

**CAUSES AND CONSEQUENCES OF LABOR UNREST IN JUTE MILLS OF  
KHULNA DIVISION IN BANGLADESH: AN EMPIRICAL STUDY**

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**ABSTRACT:** *Bangladesh is eminent for jute production and earned a big amount of foreign currency by exporting jute and jute products but the jute industry of Bangladesh has been in continuous problems. Among them one of the major problems is labors unrest. This research is about the causes and consequences of labor unrest in Jute mills. Study looking at the major causes and consequences of labor unrest in jute mills in the light of socio-economic framework, looking at the irregularities and mismanagement of the mill authorities, and also tried to look at the current situation of trade union in jute mills. A huge number of people are working in the jute mills in our country that are mostly from lower income group. They are leading a miserable life because of their insufficient wages and other facilities. They have faced serious problems to maintain their family with this little income. In this regard the study tried to explore the socio-economic conditions of the workers. The study was conducted in some selected jute mills of Khulna division. The study has been conducted mainly in quantitative method and followed an interview schedule for collecting the data. 306 samples were selected purposively. Semi-structured questionnaire was used for conducting interview. Study found most of the workers are agitate because of dissatisfaction on salary, fringe benefits and working condition and outcome is unexpected mainly low productivity and frequent change of trade union leadership.*

**KEYWORDS:** Labor, Unrest, Causes, Consequences, Social and Economical Impact.]

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## **INTRODUCTION**

This research is in relation with the causes and consequences of labor unrest in some selected jute mills of Khulna division. This research also focuses on the expectation and socio-economic conditions of the mills' workers. This research also reflect why jute industry in facing continuous problems and thereby creating the unrest situation in the jute mills. It is

also try to explore the current situation of trade union in the private and public sectors jute mills. Bangladesh is famous for jute production and earned a big amount of foreign currency by exporting jute and jute products to different countries. Jute is called the Golden Fiber of Bangladesh. At one stage, Jute was only the vital sector in Bangladesh from which major portion of foreign currency is to come and help our country's economy and a large number of manpower were employed there. Bangladesh was recognized as one of the best jute producing and exporting countries of the world.

The livelihood of about 25 million people in Bangladesh is dependent by jute related activities in agriculture, marketing, manufacturing and trade. After the country's independence, more than 80% of total foreign currency in Bangladesh was earned from jute and jute related goods. About 50% of the countries total foreign currency used to be earned only from jute and jute related goods. But after 80s, earning rate of foreign currency from jute industry has gradually declined when earning from a good number of garment industries. Presently only 7% of total country's foreign currency is earned from jute and jute goods. Jute is a major cash crop for over three million small farm households, the largest industry producing about one third of manufacturing output and the largest export commodity earning about 45% of total export revenue in Bangladesh. The sector provides about 10% of the total employment in the economy and 12% of GDP. About 90% of jute products produced in Bangladesh is exported (Study Report on jute sector in Bangladesh, BILS, 2001).

In Bangladesh the average land area under jute cultivation is 10 lac acres and the average production of jute carryover is 55 lac bales. The average internal consumption of jute is 32 lac bales, 145 jute mills exist in the country. Among them 51 jute mills are under the BJSA, 67 are under BJMA and 27 under BJMC. Numbers of workers employed in jute mills are approximately 1, 39,131. The average internal consumption of jute goods is 78,100 Metric tons. The average export of jute goods with quantity is 462,542 metric ton (Bangladesh Jute Spinners Association, 2007). There is on scope for the workers trade union to divert in other ways. As a result, the workers have been functioning the activities of trade union activity with their full nights. Most of the people working in the jute mills are very poor and they have no agricultural land of their own. It is beyond the capacity of a worker to maintain the family expenditure with his earning money due to the high prices of all commodities and the essentials are out of reach in the present market. The amount of workers earning is inconsistent in respect to the present market price. Moreover Badly, casual and temporary workers get a very little amount in relation to the permanent workers. For these reasons it is a major socio-economic problem in the context of Bangladesh (Khandker, Nasreen, 2005). Research studies show that most of the trade union movements in Bangladesh are directed to increase wages and improve other financial facilities the highest number of disputes arises due to wage increase (Khan, 1986).

## **METHODOLOGY**

The present study has been conducted with the help of quantitative methods. The quantitative methods mainly followed the sample survey. Of course this study is both of explanatory and analytical in nature and this study followed an interview survey method on collecting the data.

### **The study site**

The study has been carried out in some selected Jute mills existing in Khulna division of Bangladesh.

### **Sampling**

Since this study focused on finding facts and figure related to the employees of the jute mills and data is not easily accessible to the researcher and the sampling was restricted to some

extent. Thus the researchers have selected non-probability sampling approach for this study. The researcher considered purposive sampling procedure in selecting respondents from the selected Jute mills. A total number of 306 samples were selected purposively.

### **The study unit**

Each of the workers (both male and female) of the selected Jute mills has been considered as unit of analysis of the study.

### **Study Instrument**

For conducting interview 37 questions in a semi-structured questionnaire was used. The topics within the questionnaire included:

- Questions related to socio-economic and demographic characteristics
- Questions related to social security system
- Questions related to trade union and political system.
- Questions related causes and consequences of labor unrest in Khulna division.

### **Pre-test**

Pre-testing and finalization of questionnaire adhered to the following procedure:

- Researcher designed the draft questionnaire and also completed pre-testing.
- Based on pre-test findings, researchers checked the translation, consistency and integrity of the questionnaire and finalized it.

### **Techniques to data collection**

Questionnaire was used as the main data collection instrument for this study. As most of the respondents were not educated enough thus interviewer help to the interviewee without any biasness. The fieldwork for present study was conducted for a period of 15 days and involved quantitative techniques of data collection.

### **Objectives of the Study**

The main objective of this study is to identify causes and consequences of labor unrest in the jute mills of Khulna division of Bangladesh.

The present explanatory and analytical research work includes the following specific objectives:

- To explore the socio-economic conditions of the workers.
- To find out the expectation of the workers.
- To analyze how the laborers are deprived from their legal rights.
- To investigate the situation of trade union in the jute mills.

## **LITERATURE REVIEW**

Literature review is an indispensable matter for doing an authentic research paper. Researchers and scholars of different disciplines have contributed and written down books, articles, reports and journals on different issues of labor unrest some of those studies are review which are relevant to the present study.

**Bangladesh Institute of Labor Studies (2001), Social security system and expectation of the workers:** The study finds out the various problems of the workers in the jute mill. Numbers of casual workers are increasing day by day in the mills. No insurance facilities, pension scheme and provident fund exist to the private sector jute mill. Compensation benefit

and maternity benefit are not available. The lifestyles of the workers are yet to be consistent with the market prices despite increased wages. It is beyond the capacity of a worker to maintain the family expenditure with his earning money due to the high prices of all commodities and the essentials are out of reach in the present market. Khundker (2005), the study represent the minimum wages for unskilled workers set in different sectors of Bangladesh. The data mostly refer to the early or mid-90s and the minimum wages set has to be adjusted for the rate of inflation. The wages are fairly low, which reflects both the low productivity in this group of industries and the weak bargaining strength of labor. The latter is again not surprising, given that the country is characterized by an excess of labor supply over demand, especially for unskilled labor. It also highlights the importance of the role of the government in ensuring adequate wages for workers. Rahman (2001), this study conducted interviews with workers, employees and trade union leaders in different sectors. Similar interviews were conducted with the personnel officers and managers of the institutions covered the study. Some problems were identified. One of them is that the social security system in different sectors was not satisfactory. Some problems and issues in jute sector in Bangladesh were identified such as lack of advanced technology and unavailability of spare parts in some jute mills, old machineries, low productivity, irregular power supply, labor unrest and political unrest in the manufacturing sector. Ahmed (2002), the country is yet to be ensured safe and decent work place for its workers. There is no National Policy on occupational health and safety, no national safety committee to improve the situation. Lack of safety measure causes catch fire in garment factories which caused hundred of workers death in the recent years. From 1990 to 2000 more than 150 garment workers were gutted. Amanq them 90 percent were women. Besides garment factories many other work places are found hazardous and risky for workers which coursed a lot of death and injury.

### **Workers' Unrest: Bangladesh Perspective**

The Khalishpur industrial belt falls under the constituency of Ashraf Hossain, who was a Whip in the parliament during both his tenures as a lawmaker. He has traditionally had a substantial power base among the workers and is referred to as a labor leader. It was his constituency jute mill workers launched a movement on April 17, 2007 for their due salary and wages. Several hundred people including women and children were injured and about 80 people were arrested in subsequent crackdown by law enforcers on the streets as well as in the jute mill colonies. In an exclusive interview with new age, Ashraf talked at length about the jute sector and the apathy of successive government to it. There has reportedly been a case against some 2500 laborers for torching and breaking down a police box. But it was much more irrational that it takes several thousand workers to break down one police box. The case itself indicates that the only motive behind the cases was to harass the workers. Increased privatization and deregulation of state owned sectors in the name of free market economy and so called globalization would increase exploitation and deprivation of the employees and workers (New Age, 10.05.2007). The two Dhaka based NGOs Odhikar and UBINIG carried out an investigation into the police violence on the jute mill workers of khulna's khalishpur area, Workers at four government owned jute mills have been demonstrating for a long time for due wages and salary in Khalishpur, Khulna. Since April 15, 2007, the agitated workers suspended production at all the mills and due to this, clashes between them and law enforcement agencies were frequently occurrences between April 17 and 21 on April 27, police shot at a demonstration organized by the mill workers, arrested some 70 workers and filed various complaints against them. According to the first information report arrest warrants have been issued against 2000-2500 workers.

## **FINDINGS AND ANALYSIS**

### **Socio-economic and demographic characteristics**

Most of the respondents in the study area were male and a few of them were female workers. There were both Muslim and Hindu workers in the selected area. There were adolescent, middle aged and adult workers in the mills and most of them were married. A significant number of respondents were able to read and write with difficulties and a few of them were primarily educated. It was clearly evident that most of the respondents were from low income group and they had no cultivable land of their own. Most of the respondents were from extended family and they had no other earning member in the family (Table – 1 & 2).

### **Social Security system and satisfaction of the workers**

The data reflects that most of the respondents were interested for doing extra-work but the overtime bonus was not regularly paid to the workers (Table–3). The monthly wages were fairly low which reflects both the low productivity in this group of industries and the weak bargaining strength of labor. Most of the workers were very dissatisfied with the lower rate of wages which could not meet the minimum standards of living (Table–4 & 5).

Compensation benefit has been following as per the workers compensation act. If earning capacity of a worker is reduced by 60% and the worker is unable to put his efforts perfectly, then he will be declared as unit for doing work in the mill. In that case, compensation is to be paid by calculating the percentage of the damage (Table–6).

But in real situation it does not exist properly 85.3% of the respondents said that they have to face sudden accident during working hour. Though the authority takes step for their primary treatment but most of the respondents said that they get no support when they fall in serious accident. 72.5% respondents said that they were dissatisfied with the working environment (Table–8).

### **Situation of trade union and political system**

76.5% of the respondents said that they were not satisfied with the labor-management relationship. The respondents also agreed that they had conflict among themselves and the main reason of conflict was locality, 86.3% of the respondents said that they had participated in the labor unrest in the past and a few of them did not participate in fear of harassment. A significant number of workers were involved in trade union activities and they believe that trade union leaders have an important role in preserving the workers' rights (Table–10, 11, 12, 13).

### **Workers' participation in labor unrest**

About half of workers in jute mills (49%) respondents participated in labor unrest actively while only 23.5% supported it and 7.8% not joining in the work but 5.9% think it in other ways. Again, workers have grievance about hindering on participation process of labor unrest. Among participating members, 28.4% of the respondents have face harassment by the police and 14.7% of the respondents lost their job. 12.7% respondents face hindrance by jail punishment and 6.9% were hampered in other way (Table – 16 &17). Finally outcome of labor unrest is not expected and a result is most of the workers give change in trade union (Table -18).

## **CONCLUSION**

The main issue for Bangladesh at the present time is how to ensure an adequate living standard for workers, especially in the context of globalization and other changes in the

economy. Workers have therefore not been able to benefit from increases in productivity and the national income. Thus it is not surprising that the issue of a national minimum wage is being increasingly voiced, particularly from the trade union movement, in order to assure a minimum living standard for workers. A number of points will however need to be considered in terms of setting a minimum wage. The implications of wage setting process under the minimum wage are implemented, will have to be considered. The national minimum wage will have to be based on the cost of living of workers, and will have to be periodically reviewed, to adjust for changes in the cost of living. In the present structure, wages are reviewed and adjusted with a gap of several years. Wages of workers therefore do not keep pace with inflation. This practice will have to be changed. It is only that it will be possible to attain a fair living standard for workers and also reduce poverty in line with the Millennium Development Goals.

## RECOMMENDATIONS

The following steps might be taken to reduce unrest in the jute mills in Khulna division and to boost production efficiency and subsequently solve the problems prevailing in this sector:

1. Bangladesh Jute Mills Corporation should ensure the proper preservation of Machinery and adopt and implement (Balancing Modernization Rehabilitation and Expansion) BMRE program with a view to repair the very old and unworkable machinery, replacement and resettlement.
2. Necessary steps should be taken to remove labor agitation on demanding high salary and other financial and non financial benefits.
3. Authority should increase productivity, efficiency through ensuring strong management and accountability to the development of jute industry.
4. Mass awareness should be created about the adverse impact on environment by the use of synthetic goods.
5. Intervention of trade unions should be stopped in order to keep the management transparent for smooth running of the jute mills.
6. Authority should provide equal wages and other benefits to the workers of jute sector of Bangladesh.
7. Authority should ensure job security of the workers those are doing job in the jute mills all over the Bangladesh especially Khulna division.
8. The govt. should come away from its negative attitude and sincerely desire a true revival of the jute industry in Bangladesh. There will be a political will to bring back the glory days of jute in the first place.
9. The govt. should allocate funds prior to the peak season so that factories may procure raw material in time and not have to incur unnecessary losses.
10. The government should be able to provide uninterrupted power supply to the jute mills throughout the year; the jute factories should be allowed to procure generators for running the mill operations. Given the huge losses, it is evident that the cost of the generators would be recovered within a few years.

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## Appendix:

**Table No 1: Distribution of the respondents by gender.**

		Frequency	Percent
Valid	Male	273	89.2
	Female	33	10.8
	Total	306	100.0

From the above table, it is clearly evident that 89.2% of the respondents were male and 10.8% of the respondents were female. It shows that male comprises most of the respondents.

**Table No 2: Income distribution of the respondents**

		Frequency	Percent
Valid	1000-3000	78	25.5
	3001-6000	189	61.8
	6001-9000	39	12.7
	Total	306	100.0

A significant number of respondents (61.8%) had income of tk 3001-6000. 25.5% respondents earned between 1000-3000 and only 12.7% earned between 6001-9000.

**Table No 3: Bonus/overtime for extra work**

		Frequency	Percent
Valid	Yes	216	70.6
	No.	90	29.4
	Total	306	100.0

70.6% of the respondents got the bonus for overtime and 29.4% did not get bonus for overtime.

**Table No 4: Respondents satisfaction about monthly salary**

		Frequency	Percent
Valid	Yes	39	12.7
	No.	252	82.4
	Total	291	95.1
Missing	System	15	4.9
Total		306	100.0

82.4% of the respondents were not satisfied with their monthly salary and only 12.7% respondents were satisfied with their salary.

**Table No 5: Respondents satisfaction level about overtime Bonus**

		Frequency	Percent
Valid	yes	39	12.7
	no	231	75.5
	Total	270	88.2
Missing	system	36	11.8
Total		306	100.0

75.% of the respondents were not satisfied with their overtime bonus ad 12.7% were satisfied.

**Table No 6: Compensation given for accident**

		Frequency	Percent
Valid	yes	12	3.9
	no	261	85.3
	Total	273	89.2
Missing	system	33	10.8
Total		306	100.0

85.8% of the respondents were not provided with compensation for the accident and only 3.9% were provided with compensation.

**Table No 7: Facilities for provident fund and gratuity**

		Frequency	Percent
Valid	yes	69	22.5
	no	237	77.5
	Total	306	100.0



77.5% of the respondents were not satisfied with facilities for provident fund ad gratuity and 22.5% were satisfied.

**Table No 8: Facing problem in the work place**

		Frequency	Percent
Valid	yes	222	72.5
	no	84	27.5
Total		306	100.0

72.5% of the respondents were facing problem in the workplace ad 27.5% respondents had no problem.

**Table No 9: Type of problem**

		Frequency	Percent
Valid	Appliances insufficiency	168	54.9
	Unhealthy environment	54	17.6
	Other	18	5.9
	Total	240	78.4
Missing	system	66	21.6
Total		306	100.0

54.9% were facing with appliances insufficiency, 17.6% with unhealthy environment and 5.9% with other problems.

**Table No 10: Respondents satisfaction about the relationship between employees and workers.**

		Frequency	Percent
Valid	yes	60	19.6
	no	234	76.5
	Total	294	96.1
Missing	system	12	3.9
Total		306	100.0

76.5% of the respondents were not satisfied with the worker employee relationship and 19.6% were satisfied.

**Table No 11: Level of conflict among workers.**

		Frequency	Percent
Valid	yes	105	34.3
	no	189	61.8
	Total	194	96.1
Missing	system	12	3.9
Total		306	100.0

61.8% of the respondents said that they had conflict among themselves and 34.3% did not think so.

**Table No 12: Major causes of conflict among the workers.**

		Frequency	Percent
Valid	Locality Personal	36	11.8
	Enmity political	18	5.9
	Political situation	21	6.9
	Other reasons	96	31.3
	Total	30	9.8
Missing	system	105	34.3
Total		363.9	100.0

11.8% of the respondents thought that locality is responsible for conflict among themselves 5.9% blamed personal enmity and 6.9% blamed political situation.

**Table No 13: Tendency of the workers to participate in labor unrest.**

		Frequency	Percent
Valid	yes	252	82.4
	no	42	13.7
	Total	294	96.1
Missing	system	12	3.9
Total		306	100.0

82.4% of the respondents had the tendency to participate in the labor unrest and 13.7% did not have the tendency.

**Table No 14: Level of participation in labor unrest in the past.**

		Frequency	Percent
Valid	yes	264	86.3
	no	42	13.7
	Total	306	100.0

86.3% of the respondents participated in labor unrest in the past and 13.7% did not join in any movement in the past.

**Table No 15: Process of participating in the labor unrest.**

		Frequency	Percent
Valid	Actively	150	49.0
	only support	72	23.5
	Not joining in the work	24	7.8
	in other way	18	5.9
Total		264	86.3
Missing	system	42	13.7
Total		306	100.0

49% respondents participated in labor unrest actively, 23.5% by only supporting, 7.8% not joining in the work and 5.9% in other ways.

**Table No 16: Level of hindrance participating in labor unrest.**

		Frequency	Percent
Valid	yes	192	32.7
	no	114	37.3
	Total	306	100.0

28.4% of the respondents have face harassment by the police and 14.7% of the respondents lost their job. 12.7% respondents face hindrance by jail punishment and 6.9% were hampered in other way.

**Table No 17: Type of hindrance**

		Frequency	Percent
Valid	By losing the job	45	14.7
	Jail Punishment	39	12.7
	Harassment by Police	87	28.7
	Hampered in other way	21	6.9
	Total	192	62.7
Missing	System	114	37.3
Total		306	100.0

A significant number of the respondents (55.9%) have benefited partially from the labor unrest. 9.8% have benefited totally, 11.8% group and 2.9% were not benefited at all.

**Table No 18: Outcome of labor unrest**

		<b>Frequency</b>	<b>Percent</b>
Valid	Partially	171	55.9
	totally	30	9.8
	group	36	11.8
	not at all	9	2.9
Total		246	80.4
Missing	System	60	19.6
Total		306	100.0

85.3% of the respondents had to give change in trade union and 12.7% did not give any change.