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Trade unions, gender issues and the ready-made garment industry of Bangladesh

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I. Introduction

Various studies have pointed out that there has been a considerable expansion in female employment in Bangladesh during the last decade (Paul-Majumdar and Chaudhuri-Zohir, 1993; Bhuiyan, 1991; Wahra and Rahman, 1995). Female employment, due to both “push” and “pull” factors, has expanded in an unprecedented manner in the formal export-based sectors, particularly in ready-made garment (RMG) manufacturing. In July 1996, 2,357 garment factories were registered with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) (Nahar, 1996). The growth has indeed been phenomenal, since the ready-made garment industry began modestly as late as the 1970s.

However, the rapid growth in these female-labour-dominated, export-based manufacturing industries is now also raising new issues and concerns about evolving industrial relations in the RMG sector and their possible future consequences for wages and labour productivity in general and changing working conditions for the female labour force in particular. One particular reason for this concern is the possible organizational impact of the phasing out of the Multi-Fibre Agreement (MFA) on the workplace environment of the factories by the year 2005. One of the crucial factors behind the

boom in ready-made garment manufacturing in Bangladesh was the search by mostly East Asian countries, mainly in the late 1970s, for ways around the MFA. Through the MFA — first introduced in 1974 under the General Agreement on Tariffs and Trade (GATT) — the United States, Canada and some West European countries sought to protect their own garment industries from cheap imports of garments from the developing countries.

Bangladesh, however, was able to escape the MFA import quotas because it was not perceived to be a particular threat to the industries of those countries. As a result, many East Asian firms, unable to export to countries like the US because their countries' quotas had already been exhausted, simply relocated to Bangladesh, either in the form of foreign direct investments (FDI), or as joint ventures, or even as “buying houses”. Instead of establishing backward linkages or developing indigenous raw material sectors, most of these firms preferred to import almost all their raw materials from their own countries. In other words, they used only the amply available cheap labour force of the country. These garments were then exported to the United States, Canada, and some West European countries as Bangladeshi goods, thereby avoiding import restrictions placed on goods from East Asian countries.

The owners of these enterprises utilized informalized labour recruitment and workplace policies, which included recruiting workers without proper “appointment letters” and providing the supervisory staff full authority to hire and fire semi-skilled casual workers (from other factories or unemployed) whenever necessary. Such practices enabled the owners to maintain their strong grip over management and labour relations and sought to rule out any kind of unionization.

Around the mid-1980s, when a new generation of Bangladeshi entrepreneurs — a majority of whom started operating primarily as local suppliers of these “buying houses” — joined the RMG manufacturing sector, they followed suit in terms of labour practices. With the exception of a few relatively new garment manufacturers, all preferred cheaply available imported raw materials. All of them also employed mainly unskilled teenage girls or young women, drawn primarily from the rural areas. There were three main reasons for this deliberate feminization of the work force: 1) it was perceived by the garment factory owners that, as Standing has already pointed out with reference to export-led industrialization in other Asian NICs, these poor women had been socially and economically oppressed for so long that they were certainly to have low “aspiration wages” when

they took up their jobs and also low “efficiency wages” once they were in employment (Standing, 1989); 2) since these women were already in a precarious situation due to their socioeconomic vulnerability, they were more likely than their male counterparts to work extra hours if necessary, and in case of any decline in their performances in terms of productivity, they were much easier to dismiss; 3) they were also perceived by most garment factory owners as docile, trustworthy, manageable, as well as less confrontational and therefore less susceptible to any anti-management propaganda by outsiders.

It would be interesting to note in this connection that, from the very outset, most RMG factory owners tried their best to keep the factory units as informalized as possible, because that would provide them with greater flexibility in terms of labour management, unit production and working hours, without significant social obligations to their workforce. Any kind of unionization, including in-house unionization, was also perceived as undesirable by most garment factory owners because, as they argued, at the formative phase of their manufacturing businesses they could not afford to be distracted by “unreasonable” workers’ demands and “unnecessary disruptions” by the trade union leaders who, at one point or other, “might try to pursue their own selfish agenda in the name of worker’s participation”. It is alleged by some trade union leaders that even in the very few factories where a kind of in-house unionization was allowed, the union leaders were hand-picked by the management who sooner or later became “the agents of the owners” in the name of “management-labour solidarity”.

It is with this backdrop that one has to analyze the future of labour-management relations in the RMG industries in Bangladesh in the new millennium and its consequences for labour productivity and gender equity. With the dismantling of the MFA and the consequent opening of the garment market to free trade, Bangladeshi garment manufacturers will have to compete in terms of price in the existing world market and will be likely to seek out additional cost-cutting measures. The possible consequences could be 1) locking the RMG sector, to a large extent, into a vicious cycle of low-wage, low-efficiency, and low-technology production; 2) a shrinking of the already scanty on-the-job training opportunities and other facilities for the predominantly female workers; 3) further deterioration of factory conditions.

However, the cost-cutting option could, in the long run, be like a Trojan horse for the manufacturers, since in an industrial sector

where labour costs are already among the lowest and where the working environment is in dire need of improvement, any such endeavour is bound to make the Bangladeshi manufacturer vulnerable to new types of non-tariff barriers in the name of humanitarian concerns, as happened earlier on the issue of child labour (Nahar, 1996). Therefore, for their enlightened self-interest, the RMG manufacturers from Bangladesh must find some ways of minimizing production costs without heavily clamping down on wages and guillotining the facilities available to the labour force. Their success in this respect would ultimately depend on whether or not they succeed in striking a balance between wage structures, the working environment and labour-management relations on the one hand, and labour productivity on the other. It is in this context that one has to consider the role of trade unions in the RMG manufacturing sector in Bangladesh. Although the post-Cold War debates on the consequences of globalization for trade and industrial policy reforms in developing countries seem to be far from settled, there is a growing consensus that those issues cannot be addressed in isolation from the broader debate on labour standards, trade unions and gender equity (Çagatay, 1996; Standing, 1989, 1990; Olukoshi, 1996; Khundker, 1997).

1. Relevance of the study

News reports published in leading vernacular and English dailies of the country in recent years suggest an increasing trend of physical assaults, *gherao*, demonstrations, rallies, work stoppages and lay-offs in the ready-made garment sector. Such “unhealthy” management-labour relations result in loss of wages for workers as well as loss of productivity. If no new *modus operandi* is evolved for institutionally resolving labour disputes, these could do incalculable damage to management-labour relations and the morale of both. Since it has not been possible, so far, to quantify the loss directly attributed to the existing poor industrial relations in the RMG sector, the specific impact of these deteriorating relations is still going largely unrecorded.

Despite the obvious problematic state of management-labour relations in the RMG enterprises in Bangladesh, no systematic effort has so far been made to understand the basic dynamics of industrial relations in the private sector in general and the problems of unionization in the female-dominated RMG sector in particular. There might be various reasons for an apparent lack of academic interest in management-labour relations in the private sector. However, the single most important reason seems to be that, so far, the role of the

trade unions in the private sector has remained quite peripheral in the overall political calculus of industrial management in Bangladesh. On the other hand, some large trade unions in the public sector, with their pervasive patron-client political nexus, play a dominant role in political decision making. In addition, the admixture of booty capitalism and patron-clientelism has created particular types of ruling elite in Bangladesh, known as neo-patrimonial, in which the power holders' arbitrary will has often become intermeshed with legal-rational organizations. This has, in effect, encouraged rent-seeking behaviour on the part of the ruling elite by granting special privileges to politically influential actors such as the trade union leaders in big public sector organizations who, in return, have served as support bases for those ruling elites both at local and national levels (Khan et al., 1996). Even nowadays, there is a general trend among the large trade unions in the public sector to remain affiliated, as long as it is possible, with different political parties so that they can use their political leverage in their courses of action whenever necessary.

Two important points must be noted here, however: one, this apparent politicization of trade unions in large public sector organizations has more to do with the structural ensemble of the Bangladeshi political parties — which have consistently failed to make the rent-seeking industry of Bangladesh subject to a diseconomy of scale — than with the functioning of the trade unions in the public sector. Therefore, the responsibility of transforming those affiliated trade unions in such a fashion that they become conducive to harmonious industrial relations lies primarily with the political leadership in Bangladesh. Two, not all the trade unions in the public sector are politically affiliated, and the percentage of formally unionized workers in the modern manufacturing sector is still between 5 and 7 per cent.

Given this background, it is no wonder that almost all the pioneering work on industrial relations in Bangladesh focuses specifically on issues related to the public sector (Sobhan and Ahmad, 1980; Ahmad, 1980; Quddus et al., 1982; Martuza, 1982; Islam, 1983; Mondal, 1992). In his paper on industrial relations in Bangladesh, Islam (1983) concludes that most problems in the labour front emanate from the government, which is both the law-maker and the largest industrial employer in the country. In the RMG sector, however, the government is culpable merely for remaining on the sidelines. In our view, the elastic supply of female labour, the threat of unemployment, and the negative attitude of management towards any kind of unionization are mainly responsible for the non-emergence of healthy

management-labour relations in this vital sector. Herein lies the point of departure of this work.

2. Methodology of the study

During the pre-testing, it was found that almost all existing and active trade unions were engaged in one way or other with some of the garment workers' federations. No unionization process was found that could sustain itself for a considerable period without the help of existing federations. The reasons were: 1) high turnover of basic unit workers and/or sympathizers — who are mostly female — from one factory to another for economic betterment; 2) inactivity of the basic unit workers and/or supporters after a certain period of time because of the fear of harassment by the management or due to inducement on behalf of the management for refraining from becoming supporters and/or members of any such union; 3) expulsion or dismissal of the basic unit union leaders by the management on flimsy grounds such as “misconduct”; and, 4) the so-called “voluntary restraint” shown by the unit union leaders after being “bought off” by the management or being threatened with physical violence by the hired ruffians of the owners.

We endeavored to interview the office bearers of all of the 72 RMG unit unions registered in the Dhaka Division by the office of the Registrar of Trade Unions of the Directorate of Labour, Government of Bangladesh. Despite our repeated attempts, however, we failed to interview any unit union leader directly on or around the factory premises. Most of the RMG factories remained open from 8 a.m. to 10 p.m., and very few factory workers were found free during that period. Almost all factories kept their gates locked during working hours, and their management would not allow us to talk to the workers, let alone union leaders, without prior permission from the owner. We therefore decided to follow a multi-stage sampling strategy, beginning with the federations.

However, since most of the federations, despite regulations, did not have proper sampling frames, i.e. office records of workers and/or units, we had to opt for non-random sampling. In this case it was a purposive sampling, and we took as many samples of the unit level unions from the federations as they could make available to us. The study was based on five types of samples: the first comprised the people who had been involved with the initiation of the unionization process in the RMG sector, namely, the office-bearers of both the garment federations and their unit unions; the second comprised the

people who were involved with the management in RMG enterprises, namely, the owners; the third comprised the officials of the Labour Directorate who were responsible for both monitoring and implementing various labour institutions and employment-related acts, as well as resolving those industrial disputes which could not be settled through collective bargaining procedures; the fourth comprised people from the compulsory dispute resolution machinery of the state who were primarily responsible for both arbitration and adjudication through formal judicial procedures; and the fifth comprised the “interested outsiders” who held positions of leadership in different working-class organizations. These organizations were found to be largely front organizations for various political parties. After carefully weighing all the merits and demerits of different kinds of interview techniques, we finally settled for non-formal interviews at each of the stages with different check-lists of queries. The interview process was concluded in October, 1996.

3. Plan of the study

This chapter consists of five sections. Following the introductory section, section II summarizes the history of the unionization process, the basic *ensemble* of the federations, as well as the role of the garment federations and their basic units in promoting the causes of the predominantly female labour force. Section III analyses general views as well as responses of the owners of various RMG enterprises to the initiatives of either the federations or of some workers in their respective factories for unionization. Section IV evaluates government policies towards labour in general, and towards the formation of federations of workers union and/or unit unions in particular. It also makes critical assessments of procedural activities as well as monitoring policies of both the offices of the Registrar of Trade Unions and Federations of Trade Unions, and the Chief Inspector of Factories and Establishments of the Directorate of Labour. In this connection, it also describes the legal framework for handling disputes with particular reference to the unionization process and issues related to the dismissal or other punitive measures taken against the office bearers of unit unions. The somewhat ambivalent relationship existing between the federations of the garment workers’ unions and the structured trade unions — meaning labour front organizations of various political parties — are illustrated in section V. Finally, section VI wraps up the study by bringing together the main conclusions derived from the previous sections.

II. David versus Goliath: Workers' mobilization and the unionization process

1. Review of the federations of the garment workers' unions

a. The registered garment federations in Bangladesh

As far as the office records of the Directorate of Labour is concerned, there should now be four registered federations of garment workers unions operating in Bangladesh. However, despite the existence of four federations on paper, our investigation suggested the existence of only two federations in reality, which we designate here as registered Federation A and registered Federation B in order to protect the confidentiality of our respondents. Registered Federation C is only partially active and is characterized by certain irregular labour-related activities, while registered Federation D seems to be defunct. It should be mentioned in this connection that after repeated attempts we failed to locate even the office of registered Federation D from the address that was submitted to the office of the Registrar of Trade Unions while applying for registration, and we failed to find out the whereabouts of its office bearers. All of the three active registered federations claimed to have sufficient numbers of unions at the unit levels. Most of the unit unions, they claimed, were established with their direct support. They extend, they stressed, all kinds of legal support to the workers of their unit unions in case of dismissal or any other wage or work-related disputes. They also claimed to have negotiated with the owners of some factories on behalf of their unit unions. Registered Federation A and registered Federation B further emphasized that they also provide paralegal and other job-related training to members and supporters at the unit union level.

b. The non-registered garment federations in Bangladesh

Beside the above-mentioned registered federations, we found from different sources, including newspaper reports, the names of 10 more non-registered federations which were purportedly involved with garment workers. However, we found that, among these 10 federations, only the one we designate non-registered Federation G was active on almost a full-time basis with various female labour-related activities — for instance providing medical facilities to female garment workers, running night and weekend schools, conducting paralegal and socio-political awareness-building programmes, extending legal support to individual workers and its affiliated unit

unions, etc. For four other federations, we failed, despite all our efforts, to trace either the office bearers or their offices or to find even one clue regarding their existence.

Of the remaining five non-registered federations, one is a comparatively new organization established by a former left-leaning female student leader, which had yet to start any significant activity at the time of the study. A federation we will designate non-registered Federation F is the second best organization among the non-registered federations in terms of organizational activity. Besides providing legal and institutional help to its unit unions, it also conducts, from time to time, it claims, various socio-political and paralegal awareness-building programmes for garment workers. The remaining three federations are mostly engaged in *mousumi* (seasonal) activities such as organizing rallies and demonstrations in front of factories or the National Press Club, arranging processions to the National Press Club, sending workers' delegations to the management on behalf of the garment workers in respective factories and so on in times of labour-management disputes.

c. Interviews with office bearers

We interviewed the Presidents and General Secretaries of the three active registered federations, whereas from the unregistered federations, we succeeded in interviewing the office bearers — Presidents or Vice-Presidents and/or General Secretaries — of only four federations. The reason for this is that the office bearers of some seasonally active (*mousumi*) federations were very busy with their work and other activities. This seemed to consist of participation in the election campaigns of different candidates contesting for national elections for the 7th Parliament at the time of our survey. Some others indirectly refused co-operation despite our repeated attempts to engage them. Consequently, we were able to interview the office bearers of only seven federations altogether. They are designated as the following:

1. Registered Federation A
2. Registered Federation B
3. Registered Federation C
4. Non-registered Federation E
5. Non-registered Federation F
6. Non-registered Federation G
7. Non-registered Federation H

d. Tapping the gender issues within the federations/unions

Besides the office bearers of the federations, who were mostly male, we also sat independently on several occasions with only the unit union leaders, who were mostly female, as well as other female members and supporters of the federations in or outside their office premises. During our group discussions with female members and supporters we asked particularly to what extent their own issues and sentiments — such as, for example, ensuring separate toilets and changing room facilities at the work place, fighting against sexual harassment, ensuring personal security and safety both in and outside the workplace, overcoming various hazards of long working hours, ensuring health and childcare facilities and so on — were echoed in the activities and demand charters of the federations.

We also wanted to verify whether any gender subordination existed in the hierarchy of the federations in terms of decision making. While most of the workers spoke positively about the inclusion of “all feasible women’s issues” in the activities and demand charters of the unions, their responses on issues related to gender subordination within the unions were varied. Some were quite ambivalent in their expression of opinions. Some accepted the prevalence of male domination within union leaderships as inevitable given the existing socio-political conditions in Bangladesh which, to their mind, were not conducive to women’s leadership, particularly when it came to industrial dispute resolution. For them, industrial disputes in Bangladesh are always confrontational, and therefore male leaders are better equipped to withstand the management in times of crisis. Some argued that given the opportunity and perhaps a little outside support, women workers would be equally able to lead their unions or federations. In support of their argument they pointed to the fact that both the President and the General Secretary of non-registered Federation G — a federation established with support from an American-based NGO — were women. For the majority of them, however, the issue of leadership within unions or federations did not really matter because the women workers constituted more than 90 per cent of their total membership.

e. The garment federations: Formation and network

During our interviews with both the federation leaders and general female members, the first thing we wanted to know was how their federations were established and whether there was any political or NGO connection during the inception of any of the federations. The reason for this query was our *a priori* assumption that the nature

of the predominantly female garment workers in the RMG sector was such that they were not in a position to provide their own leaders, be they at the federation or at the unit union level, because of their lack of experience as new entrants into formal employment, societal vulnerability, and the threat of unemployment, so that it would have been relatively difficult for them to form federations or unit unions without having some interested “outsiders” as their patrons. This assumption seemed to be supported, because legal, political and other support from either various political quarters or from a particular NGO seems to have played a vital role in the formation of most federations. Even the two out of seven federations which grew out of workers’ movements were initially backed by supporters of one left-leaning political party and a left-leaning structured trade union.

f. Socio-political background of the founding leaders

In order to have a clearer picture of the role played by interested male outsiders in the formation of these federations — whose membership comprised almost exclusively female garment workers — we wanted to know next about the socio-political background of the founding leaders. We were not surprised to find that very few garment workers, particularly female workers, were able to establish federations themselves. Among our seven respondent federations, only in one case (non-registered Federation G) did the leadership come originally from the garment workers themselves, and these leaders, incidentally, were female. However, we must reiterate here that a foreign NGO played a significant role, both in terms of finance and organizational support, in promoting the above-mentioned female leadership. In six other cases, the leadership came either directly from former and active male political activists of various centrist or left-leaning political parties, or from former student leaders or activists (again, mostly male) affiliated with student front organizations of different political parties.

It is interesting to note here that none of these political activists and former student leaders had anything to do with the RMG sector or the garment workers until they decided to get involved in garment federations. Some of them were interested in a new kind of trade unionism in this particular export-based private sector out of political conviction, and joined the union movement because of their interest in organizing the female workers oppressed in the labour process and improving labour conditions. However, others joined union organizations, as we understood, with long-term career ambitions in mind, and with the hope of being able to use these federations as

springboards for reaping the political-economic benefits resulting from increasing international support for NGOs in the developing world.

Other leaders, as per our observations, ventured into this new avenue of labour politics primarily to gain political advantage in their own political parties or in the student or labour front organizations of those parties where, otherwise, their status as activists and leaders would have remained rather marginal. The secondary reason for their venturing into RMG labour politics is, again, economic. With the possibility of the emergence of a larger private sector in the horizon, these leaders, by becoming a part of labour-management relationship in that sector, also want to have a say in the state of affairs of the country, where politics has already become a kind of business with two methods of exchange: money and connection. In fact, during interviews, most of the federation leaders blamed each other for misusing their labour organizations for their own personal interests. Some even called the other federations' leaders *agents provocateurs* of owners.

g. Sources of finance of the federations

Our next area of interest was the sources of finance of garment federations. We hypothesized that a vulnerable financial base might have been one of the reasons that federation leaders, as it is often alleged by some of the federation leaders themselves, readily fell for graft. During interviews, we were repeatedly told by most federation leaders that the overall financial situation of the federations was not very sound, but were also told that they had been extending various legal and other material support to their unit unions.

During our interview, when we asked the seven respondent federations how they met the costs incurred for supporting unit unions, non-registered Federation E mentioned annual subscriptions by worker-members as its only source of financial earnings. Registered Federation B and registered Federation C identified workers' subscriptions along with financial contributions from friends and well-wishers as its sources of finance. Non-registered Federation F stated membership fees as its only source of finance, while registered Federation A and non-registered Federation H reported that their money came from friends and well-wishers. Only non-registered Federation G reported that it received financial assistance regularly from a US-based NGO. Its leaders expect this NGO to continue to support it financially until it completes the development of its institutional infrastructure and becomes financially solvent.

Two points seem to be worth noting here. First, although four federations mentioned worker's contributions and annual subscriptions as their main sources of finance, the amount, as is clear from their modes of subscription discussed below, is so meagre that it hardly accounts for their stated activities and amount of incurred expenditures. This suggests that they must be receiving funds from elsewhere that they do not want to disclose. Second, though half of our respondent federations were established through the direct initiative and support of various political organizations and their affiliated trade unions, none of them gave any indication of receiving any amount of financial help from those political organizations. When we asked them directly about the source of the money needed to meet their regular expenses, most were vague. Pressed, almost all of them mentioned that they receive, from time to time, certain amount of financial assistance from what they called "friends" and "well-wishers". They, however, categorically refused to reveal the names and whereabouts of these donors.

In order to have a clearer picture of the sources of finance of our respondent federations, we asked additional questions regarding the mode of subscription of the members of those federations. We found out at this stage that the mode of subscription varies from federation to federation. Non-registered Federation G, for example, takes Tk 10 per person as admission fee from all workers. Non-registered Federation E, on the other hand, claims that it charges a monthly subscription fee for general members. However, both the President and the General Secretary of this federation would not reveal the exact amount of the subscription, saying only that it was a "pittance". Registered Federation B usually takes monthly subscriptions at a rate of Tk 2, but in times of any financial crisis of the workers, the federation accepts any "token amount" as subscription.

Unlike these federations, registered Federation C and non-registered Federation H do not have any hard and fast rules regarding subscription from its workers. They normally charge membership fees and a "small amount of subscription" while granting new membership to a garment worker. Although there is a provision for annual subscription afterwards, it is not binding for members. Non-registered Federation F also has a provision for an annual membership fee at the rate of Tk 10. However, its President made it clear to us that, due to the poverty of the workers, the federation hardly collects any subscription from its members. As for registered Federation A, it does not have any provision whatsoever for collecting subscriptions from workers. As its General Secretary pointed out, considering the grave

financial conditions of most garment workers, one could hardly expect them to pay membership fees and/or subscriptions.

Obviously, most of the federations are reluctant to demand significant membership fees from garment workers. Most leaders of federations are of the opinion that garment workers might consider the provisions for membership fees as well as subscriptions as added burdens on their lives which, in turn, might discourage them from seeking memberships in federations. Almost all the leaders of our respondent federations agreed that the membership fees and subscriptions in their respective federations were merely a token, which they were obliged to keep at least on paper for submitting their yearly returns as per the requirements of the Industrial Relations Rules, 1977 [Section 5 (a & b)]. During audits, we were told by those leaders, what they present as membership fees or subscriptions to the officials of the Department of Labour are actually “donations” or “help” which they receive from time to time from their “friends” and “well-wishers”. The federations normally do not keep any official document on such donations.

h. Problems of formation and sustainability: Examples of our respondent federations

Starting with merely nine clothing factories in 1977, the number of Bangladesh's garment industries reached the impressive figure of 2,400 by the year 1995. However, until recently there has not been any significant trade unionism in this particular export-oriented sector, despite the fact that the Industrial Relations Rules of 1977 clearly provided a *modus operandi* as well as legal guidelines regarding the formation of both the federations of trade unions and their unit level representations. The reasons for this rather slow growth of unionism in the RMG industries could be numerous: lack of job security of the garment workers due to the non-issuing of proper appointment letters by the owners, the heavy workload of the workers, widespread illiteracy, lack of consciousness, particularly among the female workers regarding their legal rights, lack of professional attitude, professional background of the garment owners, and so on. In addition, as we were told by the federation leaders, numerous bureaucratic impediments make the formation of unions very difficult. In this context, they particularly mentioned the problems they faced while trying to get their federations registered. Registered Federation A, for example, was formed in 1982 but was registered as a federation only in 1984. The second oldest federation, both among the registered and non-registered categories, seems to be non-registered Federation

E which was formed sometime in the mid-1980s. When we asked them why this federation could not get registered as a federation with the Directorate of Labour despite its formation such a long time ago, they put the blame squarely on the officials of the Directorate of Labour. On the other hand, the Labour officials claimed that it did not even try to get the registration since it did not have sufficient unit unions as required under the Industrial Relations Ordinance, 1969 [Section 3 (d)] for getting registration as a federation.

Among the two other federations that have existed for little more than five years, the registered one, registered Federation B, has not yet completed its five years of existence “officially”, while the non-registered one, non-registered Federation F, has been existing, as its leaders claimed, for more than six years. Here too, when we asked the leaders why it was not yet registered, its leaders cited some unspecified “procedural difficulties” but added that it would get registration soon. Of the remaining two, the registered one, registered Federation C, obtained its registration only in early 1996 though, according to its leaders, it had been functioning for quite some time before that. Non-registered Federation G, on the other hand, at first tried to form a “National Federation” combining all the federations; but its attempt failed, its leaders claimed, due to the objections of the leaders of other federations. Currently, it is in the process of forming various unit unions before it emerges as a registered federation.

i. Current unit unions under each respondent federation

According to the office records of the office of the Chief Inspector of Factories and Establishments, Directorate of Labour, there are more than 2,000 RMG factories in Dhaka city, while the current number of the existing unit level trade unions in Dhaka is, according to the figure provided by the office of the Registrar of Trade Unions, only 72. Assuming that there is only one trade union in each factory, this means that only around 3.6 per cent of RMG factories in Dhaka city have registered unit unions. However, the statistics given by the federations regarding their existing unit level trade unions, which is around 130, does not tally with the above-mentioned figure. Our respondent federations claim that they have around 92 unit unions in Dhaka whereas the records of the office of the Registrar of Trade Unions put the figure at around 22.

One can, of course, raise questions regarding the validity of the statistics provided by the office of the Registrar of Trade Unions. There may be more than one union in some factories, since having a 30 per cent representation of workers in a factory is enough to form a unit

Table 1: Current unit unions under each federation

Name of respondent federations	No. of unit unions that federations claim	No. of unit unions as per Labour Office records
Registered Federation A	27	11
Registered Federation B	11	5
(Altogether 17 in BD)		
Registered Federation C	28	6
Non-registered Federation E	13	no Office record available
Non-registered Federation F	7	no Office record available
(Altogether 10 in BD)		
Non-registered Federation G	3	no Office record available
Non-registered Federation H	3	no Office record available

union. There may also be some genuine unions in some factories which have not been properly recorded by the office of the Registrar of Trade Unions. Even then, the number is still quite low, given the fact that there are already quite a few garment workers' federations operating in and around Dhaka city. This indicates that, although most of these federations maintain some contacts with garment workers in many factories, and though they might have some members and supporters in some of those factories, only a few federations have been able to muster enough support to form unit unions in those factories. However, since the federations do need to show the enrollment of some unit level unions to get themselves registered with the Directorate of Labour as federations, a few non-registered federations might be naming at the same time some unit unions as their own.

j. Federation-unit union interactions: A general picture

Our next area of interest during the survey was to find out how and to what extent our respondent federations were interacting with the garment workers in general and with their basic units in particular. Table 2 contains information regarding the modes of contact of the federations with their unit union.

As will be evident from the table below, most of the federation leaders communicate with the workers and unit union leaders, most of whom are female, either by meeting them near their factory premises during their lunch breaks or by visiting them at their houses during their free time. However, it becomes quite difficult to meet workers and unit leaders when they work from 8 a.m. to 10 p.m. In that case, the workers and unit leaders can come to the federation offices only on Fridays and other holidays. In fact, these long working

hours often keep many female workers away from any union-related activities and act as a hindrance to the workers' participation in union-related activities. Only in some factories where they are not required to work for more than one shift, do those female workers come to the federation offices regularly (normally in the afternoons). However, most of the female unit union leaders we met during our interviews were "temporarily" out of work — they had either been sacked or were forced by the management to give up their jobs for being involved in union-related activities.

Table 2: Modes of contact with general workers and/or unit union leaders

Modes of contact	No. of respondent federations
1) Making door to door contacts; plus 2) Meeting workers and unit union leaders at different venues near their factories during their free time; plus 3) Workers and unit union leaders come to meet federation leaders at some stipulated places on Fridays.	2
1) Making door to door contacts; plus 2) Meeting workers and unit union leaders near factory premises during their free time; plus 3) Workers and unit union leaders come to federation offices during their free time	2
1) Making door to door contacts; plus 2) Meeting workers and unit union leaders near factory premises during their free time; plus 3) Workers and unit union leaders come to federation offices during their free time or whenever they require any help.	1
1) Meeting the workers and unit union leaders near factory premises during their free time; plus 2) Workers and unit union leaders make their own contacts whenever necessary.	2

The next thing we wanted to know from the federations was what type of help they have so far rendered to their unit unions. Their responses are summarized in Table 3.

According to the federation leaders, all the respondent federations have provided legal help to the unit union members. All of them have also provided institutional support to the unit union members in organizing labour movements. These were, as we were told later by our respondent unit union members, the two most

important factors which have influenced the unit union members as well as other garment workers — particularly female workers — to look at the federations for support in times of crisis: be it unlawful dismissals, labour-management disputes, or even lay-offs. In all probability, it is this access to organized institutional support that has influenced general garment workers, as will be explained in Table 4, to seek the support of federations while forming unit level unions. According to the federation leaders, three of the seven respondent federations have provided financial assistance to the unit union leaders in times of crisis, while five of the seven have also negotiated or have tried to negotiate with the owners on behalf of their unit union leaders and members.

Table 3: Kinds of help federations rendered to unit unions

Types of help	No. of respondent federations
1) Legal help; plus 2) Financial help; plus 3) Providing institutional support in organizing labour movements; plus 4) Educating the general workers and unit union leaders regarding relevant labour laws in Bangladesh; plus 5) Negotiating with owners on behalf of the workers and unit unions.	3
1) Legal help; plus 2) Providing institutional support in organizing labour movements; plus 3) Negotiating with the owners on behalf of the workers and unit unions.	2
1) Legal help; plus 2) Providing institutional support in organizing labour movements.	2

However, not all female unit union members are happy with the idea of delegating their right to negotiate to the federation leaders. In fact, this has remained the most controversial aspect of federation-unit union relations. On the one hand, most female garment workers feel technically too weak to negotiate, both individually and through their unit unions, because owners are often quite autocratic and patrimonial in handling industrial disputes. Female garment workers thus welcome the intervention of federation leaders on their behalf in disputes with the management, both in bipartite negotiations and extended conciliation, as well as compulsory adjudication. On the other hand, many female garment workers and unit union leaders confessed to the author that they are apprehensive about some male middle-class federation leaders, who might be pursuing their own

interests rather than pursuing the interests of the female garment workers and their unit unions.

Some garment factory owners have labelled some federation leaders as “trade unionist brokers” who “milk” both sides — the RMG workers and/or their unit unions and the owners — in the name of solving industrial disputes. According to them, in times of industrial conflicts, some of these federation leaders take money from the owners to “buy off” the prospective male troublemakers among the garment workers (interestingly, most of the owners have confessed to the author that it is much easier to bribe a male leader than a female one). At the same time, they also try to squeeze money from mostly female workers by promising them protection from harassment from members of the law enforcing agencies or the hired musclemen of the owner.

Although some of our respondent federations reported that they try to educate female garment workers and their unit union leaders regarding their legal rights and obligations through various workshops, group discussions and other means, during our survey we observed only non-registered Federation G to be conducting weekly classes on various legal, social, and other issues related to female workers. The leaders of this federation, however, confessed that they often encountered difficulties in getting enough female garment workers to participate in the courses.

k. Formation of the unit unions

Unit unions in the RMG sector in Bangladesh are formed in two ways. One, the federations try to form unions in as many factory units as they can, so that, as umbrella bodies of various unit unions, they can emerge as legitimate bargaining agents in this specific area of the private sector. In this process, the federation leaders themselves organize the workers in various units, secretly obtaining the signatures of 30 per cent of workers interested in joining unit unions and doing all the necessary legwork (including, they claim, bribing the officials at the office of the Registrar of Trade Unions). Unit unions can also be formed subsequent to the involvement of federations in non-unionized labour disputes: for instance, when workers of a factory face problems such as delay in payment of wages and overtime benefits, scrapping of holidays, or deterioration of the factory environment, they come to the federations for assistance. The federations then provide various kinds of assistance, such as organizing demonstrations and moving the matter to relevant labour courts and so on. Thereafter, they slowly explore the possibility of forming unit unions in the factory, and then

try to persuade workers to join by explaining how easy it would be for them to handle industrial disputes if they had their unions there. When the workers become interested, they explain to them the required procedures for obtaining registration, and if necessary, provide them legal, institutional and other support. Two of our respondent federations reported forming unit unions through federation initiatives only, while seven reported that unit unions were joint initiatives of both the federation and unit levels.

Theoretically speaking, of course, the workers of any factory can form their unit unions independently if they can muster support from 30 per cent of the workers of that factory and get their signatures on the "Form D" before submitting it to the office of the Registrar of Trade Unions. The Registrar, on being satisfied that the signatories have complied with all the requirements of the Industrial Relations Ordinance of 1969 for being registered as a trade union, is supposed to register the trade union in a prescribed register and issue a registration certificate in the prescribed form within a period of 60 days from the date of receipt of the application. However, as can be seen from our survey, this procedure has rarely taken place in Bangladesh, first because very few of the garment workers, most of whom are females and rural migrants, are aware of the procedures regarding the formation of trade unions. Second, even if they know the procedure, they are worried about possible harassment from the management. Nevertheless, the author can attest that some workers did try in certain factories to form independent trade unions. But after some time, they were forced to seek the assistance of different federations for various reasons, including the bureaucratic hassles involved in unionization. It is, therefore, no wonder that five of our seven respondent federations were formed through the joint initiatives of both the general unit level workers and federations. In the second part of this section we will venture to elaborate different issues related to unit level unions.

2. Review of the unit level unions

a. The respondent unit unions of our survey

As was mentioned in section I, we tried to interview as many female unit union leaders as could be made available to us by the federations. Since all but one of our respondent federations claimed to have more than seven unit unions in Dhaka, we at first decided to interview at least seven unit unions from each federation. However, we were able to interview the office bearers of only 28 unit unions.

Some cancelled their appointments again and again, while many unit union leaders simply did not turn up for interviews. Table 4 indicates the number of unit unions of our respondent federations that we were able to interview.

Table 4: Unit unions of our respondent federations

Name of respondent federations	No. of unit unions interviewed
Registered Federation A	5
Registered Federation B	5
Registered Federation C	3
Non-registered Federation E	3
Non-registered Federation F	7
Non-registered Federation G	4
Non-registered Federation H	1

b. Formations of the unit unions and their current status

We hypothesized that one of the most important reasons that female garment workers could not form independent unit unions was their reluctance to be involved in any kind of organized industrial dispute with management unless they were forced to do so. We were proven to be correct on this account. The reason is very simple. Coming from different rural backgrounds marked by pervasive poverty, widespread illiteracy, and various kinds of social exploitation, most of the female garment workers were quite happy at the beginning merely to get jobs in various urban and suburban localities which, for the first time, provided them with the hope of leading decent lives. That is why, at the beginning, it did not bother them much that their wages were quite low, and their working environment not very congenial, nor were they troubled at not having proper appointment letters. Being unaware of modern industrial concepts such as job security, they simply tolerated the prevailing unhealthy working conditions, hoping to get better wages later by working overtime and, in the process, acquiring on-the-job training. But when these hopes were dashed by the attitudes of some garment factory owners, they started thinking of organizing against the management in order to take certain collective action like *gherao*, demonstrations, and/or work stoppages. It was at this stage that they started contacting the federations, some of whom were already in touch with some of their compatriots, to seek support for their future course of action, including the secret formation of unit unions.

Two thirds (19) of our respondent unit unions were formed with the direct initiative and support of the federations. Even those unit unions (nine) which tried to form their unions independently at the initial stage, had to seek the help and support of a federation at one stage or other. Only one succeeded in getting registration but even it could not sustain the union for long because the owners simply fired the office bearers on charges of “misconduct”, even though the Industrial Relations Ordinance of 1969 (Section 15) protected their jobs as trade union leaders. Subsequently, the office bearers, with the help of a federation, non-registered Federation F, filed a case at the First Labour Court. The case is still awaiting judgment.

Table 5: Present conditions of the respondent registered unions

Present conditions of unit unions	Number of registered unit unions
Still active	2
Still registered but not active	8
Claim to be registered but have no committee	1
Cases pending in labour courts	2

The federation and unit union leaders indicated in interviews that, among the 28 respondent unit unions, only 13 unions (12 from the 19 federation-initiated unions and one from the nine independently formed unions) were able to complete the full registration process and had succeeded in getting registration (Table 5). In the two factories where the units unions were still found to be active despite continuous harassment on the part of the management, the unit union leaders were successful in getting recognition from their owners as legitimate collective bargaining agents. Not only that, they have also successfully negotiated with the owners on behalf of the workers on issues related to timely payment of wages and improvement of the working environment in their respective factories.

Among the 14 unit unions where registration procedures were claimed to be fruitless by the federation and unit union leaders, in five cases the registration procedure was stopped due to “harassment” by the owner. In the remaining nine cases, the applications for registration were rejected by the office of the Registrar of Trade Unions on what the federation and unit union leaders called “flimsy grounds”.

The primary reasons for inactivation and non-existence of nine unit unions, as portrayed in Table 6, were both the voluntary migration (for better job prospects) and forced migration (due to the fear of harassment) of the office bearers of various unit unions.

Table 6: Causes of inactivation of the unit unions

Causes of inactivation	No. of respondent unions
Migration of the office bearers for better job prospects	2
Owners forced the office bearers to leave the factory through various intimidation tactics	1
Office bearers “voluntarily” became inactive due to the fear of harassment by the owner	4
Transfer of factory ownership and/or the venue of the factory	1
Office bearers were bribed by the owner to become inactive	1

c. The formation, activities, and achievements of the unit unions

It is clear from Table 7 that most garment workers became interested in forming unions mainly to achieve their legally sanctioned fundamental rights, including timely wages, proper remuneration for overtime, maternity and other leave, etc. Since, in the absence of proper collective bargaining bodies, they were left at the mercy of the owners for realizing their goals, they found no other way but to form unions with or without the help of the federations. Their unionization process, therefore, is different from that occurring in the public sector, where political calculations are crucial.

Table 7: Events that led to the formation of unit level unions

Causes of formation	No. of respondent unit unions
1) Delaying the payment of monthly wages; plus 2) Non-payment of bonus and overtime benefits; plus 3) Deterioration of working environment; plus 4) No provision for holidays, maternity and sick leave; plus 5) Physical and verbal harassment by the owner.	12
1) Delaying the payment of monthly wages; plus 2) Non-payment of bonus and overtime facilities; plus 3) Deterioration of working environment; plus 4) No provision for holidays.	8
1) Delaying the payment of monthly wages; plus 2) Deterioration of working environment.	8

Among the 13 registered unit unions, only seven were able to place any demand charter to their management. The other six unit unions not only failed to place any demand charter but also became inactive within a short span of time. In the above-mentioned seven units, the demand charters were placed before the management on many occasions. The main demands were:

- 1) Payment of wages and overtime remuneration in due time;
- 2) Payment of two Eid bonuses and other regular due incentives;
- 3) Provisions for maternity leave with half payments for a period of three to six weeks depending on the health conditions of the female workers;
- 4) Provisions for childcare facilities for the female workers;
- 5) Provision for sick and casual leave with and/or without half payments depending on the nature of urgency of the matter;
- 6) Improving hygienic conditions and working environment in the factories;
- 7) Ensuring adequate toilets and dining facilities for the workers;
- 8) Provisions for security for female workers while returning home at night;
- 9) Issuance of appointment letters and ensuring job security;
- 10) Payment of wages according to the tripartite charter if on minimum wage scale;
- 11) Re-appointment of workers who were fired during industrial disputes with the management in factory units.

In two factories, after the submission of the demand charter, the owners not only rejected the charter outright but also purged the workers whom they thought were behind the formulation of the charters. In five factories, the owners, after long struggle and a few *gherao* and work stoppages, met some demands of the charters. Those demands were timely payment of wages and overtime remuneration, payment of two Eid bonuses, improvement of hygienic conditions, providing adequate toilet and dining facilities, and re-appointment of fired workers. In one factory, the owner even agreed to provide childcare facilities and to issue appointment letters. However, in most cases, after a certain period of time, owners reneged on the agreement. Nevertheless, in three factories the workers were successful, through agitation as well as litigation, in forcing the owners once more to meet some of their demands. No owner, however, agreed to provide maternity leave to female workers with half payment. They agreed, at best, to grant unpaid leave to pregnant female workers and to ensure

that their jobs would be restored should they decide to come back to the factory again.

d. Federations' and unit unions' opinions regarding linking wages with labour productivity

According to the leaders of our respondent federations and unit unions, wages in the private sector are supposed to be fixed through the collective bargaining process. However, due to the inadequacy of the collective bargaining procedure in the RMG industries, wages must be fixed by the Minimum Wages Board (MWB) established in 1957 and reconstituted in 1961. Most of our respondent federations and unit unions did not object to the idea of linking the wage structure to the labour productivity ratio. But they emphasized that one of the preconditions for that would be to ensure first of all that the garment workers are paid what they called a "fair wage" which should on no account be less than the minimum wage. In other words, while the lower limit of the "fair wage" must be the minimum wage, the upper limit could be determined by the level of efficiency of the workers on the one hand, and a fair return on capital to the management on the other. It is only within this framework that they are willing to accept wages on an "out piece" basis.

III. Battling the hydra: The owners' response to unionization in the RMG sector

It goes without saying that the structure of ownership and management determines both the structure of trade unions and the mechanisms for resolving industrial disputes. In the emerging formal private sector of Bangladesh, particularly in the field of RMG industries, the owners, who generally tend to be patrimonial as a class, still try to resolve industrial conflicts through autocratic and unilateral decisions. One reason for this could be a historically sustained in-built authoritarianism in all spheres of Bangladesh's entrepreneurial class. The earlier dominance of the semifeudal and large land owners has influenced the attitudes of most of the industrialists of Bangladesh in their dealings with subordinates and workers. Just as the agricultural workers were treated as virtual serfs on the landed estates of *jamindars* a few decades ago, so workers in the RMG enterprises, with a few exceptions, are still dealt with by a mixture of authoritarian and paternalistic managerial practices. Against such a backdrop, it is no wonder that most garment factory owners do not have a positive

attitude toward unionization in the RMG industries.

The industrialists' apprehensions are also based in part on their perceptions of industrial conflicts in the public sector, particularly in terms of the workers' organizational strength and the militancy of some of their professional trade union leaders, which is in turn linked with these leaders' political aspirations. It would not be inappropriate to mention here that the workers and their unions in the public sector industries of Bangladesh often display the characteristics of early industrial development, including multiplicity of unions, serious inter-union rivalries, and allegiance of workers to different unions (Khan, 1986). But then, the reason for the multiplicity of unions as well as inter-union rivalries may partly lie, as Khundker correctly points out, in the management structure of the public sector industries, which is often centralized and is normally in the hands of civil servants. Civil servants are generally perceived as being unsympathetic to labour causes by union leaders. And this, along with a somewhat restricted collective bargaining mechanism — since wages and other benefits are determined by National Pay Commissions (for government and public sector employees) and National Wages and Productivity Commissions (for industrial workers in the public sector) — influence the trade union leaders to rely heavily on political parties in pursuing their objectives (Khundker, 1997).

There is also another factor which one needs to take into consideration in discussing the state of affairs of the unions in both public and private sectors — their lack of funds. In Bangladesh, workers generally pay their union dues only at those times when their demands are being raised. Some union leaders therefore try to raise disputes simply for the purpose of refurbishing their union funds.

At any rate, in order to cross-check the information provided by the federation and unit union leaders regarding the issues related to unionization, as well as to get an impression of their possible response in this sensitive matter, we tried to interview the owners of all of our 28 respondent factory units. However, we were able to interview only 11 garment factory owners. Ten owners flatly refused to give any appointment for interviews. Nor were they interested in either contradicting or confirming the information provided by the federation and unit union leaders regarding industrial disputes in their respective factories despite our sending that information to them in writing. Two owners indirectly refused to give interviews by not keeping appointments. Five owners were out of the country during our survey and could not be contacted.

1. Emergence of industrial conflict: unions vs. the owners

a. The unionization process and the owners

Labour-management relations in the RMG industries are affected by a lack of mutual trust between union leaders and owners. That is why union leaders always try to pursue their unionization process as secretly as possible, while the garment factory owners always try to find out what the federations and garment workers in respective factories are up to. In fact, most of the male federation leaders as well as female unit union leaders whom we interviewed claimed that in order to remain informed of the activities of the federations and their activists, most garment factory owners place people in crucial places both in the factories and at the Directorate of Labour. Tables 8 and 9 explain at what stages and how the owners — according to the federation and unit union leaders — came to know about the unionization processes of our 28 respondent federations and unit unions. It should be mentioned here that none of our respondent owners contradicted the information provided in Tables 8 and 9, which was provided by the federation leaders. In other words, the owners implicitly corroborated the information of Tables 8 and 9 regarding the unionization process.

Table 8: The stage at which the owner came to know about the unionization

Stage that owners learned about unionization	Number of respondent unit unions
Before submitting the application to the office of the Registrar of Trade Unions	7
After submitting the application to the office of the Registrar of Trade Unions	15
After getting Registration Certificate from the office of the Registrar of Trade Unions	6

Table 8 supports the contention of our respondents that in seven factories the owners had employed *agents provocateurs* so that they could know beforehand which workers of their factories were trying to form unit unions, in order to force those workers out from the factories before they could even submit applications for registration to the office of the Registrar of Trade Unions. It was important for the

owners that, if they had to go for this kind of pre-emptive attack, they did so before the submission of the application for registration, because once the application for registration was submitted, it would have become not only more difficult for the owners to stop the process of unionization but any attempt to do so could have also made them subject to legal prosecution for misconduct under Article 15 of the Industrial Relations Ordinance, 1969. As Table 9 further reveals, the owners also had their informants in the office of the Registrar of Trade Unions, who informed the owners as soon as they learned about the submission of the applications for registration. In most cases, the owners then traced the office bearers who were involved in the unionization process and tried to stop the process in various ways.

Table 9: How the owners came to know about unionization procedures

Channels through which owners came to know about unionization	No. of respondent unit unions
Through the agents of the owners among the workers	7
Through unofficial channels of the office of the Registrar of Trade Unions	15
Informed by the union leaders themselves after obtaining Registration Certificates	6

We were informed by federations and/or unit level leaders that in the cases that the owners were not informed beforehand of the unionization process, either the office bearers of the unit unions or the federations bribed officials at the Registrar of Trade Unions, or the federations had such political backing that the officials of the Registrar of Trade Unions did not dare to disclose the information to owners. The general response of the owners, as described to us by the federation and unit union leaders, are discussed in Table 10. The majority of our respondent owners did not agree with the information provided in Table 10. Some owners did not contradict the authenticity of the information, but claimed that they themselves never resorted to any such activity.

The findings below clearly show that owners used all sorts of possible methods to stop the unionization process, and also to destroy, wherever they could, the unit unions. To achieve their goals, they first tried to employ pressure tactics, including verbal threats, physical

assault, and intimidation through hired musclemen. If these pressure tactics failed to bear any fruit, they tried to stop the process simply by bribing influential federation and/or unit union leaders. When that ploy did not work, they started filing criminal charges against union leaders so that they could harass them with the help of the police. Since most of the unit union leaders were female and also often poor, they could not withstand such pressure indefinitely. In the end, many unit leaders left the factories. The unions, if constituted but not yet registered, ceased to exist. In other cases, the owners simply dismissed union leaders. It was often quite easy for owners to dismiss union leaders because many union leaders did not have proper appointment letters, and hence no proof that they were working in a particular factory. If the unions were registered, the owners sometimes

Table 10: Immediate response of the owners toward unionization process

Owners' reactions to unionization process	Number of respondent unions
1) Verbal threats; plus 2) Physical assaults; plus 3) Threatening through hired musclemen; plus 4) Filing false criminal charges; plus 5) Dismissing main leaders without compensation on charges of "gross insubordination".	6
1) Verbal threats; plus 2) Physical assaults; plus 3) Threatening through hired musclemen; plus 4) Firing the main leaders with compensation on charges of "misconduct".	3
1) Verbal threats; plus 2) Physical assaults; plus 3) Bribing the main leaders.	2
1) Verbal threats; plus 2) Physical assaults; plus 3) Threatening through hired musclemen; plus 4) Police harassment with false criminal charges; plus 5) Compelling the main leaders, through various means, to give up their jobs	4
1) Verbal threats; plus 2) Physical assaults; plus 3) Threatening through hired musclemen; plus 4) Firing the main leaders with compensation on charges of "misconduct"; plus 5) Fulfilling some demands.	5
1) Laying-off.	3
1) Transferring ownership and/or selling factories.	2
1) Forming counter unions.	3

tried to fire union leaders with packages of three months' wage compensation. However, in some cases where the unions were very strong and the general workers were united, the owners either declared a lock-out of the factories or met, at least for the time being, some demands of the workers.

b. The owners' attitudes toward trade unions

Irrespective of their educational, socio-cultural and economic background, most of the garment factory owners seem to have a very negative attitude toward the existing garment federations and their affiliated unit unions. The root cause of this negative attitude seems to be grounded in their perceptions of trade unionism which, again, emanates from what they have seen of the activities of the trade unions in the public sector. According to most of our respondent owners, the Bangladeshi entrepreneur involved in RMG industries at the moment faces a few common labour-related problems. These are: 1) lack of discipline among workers, 2) workers not committed to productivity, 3) illegal and unreasonable demands placed by representatives of garment workers, 4) an unfavourable labour code that specifies privileges but does not spell out duties of workers, 5) politicization of trade unions, 6) multiplicity of federations and unit level unions, and consequent rivalries between them, and 7) too many work stoppages.

Under these conditions, according to some of our respondent garment factory owners, the situation is not yet ripe to allow full-fledged unionism in a nascent industrial sector like RMG. However, three of our respondent owners claimed that they would have no objection to unit unions if they were formed independently, and not through what they called the instigation of outsiders or "professional trade unionists". But before these unions are formed, the workers must be properly educated regarding existing labour laws, basic rights, and inalienable obligations so that they cannot easily be manipulated by "professional unionists" with vested interests. These owners suggested that NGOs might like to develop awareness-building programmes for female garment workers which could provide education about their legal rights. They also suggested that there should be provision for on-the-job training programmes for garment workers but that these should be linked to their duration of service.

Most of our respondent owners admitted that many garment factories do not have a proper working environment and adequate facilities for workers. But for that they squarely put the blame on the "corrupt" inspectors from the office of the Chief Inspector of Factories

and Establishments. According to those owners, the inspectors are busier collecting “tolls” from the garment factory owners than checking the real conditions of the factories. In this connection, one owner compared the role of the Inspectors of Factories and Establishments with the inspectors of the Bangladesh Road Transport Authority who are responsible for providing “Fitness Certificates” for automobiles. He added that no inspector would issue a “Fitness Certificate” even for a brand new car unless he received something in cash from the owner of the car. Likewise, no Inspector of Factories and Establishments would be satisfied with the prevailing conditions and working environment of any factory — however excellent the condition of that factory might be — until and unless he receives a significant cash contribution from the owner. Consequently, as he argued, for some garment factory owners it really did not matter whether or not the working conditions in their factories were up to the standard, for they would have to pay a few thousand taka monthly to the inspectors in any case.

Most of our respondent owners refuted the allegations of the federation and unit union leaders that they resorted to all kinds of intimidation tactics to sabotage the unionization process in RMG industries. Rather, they mentioned the preoccupation of the garment workers, and their high turnover rates as the two most important factors hindering the process of unionization. As far as existing labour-management relationships in the garment industries are concerned, most of the owners indicated that they maintained contacts with the general workers primarily through the floor supervisors and/or production managers. Only two owners claimed that they sat with the workers in general meetings at least once a month. Two other owners claimed that they always encouraged the general workers to come to them, with prior appointments, whenever necessary.

Regarding the linkage of wages with labour productivity, most garment factory owners opined that the RMG industries’ capacity to pay the workers a minimum wage should be linked to their profitability, which, again, depended on the prices of their products relative to material input prices, and on labour productivity trends. However, the owners were divided on the issue of providing wages on the basis of piece rate work. Some favoured the idea but others expressed apprehensions that this would increase the cost of supervision. The reason for this is the fact that in RMG industries the workers work in an assembly line according to their job specialization, and a piece rate work wage system would require much better co-ordination in terms of speed and specialization. Federation leaders

and garment workers were also equally divided on the issue of piece rate work. For some garment workers, the main benefit of a piece rate work was that it would make their work more quantifiable in terms of production performance and therefore would make it easier to link performance with the wage structure as well as the pay for overtime. It would also help to take into consideration the existence of different levels of expertise in the work force, and the value of overtime work could then be measured in terms of production rates instead of time frames. Others, however, argued that the piece rate wages would work to the disadvantage of workers because, in the name of differentiating between different levels of expertise in the work force, the owners would simply manipulate the principle of “equal wages for equal work” to their advantage and, if and when necessary, try to play one worker against the other.

IV. Watching from the sideline: The so-called resolution of rights disputes

Rights disputes relate to conflicts over matters of rights resulting from contractual relationships, which may include grievances with respect to unfair treatment, denial of entitlements as well as unjustified punishments (Pakistan Labour Policy 1969). Such disputes may be either individual or collective, but more frequently these are individual cases. As far as unionization in RMG industries is concerned, two state machineries are involved: 1) the Directorate of Labour, and 2) Labour Courts.

1. Directorate of Labour

In conformation with the requirements of ILO Conventions No. 87 and 98, Bangladeshi workers and employers have been granted the right to establish and join associations of their choice without permission from any authority. Further, they have the right to draw up their own constitutions, to elect their representatives in full freedom, to organize their programmes, and to establish and join federations, confederations and international organizations of workers and employers. There are no restrictions or requirements to form and organize an association. It is only when an association is to be registered as a trade union that certain requirements must be met. Among these requirements, the most important one, under the Industrial Relations Ordinance of 1969, is that it must have a minimum

membership of 30 per cent of the total number of workers employed in the establishment or group of establishments in which it is formed. The Industrial Relations Ordinance of 1969 also stipulates that non-worker trade unionists cannot become members or office bearers of any trade union unless it is a federation of trade unions.

After an application on behalf of a federation or union is submitted, if the Registrar of Trade Unions is convinced that the federation or union has complied with all the requirements of the Industrial Relations Ordinance of 1969, including the minimum membership of 30 per cent, he/she will issue the Registration Certificate. Before issuing the Registration Certificate, the inspectors of the office of the Registrar of Trade Unions will normally try to verify all factual evidence by going to the garment factories. There are allegations that it is at this stage that the owners try to sabotage the whole process of unionization. The Registrar of Trade Unions did not rule out the possibility that some garment factory owners might try to bribe the inspectors so that they do not write positive reports regarding the federations' and/or unions' fulfilling all their requirements for obtaining Registration Certificates; however, he claimed that his office always tries to cross-check those reports through other factual evidence before deciding whether or not to issue any such Certificate.

The controversy, however, does not end there. The Industrial Relations Ordinance of 1969 also stipulates that the registration of any trade union can be cancelled by the Registrar of Trade Unions after obtaining permission from the Labour Court if, among other things, the membership of that trade union falls short of 30 per cent of the workers of the establishment or group of establishments for which the union was formed. Now, there are also allegations that the owners always try to keep the inspectors in "good humor" so that they always look for excuses to prove that the membership has fallen short of the required 30 per cent. When the author raised this issue with the Registrar of Trade Unions he did admit the possibility that his office may not be in a position to monitor the activities of the trade unions all the time. But he added that if there is a dispute regarding the current legal status of a federation or unit union, his office attempts to resolve the dispute in accordance with the law and to the satisfaction of the parties concerned. If, however, the efforts of his office prove to be futile in resolving union-management disputes, the Directorate of Labour issues a certificate to that effect, and then the concerned parties are free to seek remedies through other legal and judicial procedures.

2. The Labour Courts

In the event of failure of efforts for resolution of union-management disputes regarding the formation of unions or dismissal of union workers, the Labour Courts are responsible for their disposal following more formal judicial procedures. The verdict of a labour court in a rights dispute is termed a "decision". All decisions of the Labour Courts are final and cannot be called into question in any manner by, or before, any other court or authority. But the main problem with the compulsory adjudication of the Labour Courts, as some of the garment federation and unit union leaders have pointed out, is that the adjudication can take a long time. In at least three cases for which we were able to trace the final stages of the courts' proceeding in the 1st and 3rd Labour Courts of Dhaka, the proceedings took seven to nine years before they came to a decision. The reasons for this long delay can be attributed to the enormous number of cases that the three Labour Courts of Dhaka are required to deal with. During the period from August to September in 1996, there were more than 3,000 cases pending in the 1st and 3rd Labour Courts only. Moreover, the penalty for non-compliance with the courts' orders seems to be very minimal: a maximum three months simple imprisonment or a fine of maximum Tk 1,000. Therefore, many garment factory owners do not take the verdicts of the Labour Courts seriously.

V. No easy partners: The structured trade unions and the garment federations and unions of Bangladesh

Since the early 1980s, the Government of Bangladesh has adopted a series of structural adjustment programmes. One major effect has been a somewhat lopsided emphasis on the private sector with the hope that, through its profit maximization policies, private enterprises will be able to raise the level of efficiency in industrial management. The major political parties of Bangladesh are now putting more emphasis on the private sector than on the public one. Even the Awami League, the pioneer of the nationalization programme in the early 1970s, has now acknowledged the importance of the private sector, though its party manifesto is still quite vague on issues related to trade unions and labour laws. Equally vague is the party manifesto of the Bangladesh Nationalist Party on issues related to trade unions,

though it claims to be a champion of an open market policy. Consequently, most of the country's structured trade unions — which are essentially front organizations of various political parties, and are active mainly in the public sector — are still figuring prominently in the calculus of Bangladesh's domestic power politics.

Since most of these front organizations have yet to take cognizance of the phenomenal growth of the RMG industries with their predominantly female labour force, they have not been able yet to formulate a coherent policy on industrial relations in this particular sector. It is no wonder then that, although political connections play an important role in the life cycle of most of the garment federations, they still do not enjoy high esteem in the political hierarchy of structured trade unions. The reason for this comparatively low esteem in which garment federation leaders are held could be that most of the leaders of major structured trade unions still take pride in controlling the largest enterprises of the public sector. Furthermore, it became obvious to us during our survey that most of the politically connected garment federations leaders actually come from the lowest strata of the structured trade unions. In other words, the advent of the garment industries provided some of the marginalized leaders of the structured trade unions with new opportunities to rise into political prominence. Although the structured trade union leaders do not take the garment federation leaders seriously, they do not mind bestowing on them their political blessings, because they think that it could benefit them in the long run. In a sense it is a kind of marriage of convenience for both parties; for the federation leaders, the support of the structured trade unions is important because it will provide them with the political clout that will enable them to prevail upon the garment factory owners, whereas for the structured trade unions this relationship marks a turning point in broadening their sphere of influence in a hitherto uncharted territory.

VI. Conclusion

The salient points that emerge from the foregoing discussion are: 1) in Bangladesh, industrial conflicts in the private sector, particularly in the RMG industries, have so far been resolved through autocratic and unilateral decisions of garment factory owners; 2) there has not been a healthy growth of trade unionism from within the RMG industries, and this has led to the creation of a pervasive patron-clientelist nexus of interested male outsiders and mostly female

garment workers; 3) although the existing male-dominated garment federations have not been successful in addressing the main concerns of the female workers — such as, for example, the calculated exploitation of the societal vulnerability of female labourers in order to undermine existing labour standards, the lack of security both in and outside the workplace and sexual harassment — the female unit union leaders and workers have so far generally failed to launch their own women's unions; 4) despite the fact that labour laws are generally not observed by most employers in the garment industries, and in some cases the laws themselves have become outdated and hence inadequate, the Bangladeshi state apparatus, increasingly driven by export-oriented economic policies, has kept its role limited to watching from the sideline.

As is obvious from the points mentioned above, most Bangladeshi garment factory owners have failed to see any causal connection between labour standards and productivity outcomes. Therefore, for many of them, being competitive has so far meant being “cost effective”, mainly by lowering labour standards and taking advantage of opportunities for low-wage employment due to the abundance of a young female labour force. As a consequence of their economic priorities, many of them have become virulently anti-trade union because, according to them, as “market distorting entities” trade unions would not only raise production costs and create industrial disorder, they would also eventually offset Bangladesh's comparative advantage by dismantling the low-wage employment structure of the female labour force.

However, the contention of this chapter is that the position taken by most Bangladeshi garment factory owners on the issue of unionization in the RMG industries is too simplistic and destructive. Contrary to their arguments, there are numerous examples establishing a causal connection between labour standards and productivity outcomes where standards enhanced productivity and encouraged the adoption of new technologies (Çagatay, 1996). There is also clear correlation between unionization and productivity and gender equity. In an example from the industrializing economies, Standing has found that in Malaysia the unions have contributed both to productivity enhancement and a narrowing of the gender gap in wages (Standing, 1990). Unionization and on-the-job training can also be helpful in checking high labour turnover in the RMG industries. There is evidence from Malaysia that unionized firms had working environments that encouraged trained workers to stay and to undertake further training and productivity improvement (Standing,

1990). With this example in mind, it is argued here that the time has now come for the garment factory owners in Bangladesh to look at the issue of unionism from a different angle. Instead of turning the industrial relationship of this new area of our most important private sector into a kind of “legitimate oligarchy” — leaving no scope for industrial peace due to an ever-increasing conflict between management and unions — both the owners and the unions should now follow, for the sake of their own enlightened self-interest, new avenues for predominantly female workers’ participation in management.

The Industrial Relations Ordinance of 1969 provides various avenues for workers’ participation in management. At the level of the undertaking, works councils, joint consultation committees, and other systems of workers’ participation in decisions within undertakings provide the basis for a more active involvement of workers in the running of the enterprise with a view to developing their potential and improving the efficiency of the enterprise. At the national level, the principle of tripartitism in making policies affecting labour has been accepted in most developed countries (Khan, 1986). But, so far, such participation schemes have largely failed to produce the desired outcome in the private sector of Bangladesh. In the garment sector, as discussed above, the owners are emphatically against such types of workers’ participation because, rightly or wrongly, most garment factory owners fear that at some stage it would inevitably lead to an unhealthy collusion between political parties and trade unions which, in turn, would be prejudicial to improvements in productivity and the creation of a congenial working environment.

Under these circumstances, the most useful way for facilitating female workers’ participation in industrial disputes in the RMG industries could be resorting to a kind of constitutional management on the part of the government, which could be attained, at least for the time being, through a variety of labour legislation and some other extra-constitutional measures. These could include the proper enforcement of the freedom of association in the RMG industries through various binding and non-binding contracts between the Department of Labour, federations of trade unions and the garment factory owners, enactment of anti-discrimination law and enforcement of equal pay for equal work provisions, and the introduction of a tax rebate for the RMG industry owner for implementing on-the-job training. However, whether or not such legislation and other measures would mark a dynamic change in the tangential situation of female garment workers is contingent upon the extent of their

gradual socio-political empowerment as well as their ability to attain a level of participation that constitutes a distinctive “women’s voice” (not merely as women in unions) in labour-management disputes.

Endnotes

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2. *Bhorer Kagoj*, 5 March 1994, 18 May 1994, 19 February 1995, 27 February 1995, 3 April 1995, 7 August 1995; *Dainik Sangbad*, 20 February 1994, 27 May 1995, 6 January 1996; *Banglabazar Patrika*, 24 July 1995, 27 January 1996; *Dainik Janakantha*, 11 February 1995, 13 February 1995; *Dainik Ittefaq*, 3 June 1995, 9 September 1995, 2 January 1996; *The Daily Star*, 19 August 1995.
3. Typically done under section 18 of the Employment of Labour (Standing Orders) Act, 1965, although such an action amounts to by-passing the legal protection extended to union leaders by the Industrial Relations Ordinance, 1969 (Section 15).
4. Federations are obliged to maintain, under the Industrial Relations Ordinance of 1969, a register of members showing particulars of subscriptions paid by each member, an accounts book showing receipts and expenditures, and a minute book for recording the proceedings of meetings.
5. See rule 4(2) of the Industrial Relations Rules, 1977.
6. We were rather surprised to find out that despite its virtual non-existence for a considerable period, this federation’s registration had not been cancelled. This suggests negligence on the part of the office of the Registrar of Trade Unions in monitoring the activities of the registered federations of trade unions, which it is legally obliged to do. Evidence suggesting such negligence tends to support those owners and workers who regularly complain about the prevalence of widespread corruption both in the offices of the Registrar of Trade Unions and the Chief Inspector of Factories and Establishments.
7. However, one person who was named as the General Secretary of both a federation and a union was reported to have organized, in his individual capacity, a few demonstrations of garment workers in the Mirpur area when there were lay-offs or labour-management conflicts in some factories of the locality. Although we did locate this person once, we failed, despite repeated attempts, to get any appointment for an interview.

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