

Bangladesh Country Study 2013
Fair Wear Foundation



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INTRODUCTION

At the time of publication (August 2013), a great deal of activity was being undertaken in Bangladesh in the wake of the Tazreen factory fire and the Rana Plaza building collapse. The National Tripartite Plan of Action on Fire Safety and Structural Integrity was signed on 25 July 2013 by key Bangladeshi stakeholder groups, and the implementation process is under way. The Accord on Fire and Building Safety, led by IndustriAll and signed by around 80 clothing brands is in the early stages of implementation.

Fair Wear Foundation has been active in Bangladesh since 2006, and has a long history of sharing information, expertise and networks with other groups active in the country. FWF is in discussions with local stakeholder groups and new efforts like the Accord to continue this cooperation as the situation in Bangladesh evolves. An outline of FWF's approach to building safety and the importance of collaboration is [available for download](#).

FWF will continue to provide updated information on Bangladesh at www.fairwear.org, and will update this country study with new information on a periodic basis in the future.

HOW TO READ THIS FWF COUNTRY STUDY

This country study should provide a clear and concise picture of labour law, labour conditions and industrial relations within the textile/garment industry in Bangladesh. By dividing the information in several parts, the reader can choose what level of detail they wish to read. For finding specific laws or compliance with certain parts of the FWF Code of Labour Practices, the country study can be used as a reference sources.

For a general overview of the situation in Bangladesh, the summary above is the starting point, followed by chapter 2 (General country information). More information on the country's garment industry can be found in chapter 4 (Garment industry), while chapter 5 (Industrial relations) will give an overview of the way the local systems work. The rest of the country study can be used as a reference to find specific information. Below you can find a short description of the content of each chapter.

Chapter 1, *General country information* describes the economic, social, political & governance as well as the general human rights situation using international indicators and comparing with other garment producing countries. Appendix 1 lists and explains these indicators more closely.

Chapter 2, *Stakeholders*, briefly presents the main stakeholders active in the garment/textile industry. The focus is on stakeholders who have actual impact on labour conditions or play an active role in monitoring the situation for workers in the industry. This chapter serves as a reference point for those who want to engage with or consult a local stakeholder to find further information or help regarding their activities in the country.

Chapter 3, *Garment industry*, gives an overview of the situation for the garment industry in the country, areas of production, products and outlook for the industry.

Chapter 4, *Industrial relations*, gives a description of the trade union situation in the country, both in general and for the garment industry specifically. This chapter gives important information essential for understanding the how well challenges regarding working conditions could be and actually are handled through social dialogue in the country.

In **Chapter 5, *Implementation of the FWF Code of Labour Practices***, the implementation of each part of the FWF Code of Labour Practices is assessed through a review of laws and regulations, as well as different stakeholders' views on implementation.

For more detail on the Implementation of the FWF Code of Labour Practices, see Appendix 1 for details on local laws relevant for the FWF Code of Labour Practices.

SOURCES USED IN THE COUNTRY STUDY

The study was prepared by gathering information about national laws and local stakeholders' views on labour issues in the garment industry in Bangladesh. This information was gathered by Mr. Rafique Uddin, Ms. Fawzia Firoze, Mr. Khorshed Alam and Ms. Shatil Ara. FWF has also gathered information from recognised international sources on the economic, social, political and human rights situation in the country.

The following stakeholders, representing public authorities, employers, trade unions and NGOs, were consulted

I. Government/public authorities

Deputy Chief Inspector (Engineering), Ministry of Labour & Employment, Dept. of Inspection for Factories & Establishment Headquarters, Md. Obaidul Islam

Inspector of Standing Orders, Ministry of Labour & Employment, Dept. of Inspection for Factories & Establishments, Abdul Kader

Chittagong Division, Ministry of Labour & Employment, Dept. of Inspection for Factories & Establishments, Md. Abdul Hye Khan Inspector

Ministry of Labour & Employment Dept. of Inspection for Factories & Establishments, Chittagong Division, Nipendra Nath Das Deputy Chief Inspector

Deputy Director of Labour Chittagong Division, Ministry of Labour & Employment, Department of Labour, Md. Assaduzzaman

Member, 1st Labour Court, Chittagong, KM Shahidullah

Member, 1st Labour Court, Chittagong, Rizwanur Rahman Khan

II. Employers

BGMEA, Bangladesh Garment Manufacturers & Exporters Association; Md. Rafiqul Islam Md. Moinuddin AKM Moyeenuddin

Manager Compliance, Ha-Meem Group, 241, Tejgaon I/A, Dhaka; Md. Masudur Rahman

Manager-Admin & HRM, Palmal Group, Gulshan-1, Dhaka; Haroon-Ur-Rashid

III. Trade unions

Md. Shafi Bangali, President, National Sramik (Workers) League

Mamun-Ur- Rashid Chowdhury, General Secretary, Bangladesh Free Union Congress (BFTUC)

M. Shahadad Hossain, Secretary (Education, Research & Publication) Bangladesh Labour Federation BLF; & Vice President, BTGWF

Md. Rafique, Organizing Secretary, Bangladesh National Labour Federation

Ashraf Uddin Mukut, Executive Director, Bangladesh National Labour Federation

Shameema Nasreen, President, Shadhin Bangla Garments Sramik Karmachari Federation (SBGSKF) (Independent Bangla Garments Workers Employees Federation)

ZM Kamrul Anam, President, Bangladesh Bastro and Poshak Shilpo Sramik League (Bangladesh Textile and Garments Industries Workers League) & General Secretary, Bangladesh labour Welfare foundation

Nazma Akter, President, Sommiloto Garments Sramik Federation (SGSF) (United Garments Workers Federation)

Amirul Haque Amin, Jatiyo Garments Sromik Federation, NGWF

Fahima Akter, Bangladesh Mukto Garments Sromik Union Federation, BIGUF

IV. Labour related NGOs and international organisations

TIM Nurunnabi Khan, Programme Officer, International Labour Office

Syed Sultan Uddin Ahmed, Bangladesh Institute of Labour Studies (BILS), Asst. Executive Director

Mashuda Khatun Sefali, Executive Director, Nari Uddug Kendra NUK(Centre for Women Initiative)

Repon Chowdhary, Bangladesh Occupational, Safety Heath & Environment Foundation OSHE

Sayed Sayedul Haque, Director, Bangladesh Occupational, Safety Heath & Environment Foundation OSHE

Afsaruddin Ahmed, Business Development Adviser, German Technical Cooperation

ZM Kamrul Anam, Chairman, Sonagazi Upazilla

Mohbubul Islam, Advocate/Lawyer, Supreme Court of Bangladesh

SM Shafiul Islam, Director, DCGCI, Shyamoli, Dhaka

GENERAL COUNTRY INFORMATION

Bangladesh is situated in Asia and shares frontiers with India and Myanmar/Burma. Dhaka, the capital, is the largest city. Bangladesh is one of the world's poorest countries, and is included on the Organization for Economic Cooperation and Development (OECD's) list of the least developed countries.

Economic indicators

Bangladesh' level of development, as measured by the UN human development index, is low at 146¹. The apparel industry accounts for around 80% of export earnings.

Social, political & governance indicators

With an estimated 150 million inhabitants, Bangladesh is the most densely populated countries in the world, with 1 015 people per square kilometre. The population has increased 15% since 2001, although the birth rate appears to be slowing. Literacy among people aged 24 and under is now nearly 75%, and life expectancy is around 68 years.² An estimated 84% of men and 57% of women are active in the labour force.³

While Bangladesh's *Economist* Democracy Index ranking has improved to 84 (out of 167)⁴, corruption remains a concern. Bangladesh was rated 144 out of 176 countries in the 2012 Transparency International Corruption Perceptions Index⁵. In the latest Global Competitiveness Index, Bangladesh rated 139 out of 144 countries on the 'Ethical behaviour of firms' measure.⁶

Income and poverty

Bangladesh is among the lowest-income countries in the world. 78 percent of the population live on less than \$2/day⁷. An estimated 58% of the population is 'Multidimensionally Poor' – a measure of multiple deprivations in the same households in education, health and standard of living.⁸ In 2010, 32% of the population was under the national poverty line⁹. The current legal minimum wage in Bangladesh is BDT 3 000 (€29.30/\$38.40) per month.

General human rights situation

Bangladesh is a country of parliamentary democracy of 155 million citizens. In 2008 the Awami League (AL) alliance won the parliamentary elections. The elections ended two years of rule by a military-backed caretaker government. Local stakeholders note that the human rights situation has improved with the return of civilian government, although local and international organisations still note several areas of concern.

Violence against women and children remains a serious problem. According to women's rights groups, violence is widespread although data quantifying it was difficult to obtain. In 2011, a law against domestic violence was passed by the parliament; rules for implementation are being developed¹⁰.

Bangladesh has ratified 33 ILO Conventions out of which seven are fundamental conventions.

¹United Nations Development Programme, *Human Development Report 2013*

²National Institute of Population Research and Training
Dhaka. *Bangladesh Demographic & Health Survey 2011*.

³United Nations Development Programme, *Human Development Report 2013*

⁴Economist Intelligence Unit. *Democracy index 2012*

⁵Transparency International. <http://www.transparency.org/country#BGD>

⁶World Economic Forum. *The Global Competitiveness Report 2012–2013*

⁷The World Bank. <http://data.worldbank.org>

⁸United Nations Development Programme, *Human Development Report 2013*

⁹The World Bank. <http://data.worldbank.org>

¹⁰Human Rights Watch: *Bangladesh Country Summary 2012*.

STAKEHOLDERS

In this section of the report, a number of stakeholders, active in the garment/textile industry are briefly presented. The focus has been on stakeholders who have actual impact on labour conditions or play an active role in monitoring the situation for workers in the industry.

GOVERNMENT INSTITUTIONS

The Department of Labour (DoL)

The Department of Labour is a body of the Ministry of Labour and Employment of the Government of the People's Republic of Bangladesh. It is responsible for implementation and monitoring of all labour and industrial laws.

Inspectorate of Labour Directorate

The Inspection section of the Labour Directorate has been one of the most important offices, charged with a large part of the responsibility to take care of the entire industrial section. Around 250 staff are responsible for inspecting a broad range of industrial sites.

Ministry of Commerce

The Ministry of Commerce is responsible for regulating both domestic and international trade. The Ministry of Commerce is responsible for setting and implementing import and export policies within the legal structure set by the Imports and Exports (Control) Act, 1950 and the Import Policy Order. www.mincom.gov.bd

The Export Promotion Bureau (EPB)

The EPB established in 1978 is a specialized organ ministry of commerce to enhance export. One of the major activities of EPB is to initiate steps for settlement of trade disputes between Bangladeshi and foreign business houses. www.epb.gov.bd

A Compliance Monitoring Cell (CMC) has been established within the EPB to monitor activities related to labour welfare and improvement of working conditions in the export-oriented ready-made garments (RMG) industries of Bangladesh. www.epb.gov.bd/details.php?page=12

Ministry of Industries:

Ministry of Industries is primarily responsible for developing new policies & strategies for promotion, expansion and sustainable development of Industrial sector of the country.

There are several governmental initiatives to strengthen the RMG sector: a Social Compliance Forum (SCF) an inter-ministerial taskforce, a Taskforce on Occupational Safety in RMG, a taskforce on labour welfare in RMG. www.moind.gov.bd/

EMPLOYERS' ORGANISATIONS/ASSOCIATION

The labour law act (2006) provides the employers with opportunities to form and join associations of their own choice with an initial view to regulating relations between employers and workers or employers and employers.

The Bangladesh Employers Federation (BEF) is the principal federation of employers' association. The BEF covers about 90 percent of industrial associations in the country as well as prominent individual enterprises. Its membership now includes all Public Sector Corporations, and all major national level associations. The Federation is a member of the International Organization of Employers (IOE) and participates in ILO activities, representing the employers of Bangladesh. www.bef.org.bd

Bangladesh Garments Manufacturers and Exporters Association (BGMEA)

BGMEA is the Trade Association of over 5000 garment factories in Bangladesh. It is the main organisation representing the export oriented woven, knit and sweater garment manufacturers and exporters of the country, and members are responsible for 80% of Bangladesh's garment exports.

BGMEA's primary mission is to "to promote and facilitate the apparel industry through policy advocacy to the government, services to members, ensuring workers' rights and social compliance at factories."

The organisation also undertakes a number of CSR-related activities, and trainings for members on social environmental standards. www.bgmea.com.bd

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) is the main organisation representing the export-oriented knit garment manufacturers and exporters of the country. Around 1900 manufacturers and exporters are members.

The BKMEA's goals include promotion of the knitwear sector and capacity building within the sector. BKMEA has departments focusing on social compliance and fire safety, which provide training for members.

<http://www.bkmea.com/>

TRADE UNIONS

Trade unions have a long history in Bangladesh. They are active mainly in formal sectors of the economy. Millions of informal sector workers and a large percentage of formal sector workers are not union members.

The presence of trade unions in the private export-oriented sectors such as ready-made garments (RMG) and leather goods is very weak – stakeholders estimate less than 5 percent of workers are formal union members. For instance, although there are more than 50 unions representing garments workers, the level of unionization among workers is very low. Many unions only function outside of factories.

There are four Major formal or informal alliances of unions in the garment sector. These are: 1. Bangladesh Garments Workers Unity Council (BGWUC). 2. Bangladesh Garments Workers Sangram Parishad [Bangladesh Garments Workers Struggle Council (BGWSC)]. 3. BNC-ITGLWF (Bangladesh National Council-ITGLWF affiliate Unions) 4. Bangladesh Garments Sromik O Shilpo Rokkha Jatio Mancha [National Platform for the Protection Garments Workers and Industries of Bangladesh (NPPGWIB)]. There are also some unions active in the sector are not affiliated with any of the alliances.

Many trade unions are affiliated with political parties, which can make relationships between unions complex and politicised.¹¹

In the RMG sector the total number of unions (registered and non-registered) totals more than 50, although stakeholders have noted that many of these unions are not very active.

Both ITUC (International Trade Union Confederation) and IndustriAll/ITGLWF (International Textile, Garment and Leather Workers' Federation) have affiliates in Bangladesh.

National Co-ordination Committee of Worker's Education (NCCWE)

The national confederations have organized themselves in a forum to coordinate workers education activity with the ILO. The following organisations joined the NCCWE.

¹¹ Commonwealth of Nations. *Trade Unions in Bangladesh*, www.commonwealthofnations.org

Jatiya Sramik Federation(National Workers Federation)
Bangladesh Trade Union Kendra(Bangladesh Trade Union Centre)
Bangladesh Sanjukta Sramik Federation Bangladesh United Workers Federation)
Bangladesh Trade Union Sangha(Bangladesh Trade Union Association)
Jatiyo Sramik Jote(National Workers Alliance)
Bangladesh Jatiyatabadi Sramik Dal(Bangladesh Nationalist Workers Party)
Bangladesh Mukta Sramik Federation(Bangladesh Independent Workers Federation)
Jatiyo Sramik Federation, Bangladesh(Nation Workers Federation, Bangladesh)
Jatiyo Sramik League(National Workers League)
Bangladesh Free Trade Union Congress(Bangladesh Free Trade Union Congress)
Bangladesh Labour Federation(Bangladesh labour Federation)
Bangladesh Jatiyo Sramik Federation(Bangladesh National Workers Federation)
Samajtantrik Sramik Front(Socialist Workers Front)
Jatiyo Sramik Jote, Bangladesh(National Workers Alliance, Bangladesh)

NON-GOVERNMENTAL ORGANISATIONS

In Bangladesh a large number of NGOs are at present working with different issues and agendas relating to workers in different sectors. Some major ones are outlined below:

Karmojibi Nari (Working Women)

“Karmojibi Nari is an organization of woman-workers, striving to establish rights, dignity and authority of woman-workers along with women and labourers.” Karmojibi Nari advocates for issues at the national level in support of working female workers. www.karmojibinari.org.bd

Bangladesh Institute of Labour Studies (BILS)

This NGO brings together unions from different political backgrounds to address common issues. The organization conducts research, helps in policy formulation, conducts training and facilitates various workshops and conferences on different workers’ issues including women and child labour. <http://www.bils-bd.org/>.

NariUddug Kendra- NUK (Centre for Women Initiative)

NariUddug Kendra (NUK) is a non-government national women's development support organisation, mandated to promote gender equality, human rights and personal empowerment of women and girls in Bangladesh. It works both directly and in partnership with local women's organizations, garment factories, trade unions, political parties, and local government bodies. It focuses on building human and social capital through skills and capacity building, towards promotion and protection of human rights and gender equality. www.nuk-bd.org/

Bangladesh National Women Lawyers Association (BNWLA)

BNWLA works to provide access for justice for all women in Bangladesh. The programs and services target the poorest and most disadvantaged areas of the country, where legal, preventive and protective support in establishing human rights and resisting violence against woman and child is most needed. www.bnwlabd.org

AIN O Salish Kendra (ASK)

AIN O Salish Kendra (ASK) has been working for the rights of women and children along with running advocacy programs for promoting laws and policies for protection of rights of women and children. ASK runs programmes in support of women's and labour rights, and provides monitoring of human rights. www.askbd.org/

Occupational Safety and Health & Environment (OSHE)

Occupational Safety and Health & Environment (OSHE) is designed to serve as a think tank at the national level on labour, occupational safety and health and sustainable development issues.. www.oshebd.org/

Bangladesh Labour Welfare Foundation (BLWF)

Bangladesh Labour Welfare Foundation (BLWF) is an organization working for the welfare of workers, working people, professional women and children. It aims to eliminate child labour, promotes education and also undertakes programs on gender issues, social safety-net compensations for illness, accidents and others. www.blf-bd.org/

Phulki

Phulki develops and promotes low-cost childcare units within factories. Phulki has created a sustainable service model by harnessing financial and other resources from garment manufacturers, mothers, garment buyers, donors and government. www.phulki.org/

Awaj Foundation

Awaj Foundation (AF) emerged out of the need to mobilize workers and institutionally support them to improve conditions, get equal rights and equal opportunity, to ensure maternity leave, to improve the environment of the work place of the workers, to make themselves responsible about the industrial sector, and to improve the relationship between owners and workers.

Alternative Movement for Resources and Freedom (AMRF) Society

AMRF was established in 1999 by a group of local and expatriate development professional, activist, social scientist and technical experts. Their mission is to achieve a fair balance of trade gains among the stakeholders of industrial production systems. AMRF also conducts research on a variety of labour-related issues in Bangladesh. www.amrxbd.com

Development Consultant and Global Compliance Initiative (DCGCI)

DCGCI, a registered vendor with the World Bank Group and United Nations Development Programme (UNDP), is a service oriented organization in Bangladesh. Established in 1998 it is a service provider to the industrial sector and the social sector.

INTERNATIONAL ORGANISATIONS

Oxfam (GB) Bangladesh

Oxfam is engaged in development initiatives of Bangladesh in a diverse way. Its programs and activities with particular focus on women, garments workers and the industry are: Improving the material condition and status of women, Supporting the advocacy initiatives of partner organizations on the issues of consumer rights and working conditions in the informal sectors, including sex workers, and the women working in the garment factories, Supporting basic education for children, especially girls, and to promote community participation on non-formal primary schools, the Campaign for "Make Trade Fair".

ActionAid Bangladesh

ActionAid is committed to changing the capacities of people and groups whose rights have been denied and violated in attaining justice and a life of dignity. ActionAid Bangladesh also assists efforts and builds capacities of actors of civil society and partner communities' whom we believe are engaged in safeguarding and promoting people's rights.

International Labour Organisation (ILO) in Bangladesh

The ILO has been active in Bangladesh since 1973. Bangladesh was a member of the ILO Governing Body for the period 2008-2011.

The Decent Work Country Programme (DWCP) has become the framework of ILO cooperation. The ILO works with the government, employers and workers in a tripartite approach, and has provided an ongoing forum for discussions between the three sectors. The Decent Work Country programme, which was formulated through a series of consultation with ILO constituents and social partners, has four goals:

- Improved skills training and entrepreneurship for enhanced employability and livelihoods
- Increased coverage of social protection and rights for workers in selected sectors
- Elimination of worst form of child labour
- Capacity building of tripartite partners

GARMENT INDUSTRY OVERVIEW

Organisation of the garment industry in Bangladesh

In fiscal year 2010-11, 78% of the country's total exports - about USD 18 billion/EUR 14.2 billion - came from the apparel sector.

The EU 27 zone together accounted for over USD \$10 billion of exports, with major markets including Germany \$3.1 billion; UK \$1.7; France \$1.4 billion; and The Netherlands at \$960 million.¹²

The growth of the apparel industry has been dramatic – from 30 factories in 1980, to over 5100 in 2011.¹³

In Bangladesh the expansion of export oriented readymade garments (RMG) sectors depended significantly on the system of The Multi Fibre Agreement. Domestic entrepreneurs were supported in importing the equipment and raw materials to establish apparel industries in the country. Low labour costs are widely seen as one of the main drivers of Bangladesh's growth as an apparel hub.

Future challenges for the industry include the potential development of other low-cost production centres like Burma and negative publicity following recent factory fires. The need for improved infrastructure has also been noted by stakeholders and international surveys¹⁴.

Main exports from garments industry

The main product categories are wovens, notably pants and shirts; and knits such as polo shirts, and especially t-shirts; and sweaters.

Main areas for garment production

Dhaka and its surrounding areas including Savar, Ashulia, Joydevpur, Kaliganj, Fatullah and Narayanganj is the center of the apparel industry. Dhaka neighbourhoods including Shyamoli, Mirpur, Jatrabari and Uttara are main production areas. Chittagong is another major production area.

Composition of the garment industry workforce.

Around 20 million people depend on the apparel industry for jobs. About 3.5 million people are directly employed by the apparel industry, 80% of whom are women. Another 16.5 million people are employed in related sectors: marketing, transportation, export etc.¹⁵

¹² Bangladesh Knitwear Manufacturers & Exporters Association/Institute of Apparel Research and Technology. *Export Statistics of Bangladesh Fiscal Year 2010-11*.

¹³ Bangladesh Garment Manufacturers and Exporters Association. *About BGMEA*. www.bgmea.com.bd/home/pages/aboutus#.UVqwRavk5QY

¹⁴ e.g., World Economic Forum. *The Global Competitiveness Report 2012–2013*

¹⁵ Bangladesh Garment Manufacturers and Exporters Association. *Industry Strengths*. www.bgmea.com.bd/home/pages/Strengths#.UVrVwvavk5QY

INDUSTRIAL RELATIONS IN BANGLADESH

In 1994, workers called a strike for establishing minimum wages and implementing labour laws in the RMG sector. As a result, a tripartite committee, headed by the then Labour Minister was formed. It consisted of three workers' representatives and three representatives from employers and governments. The functions of the Committee were to review the demands of garments workers, and monitor violation of labour laws. In 1997, a bilateral committee, consisting of representatives from Grand Alliances of Workers and BGMEA, was formed to resolve factory level disputes, and was successful in many cases.

From 1994 to 2006, RMG workers' unions signed seven agreements with the BGMEA covering minimum wages for garments workers, recognition of trade union activities, provision of appointment letters and identity cards to the workers, fixing working hours and ensuring maternity leave and other holidays. The national tripartite agreement was concluded between the government, BGMEA and the organizations representing garments workers in 2006. Popularly known as the national tripartite memorandum of understanding, it is seen as a major step towards resolving the abovementioned issues. Most of the demands were subsequently incorporated in the Bangladesh Labour Law Act 2006.

GENERAL SITUATION ON TRADE UNION RIGHTS

Until the 1980s, collective bargaining was mostly practiced in State owned industries in Bangladesh. During the 1980s and 90s, trade union activities were reduced following the large-scale privatization of state owned industries.

Following the World Bank-led Structural Adjustment Policy (SAP) era, pro-business policies fostered growth of export-oriented industries. Widespread restrictions on trade union rights during this period have been documented by researchers.¹⁶⁻¹⁷

The absence of industry-wide constructive collective bargaining arrangements is seen by many observers to contribute to conflict in the garment industry. Some unions are affiliated to political parties, which adds an extra layer of complexity. Low awareness among workers of collective bargaining rights and management resistance to unionisation both contribute to low union membership levels.

Due to state of emergency, from November 2006 – December 2008, trade unionism was banned, and there have been documented cases of union leaders being tortured, arrested and harassed.

LOCAL GRIEVANCE MECHANISMS FOR WORKERS

In factories without formal unions, local grievances can be handled through the Participation Committee (PC). The PC should have representatives from both workers and employers. Representation from workers should be greater than employers' nominated members. The Worker Welfare Committee exists only in the Export Processing Zones and the committee members should be nominated from workers only.

While some examples of well-functioning committees exist, stakeholders have indicated that in many factories the committees have either not been set up, or do not function.

¹⁶ Rashid M. A. (2006), *Rise of Readymade garment Industry in Bangladesh: Entrepreneurial Ingenuity or Public Policy*, Paper presented at the Workshop on Governance and development organized by the World Bank and BIDS at Dhaka on 11-12 November 2006, available at:

¹⁷ Al Faruque, F. (2009) *Current Status and Evolution of Industrial Relations System in Bangladesh*. International Labour Organisation. 2009.

MULTILATERAL BODIES

BGMEA/Registered Trade Union Federation bi-lateral committee: formed in 1997 to address labour issues such as maternity leave, overtime, payment of wages, minimum wages.

Conciliation-cum-Arbitration Committee (CAC): Since 26th April 1998 the CAC in accordance to Industrial Relations Ordinance (IRO)-1969 works to solve disputes and grievances.

Wage Board: Section 138 (clause i) of the labour law sets the provision for the establishment of a minimum wage board. The wage board, according to clause-ii of the same article would comprise of:

- A chairman
- A neutral (i.e., belonging to no party) member
- A representative of the enterprise owners
- A representative of the workers

For cases where specific industries are involved one member each from the owners' side and the workers' side from the industry would be taken as members of the wage board for that specific industry.

STATE ROLE IN INDUSTRIAL RELATIONS

Ministry of Labour and Employment's Directorate of Labour and Inspection (DoL) is responsible for implementation and monitoring of all labour and industrial laws. The DoL provides conciliatory service for settlement of industrial disputes. DoL is the accrediting and regulatory agency for the trade unions in Bangladesh. Director of DoL is also the Registrar of Trade Unions. The DoL office also mediates inter-union and intra-union conflicts/disputes through informal discussion etc.

Ministry of Commerce is responsible for regulating domestic and international trade, and formulating and implementing import and export policies of the country within the legal structure set by the Imports and Exports (Control) Act, 1950 and the Import Policy Order.

IMPLEMENTATION OF THE FWF CODE OF LABOUR PRACTICES

In this chapter, the implementation of each part of the FWF Code of Labour Practices is examined by looking at laws and regulations, as well as different stakeholders' opinions and analysis on implementation. Each section starts with quoting the FWF Code of Labour Practices. Text in *italics* is quotes from relevant laws.

EMPLOYMENT IS FREELY CHOSEN

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

Laws and regulations

Forced labour is strictly prohibited by the Constitution of the People's Republic of Bangladesh. Article 34 of the Constitution of the Peoples Republic of Bangladesh stated as follows: "All forms of Forced Labour are prohibited and any contravention of this provision shall be an offence and shall be punishable in accordance with Law". The two ILO fundamental rights Conventions (nos. 29 and 105) also addressed the abolition of forced labour, and Bangladesh has ratified these two conventions.

Stakeholders' opinion and analysis

Both worker and industry stakeholders generally agree that workers are not forced into employment in Bangladesh, and forced labour in the traditional sense is not commonly encountered.

Trade unions and workers representatives have raised concerns about the high levels of involuntary overtime in Bangladesh, arguing it should be considered as a type of forced labour. (please see Section 6.6 for more about excessive overtime)

NO DISCRIMINATION

In recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps (ILO Conventions 100 and 111)

Laws and Regulations

Any discriminatory behaviour on the basis of sex, colour and creed is prohibited in any law in Bangladesh.

Article: 27 of the Constitution stated as follows:

All citizens are equal before Law and are entitled to equal protection of Law

Article: 28 of the Constitution stated as follows:

The State shall not discriminate against any citizen on the grounds of religion, race, caste, sex or place of birth.

Therefore, discrimination on the grounds of any of the above issues is prohibited in country.

Section 345 of the new labour law is particularly noteworthy as it states:

In determination of the wages for a worker or in fixation of the minimum wages equality irrespective of the sex of the worker, shall be maintained. No discrimination in this regard shall be tolerated by law.

Stakeholders' opinion and analysis

In the garment sector severe discrimination over wage, overtime allowance and other facilities have been reported by trade union leaders and workers.

NO CHILD LABOUR

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [under the age of 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.

(ILO Convention 182)

Laws and Regulations

Section 34 of the labour law states:

- No child who has not completed fourteen years of age shall be required or allowed to work in any factory.
- Non-adult workers to carry token: An adolescent who has completed fourteen years of age shall not be required or allowed to work in a factory unless:
 - A certificate of fitness granted to him under section 68 is in the custody of the manager of the factory;
 - Such adolescent carries a token giving a reference to such certificate while he is at work;
 - Nothing in this section shall be applicable to an adolescent employed in any occupation or in a factory as an apprentice for vocational training;
 - The Government, if it considers appropriate, may waive up the enforcement of the preconditions of the employment of an adolescent for a particular period.
- For the purposes of these regulations, child refers to 14-15 year olds; and adolescent refers to 16-17 year olds.

The minimum working age is 14, although the law includes a provision for 12 and 13-year-olds to perform 'light' work that does not affect normal schooling.

Bangladesh has ratified the Worst Forms of Child Labour Convention (C182). Bangladesh has not ratified the ILO Convention 138 on the ground that Labour Law 2006 has fixed the minimum age for the children to enter the job market.

The Labour Act 2006 defines minimum ages for light, regular, and hazardous work (ages 12, 14, and 18 respectively), but there are different interpretations as to what types of work are covered under each category.

Stakeholders' opinion and analysis

In the 1990s a large effort to reduce child labour from the export garment industry was made through a project with the ILO and the employers export association. There is a general consensus among stakeholders that child labour in RMG factories has been dramatically reduced, and that children are not systemically employed by the Bangladeshi garment industry.

In 2013, additional requirements for employers were put in place regarding documentation checks for worker ages. While the goal of this law is to prevent child labour, a significant risk highlighted by stakeholders is the quality of worker documentation. Not all workers have birth certificates, and documentation can be easily forged, which can make it difficult for factories to completely prevent the hiring of underage workers.

Stakeholders have also raised concerns about the ability of labour inspectors to adequately monitor conditions with the resources and staffing currently available.

FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

The right of all workers to form and join trade unions and bargain collectively shall be recognised." (ILO Conventions 87 and 98) "Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions.

(ILO Convention 135 and Recommendation 143)

Laws and Regulations

The Bangladesh Constitution guarantees the right to form associations or unions. The trade unions in Bangladesh have been formed and established on the basis of this constitutional declaration.

The Labour Law 2006 (Act no. 42 of 2006) addresses various aspects of the formation of trade unions. Workers have the right to establish and join associations of their own. Trade unions shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes.

A union will only be recognized in a workplace if more than 30% of employees join. In factories with multiple unions, one will be elected to negotiate on behalf of workers.

The law provides for strikes, within certain restrictions. In practice few strikes follow legal requirements; many strikes or walk-outs are spontaneous rather than organized.

Please see Appendix 1 for more details on the rules surrounding unions.

A separate law, the EPZ Workers' Association and Industrial Relations Act (EWAIRA) covers factories in Export Processing Zones.

Stakeholder opinion and analysis

Labour organizers have reported anti-union activities, acts of intimidation, arbitrary firings and lockouts, and increased scrutiny by security forces. Sporadic labour unrest has occurred throughout the country, particularly in the ready-made garment sector. The Bangladeshi government has announced the creation of a 1,580-member "industrial police force" to focused on apparel sector and protecting factories from labour unrest, which causes concern among some stakeholders.

The Labour Court has ordered reinstatement of workers who had been fired for union activities, but a large backlog of unresolved cases remains. The majority of workers in such cases, however, sought financial compensation rather than reinstatement. Increasingly, labour disputes are settled informally prior to scheduled hearing dates in the labour court.

The role of unions in Export Processing Zones (EPZs) is a point of contention. Some stakeholder groups claim that workers in these zones have restricted rights to freedom of association, and that general enforcement of labour laws is weaker in the EPZs.¹⁸

PAYMENT OF A LIVING WAGE

¹⁸ Al Faruque, F. (2009) *Current Status and Evolution of Industrial Relations System in Bangladesh*. International Labour Organisation.

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income"

(ILO Conventions 26 and 131, the Universal Declaration of Human Rights, art 23(3) and art 25(1)).

Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Laws and regulations

Chapter 10 of the labour law deals with the provisions related to the wages of the labour. See Annex 1 for detailed information.

A new minimum wage law was adopted in 2010, which raised minimum monthly wages from BDT 1662.50 to BDT 3 000.

Stakeholders' opinion and analysis

While the 2010 increases in minimum wages were widely regarded as important progress, local trade unions have called for a minimum wage of at least 5 000 BDT, and various stakeholder groups have estimated a living wage in Bangladesh to be three to four times the current minimum wage. A 2011 wage analysis examined wage levels in light of a variety of factors such as inflation and increases in the prices of staple such as rice. The study concludes that for six of the seven pay grades in Bangladesh, purchasing power has declined between 19% and 37% since 1993.¹⁹

Fair Wear Foundation commissioned AMRF Society to conduct a study in 2011 to follow up on reports of irregularities in the way the new minimum wage law was being implemented²⁰. Key points from the report are outlined below:

Wages in Bangladesh are comprised of a basic hourly wage which is augmented with a variety of legally-required and optional allowances, bonuses and incremental payments. Overtime wages form another part of most workers' take-home pay. Wages are calculated according to a seven-step grading system for each job classification, which is based on seniority and experience. Taken together, these factors can make it difficult for workers to know exactly how their wages are calculated.

There was no official increase in minimum wages in Bangladesh between 2006 and 2010. The real incomes of many workers in Bangladesh were increased by use of a variety of optional bonuses.

Interviews with over 300 workers found that most factories seem to have increased minimum wages to the new legally mandated levels. However, a majority of interviewees reported irregularities in the way bonuses and other pay augmentations were translated into the new wage grading system created by the 2010 law.

Real income has increased, but not as much as workers expected or believed was fair, based on previous bonuses. Such practices do not appear to be illegal, however they are widely considered to be unethical.

Commonly reported issues include:

¹⁹ Muhamad, A. 'Wealth and Deprivation: Ready-made Garments Industry in Bangladesh'. *Economic & Political Weekly*, 20 August 2011.

²⁰ Fair Wear Foundation and AMRF Society: *Minimum Wage Implementation in Bangladesh's Garment Sector*. 2012

- Previously awarded bonuses were taken away
- Workers were reassigned to a lower pay grade
- Workers had not received reasonable promotions.
- Work targets were increased following the minimum wage increase.

The study recommends that brands sourcing in Bangladesh ensure that such actions are included in the monitoring systems of companies sourcing from Bangladesh.

NO EXCESSIVE WORKING HOURS

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

(ILO Convention 1)

Laws and Regulations

Section 100 of the law makes a provision of 8 working hours a day for an adult worker, but an adult worker may work 10 hours a day if they are paid double the rate of his/her usual wages, and the employer records the overtime hours worked. Section 108 of the law details the specific requirements.

The law makes a provision of total 48 working hours per week, but it can be extended up to sixty hours, subject to the payment of overtime allowances as per section 108 of the law. However, an average of 56 working hours per week in a year for a labour must not be exceeded.

The law also allows the government to declare an exemption to the standard regulations. In 2011 the government took such a decision to allow up till 4 hours of overtime per day. Under such an exemption, employees may legally work a total of 60 hours per week.

Stakeholders' opinion and analysis

Many stakeholders representing labour and NGO groups assert that excessive overtime is widespread in the Bangladeshi garment industry.

In a recent FWF/AMRF study, some interviewed garment workers reported working over 180 hours per week²¹. 44% of the workers did not know how their overtime is calculated, and 23% of those keeping their own records report that employer calculations did not match their own.

A SAFE AND HEALTHY WORKING ENVIRONMENT

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and

²¹ Fair Wear Foundation and AMRF Society: *Minimum Wage Implementation in Bangladesh's Garment Sector. 2012*

minimise health risks as much as possible. Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited.

(following ILO Convention 155).

Statistics on compliance

Recent events such as the Rana Plaza collapse and the Tazreen factory fire have underlined the serious health and safety problems facing the Bangladeshi apparel industry. The National Tripartite Plan of Action on Fire Safety and Structural Integrity was signed on 25 July 2013 by key Bangladeshi stakeholder groups, and the implementation process is under way. The Accord on Fire and Building Safety, led by IndustriAll and signed by around 80 clothing brands is in the early stages of implementation. FWF will continue to provide updated information on Bangladesh at www.fairwear.org, and will update this country study with new information on a periodic basis in the future.

Safety problems are not limited to collapses and fires. A 2009 survey conducted by Bangladesh Occupational Safety Health and Environment Foundation (OSHE) revealed that some 1,639 workers were killed and 1,858 injured in 2009 in different occupational hazards and workplace violence in the country. OSHE revealed the statistics after monitoring 16 national daily newspapers from January 1 to December 31, 2009. The highest number of casualties took place in the garment sector (942) followed by transport sector (927), service sector (411) and construction sector (165). The survey showed that poor implementation of existing labour law, lack of awareness, lack of safety training programs, poor wage and defective industrial policy are the key reasons for growing occupational accidents and unrest among workers²².

LAWS AND REGULATIONS

The labour law 2006 specifies issues/areas related to occupational health and safety which include: fire-related incidents, floors, stairs and means of access, excessive weights, safety of building and machineries, fencing of machinery, work on or near machinery on motion, explosive or inflammable dust or gas, precautions against dangerous fumes, personal protective equipment and risk assessment and prevention. More detailed law texts are included in Appendix 1.

STAKEHOLDERS' OPINION AND ANALYSIS

Stakeholders and other local experts have highlighted several of the main contributing factors to the high number of fires at Bangladeshi factories, as well as the high mortality and injury rates. FWF is also preparing an analysis of the findings of audits that will be published in 2013; some preliminary data is included here.

Large factory sizes: Relative to other garment-producing countries, factory sizes in Bangladesh tend to be much larger, both physically and in number of employees. Under the best of circumstances, a six or seven story building with 3 000 employees is more challenging to evacuate than a two-story building with 400 employees. Size is not a root cause, but can be a contributing factor when combined with other issues.

Poor factory location and design. Many factories are multistory buildings in congested areas in and around Dhaka. They were not always designed with adequate safety exits, fire resistance, or other engineering specifications needed to operate a factory safely. In some cases, floors have simply been added to buildings as demand has grown. Inadequate space or bad design can lead to product being stored in places that block emergency exits. Heavy road traffic can make it difficult for emergency services to arrive quickly.

²²The Daily Star, January 2, 2010 <http://www.thedailystar.net>

Inadequate Electrical and Fire Safety Equipment: In buildings converted from other purposes, electrical systems can be inadequate for the demands of a factory. In some cases poor quality electrical systems are installed. Safety equipment is not always adequate, and fire extinguishers may be blocked by equipment or product pallets.

Lack of training: Many factories have adequate fire suppression equipment, but employees lack the training to operate it. Fire drills are not common practice in all factories. The downtime required to execute fire drills can be very expensive and would need to be factored into product prices. High worker turnover rates mean drills may need to be carried out more often. Piece rate workers may be reluctant to participate as it leads to a loss of income. Line managers do not always receive adequate training in how to manage emergency situations.

Lack of enforcement: Several stakeholders have called for additional resources to strengthen the fire inspection system and increase staffing levels. Stakeholders have also pointed out the problem of factories that operate without authorization, and the need to improve detection and prosecution of illegal factories.

Personal Protective Gear: Personal Protective Gear is not always provided to workers. In Bangladesh, where average temperatures are above 30°C/86°F for 8 months of the year, workers are often reluctant to wear hot and heavy equipment in factories, which are rarely air-conditioned.

LEGALLY BINDING EMPLOYMENT RELATIONSHIP

Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected.

Laws and Regulations

Section 3 of the labour law allows an industrial establishment to make a service rule in pursuant to the labour laws of the land.

Section 5 of the law provides that every worker should be given an appointment letter and ID card by their employer free of charge.

Stakeholders' opinion and analysis

Union and NGO stakeholders have noted that in many cases workers are not provided with a formal appointment letter stating specific service, duties and responsibilities and benefits to be received. Without these documents, it makes it more difficult for workers to know and assert their rights.

There are examples of well-managed factories which have such practices in dealing with the employment of the workers.

APPENDIX 1: SUPPLEMENTAL INFORMATION REGARDING THE BANGLADESHI LEGAL SITUATION AND THE FWF CODE OF LABOUR PRACTICES

This section supplements the information provided in Section 6 of this report for several of the FWF Code Elements. This section is intended as an overview of Bangladeshi laws for the reader's convenience, however it does not constitute legal advice.

PAYMENT OF A LIVING WAGE

Laws and regulations

Chapter 10 of the labour law deals with the provisions related to the wages of the labour.

Wages include the following as per section 120 of the labour law:

- Any bonus contracted as the condition of the employment;
- Any payment payable during leave, holiday and overtime;
- Any amount payable by the order of the court or the award of arbitrator;
- Any amount payable to the worker arising out of the contract between the owner and the worker after the employment is expired by dismissal, discharge, retrenchment, termination;
- Any amount payable due to lay off or temporary suspension

The law has also provided a negative list in section 2(45) in defining the term wages. It excludes the following items from wages:

- Expense of housing facilities like lighting facilities, water supply, medical or any other facilities;
- Owners contribution to the provident fund of the worker;
- Traveling allowances or concession thereof;
- Any other sum paid to worker to cover any special expenses entailed to him by the nature of the employment.

But, from different decisions of the courts of Bangladesh, the following items are also treated as part of the wages of a worker:

Any amount payable to the worker by the order of the court or the award of the arbitrator shall be treated as the wages;

- Overtime allowance shall be treated as wages;
- Compensation on retrenchment (on ground of redundancy) shall be treated as wages;
- Allowance during Lay off or temporary suspension shall be treated as wages;
- Increment shall be treated as wages;
- Compensation at the expiry of the employment by any means like dismissal, discharge or otherwise shall be treated as wages;
- Gratuity on discharge or any other gratuity shall be treated as wages;

- House rent allowances shall be treated as wages;
- Wages during leaves and holidays.

Fixation of wage periods and time of payment of wages

The person responsible for the payment of wages of the worker shall fix a period of wages and accordingly pay it as per the time given in the law. Section 122 guides the paymaster to fix a period not exceeding 30 days and section 123 provides that payment shall be made within seven days of the expiry of a wage period.

FREEDOM OF ASSOCIATION:

Regular factories are covered by the following rules regarding freedom of association. A separate law, the EPZ Workers' Association and Industrial Relations Act (EWAIRA) factories located in Export Processing Zones. Some stakeholders consider EWAIRA rules for union activity to be more restrictive.

The law requires at least 30% of employees at a workplace to join a union before it will be recognized at the workplace. The union can be dissolved if membership falls below 30 percent. More than one union may be registered at a factory. Managerial staff and other employees designated by employers as "confidential" may not join unions. For apparel and most other factories, union can only be formed at the factory/establishment level.

In 2013, rules regarding the registration of a union at a factory were changed. Under the 2006 law, the Department of Labour was required to notify factory owners as soon as workers filed an application to register a trade union at a factory. Under the new law, the registration of a trade union may proceed without prior notification of the owner.

At factories with multiple unions, an election must be held among all the workers, and the union with the largest share (and at least 33% of the vote) will serve as the Collective Bargaining Agent for all workers at the factory.

The Collective Bargaining Agent is responsible for:

- i. Undertake collective bargaining with the employer or the employers on matters connected with the employment, non employment or terms of employment.
- ii. Represent all or any of the workers in any proceedings.
- iii. Give notice of and declare a strike in accordance with provisions of the law.
- iv. Nominate representatives of workmen on any committee, fund constituted as per the provisions of law or agreements.

The labour code requires workplaces with more than 50 workers to form a Participation Committee. This is a combined committee of workers and employers, and therefore not a substitute for unions.

The law recognizes the right to strike; albeit with several conditions: 75 percent of union membership must consent to a strike before it can proceed.

The government can shut down any strikes lasting more than 30 days and refer the matter to labour courts for adjudication.

Strikes are banned for the first three years of commercial production or if the factory was built with foreign investment or owned by a foreign investor.

Workers Participation Committee Rules

Participation Committee:-

- (1) The employer of every establishment in which not less than fifty workers are normally employed shall, in the manner prescribed, constitute a Participation Committee in his establishment.
- (2) The Participation Committee shall consist of representatives of the employer and the workers.
- (3) The number of representatives of the workers in the Committee shall not be less than the number of the representatives of the employer.
- (4) The representatives of the workers shall be appointed on the basis of the nomination made by the trade unions of the establishment.
- (5) Each trade union shall, other than the collective bargaining agent, nominate equal number of representatives and the collective bargaining agent shall nominate such number of representatives which shall be one more than the total number of representatives nominated by the other trade unions.
- (6) In an establishment where there is no trade union representative of the workers in the participation Committee of such establishment shall be chosen in the prescribed manner from amongst the workers engaged in the establishment.
- (7) In an establishment where there is a unit employing at least fifty workers, a unit Participation Committee may, on the recommendation of the Participation Committee, be constituted in the prescribed manner of such unit.
- (8) Such unit Participation Committee shall consist of the employer and the representatives of workers engaged in or under that unit.
- (9) The provision of this section applicable to Participation Committee shall also apply, as per as practicable, to the unit Participation Committee.

Function of Participation Committee:- (1) The function of Participation committee shall be Inculcate and develop a sense of belonging and worker's commitment and in particular:

- To Endeavour to promote mutual trust, understanding and co-operation between the employer and the workers;
- To ensure application of labour laws.
- To foster a sense of discipline and to improve and maintain safety, occupational health and working condition.
- To encourage vocational training, worker's education and family welfare training.
- To adopt measures for improvement of welfare services for the worker's and their families; and
- To fulfil production target, reduce production cost and wastes any raise quality of products.

Meetings of the participation Committee:- (1) The Participation Committee shall meet at least once in every two months to discuss and exchange views and recommends manner for performance of the functions under section 2006;

(2) The proceeding of every meeting of the Participation Committee shall be submitted to the director of the labour and the Conciliator within seven days of the date of the meeting.

Implementation of the Participation Committee’s Recommendation

(1) The employer and the trade union of an establishment shall take necessary measures to implement the specific recommendation made by the Participation Committee within the time specified by the committee.

(2) If, for any reason, the employer or the trade union faces problems in implementing the recommendation of the Participation Committee within the specified period, the committee shall be informed of it and all efforts shall be made to implement the same as early as possible

OCCUPATIONAL HEALTH & SAFETY

Laws and Regulations

The labour law 2006 specifies issues/areas related to occupational health and safety which include: fire related incidents, floors stairs and means of access, excessive weights, safety of building and machineries, fencing of machinery, work on or near machinery on motion, explosive or inflammable dust or gas, precautions against dangerous fumes, personal protective equipment and risk assessment and prevention.

Precautions against fire

Section 62 of the law deals with the provisions of the measures to be taken by a factory to avoid dangers and damage of fire. The section provides as follows:

- At least one alternative exit with stair connecting all the floors of the factory building as described by the rules for each and every factory.
- No door affording exit can be locked or fastened during the working hours so that they can be easily or immediately opened from inside.
- The doors affording exit must be open outwards, unless it is sliding in nature, if the door is between two rooms it must open in the direction of the nearest exit.
- Marking in red letter with adequate size, in the language understood by majority of workers, on such doors, windows or any alternative exit affording means of escape in case of fire.
- There shall be an effective and clearly audible means of warning of fire to every worker.
- There shall be a free passage-way giving access to each means to escape.
- Where more than ten workers are employed other than in the ground floor, there shall be a training for all the workers about the means of escape in case fire.
- There shall be a parade of fire extinction and escape at least once a year in a factory where more than fifty workers are employed.

Section 72 of the new labour law deals with the floors, stairs and means of access. The section stated as follows:

- All floors, stairs and passages shall be of sound construction and properly maintained and, if it is necessary to ensure safety, hand-railings shall be provided with it.
- Reasonable safe passage way or access shall be maintained in a place where a person is employed to work.
- All the floors, passage ways and stairs shall be maintained very neat and clean, wide enough and free from any blockade.

Section 74 of the new labour code states that, no person shall be employed in any factory to lift, carry or move any load so heavy as to be likely to cause his injury.

Section 61 of the labour law 2006 provided for the measures to be taken as regards the safety related to building and machineries. Actually the present law entrusts everything to be done in this regard on the Inspectors. The section goes as follows:

If it appears to an Inspector that any building or part thereof or any passage way or machine of the factory is in such a condition which is injurious for the life and health of the workers working therein, the Inspector may issue an order to the owner of the factory to take necessary steps immediately within the specified time therein.

1. If the Inspector is of the opinion that the building or any machine is seriously dangerous for the life of the worker, he shall issue an order to repair or alter that immediately otherwise not to run the factory unless and until the building is so repaired or replaced.

Fencing of machinery

1. Factories require to securely fencing the following parts of machinery in order to ensure safeguard of the workers:

- a. Every moving part of a prime mover and every fly wheel connected to a prime mover.
 - b. The head-race and tail-race of every water wheel and water turbine.
 - c. Any part of a stock-bar which projects beyond the head stock of a lathe.
 - d. Every part of an electric generator, transmission machinery and other dangerous part of any machinery.
2. Fencing must also be done on any other parts (in motion) that contain screw, bolt and key on any revolving shaft, spindle wheel or pinion and all spur, toothed friction gearing etc. The fencing is required to prevent these items from harming the workers coming in close contact to them.

3. The Government may exempt fencing of the aforesaid objects, if and only if certain other measures are adopted that will ensure safety of the workers.

4. The Government may prescribe such further precautions to fence certain other parts of the machineries which are not mentioned above for ensuring safeguard of the workers.

Work on or near machinery on motion

1. In case of examining, adjusting and lubricating part of machinery in motion, it is required to employ a well-trained adult male worker. The worker must wear tight-fitted clothes while conducting such jobs and no other person will be allowed to work on behalf of him during his absence.
2. Women and adolescent are not allowed to do the above mentioned jobs and they are not also entitled to work in places between fixed and moving parts of any machinery in motion.
3. The Government may prohibit the cleaning, lubricating and adjusting, of any machinery in motion, by any person.

Explosive or inflammable dust or gas

1. The following practicable measures must be taken in factories to avoid explosions caused from inflammable dust, gas or vapour produced in the manufacturing process:

- a) Effective enclosure of the plant or machinery used in the process.

- b) Removal or prevention of the accumulation of inflammable objects.
 - c) Proper enclosure of all possible sources of ignition.
2. In case of the impossibility of placing a strong enclosure for the above mentioned sources of inflammable objects, provisions of chokes, baffles, vent or other effective appliances have to be kept.
3. Enclosed parts of the plant that contain potentially explosive materials shall only be opened if certain required precautionary measures are met.
- a) Stop valves should be used to stop flow of gaseous objects in pipeline before working on any joints of that pipeline.
 - b) Practicable measures should be taken to reduce pressure inside the pipeline before working on joints of that pipeline.
 - c) Entrance of inflammable gases or vapours, into the pipeline through the joints that are to be worked on, must be carefully prevented.
4. Operation that requires action of heat such as welding, brazing, soldering or cutting shall not be conducted in a factory that contains or previously contained inflammable objects without taking appropriate safety measures.

Precautions against dangerous fumes

- 1. No person shall be allowed to enter potentially hazardous chambers, containing dangerous fumes, such as tank, vat, pit, pipe, flue or confined spaces if there is not any manhole of adequate size.
- 2. No portable light of voltage exceeding 24 volts shall be permitted to use inside places mentioned above.
- 3. No person shall be allowed to enter the places mentioned above until the following measures are taken:
 - a. A certificate in writing has to be given by a competent person stating that the space is free from dangerous fumes and is fit for persons to enter.
 - b. It has to be ensured that the worker wears a suitable breathing apparatus and a belt securely attached to a rope before going into any confined space.
- 4. No person shall be allowed to enter the places mentioned above for the purpose of working or making any examination before sufficiently cooling the places by ventilation.
- 5. Suitable breathing apparatus, reviving apparatus and belts and ropes shall be kept ready beside the confined space for instant use. Other workers must also be trained and practiced in the use of all such apparatus.

Personal protective equipment

There are several sections in law where the personal protection of the worker has been discussed.

Section 75 deals with the protection of eyes. Effective screens or suitable goggles shall be provided for the protection of person's eye where there is a risk

- Of injury to eyes from particles or fragments thrown off in the course of the process
- To the eyes by reason of exposure to excessive light or heat.

Section 79 also makes a provision of personal protection, sub-section (d) and (e) stated as follows:

(d) Providing for the protection of all persons employed in the operation or in the vicinity of the places where it is carried on, and

(e) Providing notice about the hazardous chemical to the workers.

Risk assessment and prevention

There are several sections in the new labour code regarding the assessment of risk and prevention thereof. Section 40 and 79 of the new labour law made provisions for the government to assess certain occupation. The sections stated as follows:

(a) The government shall, by notification in the official gazette, provide a list of the dangerous machines and risky operations for the adolescent workers (Section 40)

(b) The workers employed in such machines and or operations shall be sufficiently trained and supervised

(c) The Government shall provide a list of the dangerous operations (section 79)

LEGALLY BINDING EMPLOYMENT RELATIONSHIP

Laws and Regulations

Section 3 of the labour law allows an industrial establishment to make a service rule in pursuant to the labour laws of the land.

Section 5 of the law provides that each and every worker should be given with appointment letter and ID card by their employer free of charge.

The law provides a separate section i.e. Section 7 of the law for the entries of the service book of a labour. As per the section following entries shall be there in the service book of a labour:

- Name, spouse name , mother's and father's name and address
- Date of birth
- Mark of recognition
- Previous owner and his address if applicable
- Duration of the employment
- Occupation or designation
- Wages and allowances
- Leaves availed
- Conduct of the worker

Section 4 of the law classifies the workers into following classes:

- a) Apprentices
- b) Badlies
- c) Casuals
- d) Temporary
- e) Probationer and
- f) Permanent

The law has provisions that first six months of a worker employed in clerical activities will be counted as probationary period while three months for other workers. If the employment of a probationer expired during the probation and if the same person is again employed under the same employer within next three years of such employment shall be treated as a probationer and the previous period of probation shall be calculated with in new period. If a permanent worker started a new job as a probationer then during that period of probation s/he can be shifted to his permanent post during the subsequent period of probation.

Section 145 of the labour law provides for the method of the calculation of the continuous service period of a labour for the purpose of this law in the following manner:

- If the actual number of the working days of a worker is 240 during the previous twelve calendar months he or she shall be deemed to be worked for a continuous period of one year.
- If the actual number of the working days in the previous twelve calendar months is 120 days s/he shall be deemed to be employed there for a continuous period of six months.

For counting continuous service, the following issues will come under consideration:

- The days the worker was laid off;
- Days of leaves with or without wages due to accident or illness;
- Non working days due to legal strike or illegal lock out;
- Days on maternity leave for a female worker.

APPENDIX 2: DEVELOPMENT AND ECONOMIC INDICATORS

Name of Indicator	Bangladesh	How to interpret value / information	Source of indicator / information
Human development index (HDI) rank (2012)	146	A composite index of life expectancy at birth, knowledge (adult literacy rate and combined enrolment ratio), and decent standard of living (the adjusted per capita income in PPP US\$). Comparison: Germany 22 China 99	UN Human development report, 2013
GDP per capita (2012)	\$791	Comparison: Germany \$ 41 167 China \$ 6 094	IMF estimate, World Economic Outlook Database, 2012
GDP per capita (PPP) (2012)	\$2 036	GDP calculated by purchasing power parity (PPP) to make comparisons between countries more fair. Comparison: Germany \$ 39 058 China \$ 9 146	IMF estimate, World Economic Outlook Database, 2012
Strength of auditing and reporting standards rank	127	Gives measurement of institutions based on opinion polls amongst business people. Ranking countries from 1 to 144. Comparison: Germany 26 China 72	Global Competitiveness Report (World Economic Forum), 2012-2013
Ethical behaviour of firms rank	139	It gives measurement of institutions based on opinion polls amongst business people ranking. Ranking countries from 1 to 144.	Global Competitiveness Report (World Economic Forum), 2012-2013)

		<p>Comparison: Germany 14 China 58</p>	
Democracy index, rank (2012)	84	<p>The state of democracy in 167 countries focusing on: electoral process and pluralism, civil liberties, functioning of government, political participation and political culture.</p> <p>Comparison: Germany 14 China 142</p>	Economist Intelligence Unit. <i>Democracy index 2012</i>
Corruption Perceptions Index	144	<p>The annual Corruption Perceptions Index (CPI) ranks 176 countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys.</p> <p>Comparison: Germany 13 China 80</p>	Transparency International, 2012
Gini index (2010)	32.1	<p>The Gini index is a way to measure Income Equality. A value of 0 represents absolute equality and 100 absolute inequalities. According to the global labour survey less income inequality correlates with effective pro-labour institutions.</p>	The World Bank http://data.worldbank.org
Multidimensional Poverty Index	57.3%	<p>Identifies multiple deprivations in the same households in education, health and standard of living. 57.8% of the population were living in multidimensional poverty based on latest available data (2007)</p>	UN Human development report, 2013

Population living on USD \$2/day(PPP)(2010)	76.5%	Adjusted for purchasing power parity. Comparison: China 10.1% (2008)	The World Bank http://data.worldbank.org
Population living below the national poverty line %(2010)	31.5%	Based on latest available data	The World Bank http://data.worldbank.org
The Global Gender Gap Index Rankings	93	Assesses countries on how resources are divided and opportunities among their male and female populations, regardless of overall levels of resources and opportunities. Ranking countries from 1 to 130. Comparison: Germany 12 China 60	Global Gender Gap Report 2009 (WEF)
Gender Inequality Index (2012)	111	Ranking countries from 1 to 148.	UN Human Development Report 2013

APPENDIX 3: 2010 MINIMUM WAGE SCHEMA

Grade	2006 Levels	2010 Levels	Increase %	Description of the workers
Grade-1	5,140	9,300	80.93	Pattern master, chief quality controller, chief cutting master, chief mechanic, chief electrician, colour master, Graphic Designer
Grade-2	3,840	7,200	87.50	Mechanic, cutting master, Assistant Pattern Master, Color Master, Assistant Graphic Designer
Grade-3	2,449	4,120	68.23	Special machinist, Senior Sewing Machine Operator, Senior Winding Machine Operator, Senior Knitting machine Operator, Senior Lisking Machine Operator, Senior cutter, Senior Quality Inspector, Senior Marker, Senior Line Leader, Senior Overlook Machine Operator, Senior kanchai Machine Operator, Senior Auto Cutter etc.
Grade-4	2,250	3,763	67.24	Sewing Machine Operator, Winding Machine Operator, Knitting machine Operator, Lisking Machine Operator, Dryman, Packer, Overlook Machine Operator, Line Reader, Auto Cutter, CAD Operator, Bundling man, Lay man, Rib cutter, Tag man, Printer, Quality Operator etc.
Grade-5	2,046	3,455	68.87	Junior Sewing Machine Operator, Junior Winding Machine Operator, Junior Knitting machine Operator, Junior Lisking Machine Operator, Junior Dryman, Junior Packer, Junior Overlook Machine Operator, Junior Line Reader, Junior Auto Cutter, Junior CAD Operator, Junior Bundling man, Junior Lay man, Junior Rib cutter, Junior Tag man,
Grade-6	1,851	3,210	73.42	Sewing Machine Operator, Winding Machine Operator, Printing Machine Operator, Lisking Machine Operator, Auto cutter
Grade-7	1,662	3,000	80.45	Assistant Machine Operator, Assistant Winding Machine Operator, Assistant Knitting Machine Operator, Assistant Melding Operator, Assistant Cutter, Marker, Krising Man, line Iron Man, Dry Washing Man, Overlook machine assistant, Button machine assistant, Kanchai machine assistant, assistant fusing machine operator, assistant bundling man, assistant auto spreader, lay man, embroidery operator, printing operator, printer, helper etc.
Novice	1,200	2,500	108.33	workers at entry level