

Labour Condition in the Apparel Industry of Bangladesh: Is Bangladesh Labour Law 2006 Enough?

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Abstract

There is a growing concern that labour rights are often violated in Bangladeshi RMG industry. This study seeks to analyze the labour condition for workers in the apparel industry of Bangladesh by providing an analysis of the current state of labour condition in the RMG industry on the basis of nine indicators that are selected based on ILO core labour standards. The studies go through the extensive analysis of implementation of Bangladesh Labour Law 2006 and its impact on the nine indicators. The study concludes that though some of the labour rights issues like child labour, wages and working hour have improved significantly in Bangladesh, the other issues like health and safety, discrimination, compensation and benefits need careful attention in order to sustain in a very competitive global apparel market.

Key words: RMG Industry, Code of Conduct, Working conditions, Supply chain.

1. Introduction

The ready-made garment (RMG) industry of Bangladesh has started in the late 1970s and became a prominent player in the economy within a short period of time. Exports of the apparel industry grew from \$1.0 million in 1978 to \$5 billion in 2004 comprising 75% of total export earning and 80% of manufacturing export earnings. (Ahmed, 2006) The export-quota system and the availability of cheap labour are the two main reasons behind the success of the industry (Baral, 2005). The industry has contributed to export earnings, foreign exchange earnings, employment creation, poverty alleviation and the empowerment of women. Despite the impressive performance, the RMG industry has several problems especially in terms of labour rights. At present nearly 4 million workers are employed in 5600 RMG factories in Bangladesh and 85% of them are females (BGMEA, 2014). The empirical evidence suggests that labour rights have not yet been established in these RMG factories. (Morshed 2007). Therefore, in recent years, Bangladesh's RMG sector has been put under pressure in the face of emerging challenges and growing risks originating from an increasingly competitive global market. (World Bank, 2005, Khondker et al. 2005)

2. Objective of the Research

The objective of this study is to provide an analysis of labour condition for worker in the apparel industry of Bangladesh on the basis of nine indicators that are selected based on ILO core labour standards. The study examines the extent to which the implementation of Labour Law 2006 by Bangladeshi RMG firms can contribute to the improvement of labour conditions for workers in Bangladesh.

3. Research approach

The analytical framework of the study is qualitative which is conducted through both on the basis of primary and secondary data. For the primary data, a mixed method is used to collect the information which includes multiple case study and semi-structured interviews. In this research work 15 non-EPZ RMG factories have been taken as data source. A field visit is made to the above sites where labour standards initiatives are operational. From above factories both descriptive and analytical study has been done based on narrative studies of small sample. Most of the fieldwork involved interviewing with various categories of respondents like owner, manager and worker from the participating organizations.

The secondary sources which have been reviewed are: books, journals, reports, and data from various official and unofficial sources. Data from Bangladesh Bureau of Statistics (BBS), Labour Force Survey (LFS), Bangladesh Institute of Labour Studies (BILS), Department of Labour, Bangladesh Garments Manufacturing and Exporters Association (BGMEA) have been extensively used for the purpose of this study.

4. Current Understandings of labor condition issues

4.1 International perspective

The garment sector has been typically viewed as a major source of employment generation. (Vijayabaskar, 2002). Moreover, global trade in textiles and apparel has increased sixty-fold during the past forty years, from under \$6 billion in 1962 to \$353 billion in 2002. Forty years ago, the industrialized countries dominated global exports of textiles and apparel. Today, developing countries account for half of world textile exports, and nearly three-quarters of world apparel exports. (Appelbaum et al. 2005). However, globalization and the dispersion of

industry supply chains have provoked a fierce debate over working conditions in these emerging centres of production. Numerous reports have described exploitative working conditions in global supply chain plants. Locke et al (2007) state that workers are paid only a few dollars and required to work excessive work hours, often in poorly lit and unsafe conditions. Child labour, hazardous working conditions, excessive working hours, and poor wages continue to plague many factories in developing countries, creating scandal and embarrassment for the global companies that source from them. (Locke et al. 2007) The saturation, fragmentation, and deregulation of established markets, as well as the intensification of competitive pressure render this reputation even more important, especially for publicly visible companies. (Behnassi. 2007).

Consumers in particular seek to avoid “bad” companies, such as those implicated in “sweatshop” production. (O’Rourke. 2003). Pressures from consumer groups, trade unions and non-governmental organizations (NGOs) have led many global corporations to develop their own “codes of conduct” and a variety of monitoring mechanisms given the limited ability of many developing country governments to enforce their own labour laws. (Locke et al. 2007) These codes of conduct aim to ensure minimum labour standards are adhered to by suppliers within their global value chains. Compliance with these codes has increasingly become a condition of global supply for many companies. (Auret et al. 2004), However, a wide range of compliance literature supports the fact that Codes of conduct which address labour practices have become a key element in the debate over improving worker rights and working conditions worldwide for their unclear processes, limited scope and coverage, weak capacities of regulators, limited leverage over recalcitrant firms, and general ineffectiveness. (O’Rourke. 2003, Xiaoyong. 2006). O’Rourke (2003) state that recent accounts of the propagation of “sweatshops” and deplorable conditions of work in both developing and industrialized countries call into question the effectiveness of existing systems of governance over labour practices.

4.2 Bangladesh perspective

Several authors have analyzed aspects of the garment industry in Bangladesh. Of the various aspects of the RMG industry, the problems and the working conditions of workers have received the greatest attention. Bhattacharya et al. (2002) analyze a wealth of data on the social and economic background, problems and prospects of workers in the Bangladeshi RMG sector where Bangladesh is an extremely poor developing country with histories of weak adherence to labour standards in industrial production and some of the lowest labour costs in the world. In Bangladesh, textile and garment workers have experienced numerous violations of worker rights supposedly guaranteed in their national labour codes, ranging from long working hours, forced and excessive overtime, illegal pay deductions, lack of safe and sanitary working conditions, and denial of the freedom to associate and bargain collectively. Rock, M. (2003), Clay, L. (2001), Chowdhury, N. (2001), Khanam, R. (2006) consider some other labour-related issues in the garment industry especially women’s right and child labour. Khondker, et al. (2005) presents a profile of the apparel sector in Bangladesh and discusses various aspects of the industry like informal recruitment, low literacy levels, wage discrimination, irregular payment and short contracts of service. Rented factory premises, narrow staircases, low roofs, closed environments, absence of lunch rooms, unavailability of clean drinking water and absence of separate toilets or common rooms for female workers are other concerns in the garment factories of Bangladesh. (Haider, 2007 , Baral, 2005)

The readymade garment (RMG) sector in Bangladesh represents an interesting case because of the widely held perception of a prevalence of low labour standards and unsatisfactory working conditions. There is a deep concern whether the garments industry in Bangladesh would be able to survive after the MFA phase out. The concern is all the more serious given the fact that export of garments now accounts for nearly three fourth of total export earnings of Bangladesh. (Bakht et al. 2006) The move towards labour standards in the industry is of recent origin specially the phase out of MFA in 2005 has drive the whole industry to comply with labour standards and it would be interesting to see how the Government, BGMEA, factory owners and managers and workers are surviving in this dilemma.

5. Salient features of the Bangladesh Labour Law 2006 related to the RMG sector

In the labour condition regime sketched above, Bangladeshi RMG exporters have been under continuous pressures for complying with international labour standards. However the compliance standards set by the international buyers are unrealistic in the context of Bangladesh. Besides, standards used in evaluating the working conditions significantly differ from buyers to buyers complying with which is extremely difficult for the Bangladeshi entrepreneurs. To overcome this problem, a number of initiatives have been launched to develop a common set of codes of conduct for the sector. (Khondker et al. 2005)

In an attempt to modernize the labour laws and to remove all uncertainty and vagueness in the existing laws, National Labour Law Commission was constituted in 1992 consisting of 38 members lead by Justice Abdul Kuddus Chowdhury. (Al Faruque, 2009) In accordance with the ratified ILO conventions and with a view to creating a constructive environment, for the elimination of the imbalances that prevailed in the issues regarding development of congenial relations between workers and employers, information about existing labour and industrial laws were sought from concerned stakeholders, of both home and abroad. After two years of

exhaustive study, the Commission submitted its report along with a draft of the unified modern and updated labour law in 1994. Subsequently, the draft was reviewed by ILO and numerous employers and workers Associations and other human rights organizations in phases for the last twelve years, and at last it was promulgated on the 11th of October 2006 as “Bangladesh Labour Law 2006” under the consensus of all the parties concerned. (GTZ .2007)

The Bangladesh Labour Act, 2006 is a major and comprehensive enactment regarding labour rights partly as a response to demand of stakeholders for improving regulatory framework on working conditions and partly by demand for codification of existing labour laws in order to avoid overlapping and inconsistencies. (Al Faruque, 2009). This newly revised law covers a lot of the common labour standards like 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 with regards to the previous legal framework. The scope and applicability of the law has been extended and definitions of different terms have been clarified.

6. Current state of Labor condition in the RMG Industry of Bangladesh: Findings from the Research.

Though Bangladesh is experienced with RMG from late 1970s, it is familiar with compliance issues from last few years. Now a day’s Compliance is more important factor to achieve a garments export order than the product quality. (Baral. 2005) However, The Bangladesh RMG sector has always had a “sweatshop” image which still prevails although there have been drastic improvements in working conditions at the factories. The Bangladesh Labour Law 2006 is a strong piece of legislation, which covers a majority of the international standards. The study conducted by German development cooperation, through the project for the Promotion of Social, Environmental, and Production Standards in the Readymade Garment Sector (PROGRESS) revealed that by complying with this law, suppliers are only a few steps away from achieving the international best practices. (Chowdhury et al. 2007). The main objective of this research is to analyze the extent to which the implementation of Bangladesh Labour Law 2006 can contribute to the improvement of labour condition in Bangladeshi RMG firms. Nine indicators have been selected in order to analyse the current state of Labour condition in the RMG Industry of Bangladesh in general. The indicators are selected according to the ILO core labour standards.

6.1. Child Labour condition

Despite legal restrictions, use of child labour had been a common phenomenon in apparel manufacturing. In the 1990s about 13% of apparel factory workers were child workers and the majority was girls. (Ahmed. 2006) Child labour in RMG factories mainly took place in the informal sector, in so-called sweatshops that have simple production technology and are operating as sub-contractors for other firms. (Murshid et al. 2003). BGMEA played a key role in addressing the issue of economic exploitation of child labour in the wake of Harkin’s Bill controversy. In 1992 the US Senate of the Child Labour Deterrence Bill referred to as the Harkin Bill, called for a ban on the import of goods manufactured wholly or in part by child labour. (Rock. 2003) With the fear of losing market the BGMEA, signed a memorandum of understanding (MOU) with the ILO and UNICEF in July 1995, which aimed to eliminate child labour in the apparel export industry. As a result child labour use is rare now in the apparel factories of Bangladesh (Ahmed. 2006).

In 2003, BGMEA, the Department of Labour, and the ILO jointly inspected an estimated 2,200 BGMEA-member factories with the declared intention of eliminating child labour in the garment sector. They found that less than 1% of the factories surveyed employed child labour, down from over 25% in 1997. (ICFTU. 2006). From this research it’s apparent that child labours are significantly removed from the garments factory because of buyers’ pressure and Government restrictions. However, managers felt that due to lack of adequacy in maintaining birth records in most parts of the country, difficulty arises in ascertaining the age of a person in employment.

6.2. Forced Labour condition

The Bangladesh Labour Law 2006 bans forced labour. However, the enforcement of these laws is poor. Forced labour has apparently disappeared in large scale companies but not in other parts of the country. (ICFTU. 2006). Studies on labour rights practices in Bangladesh agreed that not providing workers an appointment letter, which is considered a mild form of forced labour, is an ongoing problem. About 70% to 80% of employers continue to hire workers informally and only half of the large employers provide them with an appointment letter (CPD, 2008). Absar (2002) states that often with less than primary level education or no formal education, women migrate from rural to urban areas in search of work and better living conditions. They are pushed out of rural areas due to floods, cyclones and abject poverty. Garment factories employ them without any formal job contract. Thus, they are easily hired and fired. (Absar. 2002). Other forms of economic coercion like irregular and delayed wage payments used by employers to discourage turnover are ongoing problems. (Berik et al. 2007) Extremely unscrupulous employers are even known to issue attendance cards that do not have the name of the

factory so that these cannot be used to claim due salary in case the worker is fired. (Ahmed. 2006) The main reason for not giving appointment letters is to avoid payment of social security benefits. (Ahmed. 2009)

This study reveals that though the issuance of an appointment letter and the Identity card for a worker has been made compulsory in BLL 2006, the majority of male and female workers do not have formal appointments and lack contractual agreements. Job security is therefore low for both. 40% of the workers under this study who work with large firms that have a direct, often long-term, relationship with their buyers, have reported that they get appointment letter. While some worker reported that they get an attendance card. According to BLL 2006 a permanent worker may terminate the employment serving a 30 days' notice to the employer and a temporary worker may terminate it serving a notice of 30 and 14 days case wise. In lieu of the notice, the worker can even terminate the employment returning the wages for that period. (GTZ.2007) Most of the respondent reported that they don't know about it hence these provisions of labour law are poorly enforced.

6.3. Freedom of association

In case of workers' fundamental rights of freedom of association and to form collective bargaining unions, the apparel industry in Bangladesh remains a backwater. Out of 4,500 garments industry only 120 are affiliated to the unions, less than 5% of the garments workers. (Al Faruque, 2009). Under the country's labour laws and ILO conventions, the workers have rights for forming trade union. But the management of the RMG units do not allow them to join trade unions or to form such unions. In case the workers join trade unions, they are even sacked by the RMG factory management. It is observed that only 1.2% of total apparel workers are unionized. (Kabeer et al. 2004). Berik et al. (2006) state that with respect to freedom of association, right to strike, and collective bargaining, the government has imposed legal restrictions, and it has a poor enforcement record. Time series data based on U.S. State Department Reports indicate that over the 1981-2006 period, worker rights in Bangladesh changed from being "fully protected" during part of the 1980s to "somewhat restricted" during the 1990s to "severely restricted" after 2001. Results of World Bank surveys on the investment climate are consistent with this picture of limited activity and effectiveness of trade unions. (Berik et al. 2006)

Research shows that there has been a development in Bangladesh towards a climate that is more hostile to trade unions. The trade unions are often politicised, and are said to be more concerned about their own benefit than the welfare of the workers. They are linked to different political parties in the country, and represent the entire political spectrum. This often leads to conflict and fighting between the different unions. (Murshid et al. 2003). A very small percentage of workers mostly male, belong to trade unions. While the trade unions blame garment employers for their hostility to their attempts to unionize workers, employers point to the long history of disruptive behaviour by trade unions in the public sector as their justification for keeping them out. Both versions are true. (Kabeer et al. 2004). In this study 100% of the respondent admits that they have no trade union in their factory.

6.4. Discrimination, Harassments and abuse

In BLL 2006, provision has been made for the strict implementation of the "Equal pay for equal amount of work" policy of ILO convention and any discrimination or indecent behaviour towards female workers has been prohibited under the new law. (GTZ. 2007) However, the enforcement of legal instruments to tackle gender discrimination is very weak and women suffer discrimination in a variety of areas. (ICFTU. 2006)

World Bank survey indicates that female workers earn significantly less than their male counterparts even with the same education and experience. This implies that there is greater gender wage discrimination in the garment industry than outside. (World Bank. 2005). The RMG industry is considered to be a sector largely apathetic about the welfare of its workers. The industry is characterized by a wide variety of deprivations of women workers. (Khondker et al. 2005) Berik et al (2007) states that discrimination, harassment or abuse of workers was more prevalent in Bangladesh than elsewhere. Verbal abuse, penalties for mistakes or failure to achieve production targets were some of the common harassment problems and were accompanied by lack of written disciplinary policy or training for supervisors. (Berik et al. 2007)

Much of the literature shows that, in the garments industry in Bangladesh tasks are allotted largely on the basis of gender. Within the garment sector, women are confined to lower-paid jobs, such as helpers and operatives, while men are generally engaged at higher levels as supervisors, finishing and machine operators and production managers. Even access to training facilities tends to be dominated by male workers. (Repon. 2005) Likewise, from the field work it's evident, as all the workers in the sewing section were women, while almost all those in the cutting, ironing and finishing sections were men. There were no female cutting masters and supervisors. Men also dominate the administrative and management level jobs. In other words women are discriminated against in terms of access to higher paid white collar and management positions. (Absar. 2001) The owner and managers gave several reasons for employing women for sewing. Most felt that women are better in sewing because this fits in with the traditional division of labour in the society. In Bangladesh, sewing is traditionally done by women and that women are more patient and more efficient than men in sewing. (Murshid et al. 2003, Absar.

2001) Some responded that sewing is the largest and most important department of the RMG firms which needs to operate in an uninterrupted manner. As women are considered more patient and more controllable than men and they are less mobile and less likely to join a trade union, the managers prefer to recruit women than men particularly for the sewing section. They felt that as the women who come to work in garments industry doesn't have enough educational qualification, that's why they can't hold mid level management position. In Bangladesh, women have very limited opportunities for education, technical and vocational training and employment. (ICFTU. 2006) However, technology seems to play a role in employment of women. Machines which employ automated processes and require substantial physical strength need more skilled and stronger operators. However, there may also be a bias toward employing men, in the culture of Bangladesh who are believed to be more technology savvy. (World Bank. 2005)

6.5. Compensation and benefits

According to the law of the country, workers getting injured and meeting with death in fire case in the factories are entitled to compensation. In BLL 2006, amount of compensations has been increased. For deaths, the amount of compensation has been ascertained at Taka. 100000.00 per worker and for a permanent total disability, the amount fixed is Tk. 125000 per worker. In case of an accident that may happen due to employer's negligence, the compensation amount shall be double. (GTZ. 2007) However the enforcement of these laws is poor. During interviews when the workers were asked about their 'other benefits', 40% of the workers under this study who work with large firms that have a direct relationship with their buyers, have reported that they have canteen and children room in their factory. 60% of the respondents have to carry their own food and all the respondent have 30 minutes lunch-break. Though the provision for a children room for every 40 female workers having their children below the age of 6 years have been provided by the Bangladesh Labour Law 2006 (GTZ. 2007), it is not 100% enforced in the RMG factories.

6.6. Working hour

The new labour law 2006 has reduced the daily working hours for RMG worker to 8 hours-a-day from previous 9 hours-a-day. It makes a provision of 8 working hours a day for an adult worker, but an adult worker may work 10 hours a day provided that the employer is required to pay the worker, overtime, double the rate of her/his usual wages. i.e. basic & dearness allowance, if any. The employer is also required to maintain an overtime register as per the law. (GTZ. 2007). However, previous studies revealed that, in most of the garment factories, workers are forced to work 14 to 16 hours per day ignoring the labour law that states a maximum of 10 hours per working day. (Rahman. 2004). Ahmed (2006) mentioned that workers are usually compelled to work for 12 hours and overtime payment is calculated after 12 hours instead of 8 hours. During the shipment time workers have to work longer. Overtime payment is also a problem: workers are often not paid as they should be according to the law. (Murshid et al. 2003) All the male respondent of this research reports that they have no complain to work till '8am to 10pm' or 14 hours a day if they get the overtime payment regularly. Female workers are not generally willing to work after 6pm as they have some household works. Even the male workers who are living with their family are willing to work for extra-time as this is the only means of earning extra money. They termed it as "Overtime facilities". Factory managers agreed that, the factory those who cannot provide their worker with overtime facilities as well as payments have the higher employee turnover rate. However the workers are not paid at double rate as mentioned in the law.

6.7. Leave

In Bangladesh Labour Law 2006, maternity benefits have been increased to 16 weeks and the qualifying service length has been decreased to six months, but this benefit is limited only up to the birth of two living infants. (GTZ. 2007b). Berik et al. 2007 reports that in practice, however, it is rare for women workers to exercise their legal rights to full maternity leave. Workers indicated that there was no maternity leave in their factories. If pregnant, a worker quit her job to have the baby, and when she was ready to go back she would seek a new job. (Berik et al. 2007). 14 days of sick leave and one day for every 18 days of work annual leave with full average wages have been provided, in the new Labour Law. In previous laws sick leaves were paid for half average wages. Every worker shall be entitled to eleven days festival leaves in a calendar year. (GTZ. 2007). Respondents of this research reported that they get the sick leave with wages only if they can provide medical certificate but they don't know about the annual and festival leave. One of the important violations of rights mentioned by all the interviewed female workers was maternity leave which is not at all enforced according to the law.

6.8. Health and safety

The safety and security measures of the RMG workers are far from satisfactory though special importance is given in labour law 2006 on occupational health and safety and working environment. There are 78 sections exclusively on it out of a total of 354 sections in the law. (GTZ. 2007). However, Various studies have corroborated that most of the garment industries are situated in buildings which were not constructed to such specific purpose. (Repon. 2005) Ahmed (2006) noticed that the apparel factory buildings are mostly ill structured and overcrowded. The most common accidents that apparel workers suffer are slipping and falling. The most

dangerous situation arises when all the workers get out of the work rooms at the time of fire and try to escape down the narrow and congested staircases. Stampede killed a number of apparel workers as panicked workers scrambled to exit through a narrow staircase fearing a fire. (Ahmed. 2006). Berik et al. (2007) reported that poor fire safety equipment and evacuation procedures, poor ventilation and poor maintenance of equipment, inadequate and unsanitary toilet facilities, non-use of protective gear, and excessive heat on the factory floor are common problems.

The interviews with worker, manager and owners of the RMG factories show that there are some factories, which are concerned about various health and safety issues like lighting, ventilation, toilets, drinking water, cleanliness, fire exit etc. But maintenance of all these issues is largely dependent on buyers' pressure and inspection by social auditors. In general, factories established in more recent periods were relatively better compliant in terms of factory standards.

6.9. Minimum wages

Bangladesh Government sets minimum wages for various categories of worker. With the continuing labour movement, a tripartite agreement was signed in May 2006 between government, BGMEA and RMG sector workers and a Minimum Wages Board was set up. After prolonged deliberation a 7-grade minimum wage structure was declared for RMG sector workers in which minimum wage or wages at the lowest grade (grade-7) was determined as 1,662.50 taka per month. (Al Faruque, 2009). On 29th July 2010, the Minimum Wages Board has raised minimum monthly wages for its millions of garment workers by about 80% after months of violent protests over poor pay and conditions. The official minimum wage has been set at 3,000 Tk (£28) a month, up from 1662Tk, in the first raise since 2006. (Guardian. 2010). In December 2013, the government-formed wage board has again raised minimum wage to Tk 5,300, which is 76.66% higher than the existing Tk 3000. However, much of the literature reported that a common scenario prevailing in most of the apparel factories is that in many factories wages are not paid regularly. Sometimes the delay is 2 months and then again only part of the wage is paid. In many factories workers are required to keep one month's wages with the management as 'deposit money'. This is to ensure that the workers do not leave the factory without any prior notice. In many cases workers don't get this money back. (Ahmed. 2006). Berik et al. (2007) argued about the transparency of the wage payment systems and salary statements of the RMG factories. Moazzem (2005) added that the practice of payment of workers' wages in the third week of the month is evident not only in small enterprises, but also in medium and large enterprises. (Moazzem 2005)

During the field work, 60% of the workers responded that the factory pay them the salary in the first or second week of the month. Another 40% opined that they can hardly manage their daily expenses with this salary. None of the respondents expressed their satisfaction regarding the salary. The factory owners recognize that though the minimum wage is insufficient to cover living expenses, the sector offers better pay for women workers compared to their few alternatives outside of manufacturing (Kabeer et al. 2004, Berik et al. 2007). BGMEA officials added that workers accept overtime systematically because they need the extra income and talking about a living wage is not realistic right now, as the entire industry in Bangladesh relies on cheap labour. (FIDH. 2008)

7. CONCLUSION AND RECOMMENDATION

7.1 Summary of findings

From the owner, manager and worker's narratives, the study concludes that though some of the labour condition indicators such as child labour, wages and working hour have improved in Bangladesh to a large extent over the last two years, the other issues like health and safety, discrimination, compensation and benefits, freedom of association need strategic interventions by the Government, BGMEA and factory owner, in order to sustain in a very competitive global apparel market.

The study figure out the improvement of labour condition which include eradication of child labour in export factories, increased compliance of minimum wage payment, issuing of appointment letters, formation of human resource department in the factories to take special care of labour compliance issues which was rare in the previous decades. The salient point that emerges from the discussion is that these improvements are more valid for medium or large export garment factories that have direct relationship with their buyers and have to face regular social auditing, but not for small factories which are still working as an informal section within the industry.

7.2 Suggestion for the RMG Industry of Bangladesh

Despite recent improvements in labour condition as revealed from this study, major labour rights violations are still found in Bangladeshi RMG factories. To the Bangladeshi garment factory owners, being competitive has so far meant being "cost effective", mainly by lowering labour standards and taking advantage of opportunities for low-wage employment. They do not see any causal connection between labour standards and labour productivity. Therefore, the owner and BGMEA needs to address this critical relationship between labour standards and labour productivity which will ultimately increase their profitability.

This study supports that there is an urgent need to improve the condition of female workers in terms of

discrimination, harassment and abuse as they constitute the 85% of the total RMG workforce. An explicitly gender sensitive strategy is needed where gender is addressed in each of the indicators selected for this study, by observing differences between women and men. Moreover, workers awareness regarding their rights needs to be increased through social dialogue. Only 23% of workers in the EPZs, 18% in the local garment factories and 3% outside the industry had heard of the country's labour laws. (Kabeer et al. 2004).

The salient points that emerge from this research is that the whole industry is not transparent in terms of their social responsibility, therefore public information disclosure practices needs to be improved which might enhance the transparency of the whole industry. Most importantly, this study identifies that, there is a gap between labour laws and the way they are implemented in the apparel industry. Weakness of the enforcement system remains the main barrier to implementation of labour law. Therefore, special attention of Government is needed to ensure the enforcement of labour law.

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