

A Term Paper On

“Merchandising in Garments industries of Bangladesh”



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Submitted To:

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Letter of Transmittal

Md. Surujjaman

Assistant Professor

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Subject: Submission of term paper.

Dear Sir,

It is great pleasure and privilege to present the term paper titled “**Merchandising in Garments industries of Bangladesh**” which was assigned to me as a partial requirement for the competition of B.S.S (Hon’s) program.

Throughout the study I have tried with the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instructions as you have suggested. I tired my best to make this report as much informative as possible. I sincerely believe that it will satisfy your requirements. I however sincerely believe that this report will serve the purpose of my term paper of B.S.S (Hon’s) program.

I am grateful to you for your guidance and kind corporation at every step of my endeavor on this term paper. I shall remain deeply grateful if you kindly take some pan to go through the term paper and evaluate my performance.

My effort will be rewarded only if it adds value to the research literature.

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Student's Declaration

I hereby declare that the term paper namely “**Merchandising in Garments industries of Bangladesh**” by me and comprehensive study of the existing activities of mobile companies.

I also declare that this paper is my original worked and prepared for academic purpose which is a part of the B.S.S (Hon's) program.

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Supervisor's Declaration

I hereby declare that the report of term paper namely “**Merchandising in Garments industries of Bangladesh**” is an original work by **Hasiba Mansura** Roll No: 8139365, Reg. No: 2165302, Session: 2011-2012, B.S.S (Hon’s), 2nd Year, Department of Economics, Tejgaon College. Has completed his term paper under my supervision and submitted for the partial fulfillment of the requirement of the degree of Bachelor of Business Administration (B.S.S) at Tejgaon College.

.....

Md. Surujaman
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I also remember the officials of Economics department for their cooperation in this research.

The cooperation of the garment workers in the time of data collection is undeniable.

At the end I am thanking to all my friends and class-mates for their cooperation.

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CHAPTER -1

INTRODUCTION

1.1 Introduction :

The Readymade Garments (RMG) sector has a greater potential than any other sector to contribute to the reduction of poverty in Bangladesh. The sector rapidly became important in terms of employment, foreign exchange earnings and its contribution to Gross Domestic Product (GDP). Despite the phenomenal success of the RMG sector, poor working conditions in the factories and a lack of Social compliance are serious concerns, which have, since 2006, led to labour unrest and damage to institutions and property. As a result, there is a rising fear in Bangladesh that the readymade garments sector may face a decline in demand. Social compliance in the RMG industry is a key requirement for most of the world's garments buyers. It ensures labour rights, labour standards, fair labour practices and a Code of Conduct.

1.2 OBJECTIVES OF THE STUDY

The exercise was designed around the following objectives:

- To prepare and guide selected garment exporters in becoming **competitive** through **GARMENTS ACCESSORIES** activities
- To develop **in-depth understanding**, and application of **OPERATION** in selected companies;
- To identify and encourage the implementation of Best Practices so as to **minimize costs, improve efficiencies and productivity**;
- To **collect information** on best practices/snapshot in seven fields of the selected companies under the survey and to develop comparative data amongst the industries.

1.3 Methodology :

An extensive literature survey has been undertaken in order to review the historical perspective, growth and development of the garments industry, working conditions and environment, labour standards and labour rights issues, as well as this lack of Social compliance. Based on this literature review, working conditions in the RMG sector are below standard according to the ILO, law enforcement is weak and HR and IR activities are absent. As a result, workers' rights are grossly violated in the Bangladesh RMG

sector. Consumers in the EU or USA may reject products from Bangladesh and consider they are produced in abusive and exploitative conditions, which do not adhere to labour rights, labour standards and working conditions. Therefore, we set the research objective as: to what extent can Social compliance be incorporated in the RMG sector?

1.4 MOTIVE OF THE RESEARCH

In this research the data has collected by preferring the socio –economic condition of the garments workers . The motive of the research is given below :

To find out the socio economic condition of the workers.

1. To find out the facilities which they get from the ind.
2. To find out different information of them ie. marital status, Religion, Education etc.

1.5 LIMITATION

In our country we have very small facilities to research about apparel industry.

Firstly: it is not an easy task to get any statistical analysis given by the government about related subject.

Secondly: the research had to be limited for insufficient time , manpower & money.

In spite of these limitation my investigation on the socio economic condition of the garments workers will be helpful to provide many information for the future investigator.

CHAPTER -2

DATA COLLECTION

2.1 METHOD OF DATA COLLECTION

The data has been collected directly from the worker. In this circumstances we collect data form workers of different garment industry .we have collected data from 360 workers.

2.2 DATA PROCESSING AND ANALYSIS

After collection, the data has been processed and analysis in the following way.

Editing: After collection the data are checked if they are correct or related with the research.

Classification: After collection the data are classified into different classes.

Analysis: After editing and classifying the data they are distributed with frequency(with percentage), which are shown in the next chapter.

2.3 Culture and Government structure:

Bangladesh has a rich historical and cultural past, which combines Dravidian, Indo-Aryan, Mughul, Arab, Persian, Turkish, and west European cultures. Sufi religious teachers succeeded in converting many Bengalis to Islam, even before the arrival of Muslim armies from the west (Schendel, 2006; Islam, 2007). Since the Muslim invaders established political control over the region, Islam has played a key role in the region's history and politics particularly in the eastern region of Bengal. The majority of the population (about 88.3%) is now Muslim, but Hindus constitute the largest (10.5%) minority. There are also a small number of Buddhists, Christians, and animists (Islam, 1992; the Columbia Encyclopedia, 2008).

Bengali is the mother tongue of almost the entire population of Bangladesh. About 98% of the people are Bangladeshi or ethnic Bengali and speak Bangla (Islam S., 2007). The indigenous minority groups mostly in the Chittagong Hill Tracts have their own language and dialect; they speak Tibeto-Burman Languages. Bangla is the state language but English is spoken in urban centres and among educated groups (Britannica Concise Encyclopaedia: Bangladesh, 2008). In 2000, UNESCO declared 21st of February,

International Mother Language Day to celebrate Languages and the ethno-linguistic rights of people around the world. The Bengali Language Movement, also known as the Language Movement (Bengali: Bhasha Andolon), was a political effort in Bangladesh, advocating the recognition of the Bengali language, Bangla, as the official language (http://en.wikipedia.org/wiki/Official_language) of Pakistan. Such recognition would allow Bangla to be used in government affairs. Since the separation of India and Pakistan in 1947, the latter consisted of two parts: West Pakistan and East Pakistan (now Bangladesh). In 1948, the Government of Pakistan ordained Urdu as the sole national language, sparking extensive protests among the Bengali-speaking majority of East Pakistan. Facing rising sectarian tensions and mass discontent with the new law, the government outlawed public meetings and rallies (Anwar, 2000). The students of the University of Dhaka and other political activists defied the law and organised a protest on 21 February 1952 (Uma, 2004). The movement reached its climax when police killed student demonstrators and the deaths, provoked widespread civil unrest led by the Awami Muslim League, later renamed the Awami League. The Central Government of Pakistan relented and granted official status to the Bengali language in 1956 (Umar, 2004; Islam, 2007).

2.4 Natural Resources:

Bangladesh has reserves of various important natural resources such as natural gas, coal, limestone, hard rock, gravel, glass sand, white clay, brick clay, peat, and beach sand heavy minerals. Natural gas is the most important of these resources, on which the Bangladesh economy largely depends. There are about 22 discovered gas fields in Bangladesh of various sizes, totaling about 20 to 25 trillion cubic feet (the Columbia Encyclopedia, 2008). Most of the gas fields are dry; a few fields are wet with considerable amounts of condensate. Bangladesh is essentially a mono-energy country: 70% of commercial energy comes from natural gas. In terms of consumption, the power sector ranks the highest (44%); the fertilizer sector second (28%); and industry, domestic, commercial and other sectors together rank third (22%) (Haque, 2010). At present 12 gas fields, public and private are in production with a gas supply between 900 and 930 million-cubic-feet-of-gas-measurement (MMCFG) per day (the Columbia Encyclopedia, 2008).

2.5 Agriculture :

Bangladesh is an agricultural country and is covered in highly fertile soil, and with a widely available water supply. Agriculture has historically been utterly dependent upon the vagaries of the monsoon. A poor monsoon has always meant poor harvests and the threat of famine. Among the remedial measures adopted has been the construction of a number of irrigation projects designed to control floods and to conserve rainwater for use in the dry months. The most important are the Karnaphuli Multipurpose Project in the southeast, the Tista Barrage Project in the north, and the Ganges-Kabadak Project serving the southwestern part of the country (Siddiqi, 2004).

Rice is the main food in Bangladesh and usually it is harvested three times in a year. Jute and tea are principal sources of foreign exchange. Other important agricultural products are wheat, mustard, pulses (leguminous plants, such as peas, beans, and lentils), onion, potatoes, sweet potato, various kinds of oilseeds, sugarcane, tobacco, and fruits such as bananas, mangoes, and pineapples (Haque, 2010). Bangladesh's labour-intensive agriculture has achieved steady increases in food grain production despite the frequently unfavorable weather conditions, due to the better flood control and irrigation, a generally more efficient use of fertilizers, and the establishment of better distribution and rural credit networks (Heitzman and Worden, 1988). At present, some three-fifths of the populations are engaged in farming (Haque, 2010). Finding alternative sources of employment will be a daunting problem for future governments, particularly with the increasing numbers of landless peasants who already account for about half of the rural labour force.

2.6 Economy:

Bangladesh has many impediments to economic growth : natural disasters such as frequent cyclones and floods; inadequate management systems such as inefficient state-owned enterprises, inefficient use of energy resources (such as natural gas), lack of power supplies, and poor port management facilities; political and economic problems such as slow implementation of economic reforms, political instability, and top to grassroots corruption; and a highly intensive labour force that has outpaced jobs (Source: Britannica Concise Encyclopedia: Bangladesh, 2008; Heitzman and Worden, 1988). However, the most important obstacles are poor governance and weak public institutions, which hinder both the development of infrastructure as well as human rights.

Nevertheless, the country has achieved an average annual growth rate of 5% since 1990, according to the World Bank Report 2008. At the end of the last fiscal year 2006-2007 GDP stood at US\$ 66 billion. In the fiscal year 2007-2008 the Bangladesh economy signaled positively in most economic indicators, achieving a growth of 6.51 (ADB and BB Report, 2008). Consequently, Bangladesh has seen expansion of its middle class, and its consumer industry has also grown visibly (see Table 1 below).

2.7 Rules and Regulations

Both external and internal factors contributed to the phenomenal growth of RMG sector. One external factor was the application of the GATT-approved Multifibre Arrangement (MFA) which accelerated international relocation of garment production. Under MFA, large importers of RMG like USA and Canada imposed quota restrictions, which limited export of apparels from countries like Hong Kong, South Korea, Singapore, Taiwan, Thailand, Malaysia, Indonesia, Sri Lanka and India to USA and Canada. On the other hand, application of MFA worked as a blessing for Bangladesh. As a least developed country, Bangladesh received preferential treatment from the USA and European Union (EU). Initially Bangladesh was granted quota-free status. To maintain competitive edge in the world markets, the traditionally large suppliers/producers of apparels followed a strategy of relocating RMG factories in countries, which were free from quota restrictions and at the same time had enough trainable cheap labor. They found Bangladesh as a promising country. So RMG industry grew in Bangladesh.

By 1985, Bangladesh emerged as a strong apparel supplier and became a powerful competitor for traditional suppliers in the US, Canadian and European markets. Since 1986, Bangladesh has been increasingly subjected to quota restrictions by USA and Canada. RMG industry suffered setback in a number of countries in the 1980s. Some countries had internal problems, for example, Sri Lanka; and some other countries of Southeast Asia experienced rapid increase in labor cost. Buyers looked for alternative sources. Bangladesh was an ideal one as it had both cheap labor and large export quotas. The EU continued to grant Bangladesh quota-free status and GSP privileges. In addition, USA and Canada allocated substantially large quotas to Bangladesh. These privileges guaranteed Bangladesh assured markets for its garments in USA, Canada and EU. The domestic factor that contributed to the growth of RMG industry was the comparative advantage Bangladesh enjoyed in garment production because of low labor cost and availability of almost unlimited number of trainable cheap labor. The domestic policies of the government contributed to the rapid growth of this sector. The government provided various kinds of incentives such as duty-free import of fabrics under back-to-back L/C, bonded warehouse facilities, concessionary rates of interest; cash export incentive, EXPORT PROCESSING ZONE facilities, etc. The government also took a number of pragmatic steps to streamline export-import formalities.

CHAPTER -3

The Development of the Garment Industry in Bangladesh

The Development of the Garment Industry in Bangladesh

The garment industry is the key export-earning sector and striking force in the field of industrialisation for Bangladesh. This sector opened up employment opportunities to millions of unemployed, especially uneducated rural women (Rashid, 2006). At present, the Bangladesh garment industry is the largest industrial sector of the country.

The garment factory, and more accurately speaking, the readymade garment sector (RMG), started in Bangladesh in the late 1970s and was complete within a short period. Bangladesh had a history of textile manufacturing, though during British colonial rule the industry suffered a brutal repression to facilitate the flourishing of British textile industries in Manchester. It is noted that Muslin and Jamdani cloth once was used for luxurious garments in Europe and other countries. The reputation of muslin textile of Dhaka was worldwide. But the handloom industry of muslin textiles was completely destroyed by British colonial repression (Sikder, 2002). However, the garments industries in Bangladesh did not develop from the remnants of the textile industry.

The dismantling of nationalised industries from the 1970s added to the gradual removal of barriers and limits to private investment, and created the opportunity for entrepreneurship. Manufacturers could make direct contact with their leading buyers. Many developed advanced market strategies and made a successful transition to high-value apparel products, such as dresses and suits. Numerous entrepreneurs initially started their careers making garments but later diversified into spinning, weaving, dyeing or finishing operations. Some of these became manufacturers of threads, buttons, zippers and packaging materials (Siddiqi, 2004). There were only nine export-oriented garment manufacturing units in 1978, which generated export earnings of barely one million dollars. Some of these units were very small and produced garments for both domestic and export markets. Examples of successful RMG manufacturers who took advantage of privatisation in different ways are Reaz Garments, Baishakhi Garments, Desh Garments and Trexim Ltd, and the Summon Group (Rahman, 2004; Rock, 2003).

Reaz Garments was established in 1960 as a small tailoring outfit, named Reaz Store in Dhaka, operating within domestic markets only (Rahman, 2004). In 1973, it changed its name to M/s Reaz Garments Ltd. and expanded its operations into the export market. Reaz was the first direct exporter of garments from Bangladesh. In 1978, the Reaz Garments Ltd. exported 10,000 units of men's shirts to the export value of 13 million French francs to a Paris-based firm (Rahman and Kaiser, 1993; Rock, 2003).

Baishaki Garments, one of the older export-oriented garment factories, was established in 1977 by M/S Shamsun Nahar Ahmed, a woman entrepreneur. Indeed, an encouraging aspect of the industry is the number of female entrepreneurs emerging from the Readymade Garments business, and their number is increasing (Shikder, 2002; Morshed, 2007).

The case of Desh Garments and subsequently that of Trixim Ltd illustrates the role played by foreign capital in the establishment and the operation of mills. In 1979, Nurul Kader, a retired civil servant and entrepreneur established Desh Garments in alliance with the South Korean firm Daewoo. Daewoo's Chairman, Kim Woo-Choong, proposed a joint venture between the Government of Bangladesh to produce tyres, leather goods, cement, and textiles, because of high labour costs and labour shortages in Korea. In addition, Bangladesh faced restrictions on its garment products in the US and other OECD markets following the MFA regime (Rhee, 1990: p.336) and this venture allowed Bangladesh increased access to the global RMG market.

Desh provided the equity capital and Daewoo procured the raw materials and provided training and marketing facilities (Morshed, 2007). Daewoo received orders from large retailers in the USA and Europe through its worldwide marketing network. Following that, the Desh garments in Bangladesh were produced, and shipped to their destinations.

The association of Desh and Daewoo was productive. In its first six years of operation, 1980/81-86/87, the value of exports from Desh grew at an average annual rate of 90% to more than \$5 million. The alliance was important for the growth and total exports from the garments industry of Bangladesh (Rahman, 2004). As Desh's operations grew, a large number of local entrepreneurs entered the sector with foreign buyers retaining major control in the marketing (Rashid, 2006). One of these was a Bangladeshi firm, Trexim Limited, which formed an equity joint venture with a South Korean firm, Youngones Corporation, in 1980. The Bangladeshi partners contributed 51% of the new firm's equity,

called Youngones Bangladesh. Its first consignment of padded and non-padded jackets was exported to Sweden in December 1980 (Siddiqi, 1982).

Some entrepreneurs have invested in overseas countries and export RMG from there. One such company, the Summon Group of Bangladesh, went to Cambodia and established a RMG factory under a joint venture arrangement with local partners employing more than a thousand workers (Rahman, 2004).

As the demand for RMG products increases, international buyers continue to invest in Bangladesh. The government of Bangladesh has taken numerous initiatives on trade reform to attract foreign direct investment under the guidance of IFM and World Bank and establish EPZ (Rahman, 2004). Bangladesh Export Processing Zones Authority (BEPZA) is the only government organisation responsible for creation, operation and development of Export Processing Zones (EPZ) in the country. Foreign buyers and Multinational Corporation set up factories to produce goods such as clothing and leather goods used EPZ (Rashid, 2012).

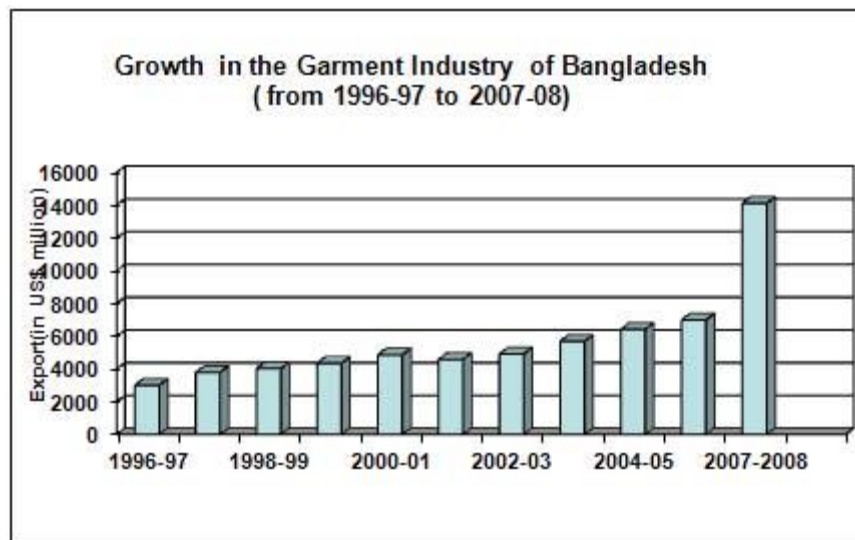


Figure 4

Source: Export promotion Bureau (GoB Bangladesh 2011-2012)

Most of the garments units clustered in industrial areas and EPZs around in Dhaka - Gazipur, Savar, Ashulia, Mirpur, Tejgaon, Mohakhali, Uttara, Wari and Tongi, with some situated in the port cities of Chittagong and Khulna (BGMEA, 1999; Kumar, 2003). The

numbers of garments factories increased some 632 in 1982 and by 2008 had reached 4200 (EPB, 2008).

The export-oriented readymade garments (RMG) industry has made significant contribution to the economic development of Bangladesh. It is the largest exporting industry in Bangladesh, which experienced phenomenal growth during the last two decades. By taking advantage of an insulated market under the provision of Multi-Fiber Agreement (MFA) of General Agreement Tax and Tariff (GATT), this sector attained a high profile in terms of foreign exchange earnings, exports, industrialization and contribution to Gross Domestic Product (GDP) within a short period. Bangladesh exported garments worth the equivalent of \$12.34 billion in 2009, which was about 4.47 per cent of the global total value (\$276 billion) of garments exports (EPB, 2008-2009).

Export of textiles has been the major route to development for most modern economics starting with the British back at the beginning of the industrial revolution. Even as late as the 1950s textiles were a leading part of Japan's export profile. But of course Britain, Japan, and now China have moved beyond textiles. An important question is how did they do it and is Bangladesh following suit? In fact, large producing companies shift their location from where costs have been rising and where MFA quota availability is no longer an issue.

Although rising wages have been one driver of location change for labour intensive industries like garments, and to a lesser extent for textiles, the control and governance of such relocation has been primarily in the hands of global buyers. For example, American producers have relocated to Mexico and Central America, and other Western European countries to Eastern Europe and North Africa (Alavi, 1982: pp.57-58). Basically international buyers considered Bangladesh for its low labour cost, available labour and good business environment.

Also, in Bangladesh, RMG factories introduced by private entrepreneurs and later supported by government initiatives made the industry successful. The RMG sector has few requirements but owners generally prefer young girls and unmarried women. The huge available female work force, low wages, low production costs, dynamic private entrepreneurship and supportive government policies provided an environment for rapid growth.

Year	RMG export (US\$M)	Total Export (US \$ Mn)	Share of total exports	Share to GDP in % (amount in US\$ Min)
1984-85	116	934	12.4	-
1989-90	624	1924	32.4	-
1994-95	228	3473	64.2	5.9
1999-2000	4349	5752	75.6	9.2
2001-2004	6418	658655	94.1	10.6
2005-2006	7901	10526	75.1	12.6

Table 7: Growth and Trend Garments export and contribution to GDP

Source: Economic review of Bangladesh and BGMEA, 2005-2006

Table 7 reveals that the value of RMG export, share of garments export to total exports and contribution to GDP significantly increased during the period from 1984 to 2005-2006. The total RGM export in 2005-2006 was more than 68 times that of 1984-85, while the country's total export for the same period only increased by a factor of 11. In terms of GDP, the contribution of garments export is significant; it reached 12.6 percent in 2005-2006, compared to only 5.9 percent in 1989-90 (Uddin and Jahid, 2007). It is a clear indication of its contribution to the overall economy. It also plays a key role in promoting the development of linkages between small-scale industries. For instance, the manufacture of intermediate products such as dyeing, printing, zippers, labels, collars, buttons has begun to take a foothold on a limited scale and grew significantly. Moreover, it has helped the business of basing, insurance, shipping, hotel, tourism and transportation. The RMG industry employs nearly three million workers directly and more than ten million inhabitants are indirectly associated with this socio-economic development of the country (Ahmed and Hossain, 2006).

Noticeable Social Changes (impact on society) :

Since independence, Bangladesh has made considerable progress in social, political, cultural and economic areas but high unemployment remains a barrier to economic development.

The population of Bangladesh is about 162.2 million. The total labour force participation is 73.89 percent (BBS, 2002). Unemployment rate is 35.2% including underemployment(4), 2002 est. Sector wise unemployment rates are, agriculture 45%, Industry 30% services 25% (Source: Bangladesh Economy, 2011 and 2011 CIA World Fact Book and Other Sources).

Youth unemployment(5) is high. The unemployment rate for educated women is higher than for their male counterparts. In fact, most parents and husbands do not allow women to work in remote areas or rural areas due to social security problems. As a result, educated woman prefer to stay at home (Source: 2011 CIA World Fact Book and Other Sources).

Female participation in the work force is increasing particularly in agricultural, services, health, and education sectors. Female participation rates have doubled in Bangladesh since 1995. Recently, younger women's employment has seen the largest increase due to the revolution in the RMG industry (Source: 2011 CIA World Fact Book and Other Sources). But these rates are still low at 26% (Source: Bangladesh Economic Update, July 2011).

The RMG industry is contributing in a number ways to the Bangladesh national economy in poverty alleviation programs and has helped create an awareness of women's issues at all levels. In addition to its economic contribution, the expansion of the RMG industry has caused noticeable social changes by bringing more than 2.85 million women into the work force. In 1980, estimates show around 50,000 female garment workers in this sector (World Bank, 2008). According to Bhattacharya and Rahman, the number of people employed in the apparel sector had increased to more than 1.5 million in 1997-98, which constitutes about 70% of the total female employment in the country's manufacturing sector (Bhattacharya and Rahman, 1999). Currently the industry employs about three million workers, of whom 90% are women, mostly from rural areas (Rashid, 2006).

Country	No. of workers	Percent female	Percent of total exports
Bangladesh	3.0 million	90	76
Pakistan	700,000	10	60
Sri Lanka	277,00	87	52
Nepal	40,000	15	38
India	4.3 million	34	13

Table 8: Female employment in South Asia Garment Industry

Source: Gopal Joshi (2002). Garments Industry in South Asia-Rags or Riches; Begum (2001).

Enforcement of Safety regulations in the garments sector of Bangladesh.

Table 8 illustrates that among the five South-Asian countries the Bangladesh garment sector is the highest RMG exporter with 76% of total exports, and has the highest rate of employment of about 3 million workers of whom 90% are women.

High female participation rates, as argued above, effectively result in lower wages and greater competition as evidenced by the size of the export market.

Usually female participation in the work force depends on education, skills, socio-economic factors, political stability, and supportive government policies. For example, Sri Lankan GDP is high among the SARC countries and literacy is nearly 97% although Sri Lanka has struggled with civil war since 1983-2009 (Buncombe, 2009). After the civil war, supportive government policy is encouraging women to work in the garment sector. Currently female participation in the garment sector is 87% and garment products are 52% of the total exports (UNICEF, 2009). On the other hand, in India, with a literacy rate of 90%, female participation in the garment industry is about 34% and comprises only 38% of exports. In India, garment factories are mainly situated in port areas, capital cities and commercial cities and wages are low compared to other sectors. Most of the population lives in rural areas and are not interested in work distant from their homes. Moreover, financial crises, transport, accommodation problems and personal reasons, attract the rural population to work in domestic and agricultural or small business employment (Wikipedia, 2012). On the other hand, city women prefer flexible working hours and an office job and the garment industry does not meet their preferences. Although the literacy rate in Nepal is 38% their female participation in the garment sector is comparable with other countries. Pakistan has a literacy rate of 93% but female participation in the garment sector is about 10% (UNDP, 2008). Pakistan is an Islamic Republican country where women face the greatest objections from their husbands and are restricted by their society. The society is controlled by religious leaders, fundamentalist and, community leaders and, although Islam considers that males and females should be equal, they are discriminated against there. Bangladesh is different from Pakistan. Although it is a Muslim country, it is moderate. The literacy rate is 53.4 %, comprising 51.02 % for females and 55.90 % for males. (World Bank, and UNESCO, 2009). Although the literacy rate is lower than Pakistan, social and political stability in Bangladesh is better. As a result, in the RMG sector female participation is higher. Currently the industry employs about three million workers, of whom 90% are women and total garment product exports account for 76% of all exports (Wikipedia, 2012).

In a society, women's mobility is extremely restricted and women's access to resources and economic opportunities, and their participation in decision making both within and outside households is constrained. The large numbers of women who are working outside the home in the RMG industry has resulted in some significant social changes (Begum, 1995). Now families are willing to allow these women to migrate to cities and stay alone if need be, in order to obtain paid work and provide an income, often as principal earners of the family (Ali, 2003). According to Paul-Majumder and Zohir (1994), employed female workers in the export-oriented garments industry share about 46 percent of their income with their families. RMG wages were well above the national poverty equivalent wages, implying that workers in this industry who generally came from poor rural families were able to pull nearly two million poor households, 13 percent of the poor households, out of poverty (Paul-Majumder and Zohir, 1994; Abedin, 2008).

After joining the export garments industry these working girls or women, have a changed status in their family, which has affected the traditional patriarchal dominance of fathers, brothers and husbands (Kibria, 1995). Female workers now choose to marry or become mothers. Parents are often so dependent on their unmarried daughter's income that they are reluctant to permit marriage until the family has become more secure financially. Moreover, women are earning their own wages and do not need to rely on a husband for income so these women are marrying at a later age, and delaying childbearing (Paul-Majumder and Zohir, 1994). In the past women married at about age 16, with a first child at 17, now, after joining the garments factory, the age of marriage is 20 with a first child at 21 (Swamy, 2004). As a result, the number of early marriages is decreasing, as well as the birth rate. These developments are speculated as positive and supportive of women's health. There is some evidence found that husbands' participation in household work increases with increases in the employment of women in the garment industry (Kibria, 1995). Increasingly women now participate in family decision-making (Rock, 2003).

Female workers tend to support their younger siblings at school; currently primary school net enrolment and attendance is nearly 85% (Unicef Report 2005-2009). So, the literacy rate is increasing. The literacy rate impacts on socio-economics and in improving the quality of life and enhancing the prospects in livelihood.

Most importantly, the growth of the RMG sector produced a group of entrepreneurs who have created a strong private sector. Of these entrepreneurs, a significant number are female. A woman entrepreneur established one of the oldest export-oriented garment factories, the Baishakhi Garments in 1977 (Shikder, 2002; Absar, 2001). As a result, apart

from the rise of the garments export sector having economic significance for Bangladesh, it also has social significance with young Bangladeshi women now becoming a force in the labour market.

Problems and Challenges of the Bangladesh RMG Industry :

Despite the phenomenal success of the RMG sector, poor working conditions in the factories and the lack of Social compliance⁽⁶⁾ are serious concerns, which have, since 2006, led to labour unrest and damage to institutions and properties. Working conditions in the RMG sector are below the ILO standards.

Recruitment policies are highly informal compared to western standards and do not have formal contracts and appointments letters. There is no weekly holiday, job security, social security, and absence of maternity leaves, gratuity or provident fund for the garments workers. Moreover, late or irregular payment and gender discrimination are common in this sector. Added to this, garments workers are not entitled to any fringe benefits, including an accommodation allowance, health care, emergency funds, or transportation (Muhammad, 2006). The majority of workers are young women and are frequently physically and sexually abused by their supervisors and security guards (Rashid, 2006). Violation of health and safety regulations is frequent in the RMG sector. As a result, workers suffer from constant fatigue, headaches, anaemia, fever, chest, stomach, eye and ear pain, coughs and colds, diarrhoea, dysentery, urinary tract infections and reproductive health problems. Most of the factories do not meet minimum standards, as prescribed in building and construction legislation (Factory Rules 1979). Injury, fatality, disablement and death due to notorious incidents of fire and building collapse are frequent in the RMG sector (Begum, 2001).

There are many other labour sectors; unlikely child labour is a serious and growing problem within this sector (Muhammad, Rashid, 2006). Indeed most of the private garments factories have no trade union presence. Export Processing Zones (EPZ) are particularly banned union activities in their premises. These bans constitute a serious violation of workers' rights and there are many other practices, which violate international labour standards, and Codes of Conduct (Qudus and Uddin, 1993; Dasgupta, 2002). Furthermore, law enforcement is poor and government and entrepreneurs' poor judgment has led to labour unrest in the sector. Consequently, Bangladeshi RMG products have less appeal to international buyers who demand compliance with their own Codes of Conduct before placing any garment import orders. These issues are fundamental to the workers'

interests but there are the additional costs consequent on these compliance demands (Rashid, 2006). As a result, Social compliance(7) has emerged as a major issue to the RMG sector.

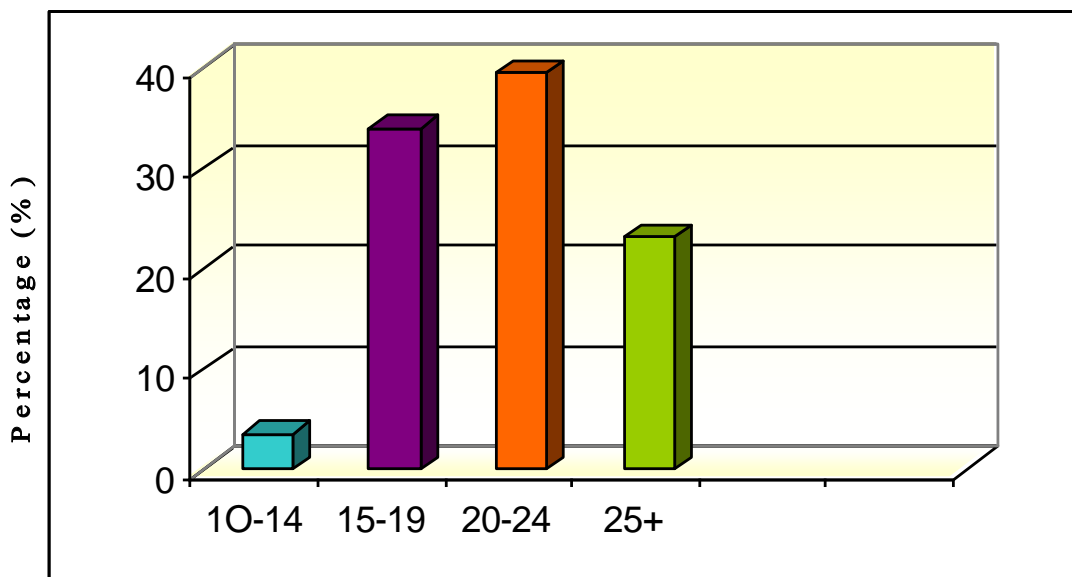
CHAPTER - 4

GRAPHS

Distribution based on the workers' Age:

Age Group	No of workers	Percentage (%)
10-14	13	3.62%
15-19	122	33.88%
20-24	142	39.45%
25+	83	23.05%
Total	360	100%

From the distribution, we find that most of the workers are in between the age interval (20-24). That means 39.45% workers are between (20-24) years age group. This is represented below by bar diagram-

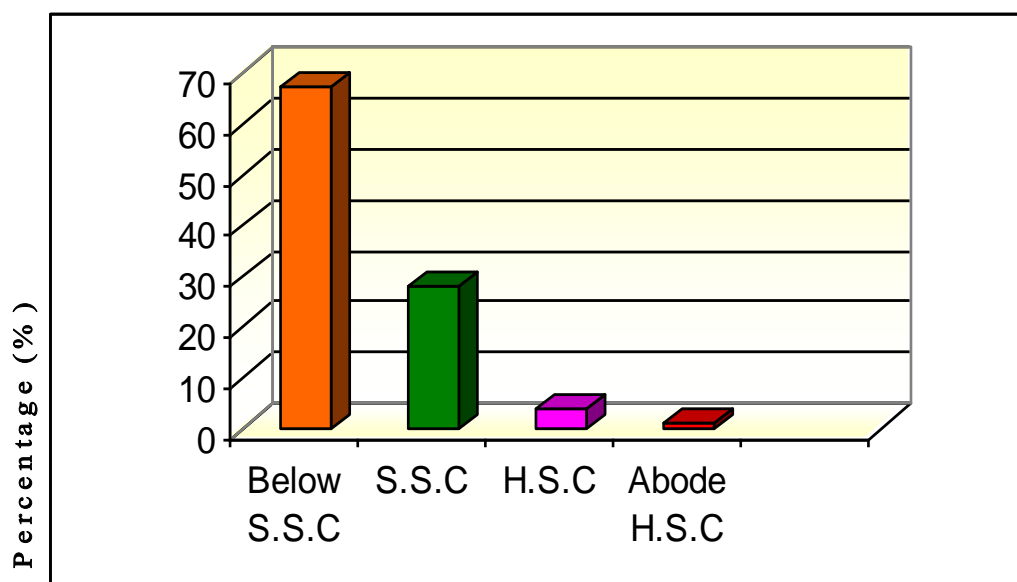


Age

Distribution based on the workers' educational qualification:

Educational Qualification	Frequency	Percentage (%)
Below S.S.C	243	67.50 %
S.S.C	101	28.05 %
H.S.C	13	3.62 %
Above H.S.C	3	0.83 %
Total	360	100 %

From the distribution we find that most of the workers are in below S.S.C. That is 67.5% workers are in below S.S.C. This is represented below by bar diagram -

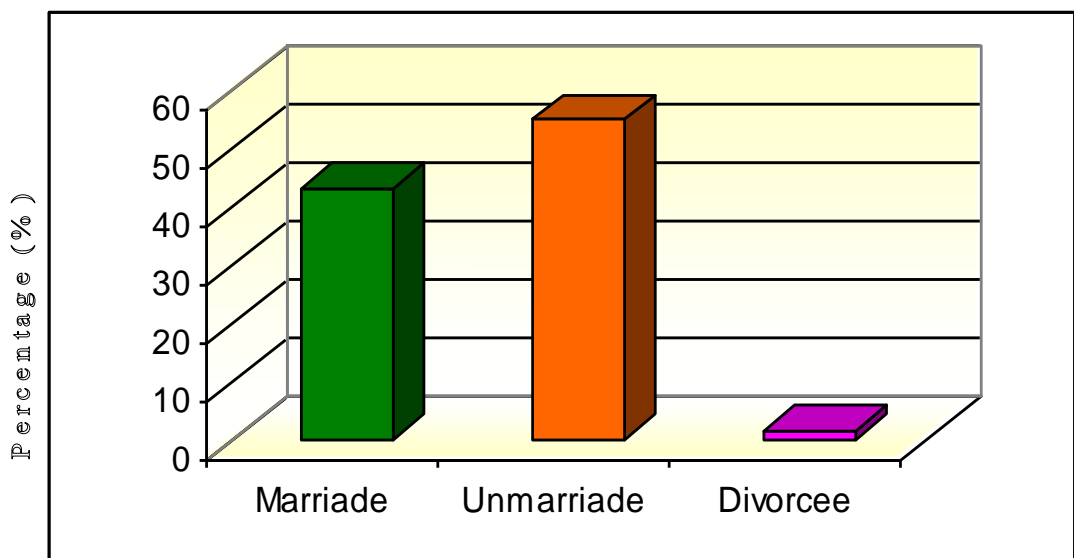


Educational qualification

Distribution based on the workers' marital status:

Marital Status	Frequency	Percentage (%)
Married	156	43.34 %
Unmarried	198	55.00 %
Divorcee	6	1.66 %
Total	360	100 %

From the distribution we find that most of the workers are unmarried. That is 55% workers are unmarried. This is represented below by bar diagram-

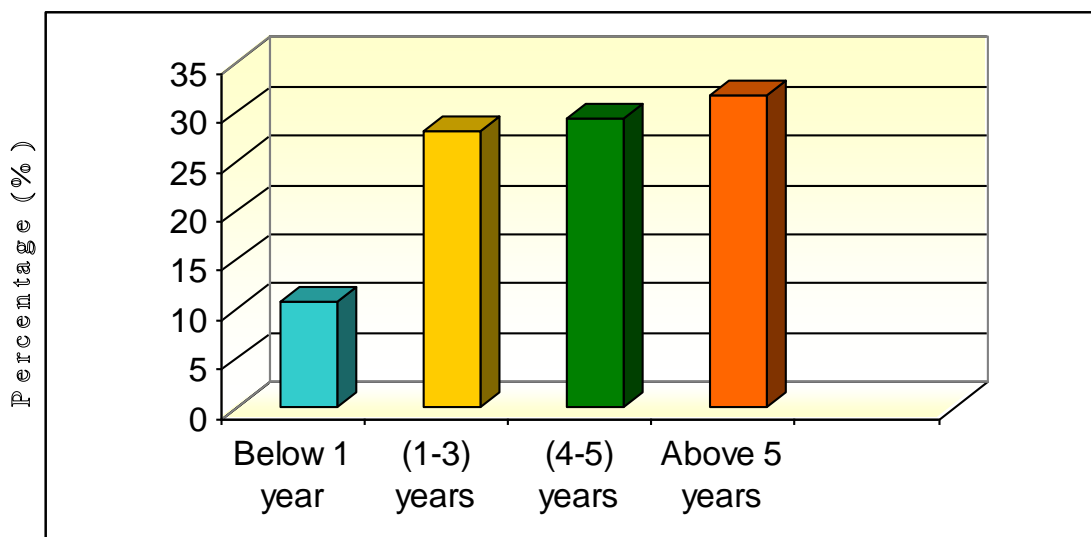


Marital status

Distribution based on how many years the workers' have been in city:

How many years been in city	Frequency	Percentage (%)
Below 1 year	39	10.83 %
(1-3) years	101	28.05 %
(4-5) years	106	29.45 %
Above 5 years	114	31.67 %
Total	360	100 %

From the distribution this is found that most of the workers have been in town for more than 5 years. That is 31.67 % workers have been in town for more than 5 years. This is represented below by bar diagram-

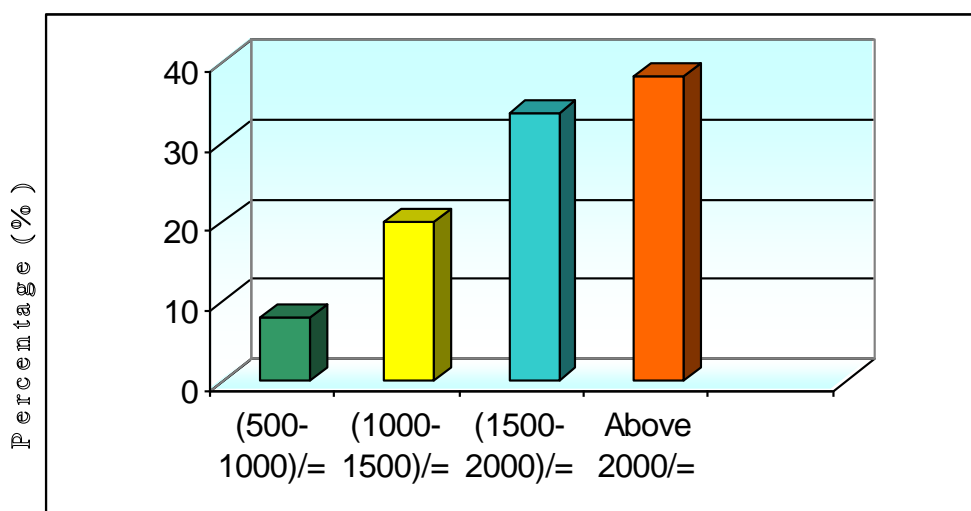


Years

Distribution based on the workers' monthly salary:

Monthly Salary	Frequency	Percentage(%)
(500-1000)/=	29	8.05%
(1000-1500)/=	72	20.00%
(1500-2000)/=	121	33.61%
Above 2000/=	138	38.34%

From the above distribution this is found that most of the workers' monthly salary is above 2000/=. That is 38.34 % workers' monthly salary is above 2000/=. This is represented below by bar diagram-

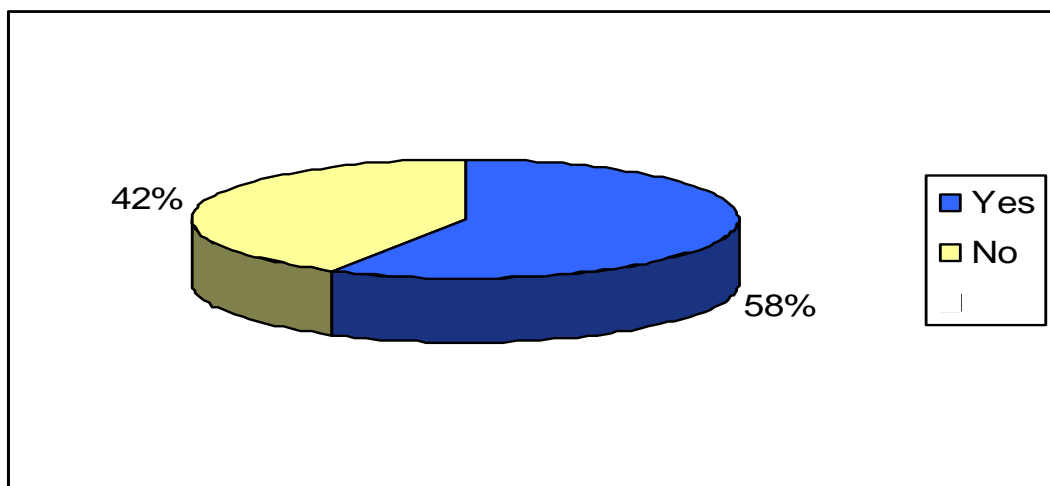


Salary

Distribution based on if any inequality in salary of same work:

Inequality in Salary	Frequency	Percentage(%)
Yes	209	58%
No	151	42%

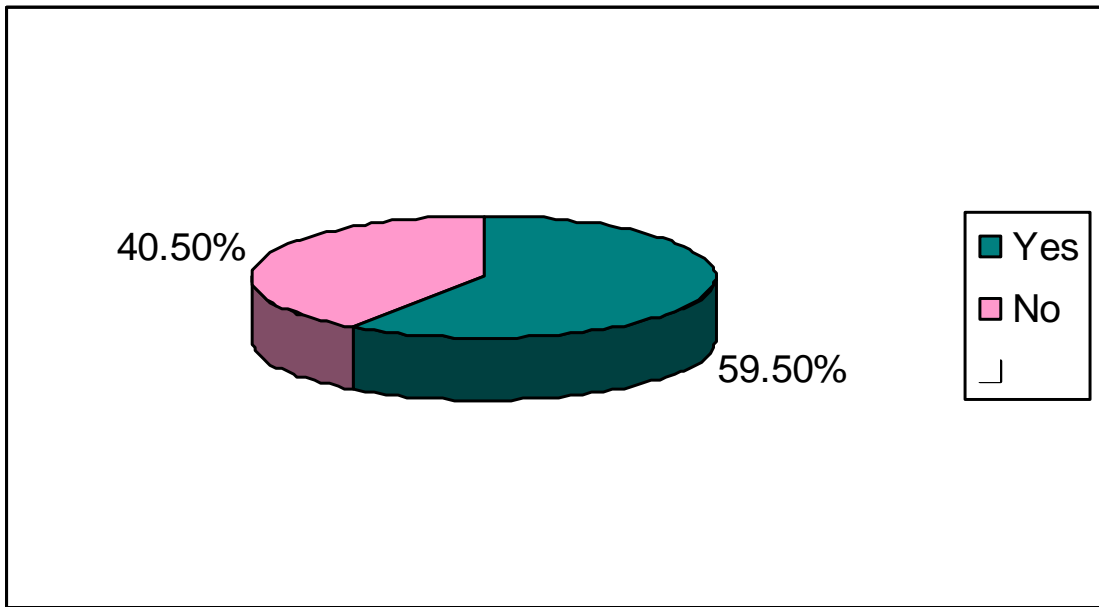
From the above distribution this is found that in most of the factory there is inequality in salary of same work. That is in 58 % factory there is inequality in salary of same work. This is represented below by pie chart -



Distribution based on the workers' anxiousness to lose the job:

Anxious to lose the job	Frequency	Percentage(%)
Yes	214	59.50%
No	146	40.50%

From the above distribution this is found that most of the workers are anxious to lose the job. That is 59.50 % workers are anxious to lose the job. This is represented below by pie chart-



Distribution based on the workers' working hour :

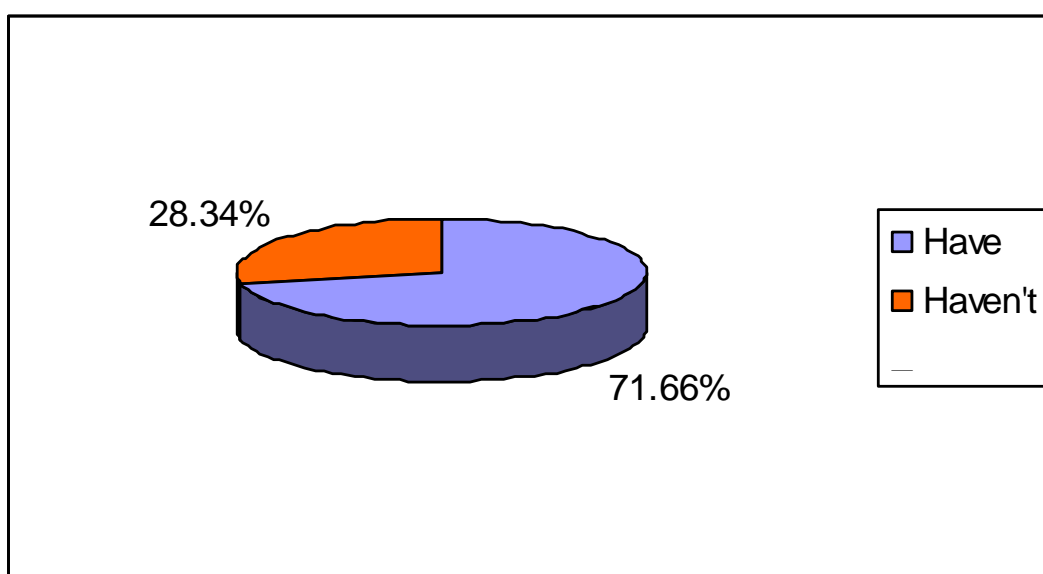
Working Hour	Frequency	Percentage(%)
(6-8) hour	40	11.11%
(8-10) hour	141	39.17%
(10-12) hour	179	49.72%

From the above distribution this is found that most of the workers' working hour is (8-10) hour. That is 49.72 % workers' working hour is (8-10) hour. This is represented below by bar diagram-

Distribution based on if the workers have maternity leave or not:

Maternity Leave	Frequency	Percentage (%)
Have	258	71.66%
Haven't	102	28.34%

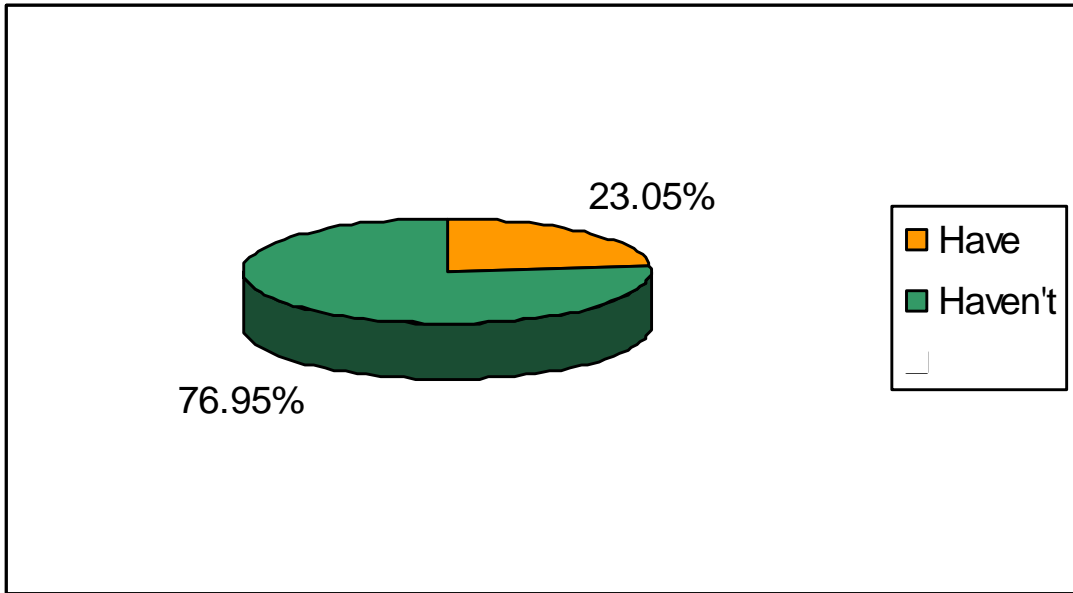
From the above distribution this is found that most of the workers have maternity leave .That is 71.66 % workers have maternity leave. This is represented below by pie chart -



Distribution based on the workers' facilities of mental recreation:

Facilities of mental recreation	Frequency	Percentage(%)
Have	83	23.05%
Haven't	277	76.95%

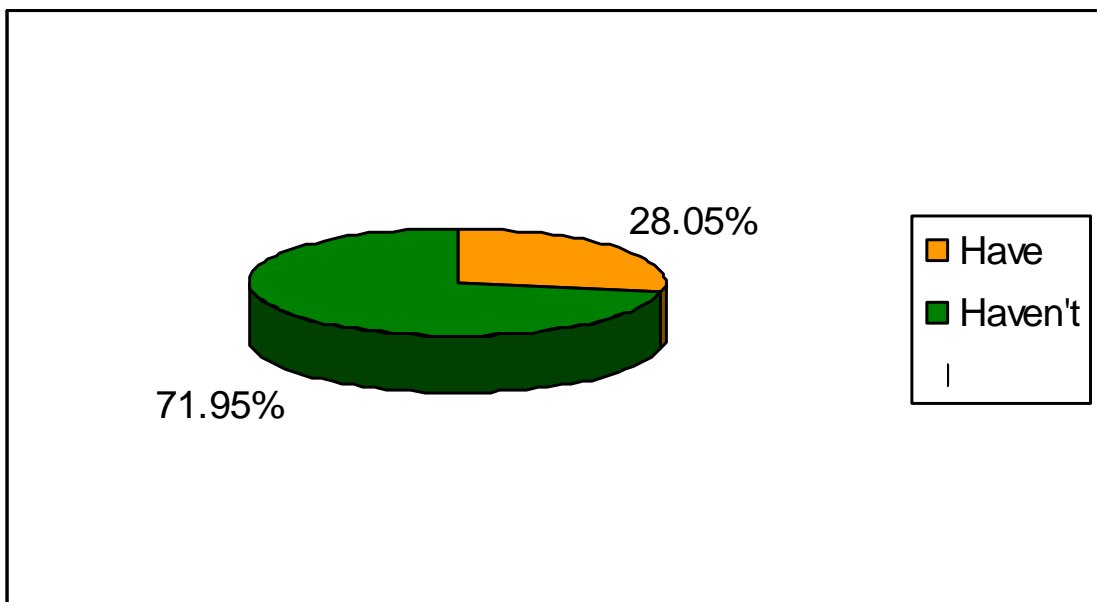
From the above distribution this is found that most of the workers haven't the facilities of mental recreation. That is 76.95 % workers haven't facilities of mental recreation. This is represented below by pie chart -



Distribution based on the workers have permanent home or not:

Permanent home	Frequency	Percentage(%)
Have	101	28.05%
Haven't	259	71.95%

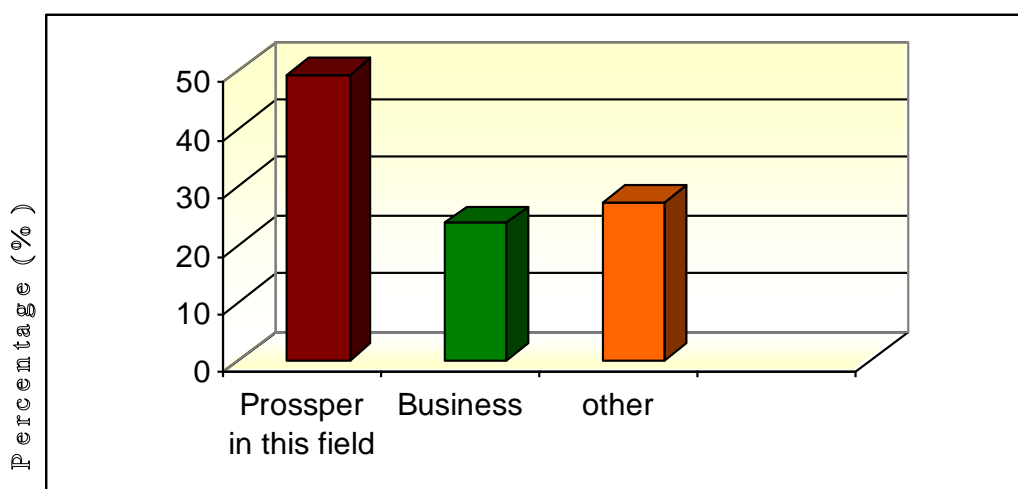
From the above distribution this is found that most of the workers haven't permanent home. That is 71.95% workers haven't permanent home. This is represented below by pie chart -



Distribution based on the workers' future planning :

Future planning	Frequency	Percentage(%)
Prosper in this field	177	49.17%
Business	85	23.61%
Other	98	27.22%

From the above distribution this is found that most of the workers' future plan is to prosper in this field. That is 49.17% workers' future plan is to prosper in this field. This is represented below by bar diagram -

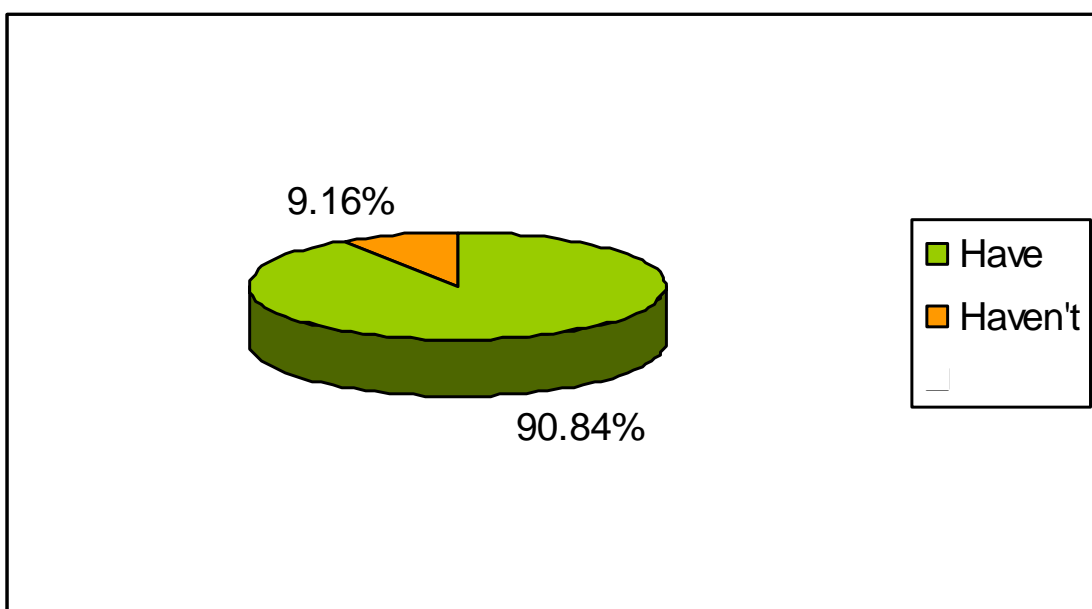


Future planning

Distribution based on if the workers' factory has fire extinguish system or not :

Fire extinguish system	Frequency	Percentage(%)
Have	327	90.84%
Haven't	33	9.16%

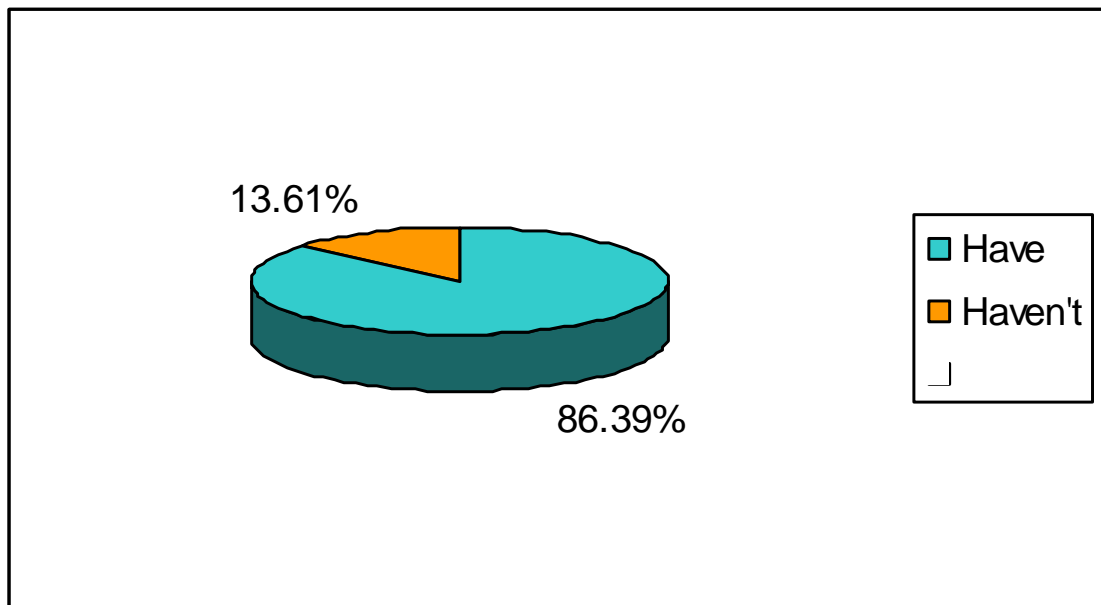
From the above distribution this is found that most of the workers' factory has fire extinguish system. That is 90.84 % workers' factory has fire extinguish system. This is represented below by pie chart -



Distribution based on if the workers' factory has alternative exit system or not :

Alternative exit system	Frequency	Percentage(%)
Have	311	86.39%
Haven't	49	13.61%

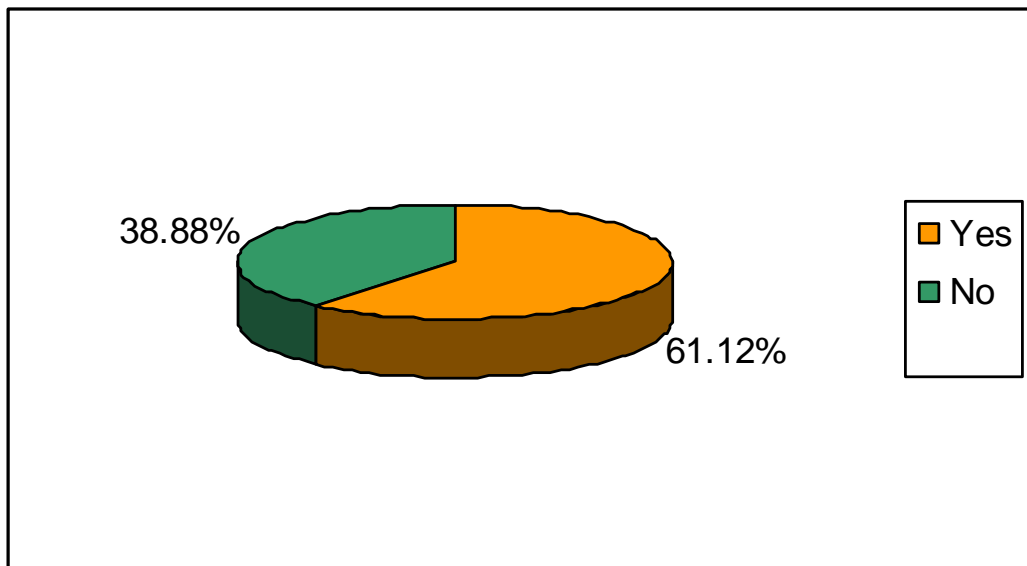
From the above distribution this is found that most of the workers' factory has alternative exit system. That is 86.39% workers' factory has alternative exit system. This is represented below by pie chart -



Distribution based on if the factory pay for accidental damage:

Pay for accidental damage	Frequency	Percentage(%)
Yes	220	61.12%
No	140	38.88%

From the above distribution this is found that most of the workers' factory pay for accidental damage. That is 61.12% factory pay for accidental damage. This is represented below by pie chart -



CHAPTER - 5
SUMMARY, RECOMMENDATION
& CONCLUSION

5.1 Summary of the Study:

Eros printing is an emerging company. The company has only completed a decade of accessories services. At the initial stage of business, every institution has to go through the difficult path of survival. To achieve the confidence of the customer the company must execute some improvements in its marketing and operational areas eros printing and accessories should try to win customer faith by providing them efficient and dependable services, credit facility and updating with user friendly modern technologies. The company should redesign all sorts of accessories procedures to be more user-friendly, attractive and impressive.

Eros printing and accessories started with a vision to be the most efficient accessories intermediary in the country and it believes that the day is not far off when it will reach its desired goal. It looks forward to a new horizon with a distinctive mission to become a highly competitive modern and transparent institution comparable to any of its kind at home and abroad.

Finally it can be said that, Borrower's Perception should be more for emerging markets, up warding growth of national income and overall improvement in the standard of living.

5.2 Recommendations:

I have observed some shortcomings regarding operational and other aspects of their accessories. On the basis of my close observation I would like to propose the following recommendations-

- Improve office atmosphere to give customer friendly feeling.
- Provide intimate attention to your customers' needs.
- Customers' convenience will be of Top priority.
- Fast Service Policy should be introduced. So that everybody get faster service.
- The company should try to arrange more training programs for their officials. Quality training will help the official to enrich them with more recent knowledge of accessories and improve their skill.
- Over burden of work and ill defined assignment unable the employee to discharge their duties in cool manner. It is also creates a hazardous situation in the work process. So all the employees should be assigned with proper and specific assignment.
- Time consumed in servicing customers is minimized.
- Develop communication skills.
- Help new entrepreneurs to formulate business plans.

5.3 CONCLUSION

On this backdrop, a study on the working conditions and environment in the garments industry of Bangladesh is imperative. The analyses of working conditions in relation to labour rights and labour standards have been the subject matter of many discussions and studies. A number of issues that especially concern and effect employment, fair labour practices, global labour standards, labour rights, Code of Conducts, Decent work, international communities and other stakeholder roles, buyer demand, weak law enforcement and labour unrest (cause of low wages, working hours, overtime, health and safety, job security, the right to form trade unions and environment security), are identified and discussed in this research. These issues address labour rights and labour standards with links to Social compliance. Generally, labour rights and labour standards issues are associated with Human Resources (HR) and Industrial Relations (IR) activities that are controlled by government mechanisms, and international law and policy. Therefore this research pays particular attention to government mechanisms, national laws and regulations, international laws and policies, labour standards according to the ILO conventions, the Factory Act 1965 and the Fair Labour Act according to the WTO Code whether following in the RMG sector or not. Moreover, the research also examines the roles of government, trade unions, multinational-agencies and other stakeholders. In addition, it also discusses relevant international treaties and agreements, and threats or pressures for better treatment to improve working conditions in the RMG sector.

The research identifies ways to improve the working conditions leading to the mitigation of labour unrest through establishing Social compliance in the RMG industry. The establishment of HR or PM units throughout the RMGI is a high priority for the improvement of working conditions. Other prerequisites include fair labour practices, suitable building codes for improving health and safety, comprehensive labour legislation and regulation, stricter enforcement of factory laws and more effective procedures for ensuring compliance with them, and effective monitoring mechanisms. Another key to sustainable improvements at the workplace is to ensure workers' rights to organise and bargain collectively. The state must protect these rights by creating a system for complaints concerning violations, adjudication, remedies, and penalties. Finally, paying due attention to treaties and bilateral agreements, the ILO and the WTO and other stakeholders' roles, and pressure from international communities is also important for the improvement of Social compliance.

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