

A comparative Analysis on Wage Rate & Living Standard of Workers between Ventura Leatherware Mfy (BD) Ltd. & Mazen (BD) Industries Ltd.

Shaikh Mostak Ahammad, Badrun Nahar & Sha. A. Ahammed Khan

Abstract:

This study aims to figure out the living standard of the worker of Ventura Leatherware Mfy (BD) Ltd. and Mazen (Bangladesh) Industries Ltd. at Uttara EPZ, Nilphamari, Bangladesh. As we know that EPZs play a great role to develop the people's living standard of a specific zone and the country as well. The main concern is that are they actually do this or not? From this thinking the study has conducted to measure the living standards of the workers. Two companies have chosen from Uttara EPZ, Nilphamari for the study. Based on the objectives of the study the questionnaires have designed. The data have collected from 200 respondents and 100 respondents for both companies. To develop the questionnaire various relevant issues has been taken which are related to the topic. The data was analyzed by MS excel. The study showed that the worker has got salary by the company was not similar to other countries of the world. The people who are working in this company have better living standard than the people work outside the EPZ. There are some sorts of claim against BEPZA. The company should follow a worldwide salary structure and BEPZA should be stricter to do their activities. The company's worker collaboration should be good and that will create a favorable environment to others. The improvement of the company will get acceptance internationally and will play a great role to the development of northern part of the country and the country as well. The finding of the study will provide an overview about the compensation and benefit and the living standard of two companies as well as Uttara EPZ.



IJSB

Accepted 06 April 2019
Published 08 April 2019
DOI: 10.5281/zenodo.2632972

Keywords: Wage Rate, Living Standard, Ventura Leatherware Mfy (BD) Ltd., Mazen (BD) Industries Ltd. & Uttara EPZ

About Author

Shaikh Mostak Ahammad, Professor, Department of Accounting, Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur, Bangladesh.

Badrun Nahar, (Corresponding Author), MBA, Department of Accounting, Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur, Bangladesh.

Sha. A. Ahammed Khan, MBA, Department of Management, Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur, Bangladesh.

INTRODUCTION

The standard of living of the peoples in Bangladesh is depending on the wage rate. Wage rate is the best indicator for measuring standard of living. Wage rate is the amount of base wage paid to a worker per unit of time (as per hour or day) or per unit of output if on piecework. It is the rates offered by employing people on the job based on the output of each unit or the total hours worked. Standard of living means the realistic needs of a mental resource, consolation, material object and specific social-economic class or specific geography area. It is the condition or state a person lives in a particular region. In Bangladesh, person's standard of living largely depends on the wage especially those people who are in the lower income group. Bangladesh is a developing country with a vast population of about 163.65 million of people. It has a market-based economy with a growth rate of 7.65 (2017-2018) which is the 43rd and 30th largest in the world by nominal and by purchasing power parity respectively. It has a large number of populations worked in different industries pay as a daily, weekly or even monthly basis. The statistics of the distribution of employment in economic sector in Bangladesh 2017 shows that the percentage in agriculture, industry and service sector are 39.07%, 21.09% and 39.85% respectively. In the industrial sector about 4, 79,181 peoples are working on EPZs. The wage rate of these people is fixed by Bangladesh Export Processing Zone Authority (BEPZA). But it may or may not meet the worker's expectation. As we know that the people who work in EPZ, this is the only source of their income. So it can be said that the living standard of the workers are highly depend upon wage. It's my concern to know the actual benefit offered to them and their life style which will tends to measure the living standards of the workers. From this thinking I have chosen my research title about this and designed to conduct the study. In this paper the wage rate and living standard of the workers in Ventura Leatherware Mfy (BD) Ltd. and Mazen (Bangladesh) Industries Ltd. at Uttara EPZ, Nilphamari are considered. There were some studies which represent the wage rate, working condition and economic development of EPZs. They do not reflect the domestic condition of the workers. Here I present the wage rate and living standard of the workers and the domestic situation of the workers of the two companies. To compare the wage rate and living standard between Ventura Leatherware Mfy (BD) Ltd. and Mazen (Bangladesh) Industries Ltd. The objectives are following-

- To know and investigate the living standard of workers.
- To identify the major expenditure, especially food, housing, transport, clothing and others.
- Raise awareness of the authority as well as worker to improve the standard of living.

LITERATURE REVIEW

The wage structure of EPZs in Bangladesh governing BEPZA is often same although some countries have adopted special labor codes which give more flexibility to EPZ based companies, have relatively weak labor inspection practices, and give fewer rights to EPZ workers (ILO, 2005, p. 26). "Even where labor laws are uniform nationally, there is evidence of more lax enforcement of labor law in EPZs and restrictions on trade union creation and actions, meaning that working hours are longer and the pace of work is faster; and trade unions are often forbidden (as was the case until recently in Bangladesh) or at least discouraged (hence the term sweatshops sometimes used in this regard)" (Cling et al.2005, p. 786). Several researches of wages in EPZs find that they have same level of wage rate for equivalent industries in a country. Most wage research has been on the apparel sector. Focusing on Asian apparel EPZs, Romero (1995) and Kusago and Tzannatos (1998) found no

significant difference between EPZ wages and wages in non-EPZ apparel firms. Cling et al. (2005) found that EPZ remuneration in Madagascar's EPZ was not significantly different than pay in the non-EPZ formal sector and greater than pay in the informal sector. They conclude that "being hired in the Zone Franche therefore improves a workers situation compared with previous employment, as concluded also by Nicita and Razzaz (2003)" (Cling et al. 2005, p. 799) Jenkins (2005), using evidence from a business survey, finds that "salaries paid by the great majority of EPZ firms are higher than the reported median salary paid in the Costa Rican local economy for the same occupation group" (Jenkins 2005, p. 22) and Aggarwal (2007), in a detailed cross-sectional study of Indian EPZs, finds that workers report average wages in the zone at about the same level or just slightly below factory wages outside the zones. The wage structure of EPZs is not satisfactory. Therefore, Cling and Letilly (2001, p. 19) said that EPZs need to keep wages up in order to retain workers or to attract better ones. Zohir (2007) study states that in Dhaka EPZ, labor law is strictly followed by the Zone authority, but still some of worker's age is below eighteen. The key elements of quality in the literature include job security, job satisfaction, better reward system, employee benefits, employee involvement and organizational performance (Havlovic, 1991; Scobel, 1975). Lau & May, 1998; Hackman & Oldham, 1975; Taylor & Bowers, 1972 said that core elements of quality of work life are of working conditions, employee job satisfaction, employees' behavioral aspects, and employees' financial and non-financial benefits, growth and development, and supervision.

METHODOLOGY OF THE STUDY

Method followed to perform a job or conducting activities to complete a task is called methodology. This paper is descriptive nature. Both qualitative and quantitative data were applied for preparing this report.

The study has conducted on 200 respondents. The respondents were 100 workers of Ventura Leatherware Mfy (BD) Ltd. and 100 workers of Mazen (Bangladesh) Industries Ltd in Uttara EPZ, Nilphamari, Bangladesh. For conducting the study, I have used both primary sources and secondary sources of data. The primary data were collected through a structured and unstructured questionnaire. The questionnaire consists of personal information where general information is based on wage rate and living standard of the workers. The secondary data were used to analyze the services and policies, procedures and methods of wage rate, living standard and all other departmental operations. The primary and secondary sources are given bellow: Face to face contact with the workers and officials of the two companies. Documents of Ventura and Mazen. Official website of Ventura. BEPZA website. Annual report (2017) of Ventura and Mazen. Research publications. The sample of the data were collected by following non- probability quota sampling technique. Data were analysis by MS Office Excel (2010). The analysis of the study is descriptive statistical analysis where I did figure out the frequency and percentage of the respondent.

ANALYSIS AND DISCUSSION

Standard of Living

In a certain geographic area, usually a country, the level of wealth, comfort, material goods, and necessities available to a certain socioeconomic class is known as the Standard of living. The quality of life is closely related to it. Some factors such as income, quality and affordability of housing, class disparity, quality and availability of employment, , inflation rate, amount of leisure time every year, hours of work required to purchase necessities, , gross

domestic product, affordable (or free) access to quality healthcare, environmental quality, climate and safety, economic and political stability, life expectancy, incidence of disease, national economic growth, political and religious freedom, quality and availability of education, cost of goods and services, infrastructure includes in the Standard of living. In this study some variables like population, education level, age group, marital status, children status, family size, types of house, toilet facility, access of electricity, tv and fridge and major part of expenditure are chosen to understand the living standard of the workers of the two factories. The analyses are as follows:

Population

Table 1: Workers in the Factories

Classification of Population	Number of Population		Percentage	
	Ventura	Mazen	Ventura	Mazen
Male	2949	1180	66%	36%
Female	1548	2140	34%	64%
Total	4497	3320	100%	100%

Source: Human Capital management Department of the Organization

Table 1 shows that in Ventura Leatherware MFY (BD) Ltd. total population is more than 5000. Total workers are 4497. Total staffs 550, and in Mazen (BD) Industries Ltd. Total population is Almost 3500. Total workers are 3320. Total staffs 405.

Table 2: Permanent and Temporary workers in the Factories

Categories	Ventura		Mazen	
	Male	Female	Male	Female
Permanent	2715	1499	995	1925
Temporary	234	49	185	215
Total	2949	1548	1180	2140

Table 2 shows that a total of 4214 people are permanent workers where 2715 are male and 1499 are female and 283 temporary workers where 234 are male and only 49 are female in Ventura. Contrariwise out of 2920 permanent worker in Mazen 995 are female and 1925 are male and out of 400 Casual workers in Mazen 185 are male and 215 are female. It is seen that number of female workers in Mazen is higher than the number of female workers in Ventura though Men and women are not discriminated in recruitment in both the factories. It is also observed that Temporary workers are higher in Mazen compared to Ventura which is not good for the betterment of the worker because they are not getting the bonus and other facilities such as casual leave, sick leave, maternity leave with payment, Provident fund payment etc.

EDUCATION LEVEL OF THE WORKERS

Table 3: Education Level of the Workers in the Factories

Education Level (Population)	Ventura		Mazen		Total
	Male	Female	Male	Female	
08-SSC	39	37	31	37	144
HSC	13	5	10	13	41
Honors/Degree	3	1	4	3	11
Masters	0	2	2	0	4
Total	55	45	47	53	200

Table 4: Percentage of Education Level

Education Level (Percentage)	Ventura		Mazen		Total
	Male	Female	Male	Female	
08-SSC	71%	82%	66%	70%	72%
HSC	24%	11%	21%	25%	21%
Honors/Degree	5%	2%	9%	6%	6%
Masters	0%	4%	4%	0%	2%
Total	100%	100%	100%	100%	100%

The research has found that the literacy rate among the workers is more than the national rate. 100% of factories workers are literate while the national literacy rate is about 72.9%. According to Table 3 and 4 in Ventura out of 100 literate workers, 76% have studied in class 8 to secondary schools of them 39 are male and 37 are female, Compare to Mazen, the 100 literate workers, 68% have studied in class 8 to secondary schools of them 31 are male and 37 are female. 18% of the Ventura workers completed higher secondary schools where 13 are male and 5 are female and only 4% workers have honors degree of them 3 are male and 1% is female. There are very few workers of only 2% studied masters. As opposed to Ventura in Mazen, 23% completed higher secondary schools where 10 are male and 13 are female and 7% workers have honors degree which is higher than Ventura of them 4 are male and 3 are female. Similar to Ventura only 2% studied masters. The study explained that out of total female workers 82% workers studied class eight to SSC in Ventura compared to Mazen where the percentage is 70 and also noticed that for both factories male workers are higher educated than female. The reason behind this is the culture to give the chance of higher study only to the male child who in turn can support the family in the long run followed by the Bangladeshi people especially in village and people live below the poverty line. A study of 2017 shown that in Bangladesh the literacy rate for females is 69.90% and for males is 75.62%. However, the condition has been gradually changed now a day. People now concern about the importance of education and educate both their boy and girl.

Age Group of Workers

Table 5: Age of Workers

Age group of Worker	Ventura		Mazen	
	Respondent	Percentage	Respondent	Percentage
18-25	60	60%	63	63%
25-30	32	32%	29	29%
30-35	5	5%	6	6%
Above 35	3	3%	2	2%
Total	100	100%	100	100%

In table 5 the study shows that 60% to 65% workers for both the factories (Ventura and Mazen) are at the age of 18 to 15 years where Ventura workers are at 60% and Mazen workers are at 63%. In the age group of 25 to 30 percentage of the workers for both Ventura and Mazen are 32% and 29% respectively. While 30-35 years hold 5% and above 35 years holds only 3% for Ventura workers. With regard to Mazen 6% of the workers are in the age group of 30-35 and only 2% are above 35 years old. From this analysis it is clear that majority of workers for both the factories are in the age group of 18-25 years old. This reflect on the efficiency of the worker as younger person can do work more first than old person. However, it also has the demerit for the factories as the skills of the workers largely depends on the

experience and people who work continuously the same thing are able to do the work without mistakes and error.

Marital Status

Table 6: Marital Status

Marital Status	Ventura		Mazen	
	Respondent	Percentage	Respondent	Percentage
Married	67	67%	62	62%
Unmarried	33	33%	38	38%
Total	100	100%	100	100%

Table 6 shows that 67% of the total 100 workers of Ventura are married, and 33% are unmarried. In Mazen it is not differ so much as the table shows that 62% are married, 38% are unmarried. During the survey there were no widow/ widower or divorced worker were found.

Children Status

Table 7: Children Status

No of Children	0		1-3		4-6		Above 6		Total	
	Ven.	Maz.	Ven.	Maz.	Ven.	Maz.	Ven.	Maz.	Ven.	Maz.
Children/ No Children	6	13	43	42	16	7	2	0	67	62
School Going	14	28	38	19	6	0	0	0	58	47
College Going	0	0	3	2	0	0	0	0	3	2

According to table 7 it shows that among the 100 respondents of Ventura, 16 have 4-6 children and 43 have 1-3 children. About 6% of the families have no children and 2% of the families have above six children. The scenario is quite dissimilar in Mazen. Here out of 100 people only 62 people are married of them 42 people have 1-3 children and 7 have 4-6 children. It is seen that 13 people do not have any children which is more than double compared to Ventura. There are no people found who have more than 6 children during the survey. Among 61 respondents who have children 14% are not going to school, 38% have 1-3 school-going children and 6 family have 4-6 child going to school. Only 3% have college going children. Compared to Mazen among 49 persons, only 19% have 1-3 school-going children and 28% of people have children who are not going to school. The study found 2% of people who have 1-3 children going to college. The study shows that the education level of the children of Ventura workers is higher than Mazen workers as only 14% Ventura workers have children who are not going to school or college where Mazen profile is double of about 28 children who are not going to school.

Family Size

Table 8: Family Size of the Respondent

Family Size person	Ventura		Mazen	
	Ventura	percentage	Mazen	Percentage
1-3 members	12	12%	40	40%
4-6 members	65	65%	47	47%
7-9 members	21	21%	10	10%
Above 9 members	2	2%	3	3%
Total	100	100%	100	100%

In table 8 it is seen that 65% of the respondents in Ventura have their family members from 4-6 persons where in Mazen the percentage is 47. About 21% respondents have large families consisting of 7-9 members in Ventura and in Mazen it is only 10%. In Ventura 12% of the families are small in size consisting of 1-3 members comparing in Mazen the number is too high of about 40%. From the analysis it can be seen that the family size of Mazen workers are lower than Ventura workers. It is also observed that a person who lived in a big family starts living separately after marriage in both the factories. They also have become aware about the benefit of small family. However, seven respondents have 2-member family in Ventura. All of them are newly married. The percentage of family members of above 9 members for both the factories are 2% and 3% respectively. Thus, it could be concluded that majority of the respondents have their family members from 4-6 in both the company. So, it can be easily said that the joint families are now broken down into small nuclear families.

Types of House

Table 9: House Types

House Types	Ventura			Mazen		
	Sufficient	Insufficient	Total	Sufficient	Insufficient	Total
Raw House	21	36	57	22	32	54
Semi-pucca house	25	11	36	26	17	43
Pucca house	7	0	7	3	0	3
Total	53	47	100	51	49	100

According to table 9 it is observed that in Ventura, 57% respondents are living in a raw house out of them 21% mention that their house is sufficient and 36% are not satisfied with their house. There are 36% have Semi-pucca house, of them 25% are satisfied and 11% admire that their house is not sufficient. Only 7% people have pucca house and all of them anticipate that their house is sufficient. In case of Mazen, only 3% respondents have pucca house. 43% have semi-pucca house of them 26% people agree that their house is sufficient and 17% told that their house is insufficient. The percentage of people live in raw house is 54 where 22% people's house is sufficient and 32% admit that their house is insufficient. The study explains that more than 50% of the workers in both the factories are living in a raw house made up of mud, bamboo, straw, wood, rope etc. The dissimilarities found in the use of semi-pucca house and pucca house. The number of the use of semi-pucca house is higher in Mazen than in Ventura, whereas the use of pucca house is higher in Ventura than in Mazen.

Toilet Facility

Table 10: Toilet Types

Structure of the Toilet	Ventura		Mazen	
	Respondent	Percentage	Respondent	Percentage
Raw	44	44%	66	66%
Semi-pucca	31	31%	24	24%
Pucca	16	16%	7	7%
No Toilet Facility	9	9%	3	3%
Total	100	100%	100	100%

Table 10 shows that in Ventura, 91% people have toilet in their house of them 44% have raw toilet, 31% have semi-pucca toilet and 16% have pucca toilet. The rest 9% don't have any

toilet facility in their drawing. On the other hand, the Mazen scenario is 97% persons have toilet in their drawing and only 3% do not have it. 7% have pucca sanitary toilet and 24% have semi-pucca toilet. There are 66% of Mazen workers have raw unhygienic toilet in their drawing. Through the survey it is observed that Ventura workers are more health conscious and aware of sanitation than Mazen workers as 16% workers found who have pucca toilet in their house where Mazen have only 7%. However, it has been seen that people are now aware of the necessity of toilets and they are very much eager to have a toilet in their house. The survey also found that some people who are living in a raw house have a sanitary pucca toilet. This clearly explains that they are well known about the unhygienic problems and germs created through the unhygienic toilet.

Access of Electricity, TV and Fridge

Table 11: Use of Electricity, TV and Fridge

Participants	Electricity		TV		Fridge	
	Ventura	Mazen	Ventura	Mazen	Ventura	Mazen
Yes	89	94	63	59	7	20
No	11	6	26	35	82	74
Total	100	100	89	94	89	94

As on table 11 all the 100 participants in Ventura, it is seen that 89% have electricity facility in their house of them 63% respondents have television in their house and only 7% have fridge. It is also observed that 7% people have both TV and fridge in their dwelling. Only 11% respondents don't have the electricity facility and 26% of the sample doesn't have TV in their house. A big number of 82% respondents do not have any fridge in their house. 94% of Mazen workers have electricity facilities in their house but compared to Ventura the percentage of the use of Television of Mazen workers are very low, only 59% peoples have TV in their drawing. The use of fridge of Mazen workers is 20% which is higher than Ventura workers. Electricity and electrical items are considered to be the sybaritic items. The use of this items means that those people have already meet the requirement of their basic needs such as food, cloth, house, medicine and education. And now they are able to use such items for their requirement, comfort and entertainment. From the analysis we can see that the use of such items for both the factories is satisfactory though the use of fridge for both factories is very low but the percentage is increasing day by day.

4.1.10 Major Part of Expenditure

Table 12: Major Part of Expenditure

Expenditure	Ventura		Mazen	
	Respondent	Percentage	Respondent	Percentage
Food	74	74%	77	77%
House Rent	3	3%	10	10%
Medical	7	7%	7	7%
Transport	7	7%	3	3%
Other	9	9%	3	3%
Total	100	100%	100	100%

According to table 12 over 74% of the total participants of Ventura have their major expenditure on food and only 3% spend most of their money on rent of their house, so it is clear that almost 90% people have their own house. The major expenditure on medical and

transport are both 7%. 9% respondents have major expenditure on other various items. Such as Education of children and child care expense, Loan installment paid, Clothing expense, Utility paid, Household maintenance, Savings etc.

Similar to Ventura, major part of expenditure of Mazen workers is food. The percentage is 77 which are higher than Ventura workers. The percentage of major expenditure on house rent, medical and transportation are 10%, 7% and 3% respectively. Only 3% people are found whose major expenditure is on other items. To measure the living standard of the workers of Ventura Leatherware Mfy (BD) Ltd. and Mazen (Bangladesh) Industries Ltd. major expenditure is a significant variable since people earn to live a decent live and for that they should have to spend majority of their earnings on different items. As food is in the first place of all the basic needs of human being and Bangladesh is a developing country whose 12.9% (Economic Survey 2018) of the total populations live below the poverty line, it is natural that majority of its population's major expenditure is on food. If we consider the overall consumption cost of Bangladesh, we can see that the main cost of the country's total population is food. A survey on Average monthly and annually consumption expenditures of households 2015 in Bangladesh and their structure is-

Table 13: Average monthly and annually consumption expenditures in Bangladesh:

Consumption Group	Average monthly and annually consumption expenditures		
	Value (in all/monthly)	Value (in all/annually)	Value (in%)
Food and non-alcoholic beverages	34,489	413,868	48.7
Alcoholic beverages, tobacco	2,507	30,084	3.5
Clothing and footwear	3,449	41,388	4.9
Housing, water, electricity, gas and other fuels	7,318	87,816	10.3
Furnishing, household equipment and routine maintenance of the dwelling	3,378	40,536	4.8
Health	2,533	30,396	3.6
Transport	4,796	57,552	6.8
Communication	2,095	25,140	3.0
Recreation and culture	2,082	24,984	2.9
Education	1,505	18,060	2.1
Restaurants and hotels	2,537	30,444	3.6
Miscellaneous goods and services	4,076	48,912	5.8
Total average consumption expenditures	7,0765	849,180	100

Source: Statistical Yearbook 2017

From the table we can see that 48.70% consumption of the population is food and non-alcoholic beverages. Another major expenditure is housing, water, electricity, gas and other fuels which percentage is 10.30%. The lowest expenditures of Bangladeshi peoples are education, recreation and culture and communication which are 2.10%, 2.90% and 3.0%

respectively. So it can be clearly say that almost half of the country's total populations major expenditure and consumption is on food and beverages.

Wage and Income

A wage is monetary compensation (or remuneration, personnel expenses, labor) paid by an employer to an employee in exchange for work done. Payment may be calculated as a fixed amount for each task completed (a *task wage* or piece rate), or at an hourly or daily rate (wage labor), or based on an easily measured quantity of work done. Wage rate is the rate of pay based on per unit of production or per period of work time on the job. The wages rates of different countries vary from each other. EPZs are regulated by different law. The Bangladesh Export Processing Zones Authority (BEPZA) issued directives on "Service Matters Concerning Workers and Officers Employed in Companies Operating within The Export Processing Zones of Bangladesh" in exercise of the powers conferred under section 3A of the Bangladesh Export Processing Zones Authority Act, 1980 (Act No XXXVI of 1980). The directives given by BEPZA regulate the workers in EPZs. As mentioned above total workers in Ventura is 4497. 94% of the workers are permanent workers and rests of four% are casual workers. Over the period of time, the number of workers has increased gradually. According to Human Capital Management (HCM) record of the factory, there were only 300 workers in Ventura five years ago and in Mazen there were only 600 workers at the beginning of the factory. Now it is huge due to the expansion of the factory in the course of time. The wage rates of workers are fixed through BEPZA law of the Bangladesh.

Wage Structure

The minimum wages, condition of service and other benefits for the workers of the enterprises of EPZs were fixed by the minimum wage structure 1989. EPZ workers Association and Industrial Rations Act 2004 were passed by the parliament which was re-fixed in 2010. Under section 83 of the EPZ Workers Welfare Association and Industrial Relations Act, 2010 (Act. No.-43 of 2010) minimum wages and benefits are formed. Again, the act was reformed in 2013 and the minimum wage for the worker of the enterprises of the EPZs is fixed according to the reformed act 2013.

Minimum wages for the workers of the enterprises in the EPZs is as follows:

1. Garments / Garments Accessories / Shoe / Shoe Accessories / **Leather Products** / **Support service** / Tent & tent Accessories / Plastic product / Toys / Cap & Hats / and other related Industry:

Grade	Minimum wages 1989	Minimum wages 2010	Minimum wages 2013
Apprentice (trainee)	US\$ 20 (1400.00)	US\$ 39 (2700.00)	US\$ 56 (4480.00)
Helper	US\$ 30 (2100.00)	US\$ 48 (3350.00)	US\$ 70 (5600.00)
Junior Operator	US\$ 35 (2450.00)	US\$ 55 (3855.00)	US\$ 80.50 (6440.00)
Operator	US\$ 45 (3150.00)	US\$ 61 (4263.00)	US\$ 85.75 (6860.00)
Sr. Operator	US\$ 50 (3500.00)	US\$ 67 (4720.00)	US\$ 91 (7280.00)
High Skilled	US\$ 58 (4060.00)	US\$ 109 (7600.00)	US\$ 140 (11200.00)

2. Electronics & Electrical product / Software / **Lenses & Glass products** / Metal & Metal casting / Automobile & Auto parts / Heavy Industries / Cosmetics / Boats / Golf shaft / Fishing equipment / and other related products:

Grade	Minimum wages 1989	Minimum wages 2010	Minimum wages 2013
Apprentice (trainee)	US\$22 (1540.00)	US\$ 41 (2840.00)	US\$ 56 (4480.00)
Junior Operator	US\$ 38 (2660.00)	US\$ 58 (4065.00)	US\$ 83.13 (6650.00)
Operator	US\$ 50 (3500.00)	US\$ 66 (4613.00)	US\$90.13 (7210.00)
Sr. Operator	US\$ 60 (4200.00)	US\$ 77 (5420.00)	US\$ 99.75 (7980.00)

The gross wage has been calculated as Basic wage + House rent 40% on Basic + Medical allowance 560 Taka (Fixed). In addition of the above gross wage, Food or Food allowance, Transport or Transport allowance shall be by the enterprises.

Ventura Leatherware Mfy (BD) Ltd

As Ventura is manufacturing industry produces leather goods such as hand bag, backpack, coin purse etc. it falls into the number 1 category. The wage structure of Ventura is as follows:

Grade	Minimum wages- 2013
Trainee	US\$ 56 (4480.00)
Helper	US\$ 70 (5600.00)
Junior Operator	US\$ 80.50 (6440.00)
Leader	US\$ 85.75 (6860.00)

1. OT Payment

Over time or OT payment means an extra payment to the workers if they work more than eight hours a day. The payments for OT hours is double than the normal payment per hour. It is calculated by-

$$\text{Overtime payment} = \frac{\text{Basic wage} \times 2}{208} \times \text{OT Hours}$$

2. Holiday OT

If the workers have to work on a holiday, the whole day is considered as overtime and each worker gets the same payment as OT payment.

3. Festival Leave and Allowances

All permanent workers get at least 10 days festival leave fixed by the company management within a calendar year. Festival allowance is equal to the basic wages two times in each year. Workers who are working more than six months in the factory can get the allowance.

4. Efficiency Bonus

Each worker gets an extra bonus based on their extra ordinary performance, skills, making any change to the company which is productive, share ideas which make the company profitable. Efficiency bonus is paid on the basis of the assessment of the workers. A fixed amount is paid on the basis of the efficiency percentage of the workers.

5. Leader Bonus

In Ventura there are 212 leaders of them 41 in floor A, 44 in floor B, 43 in floor C, 42 in floor D and 42 in floor SLG (Small Leather Goods). Each leader gets an extra bonus every month. If the leader is a trainee leader, he/she gets tk800 and a full leader gets tk1500.

6. Provident Fund

A worker submits 8.33% of his/her basic salary/wage in the provident fund (PF). After 1 year of the maturity of the PF the employee will get 25% of his/her total deposited money. After 2 years the percentage is 50 and after 3 years the employee contribution will double with interest on the deposited money. After normal retirement, a worker can withdraw the money from the provident fund. A worker can take voluntary retirement any time or he/she becomes physically unfit. After retirement workers can get for provident fund money.

7. Leave and Holidays

Casual leave and annual leave are granted as per Bangladesh Labor Act, 2006. Sick leave and/or sick attendance leave for a total of 14 days with half of basic pay in each calendar year are admissible to every permanent worker. Every permanent worker is also allowed 10 days casual leave with pay in each calendar year. Earn leave (EL) are enjoyed 1 day for every 22 working days if a person working in the company above 1 year from the joining date.

8. Maternity leave and payment

All permanent female workers who are remaining in the factory minimum 10 month can apply for 112 days or 16 weeks maternity leave. Eight weeks for pre-maternity and another Eight weeks are considered for post-maternity leave. Of course, they should have gotten full payment of their wages for these 112 days as per the company policy.

9. Medical and Medicine Facilities

Workers get immediate medical facilities if they get injured in the work place. There is a medical room inside the factory and doctor and nurses are always available during the working schedule.

10. Night Allowance Every worker gets an extra benefit equal to Tk. 35 per night if he/she has to stay in the factory and/or have to do night duty. The payment of such benefits is added to the gross salary of the worker at the end of the month.

Mazen (Bangladesh) industries ltd.

Mazen is also a manufacturing industry which produces different categories of product such as frame, optical frame, demo lens, optical lens and many types of optical glasses. It falls under number 2 category. The wage structure of Mazen is as follows:

Grade	Minimum wages- 2013
Apprentice (trainee)	US\$ 56 (4480.00)
Junior Operator	US\$ 83.13 (6650.00)
Operator	US\$90.13 (7210.00)
Sr. Operator	US\$ 99.75 (7980.00)

1. OT Payment

Like Ventura, in Mazen the payments for OT hours is double than the normal payment per hour. It is calculated by-

$$\text{Overtime payment} = \frac{\text{Basic wage} \times 2 \times \text{OT Hours}}{208}$$

2. Holiday OT

If the workers work on a holiday, the payment of working time will be three times than general payment.

3. Festival Allowances

Unlike Ventura, all permanent workers in Mazen get festival allowance equal to the basic wage two times in each year. Workers who are working more than six months in the factory can get the allowance.

4. Leader Bonus

Each leader gets an extra bonus every month based on their performance and efficiency. Leader bonus is calculated on the basis of their assessment. The ranges of payments are tk. 500 to tk. 2500.

5. Provident Fund

A worker submits 8.33% of his/her basic salary/wage in the provident fund each month. After 2 years the employer contributes 1.5% of the total deposits by the employee and after 3 years the employer's contribution is doubled with interest on the deposited money. Moreover, after normal retirement, a worker can withdraw the money from the provident fund. A worker can take voluntary retirement any time or he/she becomes physically unfit. After retirement workers can apply for provident fund money.

6. Leave and Holidays

All permanent and temporary workers get 10 days casual leave with pay. Sick leave with half payments and holiday is granted for 14 days and every worker get 1 day earn leave for every 22 working days. The calculation of earn leave payment is-

$$\text{Earn Leave (EL) Payment} = \frac{\text{Basic wage} \times \text{EL days}}{30}$$

7. Maternity leave and payment

Like as Ventura, all permanent female workers of Mazen who are remaining in the factory minimum 6 month can apply for 112 days maternity leave. Eight weeks for pre-maternity and another eight weeks are considered for post-maternity leave. Of course, they should have got full payment of their wages for these 112 days.

8. Night Allowance

Every worker gets an extra benefit equal to Tk. 35 per night if he/she has to stay in the factory and/or have to do night duty. The payment of such benefits is added to the gross salary of the worker at the end of the month.

9. Insurance

In Mazen there is a group insurance policy and every permanent worker are included in the insurance policy.

FINDINGS, RECCOMEENDATION AND CONCLUSION

The wage rate and benefits of the workers in Uttara EPZ are fixed by Bangladesh Export Processing Zones Authority Act, 1980 followed by instruction of minimum wages for the workers of the enterprises of EPZs-2013 and Bangladesh Labor Act, 2006. As less than 10% of the total workers have no toilet in their household which is quite good in the perspective of the country but it should be 100% because no toilet has an adverse effect on their health. More than 50% of the worker houses are made up of bamboo, straw bamboo, straw, wood, rope etc. the number of pucca houses for all workers should be increased. It could improve hygiene and health situation of the workers families. Since the number of male workers is higher in Ventura and the number of female workers is higher in Mazen therefore, the percentage of more earning members of the family is higher in Mazen. This indicates that Mazen workers are more solvent than Ventura workers. The study found that 64% workers of Ventura who are only earning member of their family whereas Mazen holds only 49% of workers. The wage rate of the workers should be reformed with the international rate. Both the companies should have to motivate to their workers on healthy living such as nutritious food, sanitation etc. The rate of wage should be favorable to the workers of the organization. The companies should strictly follow the rules and regulation imposed by BEPZA.

The study was tending to figure out the living standards of the worker of Ventura Leatherware Mfy (BD) Ltd. and Mazen (Bangladesh) Industries Ltd. at Uttara EPZ. The study also figures out the issues relevant to living standards and BEPZA. Export Processing Zones has created considerable export growth and working opportunities. That is why the people who were unemployed few years ago, currently they are employed and earn money, though the living standard of the worker was not better compare to the present decades. The important issues are the living standard of most of the families around Uttara EPZ is now increased because of the available job opportunities. As the structure tends to be higher in EPZs than other sectors in Bangladesh the workers are able to spend considerably a good life than others. Compared to Ventura workers and Mazen workers as the wage structure in Mazen is higher than Ventura, the workers in Mazen found more satisfaction with their job and payment. However, by restructure the wage payment, lessening overtime, good relation between workers and management, good working environment, motivation and training on health and safety the standard of living of the workers could be higher. I do believe that the people near to EPZ area should be led a good life and their living standard should be good too. I already mentioned various issues in my research work. If the corrective action takes and implement it properly, we will get to see an expected living standard of the worker of Ventura Leatherware Mfy (BD) Ltd. and Mazen (Bangladesh) Industries Ltd. as well as the all pupils of UEPZ. The study only compares the wage rate and living standard between two companies in Uttara EPZ, Nilphamari, Bangladesh. There is a huge scope to compare the variables across all the 18 companies in the Uttara EPZ or to compare across all EPZs in Bangladesh. The wage rate and living standard can also be compared by other countries EPZs along with Bangladesh EPZs.

Reference

- Aggarwal, A. (May 2007). Impact of special economic zones on employment, poverty and human Development. Working Paper No. 194, Indian Council for Research on International Economic Relations. 25-30.
- Bangladesh population. Worldometers. Available: <http://www.worldometers.info/world-population/bangladesh-population/> (No Date)
- BEPZA instruction. BEPZA. Availabe: http://bepza.gov.bd/app/webroot/ckfinder/userfiles/files/Instruction_1_2.pdf (No Date)

- Cling, J., and Letilly, G. (2001). Export Processing Zones: A threatened instrument for global economy insertion?. *DIAL document de travail*, 17, 18-20.
- Cling, J., Razafindrakoto, M., and Roubaud, F. (2005). Export Processing Zones in Madagascar: A Success Story under Threat. *World Development*, 33 (5), 785–803.
- Hackman, J. R. (1980). Work redesign and motivation. *Professional Psychology*, 11(3), 445-455.
- Hackman, J. R., and Lawler, E. E. (1971). Employee reactions to job characteristics. *Journal of Applied Psychology*, 55 (3), 259-286.
- Hackman, J.R., and Oldham, G.R. (1980). Work redesign. *Redings. M.A: Addison-Wesley*, xxvii+330.
- Havlovic, S. J. (1991). Quality of work life and human resource outcomes. *Industrial Relations*, 30 (3), 469-479.
- Jenkins, M. (2005). Economic and social effects of export processing zones in Costa Rica. *Working Paper No. 97, ILO, Geneva*. 21-23.
- Lau, R. S. M., and May, B. E. (1998). A win-win paradigm for quality of work life and business performance. *Human Resource Development Quarterly*, 9 (3), 211-226.
- List of Investors. Available: http://bepza.gov.bd/investors/investor_report/uttara-export-processing-zone-2 (No Date)
- Literacy rate. Available: <https://www.dhakatribune.com/bangladesh/2018/09/06/minister-literacy-rate-rises-to-72-9> (September, 2018).
- Nicita, A., and Razzaz, S. (2003). Who benefits and how much? How gender affects welfare impacts of a booming textile industry. *World Bank Policy Research Paper No. 3029, Washington DC, The World Ban.*, 16-19.
- Romero, A. (1995). Labour standards and EPZs: Situation and pressures for change. *Development Policy Review*, 13 (3), 247-276.
- Scobel, D. N. (1975). Doing away with the factory blue. *Harvard Business Review*, 53, 132-142.
- Standard of living. Wikipedia. Available: https://en.wikipedia.org/wiki/Standard_of_living. (No Date)
- Statistical yearbook. Available: http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/b2db8758_8497_412_c_a9ec_6bb299f8b3ab/S_Y_B2017.pdf (No Date)
- Taylor, J. C., and Bowers, D. G. (1972). Survey of organizations: A Machine Scored Standardized Questionnaire Instrument. Ann Arbor: University of Michigan, 7, 156-157.
- Wage rate. Business dictionary. Available: <http://www.businessdictionary.com/definition/wage-rate.html>. (No Date).
- Wage. Wikipedia. Available: <https://en.wikipedia.org/wiki/Wage> (October, 2009).
- Zohir, S. C. (2007). Role of Dhaka Export Processing Zone: Employment and Empowerment. Research Report, *Bangladesh Institute of Development Studies, Dhaka*. No. 181.

Cite this article:

Ahammad, S. M., Nahar, B. & Khan, S. A. A. (2019). A comparative Analysis on Wage Rate & Living Standard of Workers between Ventura Leatherware Mfy (BD) Ltd. & Mazen (BD) Industries Ltd. *International Journal of Science and Business*, 3(3), 1-15. doi: <https://doi.org/10.5281/zenodo.2632972>
Retrieved from <http://ijsab.com/wp-content/uploads/341.pdf>

Published by

