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# Labour Laws in the Garment Sector of Bangladesh: a Workers' View

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#### **Abstract**

The labour laws of Bangladesh ensure the rights of the labourers. The objective of this study is to explore the labour law practices in the ready-made garment sector of Bangladesh. The survey is used to collect data, percentile and descriptive statistics are used to interpret the results. Most of the cases' employment conditions-maternity benefit, working hours, paid leave, sufficient wage- are at a satisfactory level but improvements are sometimes needed concerning trade unions, profit participation and health issues. The garment sector should implement the labour laws for the welfare of the labourers and the situation needs monitoring by the government. The purpose of the study 'Labour Laws in the Garment Sector of Bangladesh: A Workers' View' by Mohammad Shahidul Islam and Abdur Rakib (Bangladesh) is to investigate labour law practices in the garment sector in Bangladesh. With a questionnaire, survey data was collected from companies and workers. The researchers concluded that in many cases the employment law situation was in order (i.e. employment conditions, maternity allowance, working hours and leave), but that in some cases improvement is needed (i.e. trade unions, profit participation, and the health of employees).

Keywords: Labour Law 2006; ILO; Garment; Collective Bargain.

# Introduction

Bangladesh is a promising developing country. The export-oriented apparel industry of Bangladesh, popularly known as ready-made garment (RMG), is one of the booming manufacturing areas and plays an important role in the national economy of Bangladesh. The RMG industry started its modest journey in the late 1970s and within a short period of time became a prominent player in the economy

with a boom in the 1990s.<sup>1</sup>,<sup>2</sup> The RMG industry creates a lot of jobs. Ready-made garment is mainly exported to the USA (29 per cent), the UK (59 per cent), with another 15 per cent exported to other countries worldwide. In 2014, RMG industries contributed to about 13.5 per cent of the GDP including 81.2 per cent of the total export.<sup>3</sup> According to the Export Promotion Bureau (EPB), in the fiscal year of 2017 to 2018, the RMG sector amassed total export earnings of about US\$30.60 billion.<sup>4</sup>

Almost 4.5 million people are working in the ready-made garment sector of Bangladesh and 80 per cent of these workers are female. A healthy, positive, collaborative and creative work environment is important because it builds positive employee relations, reduces employee turnover rates and labour unrest, enhances worker productivity, increases outsider interest and creates a valuable reputation for the company. Nowadays, consumer's compliance is the most important issue. If manufacturers fail to fulfil the buyers' requirements, they may face huge financial losses and a bad reputation on the market. In the garment sector, buyers not only impose conditions related to orders, but also to manufacturers' overall operating environment, i.e. working hours, workers' safety, working environment, environment pollution, production process, raw materials collection, quality maintain and control and social responsibility. The buyers also require that all the following be ensured: health, security, the right to organise and to collective bargaining, appointment letters and minimum wage for the garment workers and structural/building regulations in the entire sector. Several global retail brands have warned Bangladesh to ensure basic labour rights-social compliance-and a step-bystep implementation of all the compliance criteria in the industries.

<sup>&</sup>lt;sup>1</sup> Mohammed Ziaul Haider, 'Competitiveness of the Bangladesh Ready-Made Garment Industry in Major International Markets' (2007) 3 Asia-Pacific Trade and Investment Review.[3].

<sup>&</sup>lt;sup>2</sup> Md. Farhan Shahriar [*et.,al*], 'A Research Framework of Supply Chain Management in Readymade Garment Industry of Bangladesh' (2014) 3 International Journal of Business and Economics Research.[1].

<sup>&</sup>lt;sup>3</sup> Faaria Tasin, 'Export Diversification: The Need for Different Eggs and Baskets' (*The Daily Star*, 2015) <a href="https://www.thedailystar.net/business/export-diversification-the-need-different-eggs-and-baskets-70654">https://www.thedailystar.net/business/export-diversification-the-need-different-eggs-and-baskets-70654</a> accessed 10 March 2015.[24].

<sup>&</sup>lt;sup>4</sup> Ibrahim Hossain Ovi, 'Bangladesh Sees Rise in Export Earnings over FY2017-18' (*The Dhaka Tribune*, 2018) <a href="https://www.dhakatribune.com/business/commerce/2018/bangladesh-seesrise-in-export-earnings-over-fy2017-18">https://www.dhakatribune.com/business/commerce/2018/bangladesh-seesrise-in-export-earnings-over-fy2017-18</a> accessed 3 July 2018.[12].

Buyer compliance is an important prerequisite for the garment manufacturers' success. International buyers are very particular about compliance with codes of conduct. The factory working environment is not very satisfactory. Therefore, in order to sustain in the industry, Bangladesh needs to improve the factory-working environment and various social issues related to the RMG industry, as an actual compliance with the buyer's code of conduct would ensure all labour rights and facilities. Baral explains how compliance of RMG factories is a key requirement for most of the reputable global garment buyers. It ensures labour rights and facilities according to the buyer's code of conduct. Every RMG factory should try to be compliant not only for profit but also for the protection of human rights. Local employers in the Bangladesh garment industry must now demonstrate compliance with these codes to receive orders from international buyers, as buyers make sourcing decisions based on four factors: price, quality, marketplace and social compliance with labour standards. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has formulated its own code of conduct for the industry, in collaboration with the major trade unions and has set up a compliance unit that monitors labour conditions in its membered factories.<sup>6</sup>

There is a labour law in Bangladesh known as Bangladesh Shrama Ain. Bangladesh Labour Act, 2006 lastly amended in 2013 to ensure the security and safety issue of workers. These labour laws cover service and employment rules, employment of adolescents, maternity benefit, health and hygiene, safety, welfare, working hours and leave, wages and payment, compensation for accidents, trade union and industrial relations, profit participation, provident funds, inspection, etc. Besides the labour law, the government made a labour policy known as the Bangladesh Labour Policy-2012, with labour rules known as the Bangladesh Labour Rules-2015, a labour welfare foundation law standard named Bangladesh Labour

<sup>&</sup>lt;sup>5</sup> Lal Mohan Baral, 'Comparative Study of Compliant & Non-Compliant RMG Factories in Bangladesh' (2010) 10 International Journal of Engineering & Technology.[93].

<sup>&</sup>lt;sup>6</sup> International Labor Organization, *International Trade Agreements and the Cambodian Garment Industry: How Has the Multi-Fiber Agreement Affected* (International Labor Organization 2010).

Welfare Foundation-2013, a national safety rule known as National Occupational Health and Safety Rule-2013 and finally a child policy known as National Child Labour Elimination Policy-2010. The Bangladesh Labour Act, 2006 is a major and comprehensive enactment regarding labour rights, which was a response to the demands of stakeholders for the improvement of the regulatory framework on working conditions and to the demand for a codification of existing labour laws in order to avoid overlapping and inconsistencies. The latest amended of the labour law in 2013 covers a lot of the common labour standards such as child labour, employment conditions, occupational health and safety issues, as well as the ILO core labour standards that most of the international standards or Code of Conduct requires. This new legislation constitutes a progress compared to the previous legal framework. The scope and applicability of the law has been extended and definitions of different terms have been clarified.

The government of Bangladesh, owners' associations, international organizations, national NGOs and labour unions are all working for the development of labour rights in the garment sector of Bangladesh. Our main objective is to research the scenarios of labour law practices in the garment sector of Bangladesh.

#### Literature Review

Ready-made garment workers suffer various kinds of diseases due to the unhygienic environment and a number of workers are killed in workplace accidents, fires and panic stampedes. Absence of an appropriate mechanism to ensure the enforceability of the available laws for protecting workers' rights and maintaining workplace safety continues to be a concern in the RMG sector. As the sector is an important foreign exchange earning component. Working conditions in the RMG sector frequently violate international labour standards and Codes of Conduct. Majumder found that injuries, fatalities, disablements and death from

<sup>&</sup>lt;sup>7</sup> Abdullah Al Faruque, Current Status and Evolution of Industrial Relations System in Bangladesh (International Labour Organization 2009).[1].

fire and building collapses are frequent in the RMG sector.<sup>8</sup> McFadden stated that despite the phenomenal success of the RMG sector, poor working conditions in the factories and a lack of social compliance are serious concerns, leading to labour unrest and damage to institutions and property.<sup>9</sup>

Crowley ascertained a rising fear in Bangladesh that the ready-made garment sector may face a decline in demand. Social compliance in the RMG industry is a key requirement for most of the world's garment buyers. It ensures labour rights, labour standards, fair labour practices and a code of conduct. Rahman et al. found that Bangladesh is considered to have a child labour problem especially in the RMG sector. In most cases, children often commence work at a very young age; as a result, they suffer serious injuries and sometimes death in the workplace. Begum found that the garment manufacturing factories in Bangladesh frequently violate the labour laws of 1965 concerning the providing of an appointment letter, working hours, breaks, leave, minimum wages and fringe benefits.

Kabeer analysed that pregnant women are worried about losing their jobs and thus hide their pregnancy, as they do not know the legal provisions of their employment contract. The factory owners dismiss a female worker if they discover that she is pregnant or if she applies for maternity leave. <sup>13</sup> Baral observed that rented factory premises, narrow staircases, low roofs, closed environments, absence of lunch rooms, unavailability of clean drinking water and the absence of separate toilets or common rooms for female workers are other concerns in the garment factories of Bangladesh. <sup>14</sup> Khondker, et al. presents a profile of the apparel sector in Bangladesh and discusses various aspects of the industry like informal recruitment,

<sup>&</sup>lt;sup>8</sup> Paul-Majumder Pratima, *Health Status of the Garment Workers in Bangladesh: Findings from a Survey of Employers and Employees* (Bangladesh Institute of Strategic Studies 1998).[12].

<sup>&</sup>lt;sup>9</sup> Steve McFadden, Garment Workers Study (Marymount University 1995).

<sup>&</sup>lt;sup>10</sup> Peter Crowley, *The Role of Business in Preventing Child Labour* (The Way Forward 1995).

<sup>&</sup>lt;sup>11</sup> Mohammad Mafizur Rahman et.al, 'Child Labor in Bangladesh: A Critical Appraisal of Harkin's Bill and the MOU-Type Schooling Program' (1999) 33 Journal of Economic Issues.[989-997].

<sup>&</sup>lt;sup>12</sup>Begum Nazma, *Women Workers' Status in Bangladesh: A Case of Garment Workers* (Women for Women 2002).

<sup>&</sup>lt;sup>13</sup> Naila Kabeer, *The Power to Choose: Bangladeshi Garment Workers in London and Dhaka* (Verso 2002).[25].

<sup>&</sup>lt;sup>14</sup> Lal Mohan Baral (n 5).Loc.Cit.[93].

low literacy levels, wage discrimination, irregular payment and short contracts of service. Should that NGOs, civil society, trade unions and other stakeholders should work together to adopt the code of conduct for a viable and competitive RMG industry. The government, NGOs, international agencies, buyers and other stakeholder groups promote full compliance with mandatory requirements as specified by the law. Morshed advocates the key role of Cambodian labour unions in the clothing sector and of mediators between workers and factory owners to settle disputes and discuss wages. As a result, minimum wages increased and the government continues to make progress in enforcing ILO core labour standards. Bangladeshi exporters have been under continuous pressure to comply with international labour standards. The global apparel market no longer depends only on technical and economic standards but also on social standards, especially labour standards. Das studied that the code of conduct must be stretched towards achieving the objectives of social compliance issues. Secondary of the objectives of social compliance issues.

Do the garment factories in Bangladesh comply with national labour laws?. The objective is to explore the labour law practices in the garment sector of Bangladesh. Methodology, A research methodology is the process of finding a clear purpose and objective that defines the research problem and develops strategies for the solutions that have been identified. In general, the research methodology consists of four major stages: exploration of the situation, development of the research design, data collection and analysis and interpretation of the results. <sup>19</sup> It is a framework or blueprint for conducting the research project.

<sup>&</sup>lt;sup>15</sup> Bazlul H. Khondker et.al, 'Exports, Employment and Working Conditions: Emerging Issues in the Post-MFA RMG Industry (A Paper Prepared for the International Labour Office 2005)' (2005).[11-14].

<sup>&</sup>lt;sup>16</sup> Khan Ferdousour Rahaman, 'Compliance: Need of the Hour in the Apparel Industry' (*The Daily Star, Law & our rights*, 2009) <a href="http://www.thedailystar.net/law">http://www.thedailystar.net/law</a> accessed 15 July 2009./12].

Morshed and M Monjur, 'A Study on Labour Rights Implementation in Readymade Garment (RMG) Industry in Bangladesh: Bridging the Gap between Theory and Practice' (*University of Wollongong*, 2007) <a href="http://ro.uow.edu.au/theses/40">http://ro.uow.edu.au/theses/40</a> accessed 15 July 2019.[152].

<sup>&</sup>lt;sup>18</sup> Das Subrata, 'Social Compliance Issue in the Apparel Sector of Bangladesh' (*Fibre2Fashion Pvt. Ltd*, 2008) <a href="http://www.fibre2fashion.com/pagemoved">http://www.fibre2fashion.com/pagemoved</a> here.asp> accessed 15 July 2009.[3].

<sup>&</sup>lt;sup>19</sup> C. William Emory and Donald R. Cooper, *Business Research Methods* (Irwin Professional Publishing 1991).

# **Conditions of Service and Employment**

Law and Regulations, There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105). Labour law 2006: Every establishment may have its own service rules regulating employment of workers (Section-3). No employer shall employ any worker without giving such worker an appointment letter and every such employed worker shall be provided with an identity card with his photograph (Section-5). Every employer shall, at his own cost, provide a service book for every worker employed by him (Section-6 (1)). The employer of every establishment shall maintain a register of workers (Section-9 (1)). The employer shall supply tickets or cards to every worker (Section-9 (5)). The employer shall record the leave information of the worker in the leave book or registrar book (Section-10). The employer shall pay the wages in lieu of the unveiled leave of the worker (Section-11). If a worker dies during the course of employment or at a later time in consequence of any accident occurred during his work, his dependent shall be paid by the employer compensation at the rate of thirty days wages (Section-19). All fines and all realizations there of shall be recorded in a prescribed register to be kept by the employer and all such realizations shall be speeded only to such purposes beneficial to the workers employed in the establishment (Section-19 (5)). If an employer intends to terminate the employment of a worker, the worker has to receive notice; the employer may do so by paying the worker wages in lieu of the notice (Section-26 (3)). If the employment of a permanent worker is terminated under this section, he shall be paid by the employer compensation at the rate of thirty days wages for every completed year of service (Section-26 (4)).

#### **Survey Results:**

Table 1. Service and Employment

| No.    | Labour Law Issues                              | Satisfactory | Moderate | Dissatisfactory | Non-existent |
|--------|--|--------------|----------|-----------------|--------------|
| <br>Z1 | Preservation of service book in the custody of | 73.91%       | 18.12%   | 7.25%           | 0.00%        |
| LI     | the employer.                                  | /3.91/0      | 10.1270  | 7.2370          | 0.0076       |

| Z2 | Providing letter of appointment and ID card.                            | 83.33% | 15.94% | 0.72%  | 0.00%  |
|----|---|--------|--------|--------|--------|
| Z3 | Spending realised fines to the benefit of the worker.                   | 13.77% | 7.97%  | 2.17%  | 73.91% |
| Z4 | Providing termination notice to the employee before termination.        | 13.04% | 17.39% | 19.57% | 48.55% |
| Z5 | Payment of compensation to the terminated workers according to the law. | 44.20% | 36.23% | 18.84% | 0.00%  |
| Z6 | Payment of compensation to the terminated workers within 30 days.       | 54.35% | 37.68% | 6.52%  | 0.00%  |

The condition of service and employment is good in terms of the preservation of a service book and the provision of an appointment letter, ID card and the payment of compensation to a terminated employee. All the surveyed firms kept a service book, delivered appointment letters and ID cards and compensated terminated employees. The level of satisfaction is highly satisfactory. However, the situation concerning the notification of termination and the spending of realised funds to the employee is not good.

# **Maternity Benefit**

Law and Regulations, *Labour law 2006*, No woman shall work in any establishment during the eight weeks immediately following the day of her delivery (Section- 45 (2)). Every woman employed in an establishment shall be entitled to and her employer shall be liable for, the payment of maternity benefit in respect of a period of eight weeks preceding the expected day of her delivery and eight weeks immediately following the day of her delivery (Section- 46 (1)).

# **Survey Results:**

Table 2. Maternity Benefit

| No.        | Labour Law Issues   | Satisfactory | Moderate | Dissatisfactory | Non-<br>existent |
|------------|---|--------------|----------|-----------------|------------------|
| <b>Z</b> 7 | No woman working in any establishment during the eight weeks immediately following the day of delivery. | 94.20%       | 5.80%    | 0.00%           | 0.00%            |
| Z8         | 16 weeks maternity leave with full benefit.   | 94.20%       | 5.80%    | 0.00%           | 0.00%            |
| Z9         | Termination of workers for demanding maternity leave.   | 90.00%       | 10.00%   | 0.00%           | 0.00%            |

The condition of maternity benefit is at a satisfactory rate. All the surveyed companies provide maternity leave with benefit.

# Occupational Safety and Health (OSH)

# **Survey results:**

Table 3. Occupational Safety and Health (OSH)

| No. | Labour Law Issues  | Satisfactory | Moderate | Dissatisfactory | Non-<br>existent |
|-----|--|--------------|----------|-----------------|------------------|
| Z10 | Cleanliness of establishments, free from toxin gas arising from any drain, toilet or other nuisance. | 95.65%       | 4.35%    | 0.00%           | 0.00%            |
| Z11 | Arranging mock fire fighting program.  | 78.99%       | 11.59%   | 8.70%           | 0.00%            |
| Z12 | Availability of welfare officer.   | 52.90%       | 26.81%   | 11.59%          | 7.97%            |
| Z13 | Selling frozen food, food<br>and water related items<br>without profit in factory<br>canteen.        | 26.81%       | 6.52%    | 7.25%           | 57.97%           |
| Z14 | Providing milk and nutrition food for the children in the child care room.                           | 42.75%       | 12.32%   | 33.33%          | 10.87%           |

The cleanliness in the factories is very good (highly satisfactory 95.65 per cent companies). All the surveyed companies arrange mock fire fighting programs.

However, the option to buy food or provide milk for children in childcare are only met in a rather small percentage of the factories.

# **Working Time and Leave**

# Law and Regulations

"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 seven-day working period. Overtime shall be voluntary and shall not exceed twelve hours per week, overtime shall not be demanded on a regular basis and shall always be compensated at a premium rate".<sup>20</sup>

Labour Law 2006, No adult worker shall ordinarily be required or allowed to work in an establishment for more than eight hours a day (Section- 100). An adult worker employed in a commercial establishment or an industrial establishment shall be allowed a day and a half of holiday per week, whereas factory workers shall be given one day of holiday a week (Section- 103(a)). If a worker works in an establishment for more than the hours fixed under this Act, he shall, in respect of overtime work, be entitled to an allowance at the rate of twice his ordinary rate of basic wage, dearness allowance and ad-hoc or interim pay (Section-108 (1)). Every worker shall be entitled to a paid casual leave with full wages for ten days per calendar year and such leave shall not be accumulated and carried forward to the succeeding year (Section- 115). Every worker, other than a newspaper worker, shall be entitled to a sick leave with full wages for fourteen days in a calendar year (Section- 115(1)). Every worker shall be allowed eleven days of paid festival holidays per calendar year (Section- 118(1)).

# **Survey Results:**

Table 4. Working time and leave

| No. | Labour Law Issues             | Satisfactory | Moderate | Dissatisfactory | Non-<br>existent |
|-----|-------------------------------|--------------|----------|-----------------|------------------|
|     | Working period of eight hours |              |          |                 |                  |
| Z15 | and up to ten hours with      | 78%          | 13%      | 9%              | 0.00%            |
|     | overtime.                     |              |          |                 |                  |

<sup>&</sup>lt;sup>20</sup> International Labor Organization (n 6).

| Z16 | Allowing up to 60 hours in a week but in a year average 56 hours in a week. | 86.23%  | 10.87% | 0.72%  | 1.45% |
|-----|---|---------|--------|--------|-------|
| Z17 | One-day weekly holiday.   | 100.00% | 0.00%  | 0.00%  | 0.00% |
| Z18 | Providing overtime at twice the ordinary rate.                              | 56.52%  | 26.09% | 17.39% | 0.00% |
| Z19 | Giving ten days casual leave in a year.                                     | 80.43%  | 10.14% | 7.97%  | 0.72% |
| Z20 | Giving fourteen days medical leave.   | 85.51%  | 13.04% | 0.72%  | 0.00% |
| Z21 | Providing eleven days festival leave.                                       | 100.00% | 0.00%  | 0.00%  | 0.00% |
| Z22 | Distributing leave book to the employee.                                    | 46.38%  | 34.78% | 11.59% | 6.52% |

The situation of working time and leave is satisfactory in the surveyed factories. The workers enjoy overtime payment. All the surveyed companies provide a one-day weekly holiday, casual leave, medical leave, festival leave and the general situation is at a satisfactory level. However the distribution of the leave book to the employees is often not done.

# **Wages and Payment**

# Law and Regulations:

"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".<sup>21</sup>

Labour Law 2006, The wages of every worker shall be paid before the expiry of the seventh day after the last day of the wage period in respect of which the wages are payable (Section-123 (1)). If the employment of any worker is terminated by retirement or by the employer, whether by way of retrenchment, discharge, removal, dismissal or otherwise, the wages payable to him shall be paid before the expiry of the seventh working day from the day on which his employment is to be terminated (Section-123 (2)). Subject to other provisions of this chapter, if a worker's wages

<sup>&</sup>lt;sup>21</sup> *ibid*.[26 and 131].

cannot be paid on account of his death or his unknown whereabouts and if nobody has been nominated to receive these wages or if for any reason the amount cannot be paid to the nominated person, all wages payable to a worker shall be deposited with the court who shall deal with the amounts in such manner as may be prescribed (Section- 131(1)).

# **Survey Results:**

Table 5. Wages and Payment

| No. | Labour Law Issues  | Satisfactory | Moderate | Dissatisfactory | Non-<br>existent |
|-----|--|--------------|----------|-----------------|------------------|
| Z23 | Payment of wages before or within seven working days of the month. | 95.65%       | 4.35%    | 0.00%           | 0.00%            |
| Z24 | Payment of retired and suspended workers within 30 working days.   | 36.23%       | 43.48%   | 15.94%          | 2.90%            |
| Z25 | Payment of undisbursed wages to their nominee in case of death.    | 29.71%       | 35.51%   | 28.26%          | 6.52%            |

The payment system of wages is on a very satisfactory level. All the surveyed companies pay the monthly wages within seven days. However the results are not as satisfactory concerning the payment of wages in case of death.

# Freedom of Association and Collective Bargaining

# Law and Regulations

"The right of all workers to form and join trade unions and bargain collectively shall be recognized". 22 "Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions". 23

Labour Law 2006, Workers, without distinction whatsoever, shall have the right to form trade unions primarily for the purpose of regulating the relations between workers and employers or workers and workers, and subject to the constitution of the concerned unions, to join trade unions of their own choosing (Section-

<sup>&</sup>lt;sup>22</sup> *ibid*.[87 and 98].

<sup>&</sup>lt;sup>23</sup> *ibid*.[135 and 143].

176). If 20 per cent of the total force or members of an establishment are woman then a minimum of ten per cent of the executive committee of the union shall be constituted of female members (Section- 176). The employer of an establishment of fifty or more workers shall participate in the prescribed manner and a committee shall be formed with representatives of the employer and the workers (Section-205). The employer and the registered trade union shall take necessary measures to implement the specific recommendations of the Participation Committee within the period specified by the committee (Section- 208).

# **Survey Results:**

Table 6. Freedom of Association

| No. | Labour Law Issues   | Satisfactory | Moderate | Dissatisfactory | Non-<br>existent |
|-----|---|--------------|----------|-----------------|------------------|
| Z26 | Permission to join any trade union freely.  | 5.80%        | 21.01%   | 39.13%          | 32.61%           |
| Z27 | Presence of at least ten per<br>cent female workers in the<br>executive committee of<br>trade unions. | 0.72%        | 18.84%   | 33.33%          | 46.38%           |
| Z28 | Dual membership in different trade unions.  | 0.00%        | 0.00%    | 0.00%           | 98.55%           |
| Z29 | Presence of an active Participation Committee.  | 0.00%        | 0.00%    | 0.00%           | 98.55%           |
| Z30 | Preservation of workers' interest by the leaders of the Participation Committee.                      | 92.03%       | 6.52%    | 0.72%           | 0.72%            |
| Z31 | Execution of the recommendations given by the Participation Committee.                                | 3.62%        | 8.70%    | 33.33%          | 52.17%           |

There is no provision for trade unions in the garment sector, but there are some unions outside of the factories. However most of the surveyed firms have participation committees but they are not active.

# **Profit Participation**

# Law and Regulations

As soon possible, after the establishment of the Participation Fund and the Welfare Fund, a board of trustees shall be constituted, consisting of the following members: (a) two people nominated by the collective bargaining agent and if there is no collective bargaining agent in the company, two people elected by the workers of the company amongst themselves; and (b) two people nominated by the management of the company of whom at least one shall be a person from the accounting branch of the company (Section- 235). Of the total amount deposited in the Participation Fund every year, two-thirds shall be distributed in equal proportion to all workers in cash and one-third shall be invested in accordance with the provisions to all workers (Section- 242).

# **Survey Results:**

Table 7. Profit Participation

| No. | Labour Law Issues               | Satisfactory | Moderate | Dissatisfactory | Non-     |
|-----|---------------------------------|--------------|----------|-----------------|----------|
|     |                                 |              |          |                 | existent |
| Z32 | Establishing trustee board      | 0.00%        | 0.00%    | 0.00%           | 98.55%   |
|     | for the management of the       |              |          |                 |          |
|     | Participation Fund.             |              |          |                 |          |
| Z33 | Utilization of Welfare Fund for | 31.88%       | 13.77%   | 19.57%          | 32.61%   |
|     | the workers.                    |              |          |                 |          |

The profit sharing conditions are not at a satisfactory level. Only some companies pay the profit bonus and most of the companies have no trustee board for the management of the Participation Fund.

# Conclusion

The labour laws of Bangladesh ensure the right of the labourers and the garment sector should implement the labour laws for the welfare of the workers. In most of the cases the employment conditions – maternity benefit, working hours, paid leave and sufficient wage- are at a satisfactory level but improvements are sometimes needed concerning trade unions, profit participation and health issues.

Future researchers could take more surveys and do more intensive research to find more outcomes. Concerning labour rights and the working environment, most of the factories of the garment sector in Bangladesh have improved significantly. But for a full implementation of Bangladesh Labour Laws, here are some recommendations:

- 1. To improve the employment situation, the company has to notify before termination and spend the realised fines to the benefit of the worker;
- 2. The organization has to sell frozen food and water related items in the factory canteen;
- 3. Factories have to improve the distribution of milk and nutrition food for the children in child care room;
- 4. The companies have to give more freedom for trade unions;
- 5. In garment factories, the trustee board for the management of the Participation Fund should be established and there should be a Welfare Fund for the workers;
- 6. The government should monitor the factories for full implementation of the labour laws.

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