

Implementation of Bangladesh Labor Law in Garments Industries: A Case Study on Bangladesh Perspective

Md. Rafiqul Islam Manik¹, Sabbir Ahmed Abir², NaimulHasan Shiam³,
Muhammad Tarique Bin Azad⁴

¹Assistant Professor, Department of Apparel Merchandising & Management,
BGMEA University of Fashion & Technology (BUFT), Bangladesh

²Lecturer, Department of Apparel Merchandising & Management,
BGMEA University of Fashion & Technology (BUFT), Bangladesh

³B.Sc. in Knitwear Manufacturing & Technology
BGMEA University of Fashion & Technology (BUFT), Bangladesh

⁴Masters in Textile Value Chain Management
University of Borås, Sweden

Abstract: The purpose of this paper is to measure the implementation of Bangladesh labor law in garments Industries. This study is based on a survey on 160 workers from 32 garment factories located in Dhaka and Gazipur areas to confirm the key influential factors that significantly influence on their level of satisfaction in accordance with the implementation of Bangladesh labor law in Garment Industries. For assuming the criteria of data, demographic analysis, descriptive analysis and explanation were drawn on the basis of percentage frequency. The recommendations are given based on the research findings and analysis.

Key Word: Bangladesh Labor Law; Compliance; Readymade Garments (RMG); Bangladesh.

Date of Submission: 22-02-2020

Date of Acceptance: 06-03-2020

I. Introduction

Readymade Garment (RMG) sector is the key contributor in the economy of Bangladesh. It has become the leading foreign currency earner of the country that gained more than three fourth (about 83.49%) of total overseas earnings (Baumann-Pauly et al., 2018). The RMG sector is engaged with the world economy through export, import and commodities marketing thus circulates the economy of Bangladesh. After the liberation period, Bangladesh economy depended largely on raw jute and jute products, when jute industry plummeted, RMG sector took it over securing the first place as a foreign currency earner (Akterujjaman et al., 2016). Starting from Reaz Garments to date, the industry is playing an essential role in employment-generation and proper distribution of income. Although the RMG industry boomed like a skyscraper in our country, it had experienced many dark chapters. Before the Rana Plaza incident, our industries were barely focused on workers safety and CSR practices. However, right after the Rana Plaza collapse, the scenario has changed immensely as the goodwill of this industry washed away along with many innocent lives. To overcome this crisis, our industries tried to imply many CSR and compliance activities; such as management, attitude, working conditions, work policy, wages, holiday and so on. Furthermore, when a company implements compliance, it can create a positive vibe with more motivated workers. Hence, the company can also be benefited from them (Akterujjaman et al., 2016). On the positive side, many green garment factories have already enacted the compliance rules & regulations very strictly. The other factories in our country also claim that they are abiding by the compliance rules as well. So, this case study is an assessment of those garments industries to measure the implementation of Bangladesh labor law.

Objectives of the project

The main purpose of the study is to measure the implementation of Bangladesh labor law in garment industries. Whereas, the specific objectives are as follows:

1. To identify the compliance factors those are affecting the satisfaction level of workers.
2. To assess the perception and satisfaction of the workers toward the selected garment factories in Dhaka and Gazipur City.
3. To propose ways to mitigate the dissatisfaction of RMG workers in Bangladesh.
4. To provide a set of recommendations and suggestions to improve workers' satisfaction toward the RMG industry in Bangladesh.

Literature Review

Mohammad Mainul Islam found that The Labor Act-2006 has laid down various provisions regarding workers & the result shows that the maximum garments maintained the rules and policies of their organizational service, whereas most of the factories do not even issue an appointment letter to the workers when they join. (Islam, 2016). Most of the garments do not practice the procedures of punishments as per labor law and carry register book in a genuine way. Provision period for workers is not practiced by the employers in most of the garments (Farhana et al., 2015). From Lal Mohan Baral discussion, we found that, “Yearly Total running cost and Annual Turnover for all compliant factories is more or less same and consistent but for noncompliant factories is not so consistent. Higher Annual Turnover for complaint factories in comparison to not only yearly running cost of compliance, but also Total Initial Investment for Compliance”. (Baral, 2010). He also observed that, “compliance factories (per line) are much greater than non-complaint factories, because compliance factories had to invest in various types of compliance tools but non-complaint factories had no investment for those equipment’s, But the most important thing that he found, complaint factories invested according to their systematic plan and getting direct orders from reputed buyer and also better product price from the buyer, So they are earning more profit than noncompliant factories.” (Islam, 2016). S.M. Akterujjaman, Md. Herok Ahmad found that, “Dhaka & Gazipur City were not sincere about compliance & worker satisfaction.” (Akterujjaman et al., 2016). Md. MarufHossanChowdhury, Mohammed Naim A. Dewan & Mohammed A. Quaddus reveals that, [3] “If the RMG supply chain members do not comply with compliance requirements they will not get order from buyers”. (Chowdhury et al., 2013). KanizFarhana, Md. Syduzzaman, Md. ShayekhMunir found that, “Maximum workers are working 10 hours a day, the situation is improving day by day due to the pressure of complains, Government & International customers” (Farhana et al., 2015)

Limitations of the Study

Every research work may have, in a wide sense, some limitations and the completed study is not exception in this regard. There remains ample scope of variations in the interpretation of data by different persons if they are not aware of the background of data collection. So, data itself have limitations and could not always serve the exact purpose of the study. However, the researchers are hopeful to overcome those limitations with extensive efforts and effective decision. In fact, sampling is a recognized technique of conducting any research in contemporary world, specially, in social science. The study was only on 32 RMG factories of Dhaka and Gazipur city, though there are more than 5600 RMG factories in Bangladesh. The result of the study which is drowning by the sampling method is not hundred percent rigorous and it can represent the average output of a concerned fact. However, it is expected that a little variation would not affect much of the overall findings of the study.

II. Methodology

This study is a descriptive research method which employed a quantitative research. Data were collected from Primary sources based on a survey on 32 garment factories. The collected data are analyzed based on the following methodology:

1. The total number of samples for this study was 160 which were drawn from 32 garment factories located in various locations of Dhaka and Gazipur area using convenient sampling techniques. Dhaka and Gazipur region were chosen as research area for the convenience of the researchers to collect data by self-financing. Data was collected during May to June 2019.
2. A self-constructed questionnaire was administrated to collect primary data considering the objectives of the study. The respondents were personally questioned, and the questionnaires were filled up based on the responses of the respondents.
3. The following factors were related to compliance in garments industry. Here, the satisfaction level of the workers was measured in terms of compliance factors; particularly the working place, number of working hours, holidays, meal allowance, providing wage in right time, annual increment, housing facility, extra payment for overtime, provident fund facilities, discipline, medical facilities, compensation & benefits, transport facilities, training facilities on joining, prohibition of child labor, welfare facilities, grievance procedure, environmental protection, casual/sick leave policy, discharge and termination policy.
4. Simple statistical techniques like frequency distribution and frequency percentage were used to analyze the collected data.

III. Discussion and Results

Demographic Characteristics of the Respondents

The analyse of the demographic characteristics of the respondents are shown in table.

Table 1: Demographic Characteristics of the Respondents (N = 160)

Options/ Characteristics	Frequency	Percent
Sex		
Male	107	66.88
Female	53	33.12
Total	160	100
Age		
15-20 Years	29	18.13
21-26 Years	69	43.13
27-32 Years	54	33.75
33-Above	8	5
Total	160	100
Marital Status		
Married	117	73.13
Unmarried	43	26.88
Total	160	100
Options/ Characteristics	Frequency	Percent
Level of Education		
Below S.S.C	84	52.5
S.S.C	42	26.25
H.S.C	32	20
Undergraduate	2	1.25
Total	160	100
Monthly Income		
Below 5000	0	0
5000-8000	10	6.25
8000-11000	33	20.63
11000-14000	75	46.89
14000-Above	42	26.25
Total	160	100

Source: Field Survey, May – June 2019

Table 1 shows the demographic characteristics of the respondents. Out of 160 respondents, there are 66.88 percent male and 33.12 percent female where the age of 18.13 percent of the respondents are in 15-20 years, 43.13 percent respondents are in 21-26 years, 33.75 percent respondents are 27-32 years and 5 percent respondents are above 33 years old. Marital status shows that the majority of the respondents (73.13 percent) are married. Besides, it shows the educational qualification of the workers where 52.5 percent workers are under SSC level and 26.25 percent respondents completed SSC level. Furthermore, 46.89 percent workers draw 11000-14000 BDT monthly, 26.25 percent workers earn above 14000 BDT and 20.63 percent workers earn 8000-11000 BDT per month.

Workplace

A good working environment is essential to get the best output from the workers. Workplace in the factory should be neat and clean, safe and secured from any kind of hazard.

Table 2: Satisfaction level of Workplace

Satisfaction Level	Frequency	Percent
Highly dissatisfied	0	0
Dissatisfied	20	12.5
Neutral	5	3.13
Satisfied	125	78.13
Highly satisfied	10	6.25
Total	160	100

Source: Field Survey, May – June 2019

Table 2 indicates that, out of 160 workers 78.13 percent are satisfied, 12.5 percent workers are dissatisfied, and 6.25 percent are highly satisfied regarding satisfactory work environment. So, it can be stated that most of the factories are following the ILO rules and regulations. It was also observed during the study that most of the garments industry have clean and hygienic workplace and the workers are satisfied with their working conditions.

Working Hours

1. Daily Hours: Adult workers are generally allowed to work 10 hours a day including 2 hours of overtime (BLL, Section 100, 2006)
2. Weekly hours: all adult workers are allowed to work maximum 60 hours per week (including overtime hours) & on average no more than 56 hours per week (Including overtime hours) (BLL, Section 102, 2006)

Table 3: Satisfaction level of Working Hours

Satisfaction Level	Frequency	Percent
Highly dissatisfied	0	0
Dissatisfied	15	9.38
Neutral	30	18.75
Satisfied	100	62.5
Highly satisfied	15	9.38
Total	160	100

Source: Field Survey, May – June 2019

From table 3 it is found that majority of the workers (62.5 percent) were satisfied, 18.75 percent workers were neutral and 9.38 percent workers were equally dissatisfied and highly satisfied in their opinion regarding working hour which indicates the workers satisfactory level regarding the working hours.

Holidays

Nowadays RMG factories of Bangladesh are trying to concentrate on Bangladesh labor law (BLL). They are improving their business ethics day by day.

Table 4: Satisfaction level of Holidays

Satisfaction Level	Frequency	Percent
Highly dissatisfied	5	3.13
Dissatisfied	50	31.25
Neutral	35	21.89
Satisfied	60	37.5
Highly satisfied	10	6.25
Total	160	100

Source: Field Survey, May – June 2019

Table 4 shows that 37.5 percent workers are satisfied and 31.25 percent are dissatisfied where the 21.89 percent workers were neutral in position concerning their work holidays. So that statement indicates that the factories need to be concerned about workers' holidays.

Meal Allowance

According to the Labor Law of Bangladesh, Grade-1 to Trainee/ Apprentice will get 650 BDT for meal allowance which is added to their basic salary. (BLL, 2013)

Table 5: Satisfaction level regarding Meal Allowance

Satisfaction Level	Frequency	Percent
Highly dissatisfied	25	15.63
Dissatisfied	65	40.63
Neutral	10	6.25
Satisfied	35	21.88
Highly satisfied	25	15.63
Total	160	100

Source: Field Survey, May – June 2019

Table 5 reveals that out of 160 workers majority of workers 40.63 (percent) showed their dissatisfaction and 21.88 percent are satisfied whereas 15.63 percent workers remained equally highly satisfied & highly dissatisfied toward their meal allowance. The workers appeared to more dissatisfied with their meal allowances.

Providing Wage in Right Time

Time of payment of wages: The wages of worker shall be paid within seven working days from the last day of the wage period. All wages shall be paid on a working days. (BLL, Section 123, 2006)

Table 6: Satisfaction level of Wage providing time

Satisfaction Level	Frequency	Percent
Highly dissatisfied	25	15.63
Dissatisfied	60	37.5
Neutral	10	6.25
Satisfied	40	25
Highly satisfied	25	15.63
Total	160	100

Source: Field Survey, May – June 2019

The above table 6 states that 37.5 percent workers were dissatisfied, 15.63 percent workers were equally highly dissatisfied & highly satisfied position and 25 percent workers showed they are satisfied for provide right time wage paid. So the majority is not getting payment in the right time.

Annual Increment

As per Bangladesh labor law (BLL), Increase rate on basic salary is 5 percent (From Grade 1 to Trainee/apprentice]

Table 7: Satisfaction level of annual increment

Satisfaction Level	Frequency	Percent
Highly dissatisfied	45	28.13
Dissatisfied	30	18.75
Neutral	35	21.88
Satisfied	40	25
Highly satisfied	10	6.25
Total	160	100

Source: Field Survey, May – June 2019

The above table 7 shows that 28.13 percent workers were highly dissatisfied and 21.88 percent workers were neutral and 18.75 percent workers were dissatisfied. On the other hand, 25 percent workers were satisfied for annual increment.

Housing Facility/Rent

According to Bangladesh labor law 2013, house rent is 40 percent of basic salary.

Table 8: Satisfaction level of housing facility/rent

Satisfaction Level	Frequency	Percent
Highly dissatisfied	75	46.88
Dissatisfied	20	12.5
Neutral	35	21.88
Satisfied	25	15.63
Highly satisfied	5	3.13
Total	160	100

Source: Field Survey, May – June 2019

The above table 8 exhibits that 46.88 percent workers were highly dissatisfied and 21.88 percent workers were neutral and 15.63 percent workers were satisfied as well as 12.5 percent workers were dissatisfied for their housing facility.

Extra Allowance for overtime

Overtime wage shall be paid at the rate of twice his/her basic wage (BLL, Section 108, 2006)

Table 9: Satisfaction level of Extra Allowance for overtime

Satisfaction Level	Frequency	Percent
Highly dissatisfied	5	3.13
Dissatisfied	45	28.13
Neutral	80	50
Satisfied	30	18.75
Highly satisfied	0	0
Total	160	100

Source: Field Survey, May – June 2019

The above table 9 indicates that 50 percent workers were neutral and 28.13 percent workers were dissatisfied and 18.75 percent workers were satisfied with their Extra Allowance for overtime facility. So, the majority of the workers seems neutral as well as we cannot ignore 28.13 percent workers dissatisfied as well.

Provident Fund Facilities

If three fourths of the total work force of the establishment ask the management in written form to set up provident fund, it is legally mandatory for the employer to do so. (BLL, Section 264, 2006)

If such provision continues, every permanent worker, after completion of one year of service, shall contribute not less than seven percent and not more than eight percent of his/her basic wage to the provident fund, and the employer shall donate to it an equal amount. (BLL, Section 264(9), 2006)

Table 10: Satisfaction level of Provident Fund Facilities

Satisfaction Level	Frequency	Percent
Highly dissatisfied	30	18.75
Dissatisfied	45	28.13
Neutral	35	21.88
Satisfied	45	28.13
Highly satisfied	5	3.13
Total	160	100

Source: Field Survey, May – June 2019

The above table 10 states that 28.13 percent workers were equally dissatisfied and satisfied, 21.88 percent workers were neutral and 18.75 percent workers were highly dissatisfied position for their Provident fund facility.

Medical Allowance

As per Bangladesh labor law, Grade 1 to Trainee/ apprentice will get 250 Tk as medical allowance with basic wages.

Table 11: Satisfaction level of Medical Allowance

Satisfaction Level	Frequency	Percent
Highly dissatisfied	30	18.75
Dissatisfied	65	40.63
Neutral	15	9.38
Satisfied	50	31.25
Highly satisfied	5	3.13
Total	160	100

Source: Field Survey, May – June 2019

Table 11 reveals that 40.63 percent workers were dissatisfied and 31.25 percent workers were satisfied about their medical allowance and 18.75 percent workers were highly dissatisfied. So, the major percentage workers are dissatisfied towards medical allowance.

Compensation & benefits

According to BLL, A company must need to give some benefit to the workers & employees. Such as Retirement benefit, Death benefit, maternity benefit.

Table 12: Satisfaction level of Compensation & benefits

Satisfaction Level	Frequency	Percent
Highly dissatisfied	10	6.25
Dissatisfied	40	25
Neutral	60	37.5
Satisfied	45	28.13
Highly satisfied	5	3.13
Total	160	100

Source: Field Survey, May – June 2019

Table 12 shows that 37.5 percent workers were neutral and 28.13 percent workers were satisfied and on the other hand 25 percent workers were dissatisfied about their compensation & benefit.

Transport Facility/ Allowance

RMG workers of Bangladesh get BDT 200 per month for their transportation cost.

Table 13: Satisfaction level of Transport Facility/ Allowance

Satisfaction Level	Frequency	Percent
Highly dissatisfied	0	0
Dissatisfied	95	59.38
Neutral	40	25
Satisfied	25	15.63
Highly satisfied	0	0
Total	160	100

Source: Field Survey, May – June 2019

The above table 13 shown 59.38 percent workers were dissatisfied and 25 percent workers were neutral and 15.63 percent workers were satisfied for transportation facilities. So the foremost number of workers were dissatisfied with the transportation facilities.

Prohibition of child labor

Child labor is strictly prohibited by BLL.

Table 14: Satisfaction level of Prohibition of child labor

Satisfaction Level	Frequency	Percent
Highly dissatisfied	0	0
Dissatisfied	5	3.13
Neutral	15	9.38
Satisfied	120	75
Highly satisfied	20	12.5
Total	160	100

Source: Field Survey, May – June 2019

The above table 14 shows that 75 percent workers were satisfied and 12.5 percent workers were highly satisfied and 9.38 percent workers were neutral of prohibition of child labor. So it can be observed that the large percentage of the workers were satisfied about the prohibition of child labor.

Leave policy

1. Casual leave: Every worker shall be entitled to 10 days casual leave with full wage in a calendar year. (BLL, Section 115, 2006)
2. leave: Every worker shall be entitled to sick leave with full wages for 14 days in every calendar year. (BLL, Section 116, 2006)

Table 15: Satisfaction level of Leave policy

Satisfaction Level	Frequency	Percent
Highly dissatisfied	5	3.13
Dissatisfied	5	3.13
Neutral	45	28.13
Satisfied	80	50
Highly satisfied	25	15.63
Total	160	100

Source: Field Survey, May – June 2019

The above table 15 shown 50 percent workers were satisfied and 28.13 percent workers were neutral and 15.63 percent workers were highly satisfied of leave policy. The substantial amount of workers are satisfied with their leaving policy.

Discharge

Section 22 of the labor law deals with the procedure of discharge. As per section, an employer can discharge a worker on the basis of report through a registered physician.

Table 16: Satisfaction level of Discharge

Satisfaction Level	Frequency	Percent
Highly dissatisfied	5	3.13
Dissatisfied	20	12.5
Neutral	60	37.5
Satisfied	75	46.88
Highly satisfied	0	0
Total	160	100

Source: Field Survey, May – June 2019

The above table 16 shows that 46.88 percent workers were satisfied, 37.5 percent workers were neutral and 12.5 percent workers were dissatisfied of discharge policy. So a considerable percentage of workers were satisfied regarding the discharge policy.

Termination

The employer can terminate a worker without assigning any reason whatsoever, but employer must need to follow the guidance of termination as stated by BLL.

Table 17: Satisfaction level of Termination procedure

Satisfaction Level	Frequency	Percent
Highly dissatisfied	5	3.13
Dissatisfied	5	3.13
Neutral	60	37.5
Satisfied	90	56.25
Highly satisfied	0	0
Total	160	100

Source: Field Survey, May – June 2019

The above table 17 shows that a significant number of workers were satisfied and 37.5 percent workers stayed neutral regarding the termination procedure.

IV. Conclusion

There is no controversy that RMG industry of Bangladesh is achieving a modest growth day by day. Being more concentrated upon the compliance, this industry is trying to ensure tremendously labor safety, labor rights as well as sustainability to meet the buyers' requirements. According to this study, it can be stated that RMG industry is highly focused on establishing a safe place for the workers. For example, the workers are mostly satisfied with their working condition, working hours and prohibition of child labors and in discharge and termination policies as well. But still there are many compliance factors that require sincere attention. The workers are still deprived of getting wages in right time, also the industries are not concentrating on their annual increment, housing facility, extra allowance for over time, medical allowance, meal allowance, transport facility according to the Bangladesh labor law. So, the area of development is very extensive and the initiatives to achieve compliance are still insufficient. If these steps are not taken in time, the expeditious growth of RMG industry exhibited in world trade for the last few decades will become a thing in the past. The findings of this study have manifested some new dimensional knowledge for obtaining the RMG target, developing the service style and process following the Bangladesh labor law. This research has showed to the government, RMG policy makers, and top-level RMG executives supply concrete and effective guidelines for creating new areas of RMG business by developing Bangladesh labor law to the all garment factories.

References

- [1]. Baumann-Pauly, D., Labowitz, S., & Stein, N. (2018). Transforming the garment industry in Bangladesh: Sharing responsibility. In *Sustainable Fashion* (pp. 41-50). Springer, Cham.
- [2]. Akterujjaman, S. M., & Ahmad, M. H. (2016). Workers' Satisfaction toward RMG Industry in Bangladesh: A Study on Dhaka and Gazipur City. *International Journal of Research in Management & Business Studies*, 3(2), 22-30.
- [3]. Farhana, K., Syduzzaman, M., & Munir, M. S. (2015). Present Status of Workers in Ready-Made Garments Industries in Bangladesh. *European Scientific Journal*, 11(7).
- [4]. Islam, M. M. (2016). Implementation of Labour Laws in RMG Sector of Bangladesh: A Case Study. *NU Journal of Humanities, Social Sciences & Business Studies*, 2(2), 91-109.
- [5]. Baral, L. M. (2010). Comparative study of compliant & non-compliant RMG factories in Bangladesh. *International Journal of Engineering & Technology, IJRT-IJENS*, 10(2), 3-27.
- [6]. Chowdhury, M. M. H., Dewan, M. N. A., & Quaddus, M. A. (2013, January). Sustainable Supply Chain Management through Compliance of Stakeholders' Requirements: A Study on Ready-Made Garment (RMG) Industry of Bangladesh. In *PACIS* (p. 269).
- [7]. Bangladesh labor Law-2006, Retrieved January, 2019, https://mole.gov.bd/site/view/legislative_information

Md. Rafiqul Islam Manik, et al. "Implementation of Bangladesh Labor Law in Garments Industries: A Case Study on Bangladesh Perspective." *IOSR Journal of Business and Management (IOSR-JBM)*, 22(3), 2020, pp. 60-68.