fiscal policy. Progressive fiscal policy is poor-friendly. According to progressive fiscal policy those who will earn more money will give more tax. This will also pave a way to reduce income inequality problem as well.

4. Entrepreneurial Success: entrepreneurial success can be another factor that can be helpful for both inclusive growth and income inequality. If people are more focused on being entrepreneur then it will create more job sectors for both poor and middle class people. Thus they will have more opportunity to participate in economic growth and their possibilities of having equal opportunities will increase as well. Besides, it will rise the numbers of high income individual which will reduce the income inequality rate.

5. More investment can be another solution: If the people are more motivated to invest in different sectors then it will contribute to inclusive growth and reduce income inequality as well. As when people will invest in different sectors then it will help different job sectors to be widening more which will create more job opportunities for the poor and middle class people.

6. Access and Inputs to Education as Education affects wages: For having good human resource access to education is must. The data in Table 8 depict that higher education may not provide guarantee for employment since the quality of education matter. Individuals with different levels of education often earn different wages because the level of education is often proportional to the

30 <http://gsdrc.org/wp-content/uploads/2015/06/InclusiveGrowth.pdf>
(23.10.2018)

level of skill. With a higher level of education, a person may have more advanced skills that few workers are able to offer with higher wage. Though the literacy rate for female has risen from 16.43% (1974) to 49.40% (2011) and for male it has raised from 36.62% (1974) to 54.10% (2011)(Shilpi, 2017)³¹ and it has been said that the literacy rate has become 70% currently but receiving the same level of education does not mean receiving education of the same quality. This is increasing unemployment rate that is clearly increasing the income inequality.

**Table 8 : Unemployment rate in Bangladesh
by education (in %)³²**

Sectors	Unemployment rate
National	4.2
No primary schooling	1.5
Some or completed primary	2.7
Secondary or post-secondary non-tertiary	6.4
Tertiary	11.2
Not specified	4.6

If the quality education is ensured to provide all level of people in Bangladesh then it will be easier to achieve inclusive growth also. As then the poor will be more capable to contribute and participate in economic growth.

7. Creating skilled labour force: One of the important factors that create income inequality in Bangladesh is unskilled labour force. Bangladesh has a good number of labour force but for being not skilled and not being able to provide what a certain sector needs from them, they are remaining unemployed.

31 http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/4c7eb0f0_e780_4686_b546_b4fa0a8889a5/BDcountry%20project_final%20draft_010317.pdf (24.10.2018)

32 The table is taken from Dhaka Tribune

<https://www.dhakatribune.com/business/2018/03/21/bbs-labour-force-survey-2016-17-female-labour-force-growth-dwarfs-males> (24.20.2018)

Table 9 : Trends of labour under utilization³³

	2015-2016	2016-2017
Unemployed	2.59	2.68
Time related underemployed<40	1.76	1.46
Potential labour force	2.76	2.43
Total	7.11	6.58

The data in Table 9 show that the rate of unemployed people has increased for the year 2016-2017. And there is a fall in potential labour force in the year 2016-2017 as well. Among many reasons unskilled labour force is one of the majors. Though the total unemployment rate has reduced but the income inequality is on a rise for this factor.

Unskilled labour force is a barrier to inclusive growth also. For being unskilled the labour, poor and middle class people are not getting work or job. As a result they are remaining unemployed or underemployed. The govt. of Bangladesh has to come forward to solve this problem to achieve inclusive growth for the country. For this purpose training can be given to them in different sector to make them capable for the job sector.

8. Social safety net: Social protection to the vulnerable section of an economy can contribute to inclusive growth. Social protection is particularly important to cater to the needs of those who are chronically poor, and who cannot participate in and benefit from the opportunities created by growth due to circumstances beyond their control(bank, 2011)³⁴. So if they are given protection they will be more capable to contribute in economic growth. There is stronger empirical evidence to show that social protection programs have a positive impact on measurable service delivery and human development outcomes, such as health and education,

³³ <https://www.dhakatribune.com/business/2018/03/21/bbs-labour-force-survey-2016-17-female-labour-force-growth-dwarfs-males> (23.10.2018)

³⁴ <https://sustainabledevelopment.un.org/content/documents/739indicators.pdf> (24.10.2018)

while their effects on longer-term social development goals and economic growth rates are less clear(Alexander, 2015)³⁵.

And there are many evidence shows that social protection or safety nets are making a substantial contribution in reducing poverty. Safety nets help people escape extreme poverty, close the poverty gap, and reduce income inequality³⁶.

9. Rural areas based development: Bangladesh has focused on urban areas since her independence as a result the rural areas haven't gotten as much as concentrations like urban areas. As a result while growth of urban areas is on increase but rural areas stayed behind (Table 10). The rural population has been growing at about 1 to 2 percent per year since at least 1970, a rate that is slowly declining. The rural population will practically cease to grow by 2020, while population growth in urban areas will continue(Chowdhury, 2004)³⁷. The growth of urban areas is higher than rural areas for the last 30years.

Table 10: Urban and Rural growth in Bangladesh³⁸

Year	Urban growth rate (%)	Rural growth rate (%)
1970	7.8	2.1
1980	5.8	1.9
1990	4.7	1.7
2000	4.3	1.3
2010	3.7	0.8
2020	3.0	0.2

³⁵ <http://gsdrc.org/wp-content/uploads/2015/06/InclusiveGrowth.pdf>
(24.10.2018)

³⁶ The statement is taken from an article of World Bank named 'Social Safety Nets Help Reduce Poverty and Income Inequality'
<http://www.worldbank.org/en/news/infographic/2018/04/04/social-safety-nets-help-reduce-poverty-and-income-inequality> (24.20.2018)

³⁷ http://www.carebangladesh.org/publication/Publication_8999853.pdf
(26.10.2018)

³⁸ The table is taken from "Urban-Rural Links and Transformation In Bangladesh: A Review of the Issues"
http://www.carebangladesh.org/publication/Publication_8999853.pdf

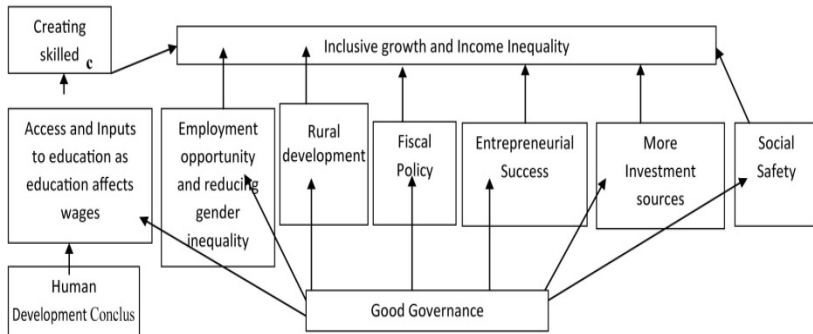
When urban people are getting many facilities rural people are just on the opposite side of a coin. As a result they are becoming the victim of many inequalities regarding their health, education even in the income inequality as urban people get all the benefits than rural people. The above table shows the evidence of growth rate difference between urban and rural areas. The urban growth rate increased from 3.9 percent per year in 1950-55 to a high of 10.7 percent in 1975-80. The growth rate then declined to about 4.3 percent per year today (Chowdhury, 2004) and it is estimated that the growth rate will be 3% in 2020 where the rural growth rate will be 2%, still lower the urban growth rate. For getting fewer benefits in every sector they are moving to city as the population load for Dhaka is increasing day by day which is hindering the health of the city. On the other side they are lagging behind to participate in economic growth that hinders the definition of inclusive growth.

A country cannot develop if there is less concentration given on its rural areas. Bangladesh has a good space for moving forward but for the population, the facilities and the developments are not well distributed. If there were well distribution in every sector then there was a different situation now. So the govt. should make the rural based development plan to solve the problem like inequality and to contribute for inclusive growth as well.

10. Good governance: Inclusive growth focuses on expanding the equal opportunities to poor along with middle class people. For this good governance can be a good way to contribute inclusive growth. To implement inclusive policies successfully government effectiveness will have to be strengthened (Paramasivan S Vellala, 2014)³⁹. Then again good policies taken by govt. can also help to reduce income inequality problem in Bangladesh. Many experts have said that good governance can help to overcome problem like income inequality.

39 http://www.ijhssnet.com/journals/Vol_4_No_13_November_2014/27.pdf (24.10.2018)

Figure 2: A Comprehensive Framework for Inclusive Growth



Conclusion:

Bangladesh has a good possibility in near future. Along with the vision 2021 if Bangladesh can achieve inclusive growth that it will open many opportunities for Bangladesh. Then again with proper policies Bangladesh should have to focus to reduce income inequality as it is the main barrier toward inclusive growth. Income equality is the main devil in the progress of Bangladesh so the govt. of Bangladesh should take proper steps to reduce it and should be more active to achieve inclusive growth.

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Nature of Victimization of Female Garments Workers: An Empirical Study in Dhaka

Mahmuda Akter¹

Md. Kausar Ahmed²

Abstract

The garment industry has become a major source of foreign currency for the last few decades of Bangladesh. The primary objective of this study was to find out the nature of victimization of female workers in garments industries in Bangladesh. This study also searched for deferent types of physical victimization and contributing factors of victimization of female garment workers as well as explored the perception of female garments workers to reduce their victimization. Descriptive type research design was used in this study where data were collected from the female garments workers of Savar industrial zone of Dhaka. Non-probability purposive sampling was followed to select 90 respondents through survey method consisting of structured questionnaire. The data was analyzed using SPSS. This study found that different victimization has become a common issue for the female garment workers which includes both physical, psychological violence. Here, verbal abuse and abusive behavior from the superiors at the workplace are gendered, lack of job security, dissatisfactory working condition etc. So, female garment workers are in worst situation and also facing more violence than the males. Moreover, the female garment workers are not aware about the application of labour laws in their garments factories which creates obstacles in their working condition and violates their basic rights and labour rights.

Key Words: *Female workers, RMG Sectors, Abusive behavior, Violation of rights, Victimization.*

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- 1 Assistant Professor, Department of Criminology and Police Science, Mawlana Bhashani Science and Technology University, Tangail, Bangladesh.
 - 2 MS, Department of Criminology and Police Science, Mawlana Bhashani Science and Technology University, Tangail, Bangladesh.

1. Introduction

The garment industry of Bangladesh has very significant contributions to the country's development as well as bringing social change in terms of foreign earnings, employment opportunities, women empowerment (Absar, 2002). The contribution of Bangladesh ready-made garment industry in the world apparel sector is also significant; currently it has become 2nd largest exporters of garment products in the world. More than 4 million workers invest their labours in the sector (The textile today, 2017). In align with this positive achievements, the sector is facing some challenges such as maintaining social standards of business, safety at works, ensuring equal labour rights to the workers specially towards female garments workers in Bangladesh (Bhuiyan, 2012).

The Readymade Garment (RMG) industry of Bangladesh has given the opportunity to millions of unemployed, unskilled and less educated poor women to work. At present, there are four thousand five hundred thirty six (4536) garment factories in Bangladesh where 4 million workers are working where more than 80% are females (BGMEA annual report, 2016-17). Their working condition is not satisfactory as they are facing violation of worker's rights such as long working hours, lack of medical and health facilities, minimum wages, mandatory overtime, less payment of overtime, lack of hygiene and opportunity to perform religious activities, fear of losing job and fire accidents, physical, psychological and physical harassment as well as bad behavior and abuse word of supervisor at workplace. They have also the problem of domestic violence most often due to overtime (Khan, 2001).

The female workers often fight two enemies simultaneously- overall insecurities in life as a women and poverty. Most of the female workers travel to and from the workplace on foot which is physically very stressful and also they become worried about attacks by mastans, by touts, harassed by police or by men in the streets (Khan, 1993). About 70% of the female workers traveled by bus experienced abuses by the conductors and the drivers though the workers are willing to pay more for their safe and secure transport facilities (Majumder and Khatun, 1997).

Physical harassments are also major threat for female workers in the labour market which includes verbal abuse, insensible interpretation or language and undesirable touching seize and other physical attack

that extended to the workplace to home too. The police also occasionally harassed those (Dasgupta, 2002). Sexual harassment is an important cause of mental stress for female workers. In a survey 500,000 employee were found to be suffering from work related stress (Islam, 2004). Moreover, about 70% respondents experienced work related psychological stress. The informal nature of their job also creates one kind of mental pressure for them (Bhuiyan, 2013).

Harassments by male colleagues or by management in the workplace are very common for the female workers in the RMG sector. More than 50% of the female workers are harassed or tortured physically, mentally, sexually or other ways (Chowdhury and Ullah, 2010). Majority of them don't take any steps to resist the violence and only six percent taken the action due to social image and fear of losing job (Sohani, 2011). Moreover, they are also facing sexual, verbal and psychological harassment as well as eve teasing by the passersby, bus stuff and often by the co-workers. The female workers do not enjoy rest, leisure or recreation as guaranteed under international labour convention. (ILC article no 29 and 111) (Majumdar and Chaudhuri 1994). More than 68% female workers said that they were beaten in the factory and their colleagues were beaten too. In many cases the female workers were found to be brusque with each other (Begum and Shahid, 2010).

These huge numbers of undocumented female garments workers are highly vulnerable to abuse, and rarely seek assistance of the Bangladesh Mission. Rana Plaza incident has offered a great opportunity to revisit the current status of the workers. That incident has increased awareness among various stakeholders of the sector including Bangladesh government, foreign buyers, and factory owners to improve the working condition and ensure workplace safety for the workers as early as possible (The Textile Today, 2017).

In Bangladesh, there is inadequate study especially on the violence against female garment workers. There is lack of sociological research into the nature of violence against female garment worker. In criminological view, this study focuses on explaining the causes of increasing female garment workers victimization rate in transitional area, identifying types and exploring recommendations. This paper presents the current status of the labour rights of female garment worker in Bangladesh and find out the vulnerable risk factors as well as deferent types of physical victimization against female garment workers.

2. Objectives of the Study

The primary objective of this study was to find out the nature of victimization of female worker in garments industries in Bangladesh. To fulfill this, the specific objectives of this study were as follows-

- i. To explore different types of physical victimization against female garment workers.
- ii. To find out the contributing factors of victimization of female garment workers.
- iii. To investigate the perception of female garments workers to reduce their victimization.

3. Research Methodology

Descriptive type quantitative research design was used to conduct this study. Savar industrial zone of Dhaka division was selected as study area because of the availability of huge number of female garments workers considering the feasibility of data collection time and resources. All the female garments workers of the study area were considered as the population of this study. By using non-probability purposive sampling 90 respondents were selected. Survey method was used to collect data through structured questionnaire of both open ended and close ended questions about the nature of victimization of female garments workers. After coding process, data was imputed into the format of SPSS data editor and desirable tables and analysis was made from it. This study mostly used descriptive statistics of univariate and bivariate statistical tools for analyzing data and to present them.

4. Findings and Analysis

4.1. Socio demographic characteristics of the Respondents

Several studies indicate that the majority of female garment workers are young. This survey also shows that most of the female workers respondents' age were between 20 to 35 years old (73.3%) while 22.2% worker were 31-35 years and only 4.4 % were less than 20 years of age. Then, in case of religious status this study shows that most of the respondents' workers were (86.7%) Muslim and only 13.3% was Hindu. Besides, this survey reveals that majority of the respondents (78.9%) were married while 17.8% are unmarried and only 2.2% respondents were divorced and separated.

Instead, regarding educational qualification, this study found that most of the respondent's educational level was up to primary (62.2%) while 28.9% had S.S.C or JSC and only 2.2% had passed higher education. But 6.7% were illiterate. So, most of the garment workers have very low educational background and the easily provide their labour very cheaply in the garments. After that, the residential places of the respondents were also not in standard. This study depicts that most of the respondents (78.9%) live in semi urban areas while other respondents live in rural area.

4.2 Current Working Status of Respondents

Table No 1: Current working status of respondents

Current working status of respondents		Number	Percent (%)
Tenure of working (Year)	0-2	21	23.3
	3-8	62	68.9
	8+	7	7.8
Total		90	100
Weekend Facility	Having weekend facility	81	91.1
	Do not having weekend facility	9	8.1
Total		90	100.0
Equal wages facility	Equal age like male	90	100
Maternity leave facility	Material leave	90	100
Recreational Facility	No Recreational facility	90	100

Table 1 shows that most of the respondents (68.9%) were already in service for 3-5 years and more than 8 years' service worker were only 7.8%. A study by Sikdar (2014) shows about 43.75 percent of female workers had past experience of 1 to 3 years and 68.75 percent have 1 to 3 years of present working experience in the garment industry.

Good quality of work demands enough leisure periods. Table 1 also represents that 91.1% of the respondents have weekend and 8.9% claim they have no weekend. Most of them claim that not all the time but sometime when there is more work in factories they have to work even in weekend. Section 103 of the labour code makes the provision of one day weekly holiday for all the workers employed in a factory.

Equal wage is still not ensuring in almost all garment sectors in Bangladesh. Table 1 also presented that all respondents opinioned that they are not equally treated for salary in comparison to male workers. Besides female garment workers do not get leave for marriage which is enjoyed by male garment workers. Almost all garment factories ensure maternity leaves for 3 months to 6 months. Sikdar (2014) shows that, 60 percent of the workers are getting 4 month maternity leave and 32.5 percent get 3 months. In this service garment authority provides them maternity bonus ten (10) to fifteen (15) thousand taka. Some garments which are giving with pay leave they only provide regular salaries to their workers and 20,000 taka for the delivery. In addition, recreational facility is another important criterion to maintain regretful mind which is essential for better working. Table 1 showed that, the recreation facilities of our garments industries are absence and all respondent replied in negative that no recreational facilities in their office.

4.3 Nature of victimization Faced by Respondents

Table No 2: Nature of victimization Faced by Respondents

Nature of victimization of respondents		Number	Percent (%)
Victim of violence	Yes	55	61.1
	No	35	38.9
Total		90	100
Types of Victimization	Physical	77	85
	Psychological	13	15
Total		90	100
Types of Physical Violation	Seduce	40	44.68
	Eve Teasing	31	34.04
	Sexual Rebuked	15	16.78
	Attempt to rape	4	4.5
Total		90	100
Types of Psychological Violence	Fear	5	62.5
	Stress	3	37.5
	Total	90	100

This study shows in table 2 that majority (61.1%) of the respondent had experienced of violence and few of them (38.9%) have no experience of violence. This result is closely to the earlier research of

the Hasan (2014) which discloses that 73.33% of the respondents have experienced violence at workplace and only 26.67% do not face it. That means, the female garment workers are faced violation because of lack of guardian and risky opportunity and presence of motivated offender in bus and working place. Routine activity theory says that crime occurs whenever three conditions come together: (1) suitable targets (2) motivated offenders and (3) absence of capable guardians. The phenomena that criminals and victims often have the same socio-demographic characteristics (e.g., are in relatively the same age group) is known as the propinquity hypothesis; and that criminals and victims often live in physical proximity to one another is called the cohesive relationship between the criminal and victim. There have significance relationship between the life patterns and discipline of daily life and the potentiality of becoming a victim of crime, (Hasan 2014).

Besides, table no 2 also shows that, most of the respondents (85%) faced physical violation and 15% faced psychological violence. Another study of Hossain, (2010) shows that 35% percent of workers having been subjected to sexual or other abusive expletives in the workplace, 22% are subjected to any unwanted physical contact, 68% of non-EPZ and 25% of EPZ workers reported verbal harassment, including being sexually propositioned. In local Bangladeshi factories, workers become most vulnerable to physical harassment and rapes. During night shift, the risk of sexual assault or rape inside the factory rises from the end of working hour to their arrival period of reached home. So, the situation of female worker in Bangladeshi garment is very worse (The textile today, 2017)

Table 2 also showed that most of the female worker (44.68%) have been experienced victimization of seduce like touch in sensational body part, hug, and push in crowd while eve teasing is 34.04% and sexual rebuke about body and attempt to rape is 4.25%. Another study of Siddiqi (2003) shows us most (68%) of the workers in the Bangla factories also accused coworker, supervisors, linemen, line chiefs, and production managers of various forms of physical abuse pulling hair, hitting on the head, stroking, touching the body, and even kissing workers as the latter sit at their machines. Not only in the office almost total are victimized by bus passengers especially older males also shove, squeeze, pinch and make suggestive comments. Besides, table 2 also indicates that most of the

psychological violence is fear (62.5%) and stress (37.5%) which comes from sudden verbal abuse or pressure of supervisor of the garment factory.

4.4 Vulnerable Factors of Victimization of Respondents

Table No 3: Vulnerable Factors of Victimization of Respondents

Vulnerable Factors of Victimization of respondents		Number	Percent (%)
Types of Offender	Co-worker	10	10.90
	Supervisor	32	36.36
	Unknown	48	52.72
Total		90	100
Times of victimization	Morning	9	10.90
	Noon	16	18.20
	Evening	23	25.4
	Night	42	45.45
Total			
Place of Victimization	Working place	14	25.45
	Transportation	41	74.55
Total		90	100

Table 3 found that, majority (52.72%) female worker respondents have been victimized by unknown person while 36.36 % female worker had victimized by co-worker and 10.90 % had victimized by supervisor. Besides this study shows that, most of the respondents (45.45%) are victimized at night, 25.45 percent female workers are victimized at evening. Female garment workers also victimized (18.20%) at noon and few female garment workers (10.90%) are victimized in morning /early morning. Moreover, the table 3 also shows that 25.45 % of the respondents have experienced violence at workplace and 74.55 % of the respondents have experienced violence at transportation. Form this, it has found that the workers of the RMG sector are frequently facing violence at workplace and transportation.

4.5 Perception of the Respondents about Reduction Policy of Exiting Victimization

Table No 4: Reduction Policy of exiting victimization

Reduction Policy of Victimization	Number	Percent
Avoid crowed in bus	9	10.0
Separate bus	25	27.8
Anti-harassment policy	18	20.0
Monitoring	12	13.3
Punishment	19	21.1
Gender equality	2	2.2
Media	5	5.6
Total	90	100

The table no 4 shows that the women who become victimized want separated bus (27.8%). Almost all respondents victim are avoiding crowed in bus (10%). Here, 21.1% respondents claimed about ensuring the punishment want of the offender. Besides, many respondents prefer monitoring and anti-harassment policy which is 13.3% and 20% respectively. Some respondents want to ensure media responsibilities (5.6%) to broadcast anti-harassment programmes.

4.6 Cross Tabulation

Table No 5: Relation between age of respondent and types of violation

	Types of violation				Total
Age of the respondent (Year)	Psychological		Physical		
	Number	percentage	Number	percentage	
15-20	0	0%	2	3.64%	2
21-25	5	9.10%	34	61.81%	39
31-35	3	5.45%	11	20.00%	14

Table no 5 shows that violation varies on age of the female worker. 21-25 years old female are more physically victimized (61.81%) and psychological it is 9.10%. On the other, 31-35 years old female workers are both psychologically victimized (5.45%), and physically victimized (20%) while 15-25 years female workers stay at less risk of physical violation greatly (almost 65%).

From the feminist perspectives, the poor female garment workers has created a more flexible labour market. Most of the female RMG workers are young, divorced either being oppressed by husband and other family members. It is very easy to control the female labour and make them work for a long time without leave facilities. Sometimes they have to work on weekly holidays. They work in holidays through they get salary for it but do not get alternative leave. They have to work for a longtime and super exploited by the multinational corporations. As a result, their chance of being victimized is increasing day by day.

Table No 6: Relation between age of respondent and types of physical violation

Age of the respondent	Types of physical violation								Total
	seduce		Eve teasing		Sexual rebuke		Attempt to rape		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
15-20	1	2.08%	1	2.08%	0	0%	0	0%	2
21-25	18	37.5%	12	25	2	4.17%	3	6.25%	35
31-35	2	4.17%	4	8.33%	3	6.25%	2	4.17%	11

From Table 6, most young female workers (21-25years) are victimized badly by seduce (20%), eve teasing (13.33%) and sexual rebuke (2.22%). In addition, 21-25 years young female workers are victimized by seduce (38%), eve teasing (25%) and sexual rebuke (4.17%) and also attempted by rape (6.25%). Moreover, 31-35 years old women garments workers are victimized by seduce (4.17%), eve teasing (8.33%) and sexual rebuke (6.25%) and also attempted by rape (4.17%). A clear and strong relation is hidden between the age of female garment worker and nature of physical violation.

Some criminologists believe that people may become crime victim because they have life styles that increase their exposure to criminal offender. The risk of victimization is increased by such behavior as staying single, association with teens, leaving late night and staying urban or slum area, as a result the male personnel get opportunity to commit eve teasing, try to sexual activities, especially at night the stranger get an open opportunity to commit such offense. The life style view suggest that victims and criminals share common characteristics because they are not actually separated group.

Besides, life style theory suggest that some people willingly put themselves jeopardy by choosing high risk life style. The proximity hypothesis that victim do not promote crime, they are simply in wrong place and wrong time. If the women worker moves alone she may be possible as harassment and victim of sexual activity.

Table no 7: relation between time and type of victimization

Types of victimization	Times of victimization								Total
	Morning		Noon		Evening		Night		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Psychological	2	3.64%	1	1.81%	2	3.64%	5	9.10%	10
physical	6	10.90%	9	16.37%	12	21.81%	18	32.72%	45

According to this study, Table 7 showed the relationship between time and nature of violence towards female garments workers. Here, the night is more crime prone time. Most of the physical and psychological victimization occurred at night (41.83%). Evening is the second crime prone time, about 25.25% physical and psychological victimization occurred in evening. It indicates that dark time with lack of supervision; opportunity is the trigger of female garment violation. Few female workers (18.20%) are victimized at noon at the time of lunch break. Only 14.54% female workers were victimized in morning. So the time (period) and victimization of female garment worker are strongly related.

4.7 Hypothesis test:

4.7.1 Hypothesis 1

Null hypothesis: Female garments workers do not feel safe at night for physical victimization incident.

Alternative hypothesis: Female garments workers feel safe at night for physical victimization incident.

Hypothesis 01: chi-square test

	Value	df	Significance level	Tabulated value
Pearson chi-Square	10.709	9	.296	16.9190

From the hypothesis table 1, in 5% significance level, 9 degree of freedom, the calculated value is 10.709 and tabulated value is 16.9190. Table value is higher than calculated value.

Comment: Null hypothesis is accepted and alternative rejected. Because tabulated value is greater than calculate value. So, Female garments workers do not feel safe at night for physical victimization incident.

4.7.2 Hypothesis 2

Null hypothesis: Female garment workers have less security in workplace.

Alternative hypothesis: Female garment workers have less security in workplace.

Hypothesis 02: chi-square test

	value	df	Significance level	Tabulated value
Pearson chi-square	.373	1	.542	3.84146

From the hypothesis table 2, in 5% significance level, 1 degree of freedom, the calculated value is 0 .373 and tabulated value is 16.9190 which is higher than calculated value.

Comment: Null hypothesis is accepted and alternative rejected. Because tabulated values is greater than calculate value. So, female garments workers have quite satisfactory security in workplace and are more victim outside of working place.

4.7.3 Hypothesis test: 03

Null hypothesis: female garments workers do not feel safe during overtime.

Alternative hypothesis: female garments workers feel safe during overtime.

Hypothesis 03: chi-square test

	Value	df	Significance level	Tabulated value
Pearson chi-square	3.247	1	0.72	3.84146

From the hypothesis table 3, in 5% significance level, 1 degree of freedom, the calculated value is 3.247 and tabulated value is 3.84146. Table value is higher than calculated value.

Comment: Null hypothesis is accepted and alternative rejected. Because tabulated values is greater than calculate value. So, female garments workers do not feel safe during overtime.

5. Conclusion

The garment sector of Bangladesh has become the second largest exporter in the world that creates an employment opportunity to people from poor economic background. It has been also playing important role in the women empowerment in Bangladesh. But this study shows that majority of female garments workers has been victimized in various ways such as extra working hour, inadequate holidays, equal wages in due time etc. So, human rights of garments workers are not satisfied or properly done in garments industries. Besides, female garments workers become physically and psychologically vulnerable in both inside and outside of work place as well as experiencing violence by their family members. In order to make these women empowered citizens with capabilities of decision making and better life, the global capitalism needs to stop their untamed greed and frontier capitalism to exploit profit based on low wages and unsafe factories. The big brands and national level owners needs to understand that farther growth of this sector is dependent on increasing capabilities of these women, not by keeping them in vulnerable and violent work place and working conditions.

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Victimization of Child Labour and Delinquency: An empirical study

Md. Anwar Hossain¹

Md. Aurongajeb Akond²

Mohammad Zihad Hosaaain³

Child labour is one of the alarming and concerning issues throughout the world. Child labour issue is a major challenge of developing countries like Bangladesh while the country has been facing poverty, high population growth, rising unemployment and so on. The objective of this paper is to find out the vulnerabilities of child labourer in Bangladesh in terms of their victimization at workplace as well as their involvement in antisocial activities. The data have been collected from the child workers aged between 10-18 years working in various workplaces in Tangail town, Bangladesh. This study shows that most of the respondents have involved in child labour due to poverty and left the school at primary level. Most of the respondents have experienced different types of physical and mental torture. On the other hand, majority respondents are involved in different types of delinquent activities and alarmingly a significant numbers are involved in drug abusing. Consequently, the study urges to develop a well-organized plan where the government and the society will play prime role to ensure a child friendly working atmosphere, decent wage, ensure protection from exploitation and provide required opportunities to ensure their decent future.

Key Words: Child , Labour, Poverty, Victimization, Delinquency

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- 1 MS Student, Department of Criminology and Police Science, Mawlana Bhashani Science and Technology University
 - 2 Md. Aurongajeb Akond, Lecturer, Department of Criminology and Police Science, Mawlana Bhashani Science and Technology University
 - 3 Mohammad Zihad Hosaaain, Graduate Student, Department of Criminology and Police Science, Mawlana Bhashani Science and Technology University

1. Introduction and Background of the study

Child labourers are more likely to be victimized than the others for several reasons like dependency, poverty, less cognitive maturity, less self-protection capability etc. A child is an individual who is under the age of 18 years (UNCRC, 1989). On the other hand, in Bangladesh, the person not attaining the age of 18 are considered as child (Bangladesh Children Act, 2013). There is a difference between benevolent child work to develop self-responsibilities and destructive child labour which are harmful for the natural development of the child (Bhuiyan, 1998). Child work will be called child labour when they have to work full time at too early an age; spending too many hours on working; working with physical, social or psychological stress; working on the streets in bad conditions; inadequate pay; too much responsibility; which hampers access to education and is detrimental to full social and psychological development and that undermines dignity and self-esteem (US Congress, 1994). According to ILO standards, child labourers are those below 12 years of age working in any economic activities, those aged between 12 and 14 engaged in more than light work, and all children engaged in the worst forms of child labour (UNICEF, n.d).

Child victimization refers to all forms of physical and emotional ill treatment, sexual abuse, negligent, bullying, forced labour, assault, exposure to violence, exploitation, maltreatment etc (Finkelhor, 2008; WHO, 2013). Similarly, workplace victimization can be many types; such as physical, psychological, emotional, financial deprivation, health injury, educational deprivation etc. When children are forced to work; they are also exposed to situations that make them vulnerable to trafficking, abuse, violence and exploitation. Children work in both formal and informal sectors. Almost 93.3% of working childrens are engaged in the informal sector (Kamruzzaman and Hakim, 2018). So the children are mostly working in a vulnerable condition and leading a miserable life with unsecured future which increases frustration among the child and result in delinquent activities.

The International Labour Organization (ILO), the World Trade Organization (WTO) and other international community consider child labour as abusive and exploitative. The working conditions in the RMG sector are below standard according to the ILO as well as this lack of social compliance (Ahmed, 2013). The significant and positive gender coefficient suggests that girls are more likely to

combine schooling with work and the children of the household-head, as opposed to being relatives living in the household are more likely to combine study and work but less likely to specialize in work (Khanam, 2008). Child labourers are more at risk for victimization than are adults, for several reasons like poverty and lower family status (50%) is one of them (Save the Children, May 2009). Besides, the average age of child labourer is between 11-13 years (38.2%), about 74.5% respondents have informed that they had joined work for poverty and about 49.50% of them work in hazardous condition whose salary (38.9%) is below 1500. Most of them have to work and undergo torture from masters and parents (physical torture 64.1%, sexual harassment 20.4%) for work (Alam and Hossain, n.d). The children working in closed door (homemade) have to undergo more torture than the others (UNICEF, 1997). On the other hand, they are depriving of basic human rights as a social being.

If we focus on the child labour situation in Bangladesh, the statistics indicate that; around 1.3 million children are engaged in hazardous jobs, 70% of whom are also involved in criminal activities due to poverty. Besides, around 44% of the street children in the country are involved in drug peddling, 35% are involved in picketing, 12% in mugging, 11% in human trafficking and 21% in other criminal activities (Dhaka tribune, 2016). Another concerning matter is that, the national proportion of children working in Bangladesh varies from about 10% to 44% depending on the definitions and the type of sampling (Ahmed and Quasem, 1991). The children who are involved in criminal activities due to poverty need proper treatment like beneficiary child work otherwise they will be bound to do criminal activities even after taking rehabilitation (Bhuiyan, 1998).

The issue of child labour victimization and delinquency is a complex issue as child labour can't be stopped in short period and on the other hand delinquent behavior depends on several issues which are mostly dependent on family matters, poverty, lack of support, frustration, social status, maltreatment, exploitations, peer pressure etc. So, the root causes of child labour should be found out and take necessary steps to prevent it as well as the victimization and risk of involvement in criminal activities of the child labourer. The present study attempts to find out the root cause of child victimization and figure out the necessary measures to prevent vulnerability of involving in criminal activities.

2. Objectives of the study

The main objective of this paper is to find out the nature of victimization of child labourer and identify its relation with juvenile delinquency in the context of Bangladesh.

The specific objectives are

- a. To assess the working condition of child labour in Bangladesh.
- b. To explore the nature and types of victimization of child labour.
- c. To identify the cause and nature delinquent activities of the child labourer.

3. Methodology

The researcher have chosen Tangail town as research area considering the availability of child labourers involving in various types of works like saloon, welding, mechanical workshop, tea stall, grossary shop, transport worker and so on. Quantitative research methods have been used. The researchers have followed non-probability sampling method because the total number of population (male child labour) was unknown. Male child involving in labour were the respondents of this study. After considering all factors, purposive sampling method has been selected for the survey. The researcher has conducted 60 face to face interviews following a structured survey questionnaire to collect required data for the study. Both the open ended and close ended questions were used in the questionnaire. After collecting the data from the respondents, the researchers have used Statistical Package Program for Social Sciences (SPSS) for data processing and analysis. Finally, descriptive analyses, frequency distributions, percentage have been used as statistical tools to analyze the findings of the study according to the objectives.

4. Research Findings and Analysis

The research findings have been analyzed in this section. The findings have been discussed from four different dimensions like socio-demographic related, work related information, victimization related and delinquent activities related information. All the findings are demonstrated and discussed below.

4.1 Socio-Demographic Information

The respondent of the study were the child labourer aged between 10-18 years. Among them most of the child (68.3%) were aged between 15-18 years while about 32% were aged between 10-14 years. In terms of educational level, most of the labourer (83.3%) left study in the primary education level while 15% child left study in secondary education level. It is also found that 26.7% child labourers have 1 to 4 family members and 73.3% have 5 to 8 members. It is clear from the findings that most of the child labourers live in a large family. In terms of family income, monthly income of most of the respondents (45%) belongs to 8001 to 12000 taka while about 28.3% respondents have informed that their family monthly income belongs to 4000 to 8000 tk., 23.3% monthly income belongs to 13000 to 16000 taka. So most of the child labourers have come from poor family and the paper also finds that poverty is the root cause of involving in child labour and there are many families where the child are directly or indirectly forced by the family member to involve in child labour due to poverty. The same findings have been supported by the study of Burra (1996).

Table 1: Socio-Demographic Information of the Child Labour

Age Level		
Age level	Frequency	Percent
10-14	19	31.7
15-18	41	68.3
Total	60	100
Educational Qualification		
Education Level	Frequency	Percent
Primary	50	83.3
Secondary	9	15.0
Higher Secondary	1	1.7
Total	60	100
Number of Family Members		
Family Member	Frequency	Percent
1-4	16	26.7
5-8	44	73.3
Total	60	100

Fathers' Occupation		
Fathers' Occupation	Frequency	Percentage
Rickshaw Puller	11	18.33
Day Labourer	26	43.33
Small Trading	6	10
Farmer	10	16.67
Others (Dead)	7	11.67
Total	60	100
Family Income		
Income Group	Frequency	Percent
Below 8000 Taka	17	28.3
8001-12000 Taka	27	45.0
12001-16000 Taka	14	23.3
16001-20000 Taka	2	3.3
Total	60	100

On the other hand, the family status of the child labourers are very low as 43.3% fathers of the respondents are day labour, 16.7% are farmer, 18.3% are rickshaw puller and 10% are small traders. Another study shows that, about 47.1% child labourers of Bangladesh belong to the age group of 10-14 years while 36.62% fathers of the respondents are rickshaw pullers and 49.33% mothers are housewives (Kamruzzaman, 2015). So, the family status and social status of the child labours are very low and most of them have involved in child labour due to family problems and poverty.

4.2 Information about the Working Condition and Experience

In this section, the nature and types of workplace of the respondents have been discussed. The working experiences of the respondents have also been indicated.

4.2.1 Types of Workplace of the Respondents

Most common types of workplace for child labourer are welding (25%); mechanical (23%) and tea stall (18%). On the other hand 12% workers are working in restaurant and in shop; another 5% are working in transport work and in saloon (Figure-1).

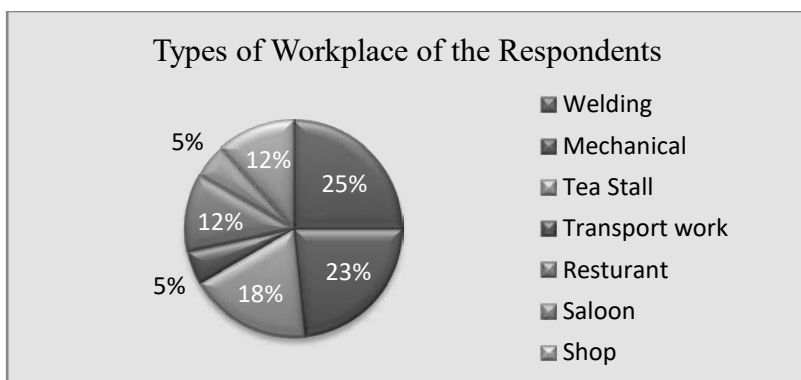


Figure-1: Types of Workplace of the Respondents

To work in welding and mechanical industries is not so easy especially for the children this is very risky and non hygienic. But, most of the child are working in welding and mechanical sectors and are being paid very low salary.

4.2.2 Working Hours in a Day

From this research it is found that, 60% child labourers have to work above 8 hours in a day and 40% have to work 5-8 hours in a day. So the child labourers have to work a long period of time in a day which is also a type of exploitation of the child labours (Table-2).

Table-2: Working Hours in a Day

Working Hours	Frequency	Percent
5-8 hours	24	40
Above 8 hours	36	60
Total	60	100

4.2.3 Reasons for Joining as Child Labour

The study has given a clear idea that poverty (95%) is the prime cause of child labour as most of the children become bound to work for the family and livelihood. Some children have also informed that their family members have forced or influenced them to join work

due to poverty as they also have to contribute to the family survival. On the other hand broken family is also another cause of child labour as the children of broken family never get proper support and opportunity to continue study and search better job in suitable age. They have to stop their education and involve themselves in working for the sake of family (Table-3).

Table: 3 Reasons for Joining in Child Labour (60)

Reason of Joining	Frequency	Percent
Poverty	57	95.0
Broken Family	3	5.0
Others	0	0
Total	60	100.0

Most of the child labourers have to experience cycle of poverty and exploitation and can't change condition (Bhuiyan, 1998). According to "The cycle of poverty" a child sometimes become bound to involve in child labour due to family problems like poverty, lack of support and opportunity, lack of experience, lack of a job, etc. Sometimes the family members also force their children to earn money to support family.

4.2.4 Joining Age of the Respondents as Worker

This paper shows that the children had to join in work in very tender age as about 92% of them have informed that their age was between 10 to 14 years when they first entered into the job. On the other hand about 8% respondents have entered into the job when their age was between 15 to 18 years.

Table-4: Joining Age in Work (60)

Joining Age	Frequency	Percent
10-14 years	55	91.7
15-18 years	5	8.3
Total	60	100

4.3 Information about Victimization of Child Labourer

The child labourers have informed their experiences of being victimized during working. In this section (Table-5) this issues have been discussed. From this research it has been found that 75% child labourers have experienced torture in workplace and 25% didn't face torture in workplace, 60% child workers have faced mental torture in workplace, 10% child workers have faced physical and mental torture in workplace and 5% child workers have faced physical torture in workplace. The child workers get tortured by their owner/master (30%), senior workers (25%), supervisors (8.3%) and another 11.7% child labours have been tortured by their owner and senior workers. So, most of the child labours have experienced torture, exploitation from their masters or senior workers.

The child labourers also informed that, they also get victimized mentally or physically from their family members. Different research and current news have revealed that, the child labourers are mostly punished and tortured by their masers due to simple causes. The child labourers working in different sectors like welding, carpentry, rickshaw pulling and automobile repair have to do lots of dangerous works (Rahman, 2010). While producing these goods, they face dangers like working with hazardous chemicals and sharp objects in non-hygienic conditions with low lighting for long hours. On the other hand children working in hotels and restaurants face long working hours and potential abuse (US Department of State, 2012).

Table-5: Victimization of Child Labour

Faced Torture in Workplace (60)		
Face Torture	Frequency	Percent
Yes	45	75
No	15	25
Total	60	100
Nature of Torture (45)		
Types of Tortures	Frequency	Percent
Physical	3	6.67
Mental	36	80

Physical +Mental	6	13.33
Total	45	100
Person Tortured the Child (60)		
Person Tortured the Child	Frequency	Percent
Owner	18	30
Supervisor	5	8.3
Senior Worker	15	25
Owner +Senior worker	7	11.7
Total	60	100

On the other hand, the children are also victimized by their masters/owners by giving very poor salary. The employers are willing to exploit for their profit considering the poverty and illiteracy of the child labourer and prefer children for their easy manipulation and low cost and force them to do hard work (Bhuiyan, 1998). Besides, most of the working children do not have the minimal opportunity for education and go to school. The children are treated as a cheap labour and easy finding. The working children also face various types of problems like bad working condition, unfixed salary, lack of recreation, mental physical and sexual harassment as well (Bashir et al, 2015). So the child labourers are being victimized by their masters, seniors and even by their family members which should be stopped for the sake of future of the country.

4.4 Delinquent Activities of the Respondents

The child labourers are mostly involved in different types of delinquent activities as 93.3% respondents have informed that they are involving in delinquent activities while only 6.7% have informed no involvement (Table-6). This finding shows that the child labourers become bound to commit delinquent activities due to various causes and poverty is the leading factors of child labour and delinquent activities.

Table-6: Involvement in Delinquent Activities (60)

Involvement in Delinquent Activities	Frequency	Percent
Yes	56	93.3
No	4	6.7
Total	60	100

The most common types of delinquent activities are fighting, theft and drug trafficking. Among the 56 respondents, most of them are involved in fighting (42.8%) and theft (25%). On the other hand about 28.6% respondents are involving in both fighting and theft (Table-7).

Table-7: Name of Delinquent Activities (56)

Delinquent Activity	Frequency	Percent
Theft	14	25
Fight	24	42.8
Theft +Fight	16	28.6
Drug Trafficking	1	1.8
Others	1	1.8
Total	56	100

Another concerning fact is that, about 62% child labourers are involving in drug abuse which is also a causal factor for many other crimes (Table-8). On the other hand about 38% children are not involving in drug abuse. The main causes of delinquent activities are family problem like poverty, non-payment of minimal wages to the parents, dependency on child's 'income (ShitumaZaman, 2014). On the other hand the children have to meet their own and family survival and commit illegal activities like drug trafficking, theft etc (Shituma Zaman, 2014; Alam, 2011).

Table-8: Involvement in Drug Abuse (60)

Drug Abuse	Frequency	Percent
Yes	37	61.7
No	23	38.3
Total	60	100

Table-9: Types of Drugs (37)

Types of Drugs	Frequency	Percent
Opium(Heroin/Yeaba)	6	16.20
Cannabis (Ganga)	8	21.63
Others (Drinks)	23	62.17
Total	37	100.0

The most common types of drugs taken by the child labourers are ganja (21.63%), heroin and Yabba (16.20%), smoking or drinking (62.17%)etc (Table-9). This finding also reveals that, almost all types of drugs are available in this area and the children can also collect the illegal drugs easily.

So, this issue can't be ignored that the child labourers are also involving in different delinquent activities. They sometimes become bound to conduct criminal activities due to poverty, poor salary, support family and self survival etc.

6. Conclusion and Recommendation

The Child Labour issue has become a global problem these days and it is a very common scenario in Bangladesh. Poverty plays the main role for involving large number of child in labour. This study also finds that poverty plays the main role for the involvement of the child in child labour. The concerning factor is that about three forth of the child labourers have experienced torture (mental and physical) by their owners, masters, seniors and even by their family members. The working condition of the child labourers is not hygienic rather the children have to work for a long time. The child workers are also involving in many dangerous works like welding, mechanicals etc. The child labourers are also deprived of education. Another concerning fact is that majority of the respondents have confessed they are involving in different types of delinquent activities. Among the delinquent activities drug abuse, fighting, theft are common.

To control or recover this situation some laws, rules and cooperation should be taken from both the policy makers and the owners. Family insolvency should be removed. Besides, educational and recreational opportunity should also to be given so that every child can take

proper education and moral development. Different media like television, radio, newspapers, magazines, billboards etc can play an important role to decrease and discourage child labour in the country to a considerable extent. The labour laws and promoting welfare facilities must be adopted and enforced. The owner should change their attitude towards the child workers in workplace so that the workers feel comfortable in workplaces. Proper guidelines for types of works, working hours and salary range should be developed and enforced as soon as possible for the proper development of the country.

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Nature and Impact of Extortion on Hawkers: An Empirical Study at Elephant Road in Dhaka City

Md. Shakhawat Hossain¹

Harish Mohammad²

Abstract

Bangladesh is considered to be a safe haven for extortion. Each of some 2.6 lakh hawkers pays the extortionists about Tk 50 on average every day. This study is conducted in Elephant road area and it mainly seeks the nature and impact of extortion. The study is conducted based on primary data. Most of the respondents think, enhancing good governance will combat problem of subscription. It is important to enhance good governance to identify the criminals associated with extortion. Police personnel should work neutrally so that hawkers and departmental store keepers can run their business smoothly. Law enforcement authority should become more professional so that the subscription collector can be identified and get the reasonable punishment. This study will be helpful to eradicate the curse of extortion from the business sector of Bangladesh.

Keywords: Extortion, Hawkers, Policy.

Introduction

Bangladesh is facing the threat of extortion in business sector especially on small business. Extortion is spreading its wings in the metropolis areas in Dhaka city. Reports said that, hundreds of extortionists are creating panic situation among the businessmen in Dhaka city over mobile and land phones. According to police, they are targeting businessmen and affluent families for extortion and kidnappings. Many of the employees and relatives of the hawkers have been shot or kidnapped over extortion demands. Extortions by some high-profile criminal networks have spread over the capital before festivals such as Eid-ul-Fitr although various measures were reportedly taken against such crimes by the law enforcers.

¹ Lecturer, Dept. of Criminology and Police Science, University of Chittagong.

² Post Graduated, Dept. of Criminology and Police Science, Mawlana Bhashani Science & Technology University.

Intelligence sources admitted that extortion was widespread in all types of business establishments from luxury shopping complexes to road side vendors and even construction and real estate sectors³.

Extortion occurs when there are perceived opportunities to do so without penalty. But extortion is more vulnerable to investigation and prevention than collusive bribery. Action to reduce it can be effective and recommendations for action are made for different groups (Denis Osborne, 2013:163).⁴

According to the Bangladesh Shop Owners' Association, most of the extortionists are active before Eid and they could not be identified as they operated secretly. However, the Dhaka Metropolitan Police (DMP) claimed that they always go for instant action after getting information of any extortion and often take against extortionists. Several incidents of extortion occur in the city almost every day but most of the cases are not reported to police stations for fear of reprisal. Although many general diaries (GDs) are filed after the extortionists had demanded toll.

Around 50 suspected top-criminals now imprisoned in different jails to control extortion during the Eid through their sidekicks who are still at large.⁵ According to Albanese (2002), extortion has long been associated with organized crime, while Konrad and Skaperdas have described extortion as the “defining activity of organized crime” (Konrad and Skaperdas, 1998: 461). When extortion is committed on a regular basis, it turns into a racketeering practice. In fact “as extortion became regular, it turned into protection racket an institutionalized practice whereby tribute is collected on behalf of a criminal group that, in exchange, claims to offer physical protection from other such groups” (Volkov, 2001:01).⁶

Nevertheless, as the cases of extortion are on increase in the city and elsewhere, the situation demands a well-designed strategy to be taken by the government. The administration, especially the police, has to

3 The Financial Express; August 26, 2012

4 Denis Osborne, (2013) "An exploration of extortion", Journal of Financial Crime, Vol. 20 Iss: 2, pp.163 - 185

5 Bangladesh Shop Owners' Association; August 25, 2012

6 Study on Extortion Racketeering the Need for an Instrument to Combat Activities of Organized Crime; A study financed by the European Commission - DG JLS (Contract No. JLS/2008/D2/002)

be allowed to work neutrally, without any interference from any powerful lobby. Respect for law and going by the standard rules of the game, without being tampered by unlawful actions on the part of any vested interest groups, must be promoted on all count and the home minister has to perform here a challenging task to protect the city for the curse of extortion.

A number of hawkers in different parts of the city alleged that they could not complain to the police about the extortion because of fear. Even if they complained, law enforcers hardly took action against the criminals. Extortion is a criminal offense of obtaining money, property or services from a person, entity, or institution through coercion. Law enforcing agency has to play proactive controlling system so that hawkers can run their business freely and fairly. Extortion is widely held in Bangladesh to be responsible for perishing of vegetables and fruits during transportation and plays a major role behind the rise of the prices of essentials. The middlemen or intermediaries do overwhelmingly dominate the supply-chain of essentials as they are very powerful in the sector. Extortion makes essentials to be more expensive.

Statement of the Problem

The Transparency international Bangladesh (TIB) has issued a warning that small business owners, primarily of Asian descent especially in Bangladesh, are being targeted by extortionists who threaten them directly or by telephone after gathering personal information about them. The threats appear in the form of the business owners being lead to believe that the extortionists know personal information about them. The FBI has not released information on how many people have reported the threats or whether any money has been paid out. Extortion is not limited to Asian business people and spreads all over the world. As many small businesses are involved in extortion, it is quiet tough task to root out this curse. There have been reported extortion attempts against business people who received threats with their customer information attached. The extortionists demand money or they will expose the information to competitors and the customers themselves, who would not be happy to discover their business information. In some cases the crimes were committed by extortionist criminals and in other cases the crime was committed by dishonest employee. Extortion has traditionally been committed by organized crime groups. The crime organizations have used extortion of businesses as a good, steady source of income for years, especially restaurants, bars, small

business owners and street hawkers. So in the perspective of Bangladesh, extortion from small business sector needs to be eradicated for existence of smooth business environment.

Objectives of the study

The general objective of the study is to carry out coordinated solution and evaluate the impact of extortion on hawker business. The main objectives of the study are

- a. To explore the nature of extortion on hawker business.
- b. To find out the factors related to extortion on hawker business
- c. To measure impact of extortion in Dhaka city
- d. To establish effective solution to minimize extortion in business sector

Methodology of the Study

The methodology of the study has been developed to assess the nature and impact of extortion on hawker business in Bangladesh. In the context of these considerations, the study has been adopted methodology of quantitative techniques. To conduct this study fruitfully simple random sampling method has been used and data has been collected through structured questionnaire. Due to the shortage of both time and money, a sample size of 150 has been selected from Elephant road area of Dhaka City to conduct this study. Other side, getting information from every shopkeeper and owner of departmental stores on extortion is so tough that's why sample size has selected 150 as it facilitates to get more reliable data and represent the actual situation for completing this study accurately. For data processing, SPSS (Version 20.0) has been used for data analysis. Data processing involved the following stages namely data entry and entry verification, cleaning and processing of data, coding and code transfer, development of analysis plan and report generation.

Findings of the study

Table-1: Demographic Characteristics of respondents

For the purpose of this study, the following demographic characteristics of the respondent have been used. The table focuses on age, sex and religions of the respondents to collect the primary data.

Respondents Socio-Economic Status				
Age	15-25 (19.33%)	25-35 (50.67%)	35-45 (21.33%)	Above 45 (8.67%)
Sex	Male (92.67%)	Female (7.33%)		
Religion	Islam (87.33%)	Hindu (10.67%)	Others (2%)	

Most of the respondents belong to the age of 25 to 35 years (50.67%), and most of them are departmental store keepers and hawkers. It is found in the study area (Elephant Road) that the male respondents are 92.67 percent and female are 7.33 percent. The respondents are not only from Islam but also from Hindu and others religions. But it is found that the percentages of Muslim respondents are 87.33 and Hindus are 10.67.

Tenure of business

Most of the businessmen are continuing their business over five years. There is a good mixture of hawker and departmental store as they have been doing business for 5 to 10 years. Below 5 years businessmen of 44 respondents are mostly hawkers and above 10 years businessmen of 25 respondents are mostly departmental store.

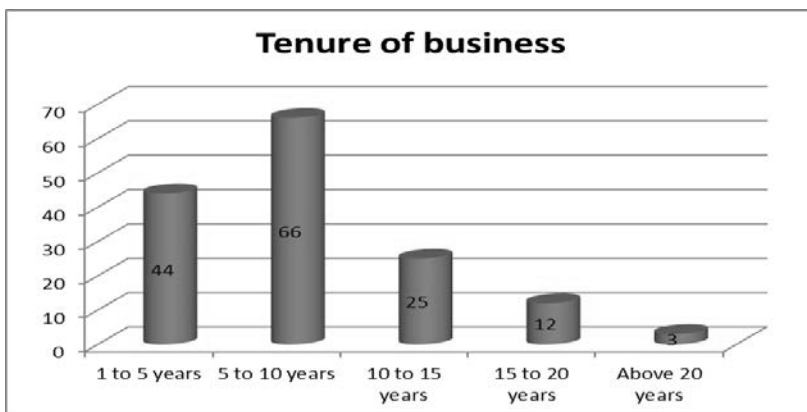


Figure-1: Tenure of business

Study shows that 12 businessmen have been doing business for 15 to 20 years and above 20 years there are 3 businessmen which are

mostly departmental store. Most of the hawkers those are doing business within 10 years try to shift their business in departmental store. Those are doing business above 15 years have vast investment in business.

Forces of Extortion

Various types of forces are caused for extortion faced by hawkers and departmental store keeper such as Pressure from law enforcement agency, Pressure from abandoned personnel, Force from the regional committee, Enhance the establish tradition, Threat over mobile phone and many others reason. Study shows that vast area is covered by political subordinate who control and collect extortion from the businessman and hawkers. Among 150 respondents, 62 identified threat by presence of politician’s subordinate cause extortion and they are the most violent person work as forces.

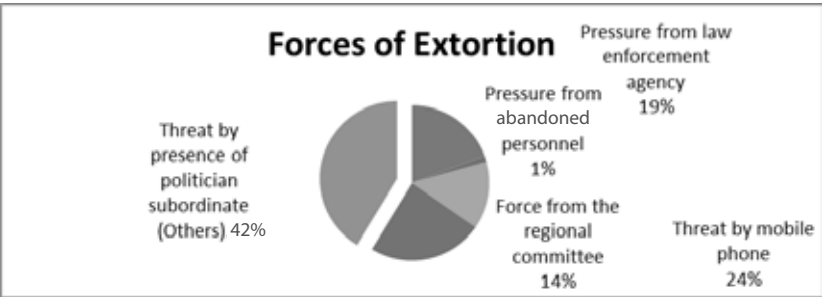


Figure-2: Forces of Extortion

Study also shows that threat over mobile phones (36), pressure by law enforcing agency (29) and Force from the regional committee (21) are almost equal in nature to put pressure on businessmen for extortion. So in most of the cases politically exposed person’s subordinates control various business area to collect extortion and record financial statement where necessary.

Subscription Payment System

Study shows that most of the businessmen especially hawkers pay extortion on daily basis. There is an extortion collector on behalf of the politically exposed person to collect the extortion called line man. The area is divided into few segments and every segment is controlled by a line man. Their main task is to collect and control the line of hawkers and small departmental stores. Almost half of all

businessmen (47%) pay the extortion on daily basis to the line man or police personnel or their exposed subordinate.

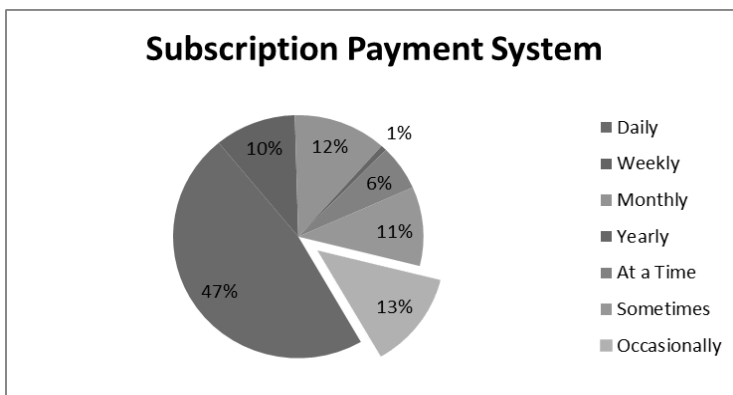


Figure-3: Subscription Payment System

Most of the departmental store keepers pay extortion occasionally (13%) because they have to pay extortion for incoming various types of religious, cultural or educational occasions. Some other well invested departmental stores have to pay extortion on weekly basis (10%), monthly basis (12%), and yearly basis (1%) but 6% of businessmen started their business by giving extortion.

Medium of demanding extortion vs. to whom extortion is paid

The cross tabulation one shows that politicians demand extortion by cell phone in most of the times. But local leaders who collect extortion from the hawkers remain present so that hawkers and small departmental store keepers can easily pay their extortion. 50 local leaders collect extortion by remaining present from hawkers and departmental stores among 58 local leaders. Owners association (20) and building association (21) also collect extortion at their presence. In one exceptional case extortion is collected by hosting family member of a businessman.

Cross-Tabulation-1: Medium of demanding extortion Vs to whom extortion is paid

To whom subscription is paid * Medium of demanding extortion Cross tabulation								
			Medium of demanding extortion					Total
			By cell phone	By presence	Showing Threats	Hostage family members	Others	
To whom subscription is paid	Politician	Count	7	1	3	0	0	11
		% within Medium of demanding extortion	36.8%	1.0%	23.1%	.0%	.0%	8.3%
		% of Total	5.3%	.8%	2.3%	.0%	.0%	8.3%
	Local leader	Count	2	50	4	0	2	58
		% within Medium of demanding extortion	10.5%	51.0%	30.8%	.0%	100.0%	43.6%
		% of Total	1.5%	37.6%	3.0%	.0%	1.5%	43.6%
	Law enforcement personnel	Count	1	5	2	0	0	8
		% within Medium of demanding extortion	5.3%	5.1%	15.4%	.0%	.0%	6.0%
		% of Total	.8%	3.8%	1.5%	.0%	.0%	6.0%
	Terrorist group	Count	1	0	0	0	0	1
		% within Medium of demanding extortion	5.3%	.0%	.0%	.0%	.0%	.8%
		% of Total	.8%	.0%	.0%	.0%	.0%	.8%
	Owners association	Count	2	20	1	0	0	23
		% within Medium of demanding extortion	10.5%	20.4%	7.7%	.0%	.0%	17.3%
		% of Total	1.5%	15.0%	.8%	.0%	.0%	17.3%
	Building owners	Count	5	21	3	1	0	30
		% within Medium of demanding extortion	26.3%	21.4%	23.1%	100.0%	.0%	22.6%
		% of Total	3.8%	15.8%	2.3%	.8%	.0%	22.6%
	Others	Count	1	1	0	0	0	2
		% within Medium of demanding extortion	5.3%	1.0%	.0%	.0%	.0%	1.5%
		% of Total	.8%	.8%	.0%	.0%	.0%	1.5%
Total		Count	19	98	13	1	2	133
		% of Total	14.3%	73.7%	9.8%	.8%	1.5%	100.0%

Medium of demanding extortion vs. to whom extortion is paid

But showing threats is another type of medium to collect extortion which covers 13 cases and most of them are politician and building owners. Businessmen are forced to give extortion by the political leader and every segment of the market is controlled by the representative of the politician. From the cross tabulation, extortion happened by local leader in presence is 37.6% and owners

association is 15% accordingly. 15.8% of the Building owners collect extortion in presence and 3.8% by using cell phone of the total subscription payers.

To whom subscription is paid and medium of demanding extortion

Study shows that most of the subscription collector collects subscription in their presence. In every segment of the chart shows that collector feels interest to collect subscription from the hawkers and departmental stores in their presence. All hawkers aren't available in same day. Hawkers set up their business in best demandable places in various areas. Based on demandable places in some reason they have to pay more in various circumstances.

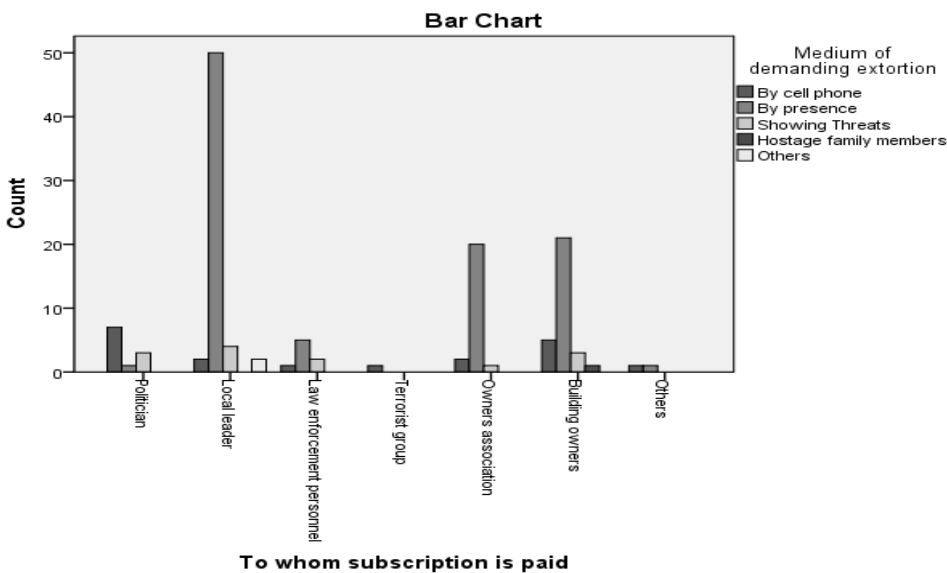


Figure-4: To whom subscription is paid and medium of demanding extortion

From the chart it is also clear that local leaders earn more from the hawkers and departmental stores among others subscription collectors. They also collect subscription through cell phones, showing threats and one exceptional case by hosting family members. But most of the cases hawkers and departmental store keepers know that they are bound to pay subscription.

Way of Demanding Subscription

A huge portion of area is covered to collect extortion by presence and study shows that 74% of the subscription collectors collect subscription by presence. Actually most of the hawkers pay their subscription in daily basis and collectors collect subscription by presence. A line man is assigned in every line of hawkers to collect this amount. A few low invested departmental stores keepers pay in daily basis to the lineman.

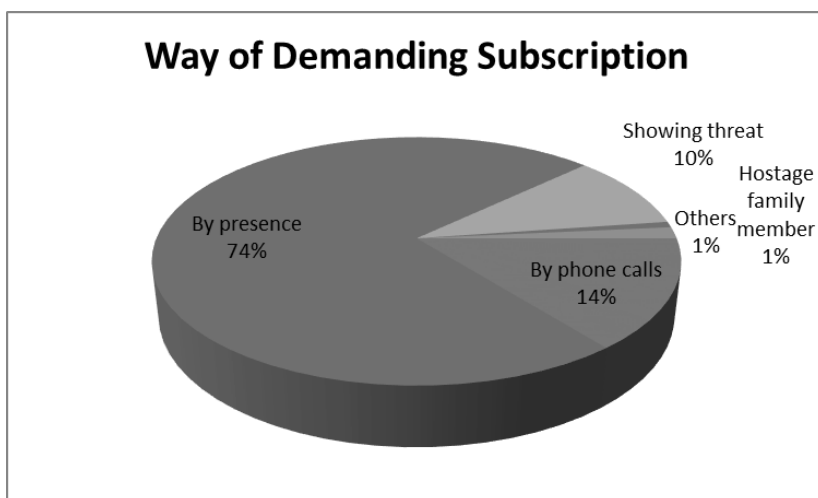


Figure-5: Way of Demanding Subscription

In some cases, local politicians call to the departmental store keepers over the phone to pay the subscription to their assigned representatives. In some cases politicians show threats in grouping and businessmen are suffering from fear of crime. Hostage family member is a rear case to collect subscription from the businessmen. So the most concerning issue is the presence of line men by whom they collect subscription from the hawkers and departmental store keepers and they pay on daily basis as it is easy to pay and monthly payment is burden because of huge amount. In some exceptional cases departmental stores have to pay subscription to the Dhaka college student and the students also collect the subscription in their presence.

Monthly subscription payment amount

Most of the hawkers and low invested departmental store keepers pay subscription between Tk. 5000 to Tk. 10000 per month to the subscription collector. Study shows 87 respondents among 133 pay subscription between this range because most of the hawkers belong to this category. Exceptionally 3 departmental stores pay above Tk. 15000 per month because they are the supporter of opposition political party. So they are forced to pay this huge amount as subscription.

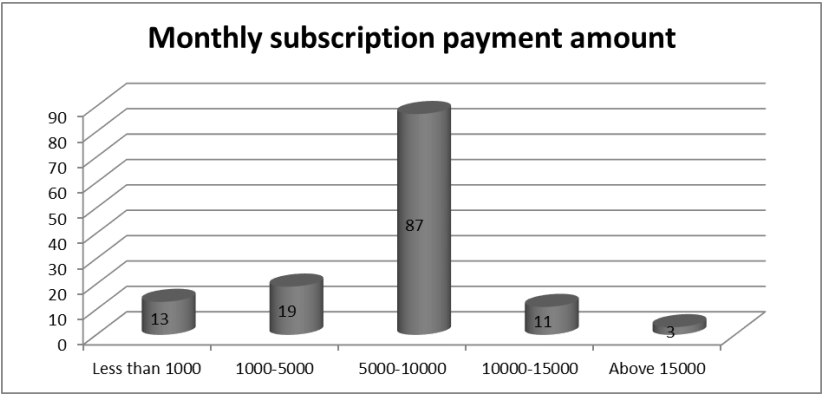


Figure-6: Monthly subscription payment amount

Most of the departmental store keepers pay in the range of Tk. 10000 to Tk. 15000 as subscription because of their huge investment in business and consistent profit. But some other low investors pay in the range of Tk. 5000 to Tk. 10000 because of their low investment and low net income in business. From the above diagram it can be easily determined that most of the hawkers as well as low invested department belong to the range of Tk. 5000 to Tk. 10000 per month. Hawkers belong to first three ranges and departmental stores belong last three ranges as well. Maximum hawkers pay daily basis and maximum departmental stores keepers pay monthly basis to pay the subscription. A few pay occasionally among these ranges and most of them are departmental stores.

Subscription- Reporting Authority

The pie chart shows that 73% of the subscription payers don't report to any authority for subscription. Because they think, they will not get any result after reporting the authority and this may result the increase of fear of crime. They started their business knowing that they have to pay the subscription and they are also forced to do that.

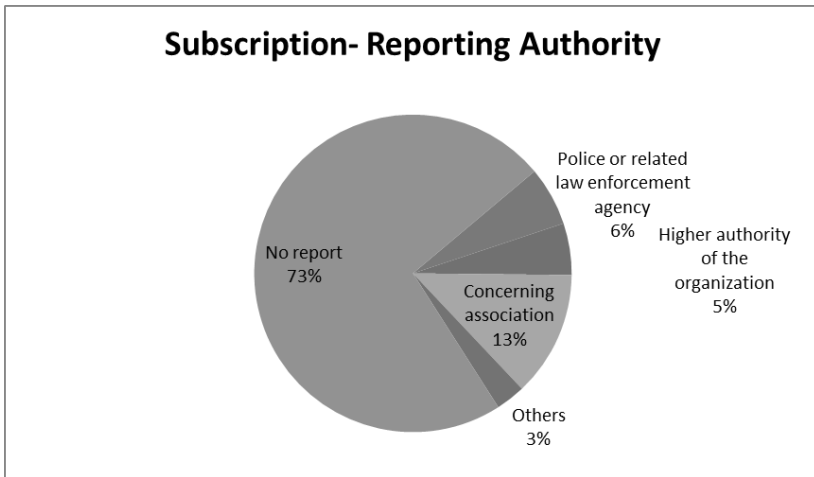


Figure-7: Subscription- Reporting Authority

The above diagram also shows that 13% of the businessmen report to the concerning association and most of them are departmental stores. Every hawker and departmental store keeper are the member of the local association and it is easy to inform the local association about the subscription for them. Most amazing statistics show in the law enforcement agencies segment as 6% report to them with knowing nothing will be held in response of their report also mentioning that the law enforcement personnel themselves are involved in subscription collection. 5% of the businessmen report to the higher authority of the organization that means "Elephant Road Dokan Malik Somity" but they mentioned nothing happen in response to their report. Other 3% try themselves or by their relatives to solve the problems of extortion but same result come at the end.

Cross-Tabulation-2: Net Profit per Month and Amount of Subscription Payment per Month

Net Profit per Month * Amount of Subscription Payment per Month Cross tabulation								
			Amount of Subscription Payment per Month					Total
			Less than 1000	1000- 5000	5000- 10000	10000- 15000	Above 15000	
Net Profit per Month	Less than 50000	Count	6	14	47	0	0	6
		% within Amount of Subscription Payment per Month	46.2%	73.7%	54.0%	.0%	.0%	50.4%
		% of Total	4.5%	10.5%	35.3%	.0%	.0%	50.4%
	50000- 10000 0	Count	7	5	40	6	0	58
		% within Amount of Subscription Payment per Month	53.8%	26.3%	46.0%	54.5%	.0%	43.6%
		% of Total	5.3%	3.8%	30.1%	4.5%	.0%	43.6%
	10000 0- 15000 0	Count	0	0	0	4	0	4
		% within Amount of Subscription Payment per Month	.0%	.0%	.0%	36.4%	.0%	3.0%
		% of Total	.0%	.0%	.0%	3.0%	.0%	3.0%
	15000 0- 20000 0	Count	0	0	0	1	1	2
		% within Amount of Subscription Payment per Month	.0%	.0%	.0%	9.1%	33.3%	1.5%
		% of Total	.0%	.0%	.0%	.8%	.8%	1.5%
	Above 20000 0	Count	0	0	0	0	2	2
		% within Amount of Subscription Payment per Month	.0%	.0%	.0%	.0%	66.7%	1.5%
		% of Total	.0%	.0%	.0%	.0%	1.5%	1.5%
Total		Count	13	19	87	11	3	133
		% within Amount of Subscription Payment per Month	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

From the above cross tabulation, whose net profit is less than Tk. 50000 pays Tk. 5000 to Tk. 10000 as subscription which is the highest figure 35.3% of total amount. But whose net income is Tk. 100000 to Tk. 150000 pays Tk. 10000 to Tk. 15000 which is 3% of total subscription paying respondents. Whose net income is above Tk. 200000 pays subscription above Tk. 15000 as subscription is 1.5% of total subscription paying respondent. Above cross tabulation also shows that whose net income is Tk. 50000 to Tk. 100000 pay mostly in the range of Tk. 5000 to Tk. 10000 as subscription is 30.1%. So low income level businessmen pay low level range subscription and high income level businessmen pay high level range of subscription.

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.451	.094	5.777	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.344	.088	4.187	.000 ^c
N of Valid Cases		133			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.451 ^a	.203	.197	.73213

a. Predictors: (Constant), Net Profit per Month

b. Dependent Variable: Amount of Subscription Payment per month

From the above table, variance shows that for unite of change of independent variable will change 0.451 of dependent variable. Correlation (0.344) indicates very low level positive relationship between net income per month and subscription payment per month. Because net income may vary but subscription amount is quiet fixed in most of the hawker's cases. It varies little bit because of the departmental stores.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	2.012	.149		13.519	.000	1.717	2.306
Net Profit per Month	.486	.084	.451	5.777	.000	.319	.652

a. Dependent Variable: Amount of Subscription Payment per Month

Regression model shows that 2.012 is constant value here and 0.486 is varied based on the independent variable. Here is also a little bit response of dependent variable to the independent variable because amount of extortion payment is fixed in most of the cases.

Impact of extortion

Study shows that most of the respondents (59%) worry about economic loss as the result of extortion and they are bound to increase the product price for making equilibrium condition. They suffer from various aspects but they mentioned as economic loss is their main loss for paying subscription.

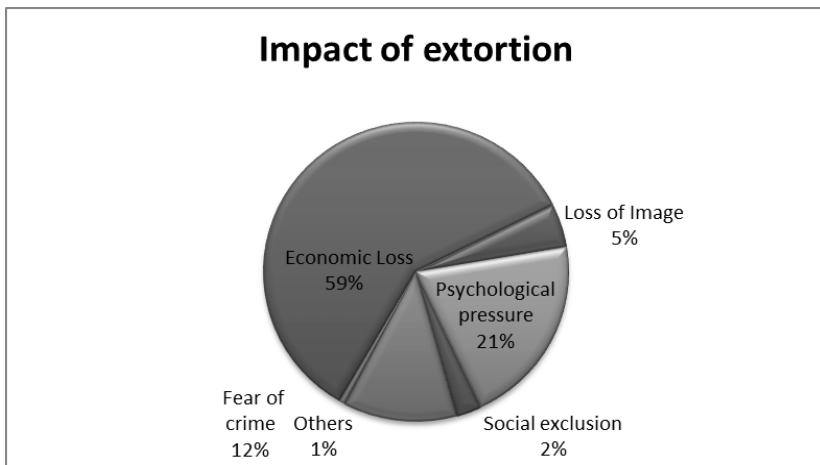


Figure-8: Impact of extortion

Some other impacts are loss of image (5%), psychological pressure (21%), social exclusion (2%), fear of crime (12%) and others 1% as well. Those who face psychological problems are engaged in thinking how the cost of extortion will be recovered. Some others 12% are suffering from fear of crime.

Recommendations

The followings are the key way to combat problem of extortion in Dhaka city-

- Unity among shopkeepers is very much needed to fight against extortion in elephant road area
- Strengthen political stability will reduce problem in market places faced by the businessmen
- It is important to enhance good governance to identify the criminals as well

- Fair election in owners association will help to elect the skilled person who will root out the problem of extortion
- It needs to increase ethical value of offender personnel and training may arrange for ethical development
- Police personnel should work neutrally so that hawkers and departmental store keepers can run their business smoothly.
- Law enforcement authority should become more professional so that the subscription collector can be identified and get the reasonable punishment
- Government should take care of the security in market places so that businessmen can remain free from all types of harassment and fear of crime
- It is the main duty to catch the accused personnel of the law enforcement agencies to help the free business condition of market places
- Independence should be given to law enforcement agency so that no politician can be involved with the extortion
- Combined execution of trade ministry and industry and commerce ministry will be helpful to combat the problem of extortion
- Securing the market place for businessmen should be the key to them and they can help to ensure secured market place.

Conclusion

Most footpaths of the ward are occupied by various kinds of hawkers, vendors and traders. Law enforcement agencies often conduct drives to make the footpaths hawker-free, but the places remain the same. Many allege that councilor and also ruling party gives the hawkers shelter and collects toll. Footpaths of the ward-18 of DSCC, comprising of New Market, Neelkhet, Gausia Market and Elephant Road is a permanent place of hawkers where they have been conducting their businesses for years, paying extortion money to police and local ruling party men. The traders in the discussion demanded that the three wheel carts be allowed on all Dhaka streets for two hours from 12pm and that the rules preventing the entry of large trucks in the capital be relaxed so that costs can be reduced.

The hawkers have to pay around Tk 50 to 300 every day as toll to operate their businesses. The extortion steps up around festivals like

Eid. The hawkers selling clothes, shoes, daily necessities and other items from makeshift shops on the Elephant road's footpaths, return to the same spot and resume business after an eviction drive is over, as they pay money to the local powerful men. Traders are bound to increase product price to continuing business after giving extortion which causes economic losses and image losses. The city corporation will have to evict illegal occupiers to ensure civic facilities for the citizens. Most of the traders think if the police officers work neutrally and the Government pay attention in market places than it will be possible to eradicate extortion from the Elephant road area.

The main reason behind the fluctuating prices of essentials is that extortion has not stopped, according to wholesalers at Elephant road area. The traders in the discussion demanded that the three wheel carts should be allowed on all Dhaka streets for two hours from 12pm and the rules of preventing the entry of large trucks in the capital be relaxed so that costs can be reduced. Everyone talks about freeing the footpaths and streets of hawkers, but it is not easy as they have invested money in their businesses and there are many powerful hands behind the man only Government can secure the market places according to the traders.

The root of extortion in Bangladesh runs deep in history. The existence of a patron-client relationship reinforces corrupt practices in all spheres of trade dealing. Almost all political regimes in Bangladesh have been corrupted by extortion. Only the nature and extent of extortion varied depending on the nature of the regime, its key leader and his popular power base.

The prevalence of systematic extortion in Bangladesh business can be explained due to a number of factors. Lack of political will, lack of organized movement by civil society for a change and presence of a change resistant institutional bureaucracy and absence of independence of judiciary and media, have all contributed in varying degrees to the continuance of large scale and systematic extortion in all spheres of Bangladeshi market.

The functioning of the economy on top gears is linked inexorably to business conditions remaining conducive. A good law and order situation is counted as a very important part of this conducive business environment. Attention from the highest level of the government, therefore, needs to be directed to the very pressing need of taking appropriate actions to protect businesses from extortionists

and all other types of criminal activities. Higher economic growth which is aspired by the policy planners cannot occur when businessmen are too stressed by the underworld and lose both their ability and motivation to engage in business activities with flair.

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Civil Society

Determining minimum wage of RMG workers

Mostafiz Ahmed¹

The reality and expectations following announcement of minimum wage of workers in garment sector needs an analysis. It is essential to determine what should be done now in this regard.

We shall have to look back to understand under which perspective minimum wage of garment workers was announced at Tk 8,000. In December 2016, workers staged demonstrations for wage hike where they demanded that their minimum monthly wage should be fixed at Tk 16,000. Following workers massive demonstrations, many factories suspended operations and some Trade Union (TU) leaders were detained. This was in the month of December, 2016, when the unrest took place. Later in first quarter of 2017, about 1,600 workers were terminated from jobs. Nationally and internationally an opinion was created in support of demand for Tk 16,000 wage. At the same time, a global pressure was created for release of arrested workers and TU leaders. In this background, at one point the owners admitted about workers' termination, but they said that they would get back their jobs. We have no statistics of reinstated workers. Later, the entire federation and RMG workers' alliance demanded Tk 16,000 while some others demanded Tk 18,000. Gradually, the demands gained popularity. In garment sector, it was a new turning point.

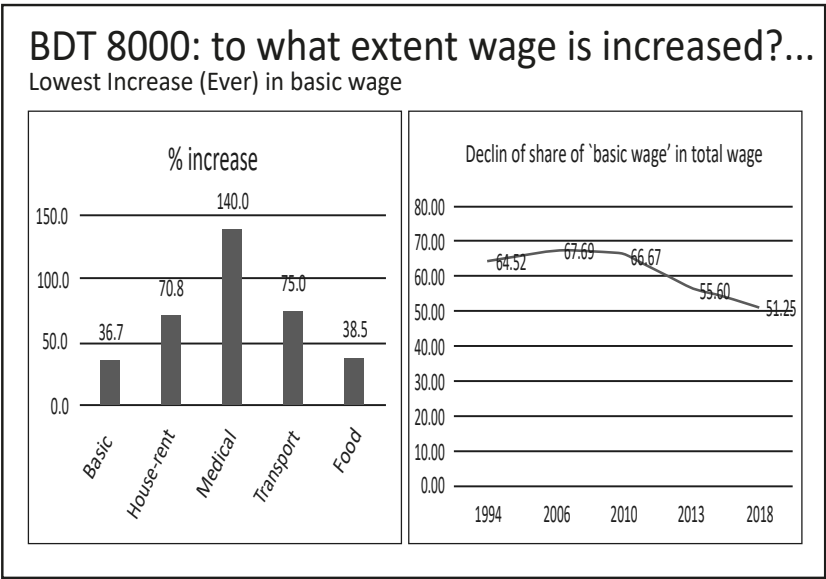
In a rare move, garment factory owners spontaneously came up with a proposal of restructuring workers' wages which was a new direction in Bangladesh perspective. As a consequence the first wage board was formed on January 31, 2018. Various organisations and alliances submitted their proposals for raise in garment workers' wage structure from their respective positions. But it was solely the jurisdiction of representatives of workers (wage board) and owners to give proposal of previous one. That proposal came at the third sitting held in July. Of late, the wage board gave its announcement of Tk 8,000 wage for garment workers at entry level (7th grade) on September 13.

¹ Assistant Professor, Jagannath University

From 2016 till date, the backgrounds of the announcement of Tk 8,000 wage needs to be questioned. It is a question to all, did the wage increase at all? If so, how much did it increase? What is its consistency with our demands? After rough calculation the amount deducting Tk 5,300 from Tk 8,000 is the actual hike. Media has covered the story in such a manner where it was told that wage was raised by 51 percent. If we think in its entirety then is it Tk 2,700 wage hike or Tk 8,997 wage hike? This question comes naturally. Because as per proposal of wage hike of 2013 and announcement of wage hike by wage board, it was clearly mentioned that wage will increase annually at the rate of Tk 5%. If wage takes effect from December, 2013 then it increased annually at the rate of 5 percent. Of late in December, 2018 when new wage took effect then at that time wage should be Tk 7,102. According to that calculation, wage was hiked by Tk 897. Actually, it is proper to tell that wage was raised by 12.64 percent instead of 51 percent. While discussing about wage then we want to know from workers' side or workers' representatives about the basic wage. All of us know that there is plenty of overtime in garment sector. Workers are interested to do overtime as they are unable to maintain the minimum standard of living by their minimum wage. From there the proportion of the basic comes down. Workers' benefit that means the chance to earn added income by doing overtime shrinks. Under same perspective, two results come-one instant result (on overtime) and the other is long-term effect. On expiry of job, the benefit that a worker is entitled to get that amount also comes down. So in case of wage, basic wage (for garment sector) is an important issue. In that case, wage hike stands at Tk 4,100. Wage increased from basic Tk 3,000 to Tk 1100. As per gazette wage hike is 5%. It is better not to think about inflation as there is enough confusion over inflation rate. Official statistics differ with unofficial statistics. If we overcome the difference of statistics of inflation, wage hike is five percent. So, basic wage increased by Tk 79. Actually, basic wage did not increase by more than 2%, rather it increased by 1.99 percent. If we examine previous wage boards then we find a tendency of fall in basic wage of workers. If we compare minimum wage of workers (7th grade) which was declared on September 13, 2018 with that of 2013 then we find existence of

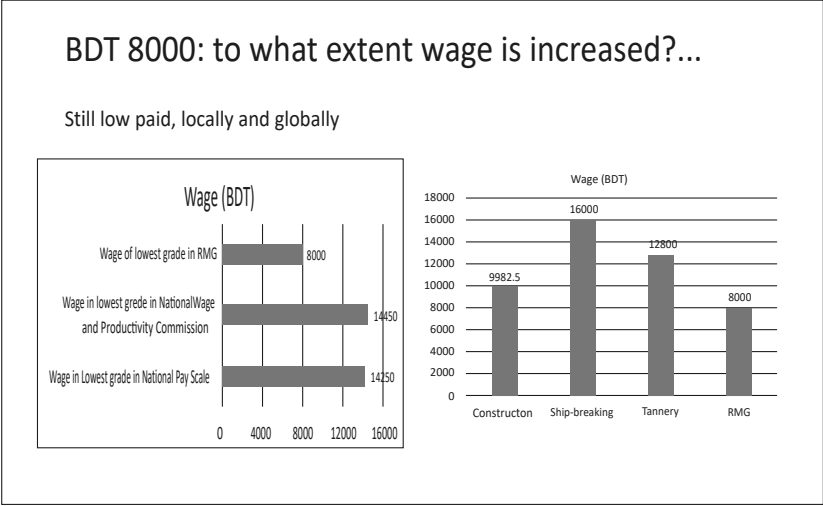
different components of wage. Increment of basic wage was less in heads of house rent, medical, transport, and food etc. Although it is not inflation adjustment apparently 36 percent which is actually 2 percent. Still then keeping 36 percent basic, hike was 38 percent in food and 140 percent in medical.

Chart-1



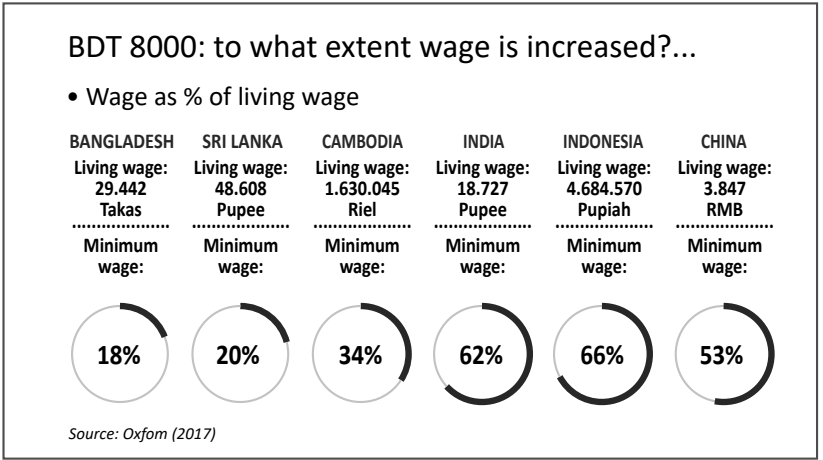
Focus should be given in gradual declining trend of basic wage (Chart-1). In X axis we see years 1994, then 2006, 2010, 2013, 2016. Of them, share of basic was at its maximum in 2006. In gross wage, it is like 7 %. But later in 2010, 2013 it decreased gradually and during latest announcement in 2018, it came down to 51%. Those who are in garment sector, members of wage board and those who give proposals in wage board—everyone will have to consider this trend. This trend may be called Politics of Declining the Basic Wage. It is essential to find out this politics. Basic wage not only declined rather in recent times it has been observed that a garment worker’s basic wage is the lowest in comparison to wages of workers working in informal sector.

Chart-2



And if we look at the latest wage of 2018 (Table-2), then we may find the minimum wage in ship breaking is Tk 16,000 while it is Tk 12,800 in tannery sector. In the same year, declared wage of garment sector is Tk 8,000. That means wage of a garment worker at lowest category is half of the wage of a worker of ship breaking sector. Declared wage of a readymade (RMG) garment worker is 37.5% less than that of a tannery worker.

Chart-3



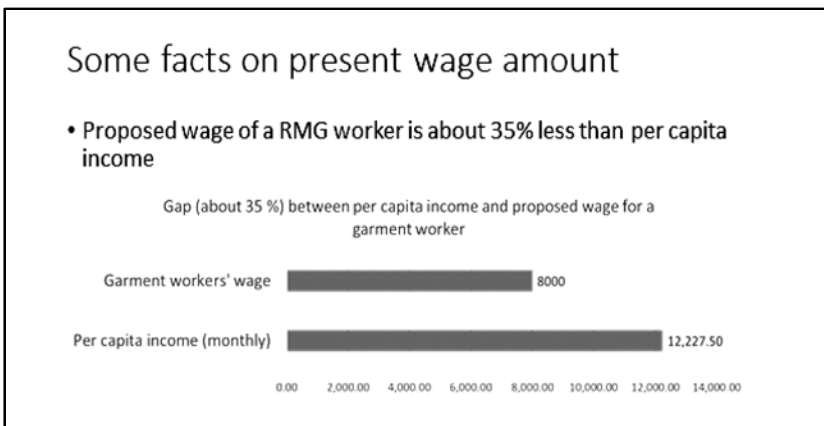
Till date, our wage is the lowest in comparison to wage of India, Pakistan, Vietnam and Cambodia (Chart-3). If we take into consideration Tk 8000 then we think how much it will ensure the living standard? From the point of living wage concept too it is observed that living wage of a Bangladeshi garment worker is least of all, which is 18%. Minimum wage of a Sri Lankan worker covers 20% while in China it covers 66% and in Indonesia 53%. This is the calculation of Oxfam in 2017. This 18% calculation was done taking Tk 5300 wage. If now we consider Tk 8000 wage then it stands at 27%. Still then our wage will be lesser than that of Cambodia, India and China. Wage is an essential component of living. Worker's requirement, amount of wage, announced wage everything needs a comparison with wage of other sector.

Chart-4

Workers' need and new wage (BDT 8000)	
• For a five-member family:	BDT 30268
• Need of a four-member Family:	BDT 24969
• Need of two-member family:	BDT 17121
• Need of a single workers:	BDT 12438
• Source BILS's field work (2018)	

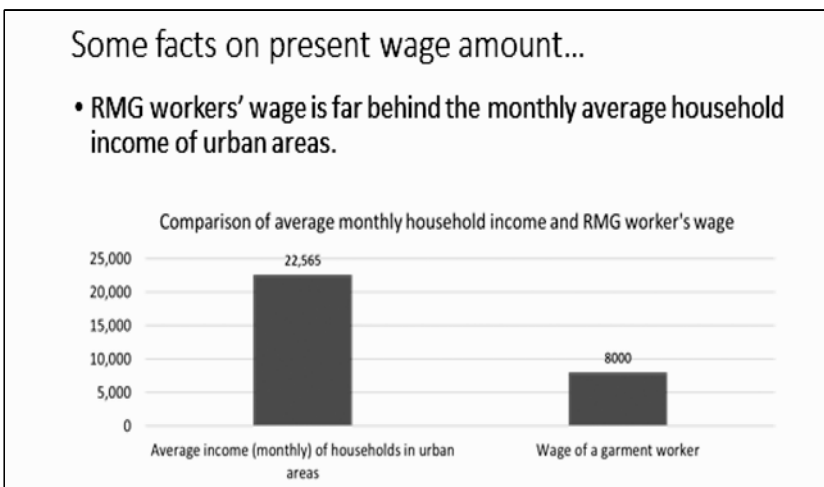
If we think about worker's requirement then we find the amount of some wages from BILS fieldwork (Chart-4). For living honourably the minimum wage for a 5-member family is Tk 30,268 while it is Tk 24,969 for a four-member family, Tk 17,121 for a 2-member family comprising husband and wife and Tk 12,438 for a single worker. We have collected the information from Narayanganj, Tongi, Ashulia and Mirpur through FGD or Focus Group discussion. Family pattern was discussed, considering family size FGD participants calculated the minimum wage for meeting minimum needs. Tk 8,000 wage can merely cover 60% basic needs of worker. In case of 2 members, it will fulfill less than half of requirement. For a 4-member family it will fulfil one third of requirement. For a 5-member family 30% of requirement can be fulfilled from latest-announced wage board. Probably there is a confusion in these places. If we bring the estimate of per capita income then it will be Tk 1,752. What will be the calculation of family members in wage?

Chart-5



Later, focus will be given here (Chart-5). We are observing that Bangladesh is moving towards a middle income country where per capita income is increasing. If the calculation of per capita income is brought here then it is being mentioned that per capita income is \$ 1752. If so then per head earning stands at Tk 12,227. If this amount is compared with announced wage of Tk 8,000 then also it is found to be 35% less. For a family, a wage which is 35% less than per capita income has been announced.

Chart-6



For wage we shall have to think in such a manner that a worker can live honourably with his/her family. It is the situation of household income and expenditure. According to population census definition, maximum factories and residence are situated in urban areas. And average income of a household in urban area is Tk 22,565. If it is compared with declared wage then Tk 8000 is found to be almost close to one third (Chart-6).

After analysing overall situation what is the basis of wage fixation? What are the criteria of determining wage? We have some national and international instruments. Although Bangladesh did not ratify Article 131 of International Labour Organisation (ILO) Convention, but the criteria selected in Labour Law 2006 are actually ILO-recommended criteria. Except only one component, the matter of social security benefit has been incorporated with ILO recommendations. This has been brought in in ILO recommendation as a criterion to determine social wage. But this criterion is not incorporated with Bangladesh Labour Law. Despite this reality, a worker needs a society where issues on wage level and cost of living productivity are included in ILO recommendation and at the same time in Bangladesh Labour Law.

In Bangladesh Labour Law, components like cost of living, cost of production, productivity, product value and business capacity are stated. Roughly, if we classify the issues in three groups then some of them are workers' needs, some are related to productivity and rest component is socio-economic condition. We are progressing. Our per capita income is increasing, but wage of garment worker does not move forward keeping pace with it. About productivity there is no example that it helps in wage hike. It has been said that productivity increased by about 76% in Cambodia during a period from 2000 to 2013. But wage hike was not more than 20%. So, if we always about productivity as a factor then on many occasions it may appear to be a means of capital accumulation. We have achieved this feat after success of agitations staged since 2016 with a demand for Tk 16000 wage as well as proposals came from various roundtable conferences. A question has been raised over the announcement of Tk 8000. So, an answer to the questions should be found on urgent basis. Probably, this time it won't yield any benefit, but in the long run it will effectively contribute during future movements, struggles and demands for wage hike.

First of all there comes minimum wage board formation process. Specially, there is no clear guideline in provision of law about sector representative selection. In these cases, explanations were given in favour of government. So, there always remain chances of exercising influence.

Next, how does the wage board determine wage? If we take poverty line into account then there was a time when Bangladesh poverty line was determined based on calorie intake which means how much calorie is consumed in our daily life. Now, shifting from there cost of basic needs approach has been followed in household and expenditure survey.

On behalf of garment owners it has been repeatedly told about two-member, three-member families. If husband and wife do government jobs then both of them draw salary which remains uncalculated. In workplaces if more than one member work then it is not calculated how many members are dependent and how many of them are independent. Everyone gets full wage with which he/she can maintain his/her family in a solvent manner. So, the stand should be cleared whether this issue should come.

Another issue is about food allowance where there exists difference if it should be included in wage structure or not. If food is separated then what is the basis of calculating basic wage? Will basic wage be done without food? Food must be included in basic wage resulting in rise in basic wage. There is a tendency of inclusion of food.

The first allowance was introduced in 2013. On behalf of Trade Union movement a clear-cut decision should come here. The criterion of neutral member selection in wage board bears double meaning. At the same time the role of neutral member is yet to be decided. It does not exist in law or rule. Focus should be given in this area. A proposal for neutral membership may be given. But this time no proposal was made. Sometimes, difference may arise from proposals of two sides. In that case minimum wage board can do instant investigation. It may assess the requirement from field. We have no knowledge of initiative from current wage board. A question remains in the procedure of gross wage determination. Whatever be the hike, Tk 8,000 or Tk 7,000 even if wage increases from Tk 5,300 to 6,000, it creates a threat for workers. It has been noticed earlier. So, with wage hike the matters should be examined seriously by Trade Union. A policy should be formulated in this regard.

It was in 2013 when the wage increased. It is essential to remain aware about exploitation done to workers in exchange for their wages. The issue of workers’ termination comes here. During wage hike, attention should be drawn over the issues like house rent and price-hike of essential commodities. There are many allegations from workers that they are compelled to pay higher amount to sellers. An ordinary person pays a certain amount to buy medicine, but a garment worker has to pay Tk one or two more for buying the same item. Such complaints come from workers off and on. The issues should be discussed in detail.

Chart-7



On wage issue, national and international goals should be achieved. The goals have a relationship with wage. The target of sustainable development goals must have to be achieved by 2030. In a bid to achieve the goals such as zero poverty, zero hunger, good health, well-being education, gender equity etc, the role of standard wage is vital. Nine out of seventeen goals of SDG are directly or indirectly involved with wage (Chart-7). National development goals of Bangladesh such as Vision 2021, Seventh Five-Year Plan where our development goals are determined there also it has been mentioned about employment generation and rapid poverty reduction.

How will sustainable human development be achieved without wage-it remains a question. In our perspective plan also stress has been given on education for all. So, wage should be determined in such a

manner that workers can ensure education of their children, can ensure quality food for fulfilling their basic nutritional needs. It is very essential to attain these. Why garment workers' wages are important? It is important for achieving sustainable goal and national development goals. We talk about productive employment, rise in productivity. But if standard wage is not determined then it is not possible to achieve development goals.

If we think about labour market in Bangladesh perspective then it may be found that 6,30,00,000 workers are employed in some way. It has been seen that one in every 14 persons is employed in garment industry. Employment-related goals for sustainable development cannot be achieved excluding one in every 14 persons. This is the main topic of discussion. Here well-thought-out opinions are required--what can be done? We have stakeholders where some points have been mentioned for the sake of discussion. There is scope for appeal to challenge the announced wage in current perspective of Trade Union. In Bangladesh Labour Law it has been mentioned that when wage board sends a proposal to government then within 30 days any party can object to it. But, if the government thinks it to be unjustified then it is a challenging task to persuade the government. And Trade Union movement must have to take up the challenge so that the government sends it back to wage board for revision. At the same time, solidarity of Trade Unions and international solidarity are important. Not only owners and workers have to play their roles in wage hike, but a collective effort is also needed. While thinking in Trade Union perspective then it is seen that globally consumer consciousness is now a big factor. Trade Union can work there. In a recent study conducted by Oxfam in Australia, a survey was done among 1000 consumers where it has been seen that 90% consumers are ready to purchase products at higher cost for the purpose of wage hike of workers. These areas need to be explored. Employers must realise needs of workers and focus should be given in price negotiation capacity areas, especially where complaints are made from employers' side due to wage hike.

What will be the situation if factories are closed? As per information collected from BGMEA website it is found that no factory was closed in 1995 following announcement of wage in 1994. Factory growth was 171. After announcement of wage in 2006 subsequently in 2007 more than 253 factories flourished. It is the calculation of BGMEA website. Next wage hike was done in 2010. As per BGMEA website,

the number of factories was more than 250 in 2011. After wage hike in 2013, 74 more factories was shown in 2014 (BGMEA website).The apprehension of closure of factories due to wage hike of workers is not correct. Actually, there should be commitment of brands that they will raise prices when minimum wage is increased. Brands' buying practice is a major factor. That responsible buying practice is essential. Brands can contribute towards minimum wage--we may learn from the instances of Cambodia or Myanmar. There should be a demand to the government for revision of the announced wage. When the government takes monitoring towards implementation then at this level an arrangement should be made for strong monitoring in retracement and production target increasing areas. More focus should be given in the areas of social protection scheme. A permanent mechanism can be done. Always it is seen that initiatives of wage hike are taken after happening of an incident. So, a permanent mechanism should be created from the government side which will deal only wage issues. Thoughts of mechanism may be there.

Transcription: Md. Masum Rahman

Translation: Z.A.M. Khairuzzaman

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Bangladesh's income inequality continues to grow

Z A M Khairuzzaman¹

The 21st century has witnessed development with a yawning gap where wealth is concentrated in a few hands

Whenever 'clichés' like development, economic progress and growth rate are used too much, it can be safely assumed that there is something terribly amiss.

In such times, the most important social issues are brushed under the carpet and the day's vegetable prices become hot topic for discussion. Politics is often played around such trivia.

Today, three-fourths of the world's wealth is concentrated in a few hands. But what are the implications of such a concentration? This crucial question is never examined or explored.

The 21st century has witnessed economic development with this yawning inequality (concentration of wealth in a few hands) as its necessary condition. Who knows, but maybe one day it can be proclaimed as the sufficient condition as well.

In today's world, rich people hold the talisman of resource control. In the modern world, whoever controls the resources, controls the fate of the Earth and its inhabitants also.

In the name of development, forests and mountains are being sacrificed at the altar of growth. Illnesses have become good omen for medical companies and doctors as they give them the opportunity to flourish.

Inequitable and unjust development that started in the latter half of the 20th century is at its peak at present. People are deprived of the freedom to question the policies and processes of capital augmentation, industrialisation, employment generation, skill development, urbanisation, health and education (or the lack of it), safety and wellbeing of our children, land acquisition and commodification of water.

¹ Media activist

This mounting inequality will inevitably push us into the abyss of colonialism again, this time more dangerous and deadly. Let us grapple with some facts.

Economic development is fast pushing the world to the brink of inequality.

For a first-time visitor to Dhaka, it is hard to escape the sight of shiny imported cars jockeying for space with buses, trucks, three wheelers and other vehicles that clog the streets of the Bangladesh capital.

Glass high-rise buildings, five-star hotels and other gleaming projects now dominate the skyline, defying an indelible stereotype of Bangladesh as a country mired in deep poverty, overpopulation and endemic corruption.

But outside the capital, the vast majority still struggles to eke out a daily living.

The rich are getting richer and the poor are getting poorer. Economic inequality is widening in today's Bangladesh.

As per a press report: The Centre for Policy Dialogue or CPD has said that the gap between the rich and poor has widened despite the continued economic growth in the country.

The think tank identified the lack of 'quality growth' as the reason behind the widening disparity.

It expressed this statement recently while presenting its report State of the Bangladesh Economy in FY2017-18 to the media at CIRDAP auditorium in Dhaka.

The report, made under CPD's Independent Review of Bangladesh's Development or IRBD programme, says the share of income of the lowest five percent households dropped to 0.23 percent in 2016 from 0.78 percent in 2010.

In contrast, the income share of the top five percent of the households went up to 27.89 percent in 2016 from 24.61 percent in 2010.

It means the income of the poor dropped while that of the rich rose.

“This is another indication of income concentration at the top which has also contributed to increasing income inequality,” it adds.

In 2005, the average household income of the poorest five percent families was Tk 1,109 per month but dropped to Tk 733 in 2016

while the five percent richest families' average household income more than doubled from Tk 38,795 to Tk 88,941 during the period.

Bangladesh has been posting over six percent GDP growth for the last few years.

CPD Research Fellow Towfiquel Islam Khan said, "The outcome of the growth has not reached the marginal people. The poor are getting poorer, the rich are getting richer."

CPD Distinguished Fellow Debapriya Bhattacharya blamed 'the declining quality of the economic growth' over the last five to six years for the disparity.

"There is a dark abyss behind the decent economic growth. And it consists of the fewer-than-accepted rate of cutting unemployment and poverty. The inequality did not only increase regarding income and expenditure, but also mostly in terms of assets," Debapriya said.

The report also highlighted the crisis in the banking sector and frequent flood disasters.

The situation is no less frustrating when it comes to wealth inequality between the top five percent and the bottom five, which has more than doubled during the same period. The findings are a clear indication that while the country may be performing better in certain development indicators, income and asset inequalities continue to exist and may emerge as a big threat to the overall economy if adequate policy attention is not given to the poor, vulnerable groups and the conditions that perpetuate inequalities and marginalisation.

The conditions of the working class have deteriorated.

The Fair Labour Association (FLA) published a report recently based on a survey across 18 factories.

Economic growth in Bangladesh has been based on the super-exploitation of workers in the garment sector, and other industries, by multinational companies and the local elite. This has enabled the 10 richest individuals in Bangladesh to accumulate a combined wealth of US\$ 6.8 billion, amid mass destitution and suffering.

Bangladesh's central bank revealed that the number of multi-millionaires had grown in dollar terms – from just 47 in 1975 to 46,136 in 2014.

According to Bangladesh Institute of Development Studies, these numbers of multi-millionaires serve to highlight the widening gap

between rich and poor and how a tiny minority is getting richer and richer. Inequality in Bangladesh is growing by the day.

While the number of ultra rich population is growing in Bangladesh, the poor people are getting poorer. Income gap between the rich and the poor widened in the last six years though per capita income increased in the country.

A report of the Bangladesh Household Income and Expenditure Survey-2017 shows that Gini co-efficient, which is used to measure income inequality, increased to 0.483 at national level in 2016 from 0.458 in 2010 meaning that the rich became richer while the poor poorer during the period.

Income inequality in both rural and urban areas also widened during the period. Consumption inequality, however, remained almost stable during the last five years, says a Bangladesh Bureau of Statistics (BBS) survey.

Poverty reduction slowed at a time when Bangladesh's GDP and per capita income showed a modest growth. Question thus arises who are getting the benefits of such growth. Certainly, the richer sections of the people are the real beneficiaries.

The poor's share in the national income eroded further in last six years. The poorest five per cent had 0.78 per cent of the national income in their possession back in 2010, and now their share is only 0.23 per cent. In contrast, the richest five per cent, who had 24.61 per cent of the national income six years ago, now has a higher share -- 27.89 percent, to be precise.

Although, incomes from manufacturing and services have grown, employment growth has been weak. Thus labour income growth is weaker than the growth of GDP. As a result, the incomes of the poor, who have only their labour to live on, grew far slower than income growth of non-poor, leading to increase in income inequality.

Growing inequality is the biggest obstacle to social progress and overall economic development and Bangladesh must address the issue urgently if it wants to be a viable nation, it said.

Hossain Zillur Rahman, an economist, said Bangladesh should stop boasting about rapid progress and instead grapple with formidable challenges ahead.

“We must look forward to the future and aim to better the lot of the struggling masses, and not just a tiny minority,” he suggested.

Experts and civil society members also acknowledge that Bangladesh has made significant inroads in its fight against poverty. But they warn that growing inequality could overshadow the spectacular success the country has achieved in health and education.

Is this occurrence of inequality just confined to Bangladesh alone? The answer is no. Nevertheless, there are variations in other cases.

In 2000, the richest 1 percent of Americans was 62 times wealthy as compared to the remaining 99 percent.

In Brazil, the ‘wealth gap’ was 62 times, in Egypt it was 49 and in Switzerland it stood at 53. In China and Japan, the gap was comparatively low (23 and 25 respectively).

This shows the discriminatory nature of capital which comes to the fore through power. In 2000, the per capita wealth of an Indian was \$2,036, in Brazil it was \$7,887 and in China it was \$5,672.

An average Japanese possessed \$1.92 lakh, in Sweden the figure was \$1.26 lakh, in Switzerland it was \$2.33 lakh and in US it was \$2.1 lakh.

True, inequality is a global problem, and Bangladesh is not immune to the effects from the global free market economy. But it needs to fight persistently since the solution is achievable. What we need is a strong will to reduce inequalities. We should also identify the many vulnerable groups within the society, and adopt and implement needs-specific policies that adequately address their conditions for an inclusive transformation. Equally important is a large-scale social movement, of which the political leadership will be an integral part, so that no one is left behind in the journey to growth.

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Sustainable Development Goals and Reality

Mohammad Nazrul Islam¹

Attainment of much-talked-about Sustainable Development Goals (SDGs) depends on workers' economic capacity. It has been determined that 17 targets and 169 sub-targets must be attained by 2030. Considering present global and Bangladesh perspective, how is it possible to attain the goals. Starting from poverty alleviation, the number one target of SDGs, to remaining 16 targets—all depend upon people's economic condition in some way. But is there any possibility of attainment of workers' economic capacity in capital and profit-centered global economic order whose legacy is being borne by Bangladesh? Is there any possibility at all of attainment of workers' economic capacity? What should be the income of a worker who is capable of attaining that financial capacity? Will the day really come when working class will actually be economically self-sufficient? So-called world leaders, however, have already found an answer. That is it will be achieved by 2030, only 11 years from now! Is it really possible?

'Economic development' and 'improvement of economic condition' are correlated, but actually they differ. The word-economy is related to ethics while economic condition is solely based on capital and profit. Again the word—development indicates positive change in the standard of living of community people while prosperity indicates positive change in economic condition of individuals. An individual may achieve economic prosperity by looting or through theft or robbery or by exploiting others' toil and saving the capital. He/she may earn profit by investing capital and may become a super-wealthy person. But it is tough for community people to save capital in such manner. In a bid to make community people economically self-reliant, the state must have to come forward by formulating economic planning involving ethics and morality.

Now, it is being observed that whatever we discuss about people or economic development or improvement of economic condition—all are internal affairs of the country. Let us bring an easy question –

1 Development Activist
e-mail: cdanazrul@gmail.com

what is the reason of poverty of myself or yourself or that of a worker or a poor man? Is it the outcome of the activities of his/her past life? Is it because of his/her birth at a poor family? Is it due to his/her inability to earn a good amount of money? Is it because of his/her inability to pursue study resulting in wage discrimination? Is it for unequal distribution of national wealth as per constitution? Is it because of state failure to transform the country's population into a human resource? Is it due to prevailing economic order of the country or lack of proper policy and planning? Is it because of the country's political system?

In a bid to find out the answers, we shall have to know the global and national political, social, economic, cultural, gender and environmental situation to realize their inter-relationship. It is being observed that a group of people are earning profits through misuse of political power and influence. Again, all of a sudden wealthy people take their seats at the centre of power. Again, politically powerful and wealthy people are getting an opportunity of expanding their social influence. Again, due to cultural backwardness and taking chance of lack of protest on the part of exploited and deprived people, profit mongers are increasing their wealth keeping their feet on the shoulders of deprived people for decades together. On the other hand, political leaders are grabbing power and keeping people away from political and economic empowerment by establishing a culture of fear. At the same time, gender or man-to-man relationship such as opportunity for males and females and discrimination of power, opportunity of the people of a certain region with that of other region and discrimination of power, discrimination between healthy people and people with disabilities, difference of people following religious belief et cetera play a role in determining their economic and social influence and status. And, lastly because of environmental reason such as adverse impact of climate change, river erosion, drought, heavy rains people become pauper. This phenomenon keeps an adverse effect on social and political arena of the country. Looters and wealthy people always take advantage of the situation.

Now let us see how can a citizen or, a worker being a citizen, change his/her fate towards a positive direction in such a state system where workers have no access in state wealth. Although thousands of crores of taka remain idle in banks, but the state does not help poor people by granting loans to them (whereas wealthy people easily get crores

of taka as loans that they do not bother to repay!) Although crores of people deposit money in banks, but bank loans are granted to a handful people belonging to upper class. Massive financial projects are undertaken while comparatively smaller projects involving poor people are seldom taken. Although farmers and workers belong to producer class, but they always remain deprived of profits of their produce. Profit-mongering middle men determine prices of agricultural commodities produced by farmers while prices of products produced by workers are determined by international syndicate! Both the farmers and the workers have already been turned into commodity, not to speak of women. If farmers and workers possess some amount of money, house owners and businessmen are always ready to snatch away the money from their hands. Again, house owners and businessmen share political and monetary power both globally and nationally. This vicious circle is active for long.

Unless and until a change comes in policy decisions in global politics and economy and if state does not undertake any people-oriented development plan then economic inequity will never eradicate from the globe, state and society. Poverty alleviation will remain merely as a plan. In that case, we shall observe again that another excellent year-number that might be announced in post-2030 era, but nothing more than that.

Translated by: Z.A.M. Khairuzzaman

Trade Union

The Economy of discrimination against women in labour market

Shahida Parveen Shikha¹

Technology has facilitated labour in such a way that it assisted women to contribute increasingly in the society. Over the years, the progression of technology has become a blessing for women as it enables them to work in the same platform as men and contribute equally in the labour market. It played an important role in establishing the rightful claim for equality and respect at work place for women.

A liberal democratic society does not only acknowledge that women can contribute beyond their natural responsibility but it also appraises that effort. This appreciation can come in form of economic, cultural and societal dignity. But it raises some fundamental question as well, such as 1) Are we creating adequate opportunities for them to contribute in a greater scale? 2) Are their involvement in the labour market well evaluated and compensated? And 3) whether their social status is improving?

As a result of the alteration in their socio-economic status, we can observe a change in women's traditional lifestyle. The diverse technical education and trainings are enabling women, even the poor and regressive ones, to enter the workforce. The government and non-government organizations (NGO) are working towards the empowerment of women throughout the country.

In Bangladesh about 13 million labour force has been added in the last decade and almost 5 million of them are women workers. A substantial number of women work in the unofficial sectors such as brick kilns, clothing industry, agriculture, construction, domestic labour and many more. But women are never equally compensated as men.

Women's participation and contribution in the labour market is increasing but their opportunities are not growing the way it should be. There is a legal obligation of equal payment for equal work,

1 Trade Union activist, General Secretary, National Working Women Trade Union Kendro

which is rarely practiced in the work sectors by the employers. By doing the same amount and quality of work a woman gets lower wage than a man. But why does this discrimination take place? Do the women workers contribute less than their counterpart? That certainly is not the case. On the contrary various studies have found that women are more industrious and attentive than men while carrying out a task. But women workers are given lower wage in almost all case. It is as unlawful as it is unethical.

One study showed that the number of women workers in the agriculture, forest and fisheries sectors has grown up from 3.7 million to 8 million over a period of a decade (from 1999-2000 to 2009-2010). These women workers are contributing in the similar manner as the men but when it comes to pay, they are receiving half of the wage. Although they are equally and in some case more diligent than the men, they are economically falling behind/ backward. In the agriculture sector, 45.6% of the women workers don't get paid at all. And the wages the rest 54.4% receive are less than the market value. In an analysis of women's contribution in agriculture it has been said that women are more involved than men in 13 very important tasks and the number is 11 when it comes to men.

On the one hand, in the readymade garment industry job opportunities have been created for a large number of women workers, but on the other hand the death trap of inequality has been laid for them. Though the number of woman workers is more than 70% in this industry, more often than not, they are recruited temporarily and contractual based. There is no job security as well as the post-pension and other financial benefits are not available. According to the will of the authority many factories are open on holidays and even on weekends. These women workers are not allowed to organize and any attempt towards founding a labour union is punished by dismissing the involved personnel.

A sizeable number of women workers have emerged in the labour market. When it comes to organizing the entire working class its essential to include the women workers in this process, not leaving them behind. It has to be ensured that the women workers can practice their trade union rights as well as they can participate more in the organizational activities. Due to less participation of women in trade union activities, there is now a male dominance in the leadership of trade union. This situation needs to be changed. In the

process of decision-making and negotiation, the involvement of female representatives has to be ensured. To bring positive changes in this case, the existing labour organizations have to take an active role. If we can move forward together with a new perspective and mentality it will not only empower the labour movement and enforce it to a newer level but will also help us in building strong resistance against all kinds of exploitation and subjugation. In this way we will be able to create a society based on justice and equality and free from discrimination and oppression.

Publication Policy

Bangladesh Institute of Labour Studies - BILS has been working on labour issues since its establishment in 1995. BILS endeavors to uphold the causes of working people and Trade Unions of Bangladesh. Twelve major National Trade Union federations are associated with BILS.

Keeping in view to build a just and democratic society, enabling the workers organizations to play proper role as a major force, BILS emphasizes on capacity building of the Trade Unions through trainings, research and information sharing. Protecting workers rights is the main objectives of BILS and it strives to promote fair and worker friendly policies and Laws in Bangladesh. It also plays the role of a catalyst in building relations between trade unions, civil society and the government on labour market issues.

The ‘Labour’ is a half- yearly journal published by BILS with twin objectives. The first objective is publishing research-based articles on different issues related to the labour, establishment of labour rights, labour welfare, labour laws and the likes. The research articles published are ‘double blind’ peer reviewed. Secondly, it publishes contributions from the labour activists focusing on the above-mentioned issues with the hope that the practical and empirical realities are properly recorded with an archival value. The journal actually seeks to provide an intellectual platform for the national and international scholars, critics, academicians, researchers and activists of labour rights and human rights issues. It aims to promote interdisciplinary research on labour laws, labour policy, occupational health and safety, job market situation, industrial relations, conflict resolution, wages, employment generation, workers migration and social safety net in Bangladesh.

The guidelines to the contributors for the manuscripts preparation and submission are mentioned below:

1. The submitted manuscript should be original and contributing to some new dimensions in the concerned fields noted and is not published or under consideration for publication elsewhere.
2. Each manuscript is first reviewed by the editorial board to judge its thematic suitability for publication, the selected ones are then sent to reviewer(s) for ‘double blind’ peer review. Based on the recommendation of the peer review, the editorial board decides the acceptability, revision or rejection of the manuscript.

3. The paper should include an abstract, which is not more than 150 words.
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6. The author should retain a copy of the manuscript for his/her own reference.
7. Three (3) copies of article(s) are to be submitted to the Editor of the Journal in font size 12 (twelve) of Times New Roman on A4 size paper.
9. The figures & diagrams should be commensurate with the font size of the article.
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LABOUR

(A BILS Journal)

Bangladesh Institute of Labour Studies-BILS

House No-20, Road No. -11(New) 32(Old)

Dhanmondi R/A, Dhaka-1209

Phone: +880-2-9143236, +880-2-9120015, +880-2-9126145

E-mail: bils@citech.net

Fax: +880-2-58152810

Website: www.bilsbd.org

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- To help in strengthening the democratic functioning of the trade unions and to improve their services towards the society.
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- To provide various support to the trade union movement in Bangladesh and to participate effectively in the development process of the country.
- To assist the increased participation and representation of women and young workers in trade unions.
- To eliminate all kinds of discrimination between male and female workers.
- To improve occupational health and safety situation and worker's welfare as a whole.
- To brighten the image of the trade union movement in Bangladesh and to increase the organised workforce & consolidate the strength of trade union movement.
- To establish greater unity in labour movement of Bangladesh.
- To undertake multifaceted activities for human resource development.
- To introduce programmes for productivity and good industrial relation.