plans and budget allocations that support the rights of the urban poor
the establishment of a functional social protection system. Under
options will be explored to move towards contributory social
1. Introduction
a minimum wage security cannot be provided with.
protection Floor at national level however prefers nationalised social
different departments, directorates,
the policy document then different departments, directorates,
contributory social protection mechanism will be required.
Decentralised schemes can also make the funds contributory and
these. Public education programme and plan can be developed
for resources necessary for skill development and training.
Private sector (like REHAB) can be approached
constraints that have to be looked into; for instance, in many
insurance programs for construction works can address the issue of
programmes to cover risks under National Labour Welfare
insurance schemes) will not be ultimately beneficial for the workers.
countries this type of contributory scheme (based on generated
education services, etc. The proposed strategy to provide social
relationships between responding immediate shocks of vulnerable and
of social safety net programmes by policy makers shape ultimately
informal sectors like construction. Social assistance from the side of
problems abysmal for construction workers, wage rates are unable
program. There are female secondary school stipend projects and
up to class 5. There is the primary school stipend project, which
When consulted and during Focus Group Discussion (FGDs) it has
needs for their future generation and family members, accessing
returnees of urban migrants again to their rural homes, or more
overall Social Protection Strategy in Bangladesh.
Against this background an attempt has been made to develop a
strategy search can be a part of ILO’s contribution to the
process of development of a National Social Protection Strategy, the
beneficiaries can be identified using learning from existing social
higher the bias between responding immediate shocks of vulnerable and
of social safety net programs is inadequate. Social Safety Net programs now
increased participation of the informal sector in the contributory social
Goal of this strategy may comprise two guiding elements: (1)
Ladders Bangladesh Experiences on Social Protection and Way
b. Influencing PEDP and SEQAEP 6  for initiating special measures like
avoid institutional or departmental silos, these must encompass
covering institutions to devise package/program for construction
specific and possible Future Strategic Actions under this Area E
Social Protection Strategy for Construction Workers can find links
Considering child protection distinctively to secure a healthy and
requirements for the contribution of the informal sector like construction
specific and possible Future Strategic Actions under this Area A:
registered contractors (example – China).
existing labour law of Bangladesh do not give any direction on
construction workers. Social Protection strategy then must encompasses social safety nets
strategy of modern world. To relate social protection with the prospect
reduce the burden of vulnerability and risk, and protect workers from
locally available resources. The basic intervention will be at the
challenges and risks associated with the engagement of the
refugees, the risk and vulnerability that are endured by the informal
sector. The existing social safety net programmes are inadequate and
provide only protection to the formal sector. The informal sector
need a social protection strategy that is better aligned with the
labour market measures leading towards social protection. ILO’s four
amendment) and protect construction workers from injury, illness,
# Labour

(A BILS Journal)

January-June 2016

## INDEX

<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mapping the current status of Corporate Social Responsibility (CSR) in Bangladesh: A Baseline Study</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>Evaluation of FDI Policies and Core Labour Rights in the Export Processing Zones of Bangladesh: An assessment in line with the international labour standards</td>
<td>22</td>
</tr>
<tr>
<td>3</td>
<td>Social Protection Strategy for Construction Workers in Bangladesh: Securing Lives and Livelihood</td>
<td>41</td>
</tr>
</tbody>
</table>
Editorial

BILS has published this issue of journal for addressing Corporate Social Responsibility, Core Labour Rights in Foreign Direct Investment enterprises and Social Protection for Construction Workers in Bangladesh.

CSR for workers is a new idea in Bangladesh, although in the name of CSR, different welfare initiatives are being taken from different corporate identities. This is to be implemented in line of international policies, recommendations and decisions, practices in neighboring countries and demand of present and future workers welfare in Bangladesh.

Foreign Direct Investment has become a good start up for country’s economic development with its enormous possibilities for future. Near about 300 FDI enterprises are now located in Export Processing Zones in Bangladesh, where FDI inflows remain from 300 to 400 million US Dollars every year. In this circumstance, when the government has attempted to develop Bangladesh as a mid income country, it is needed to fix the focus on Core Labour Rights in this zone for making it a part of country’s sustainable economic development. For this, ensuring harmonious Industrial Relations, Labour Rights, Social Safety Net and better livelihood are must.

Construction has become a large sector in Bangladesh, where huge numbers of workers are involved. Most of these workers work in this sector based on daily payment. Therefore their job is not secured, which brings impact on their life and livelihood. It is needed to address the issues of their social protection for securing their life and livelihood.

In this regard, we have published three different articles on this journal. We hope these articles will provide analytical information for the readers, academicians, researchers and students.

We acknowledge Friedrich Ebert Stiftung (FES) Bangladesh Office for their precious support to publish this journal.

Syed Sultan Uddin Ahmed
Editor
Mapping the current status of Corporate Social Responsibility (CSR) in Bangladesh: A Baseline Study

*Md. Habibur Rahman
**Jesmin Juy

Abstract: Bangladesh is a south Asian developing country of rising economy. The Readymade Garments (RMG) of this country have drawn global attention from various multinational companies and investors for its quality even with some kind of vulnerable infrastructure and poor working condition of the industry. This sector has already been brought to notice in national and global business market amongst many others notable trades of Bangladesh. In recent time, Corporate Social Responsibility (CSR) has drawn the prior attention of the foreign buyers and investors towards workers’ wellbeing, sustainable growth and development of business and bringing business up to a global standard. The study aims to identify the issues concern for workers’ rights in the existing CSR activities and look into the ways to promote workers rights and decent work through the CSR actions by conducting an analysis of the current practices of CSR and scope of trade unions’ involvement in such schemes. This study was conducted implying both qualitative and quantitative research methods and techniques. To elicit information regarding the existing practices of CSR in Bangladesh total Seven (07) corporations of different categories were purposively selected for data collection. Mainly ‘Sample Survey’ and ‘Case Study’ were used as research methods; and ‘Interview’, ‘Observation’ and ‘Key Informant Interview (KII)’ was applied to collect primary data besides secondary. As finding of the study, it was seen that CSR is still a new phenomenon and ideas among the stakeholders, workers, owners and investors rather mass people are not clear.

Key Words: Mapping, Current Status, Corporate Social Responsibility, Baseline Study

*Consultant, CSR Research Team, BILS and Assistant Professor & Chairman, Dept. of Sociology & Social Work, The People’s University of Bangladesh, email: rahmanh7@gmail.com.
**Associate Researcher, CSR Research Team, BILS
1.0 Background of the Study
Bangladesh is a developing country of rising economy. Readymade Garments sector of this country is globally known as a remarkable source of national revenue among many other productive sources. But the existing nature of working place has yet to touch the level of global standard that have recently drawn universal attention from multinational companies investing and doing business in Bangladesh. Most of foreign investors or business tycoons in all kinds of trading areas have been putting priority on Corporate Social Responsibility (CSR) as effective means of sustainable business, positive social image of the corporations and job benefits as well as healthy working environment for the employees. However, the present international attention on CSR and comparatively on the prevailing poor working environment in Bangladesh might be the optimal opportunities for addressing workers’ rights through effective implementation of CSR as platform for promoting responsible business behavior in the Labour market in general. As a concept it is ‘a talk of the town in corporate circles these days’ (Mess and Bohman 2004).

The European Commission recognizes CSR as the “voluntary social and environmental practices of business, linked to their core activities, which go beyond companies' existing legal obligations”. Bangladesh Institute of Labour Studies (BILS) intends to dig into the ways and scope of functional attachment of trade unions with CSR towards ensuring workers rights and enhancing their participation. BILS emphasizes on the workers’ integration in CSR as well as advocacy for a national framework in accordance with concern international instruments in particular of the United Nations Global Compact (UNGC) guiding principles regarding business and human rights as well as other relevant tools of CSR.

Moreover, the existing nature of CSR activities done by the corporate bodies still remains vague. It has recently become one of the cherished buzzwords and matter of expectation among the modern business globally. The voluntary prototype of the corporate responsibilities has also created tension between entrepreneurial responsibility and entrepreneurial charity for promoting workers’ rights. Whereas a common realization on CSR is widely absent among the investors, trade unions (TUs), consumers and the employees truly in Bangladesh. Without having a common understanding on CSR, many of the corporate good intentions to
promote workers' welfare are being undervalued. Thus, there is an immense necessity to reinforce the organizational and legal position of national trade unions in terms of workers' rights and CSR issues of the corporations that will obviously enhance the way of responsibility of the employers and the state government to promote sound industrial relations and decent working environment in every business and productive sectors.

2.0 General Objectives
The broad objective of the study is to identify the issues concern of workers' rights in the existing CSR activities and find out how best to promote workers rights and decent work through the CSR actions by conducting an analysis of the current practices of CSR and scope of trade unions' involvement in such schemes.
Specific Objectives;
ii. To know about the pattern and policies adopted by the corporations and the prior obstacles encountered by the organizational authority to conduct the CSR activities;
iii. To find out the ways of reflection of United Nations Global Compact guiding principles regarding CSR activities by the concern corporate bodies;
iv. To explore the level of awareness or knowledge about CSR among the policy makers, civil society, concern employers and workers;
v. To analyze the present status and future role of trade union in CSR activities.

3.0 Methods and Materials
This study was conducted implying both qualitative and quantitative research methods and techniques. In this study, data were collected from both primary and secondary sources. To elicit information regarding the existing practices of CSR in Bangladesh total Seven (07) organizations of different categories were purposively selected for data collection. As area of the study we have considered Mohammadia Group from RMG sector, Unilever from Multinational companies, Janata Bank from banking sector, Square Group from Pharmaceuticals and Navana Real Estate from Building & Construction, Sopura Silk Mills Rajshahi from textile sector and Rahimafroze from Production and Service for empirical data. Mainly
‘Sample Survey’ and ‘Case Study’ were used as research methods; and ‘Interview’, ‘Observation’ and ‘Key Informant Interview (KII)’ was applied as data collection techniques to collect more authentic data from the respondents. Moreover, journals, magazines, newspaper, research papers and few other written documents relevant to the study topic were reviewed as secondary sources of data.

4.0 Limitations of the Study
In every research, there are some sorts of pains and pleasures in different phases such as topic and area selection, fixing up goals and objectives, tabulation and preparation of questionnaire, data collection as well as report preparation. The present study is not an exception in terms of collecting necessary responses from the diverse respondents. Some prior limitations of the study are presented here;

• It was really hard time for the researcher to get appointment with the respondents such as investors, employees, stakeholders, trade union leaders, social elites and policy makers for interview on CSR issues, which was top of the list of limitations.

• Most of the corporations’ authorities are very reluctant to respond on this issue because of their insufficient knowledge and improper CSR practices.

• Since the research carries no direct benefit for the respondents, which discourages them to spontaneous response during data collection.

• The area of the study is comparatively a new phenomenon among the respondents because of its conceptual drawbacks that impedes smooth functioning of the researchers.

• The researchers had faced time constraints as the study was designed to accomplish within a very short and certain time frame.

5.0 Understanding CSR and its standards in Bangladesh
CSR is generally meant to be a long term essential sustainability of a company. The core focus of CSR is on sustainability and responsibility towards ensuring growth, expansion and profit maximization of the companies in a long term basis being socially accountable. CSR Bangladesh was established in 2008 to facilitate, expand and encourage CSR practice in Bangladesh. The CSRBD is a
non-profit organization and its objective is to become the source of information, resources and advisory services on CSR in Bangladesh (http://www.csrbangladesh.org/index.php).

In Bangladesh, CSR is such a phenomenon which is all about a longitudinal sustainability of an organization or company with a direct focus on its tri-dimensional baseline such as financial or economic, environment and social.

There is no unique dimension or approach of CSR. It indeed focuses on two way dimensions such as Internal Dimension and External Dimension.

- In its internal dimension, CSR includes human resources management and development practices; health, safety and environmental practices at work place; assessing, increasing and adapting the social and environmental impact of a company; maintaining business ethics and codes; initiate employee skill development programmed and keeping product standard and responsibility.

- The external dimensions incorporate local communities through development programmers; donations and contributions to Civil Society Organizations; Supply Chain management; Educational programmers at various levels; Cluster Development; business, partners, suppliers and consumers, human rights and global environmental concerns etc.

Furthermore, CSR can be positively integrated to the business through three prior approaches; Economic Approach, Social Approach and Environmental Approach (http://www.csrcentre-bd.org/).

According to the opinion of Dr. Atiur Rahman, Governor, Bangladesh Bank, in wider aspects, CSR is not only about doing philanthropy/charity or protecting the environment; it also aims at eradicating poverty and reducing deprivation amongst the poor/underprivileged segment of the society.

In our country, besides government and NGOs, banking community is playing the most important role to make use of CSR as a link between business and development, and their CSR programmers are their significant contribution to development.
6.0 National and International Level Understanding: Legal Framework and Way Forward of CSR

In Bangladesh, it is commonly known that there are no mandatory laws or institutionalized principles to bring together the existing social-cultural and moral performance of the corporations into the legal framework. Still this country is striving to establish the concept of CSR among the corporations and the stakeholders through legal and organizational basis. The Bangladesh Centre for Advanced Studies (BCAS) is an independent, non-profit, non-government, policy, research, and implementation institute working on sustainable development (SD) at local, national, regional and global levels. Nevertheless, there are some laws in function to reach the objectives of CSR and facilitate a situation for corporations to perform CSR though these are not explicitly functional for CSR such as The Bangladesh Labour Act 2006 (Amendment 2013); The Bangladesh Environment Conservation Act 1995, The Bangladesh Labour Welfare Foundation Act 2006 and The Environmental Preservation Policy 1997 etc.

The Global Compact Network Bangladesh was launched on 26 January 2009 by the CSR Centre (CSRC) and the Bangladesh Enterprise Institute (BEI) (https://www.unglobalcompact.org/engage-locally/asia/bangladesh, accessed on 29/07/2015 at 17.26pm).

Recently, in joint collaboration of the Ministry of Labour and Employment (MOLE) and Save the Children, the National CSR Policy for Children in Bangladesh has been started to be drafted which is now in final stage. The framework of this Policy is based on the UN-CRBP–United Nations Child Rights and Business Principles that was signed by Bangladesh in 2009.

Globally, corporate sustainability starts with a company’s value system and a principled approach to doing business. By incorporating the international guidelines for CSR into strategies, policies and procedures, and establishing a culture of integrity, corporations are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success in their business in modern era. There are some international organizations continuously producing guidelines and principles for smooth functioning of CSR activities around the world with no exception to Bangladesh such as United Nations Global Compact (UNGC), OECD Guidelines for
Multinational Enterprises, ISO 26000 Guidance on Social Responsibility, International Labour Organization (ILO)

7.0 Discussion of the Major Findings
The term CSR has recently become a buzz word globally in the business field with no exception to Bangladesh. Over the last couple of years CSR has been thought to be the pioneering source of business in-terms of growth and development towards sustainability and workers welfare. The findings accumulated from the sampled seven (07) organizations are following;

7.1. Origin and Development of CSR in Bangladesh; In Bangladesh, the concept of CSR and its practices have been seen for a long past through charitable and philanthropic view. Company owners and managers are motivated by religious and humanitarian spirit engaged in charitable donations, sponsored for social and community welfare programmes, assisted in building of religious and academic institutes and so on. It is seen that there was no precise policies on CSR in Bangladesh prior to 2008. In 2008, Bangladesh Bank (BB) took initiatives for formalizing CSR in the banking sector of Bangladesh and issued a detailed directive entitled “Mainstreaming Corporate Social Responsibility (CSR) in bank and financial institutions in Bangladesh”. It was found that the professional practice of CSR is not aged old in Bangladesh.

7.2 CSR and Owners Perception; The major findings of the study reflect that most of the owners of the companies are found bit unaware and reluctant regarding the CSR concepts and its functions as it really means.

Table: 7.2 - CSR and Owners Perception

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Corporation</th>
<th>Perception on CSR as viewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals</td>
<td>SQUARE recognizes CSR as the continuing commitment by the business to behave ethically and contribute to economic development of the workforce, their families and local community as well as the society at large.</td>
</tr>
<tr>
<td>02</td>
<td>Navana Real Estate</td>
<td>Navana Real Estate considers CSR as a part of business and they also think economic, environmental and social responsibilities.</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>Mohammadi Group thinks CSR as source of contribution to a better society.</td>
</tr>
<tr>
<td>04</td>
<td>Rahimafrooz Group</td>
<td>Rahimafrooz mainly focuses on Triple Bottom Lines such as People, Planet and Profit.</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank Ltd</td>
<td>Janata Bank Ltd terms CSR as sophisticated, radical determinant of corporate outlook towards society.</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh Ltd</td>
<td>Unilever Bangladesh belongs no specific definition of CSR though they do many welfare activities.</td>
</tr>
<tr>
<td>07</td>
<td>Sipura Silk Mills Rajshahi</td>
<td>They CSR is basically work for humanity.</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015
7.3 Areas of CSR Activities in selected Corporations; All of the seven (07) organizations are performing various welfare and philanthropic activities differently such as providing free education, transport facilities for the workers, health campaign, and scholarship for meritorious students, annual feast and picnic, roads beautification etc but not being well defined as CSR activities. It was seen that they perform so many activities such as Unilever Bangladesh Ltd perform CSR focusing on Health-nutrition-hygiene, Education and Women Empowerment. They launched ‘Lifebuoy Friendship Hospital’ in 2002 and in 2006, they sponsored two months nursing training program with ‘Ma O Shishu General Hospital’ in Chattagong. Mohammadi Group undertakes various motivational activities to improve human Values, mutual understanding, interpersonal relationship and loyalty among the officers and Employees. They also facilitate education for older workers, entertainment and Sports for workers, Yearly Sports Event, Yearly Picnic, Milad Mahfil for workers and Sharaf’er Pathshala’s student.

7.4 Target Beneficiaries and CSR Practices; The types of beneficiaries of most of the organizations were found closely similar in natures that are business, employee and society in broad aspects. They mostly emphasize on their workers’ or employees benefits mainly identifying them as Internal Beneficiary and External Beneficiary.

Table: 7.4-Target Beneficiaries of CSR

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Type of Beneficiary and Benefits</th>
<th>Internal Benefits</th>
<th>External Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Pharmaceuticals</td>
<td>Workers’ happiness &amp; Satisfaction, No Corruption, Handsome salary, On time salary and increment, Bonus, Good working environment, three times foods, and transport facilities, Pick up and drops services for school going children of factory employees, Prohibited child Labour and Female workers not allowed at night shifts, and employee skill development training etc.</td>
<td>Square Kindergarten &amp; High School, Award like Gold Medal for higher education ex. Housing &amp; Transportation facilities for employees, Support CDDR,B for research on Childhood Diarrhea, Fund raising programs with Acid Survivors Foundation, Rural women empowerment projects with NGOs, Road safety &amp; Road shade campaign and so many.</td>
<td></td>
</tr>
<tr>
<td>Navana Real Estate</td>
<td>Workers’ benefits are the first priority in Navana Real Estate. Safety and security, good working environment for workers, compensation during incident, skill development training etc.</td>
<td>Donation to orphanage, making Mosque and Club, Road beautification and Road mapping etc.</td>
<td></td>
</tr>
<tr>
<td>Mohammadi Group</td>
<td>Free education for the workers’ children and provide night schooling for domestic workers by ‘Sharaf’er Pathshala. It also ensures entertainment, sports and annual picnic for workers, free pure drinking water for employees &amp; workers, educational materials &amp; uniforms for students of Sharaf’er Pathshala free of costs, and it maintains a standard compensation policy in a role of law etc.</td>
<td>It conducts educational programmes at various level, ensures health facilities and welfare for employees through medical centre and day care centres, free transport facility for workers &amp; employees etc.</td>
<td></td>
</tr>
</tbody>
</table>
vulnerability of trade union in Bangladesh in terms of its existence. It obviously indicates the acute

17

7.5 CSR Activities in Workers Perspectives; Though the concept CSR is a very recently familiar word in global business dictionary, its position in Bangladesh is relatively immature. With the passage of time, the scenario of CSR activities both in production sectors and in service sectors have become more popular and well known to the company owners and the workers or consumers. The position of CSR in the organizations under study is not frustrating as they are performing quite well though exactly not within the CSR identity. As stated, there is a direct scope of participation of workers in Square Pharmaceuticals in terms of personal, social or environmental benefits and Sopura Silk Mills is very workers’ friendly for ensuring their every right within the limit. The other organizations are doing different activities keeping main focus on the workers benefits.

7.6 Nature of Trade Union in the Corporations; As reflected in the outcomes of the study, Trade Union (TU) is only existed in (03) out of (07) organizations which are Square Pharmaceuticals, Unilever Bangladesh Ltd and Janata Bank Ltd among seven. Though all the organizations have been performing so many activities closely similar with the functions of trade union, but they have not formed trade union as a separate entity. It obviously indicates the acute vulnerability of trade union in Bangladesh in terms of its existence.
7.6 Existence of Trade Union

Source: BILS Case Study, July-September 2015

Table: 7.6- Existence of Trade Union

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>No. of Officer/Mangement Level</th>
<th>Among Officer and Workers</th>
<th>Existence of Trade Union</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Pharmaceuticals</td>
<td>3200</td>
<td>1800</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Rahimafroz Group</td>
<td>950</td>
<td>20</td>
<td>No</td>
<td>Representative of Workers</td>
</tr>
<tr>
<td>Mohammadi Group</td>
<td>550</td>
<td>3500</td>
<td>No</td>
<td>Workers Participation Committee</td>
</tr>
<tr>
<td>Navana Real Estate</td>
<td>300</td>
<td>960</td>
<td>20</td>
<td>No</td>
</tr>
<tr>
<td>Janata Bank Ltd</td>
<td>2246</td>
<td>1266</td>
<td>1480</td>
<td>Yes</td>
</tr>
<tr>
<td>Unilever Bangladesh</td>
<td>330</td>
<td>1160</td>
<td>70</td>
<td>Yes</td>
</tr>
<tr>
<td>Sopura Silk Mills Rajshahi</td>
<td>25</td>
<td>287</td>
<td>287</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015

7.7 Views of Trade Union Leaders regarding CSR; The researchers tried to interview with (05) eminent TU leaders of Unilever Employees Union, Janata Bank Gonotantrik Workers Union, Bangladesh Labour Federation, United Federation of Garment Workers and Square Employees Union to know their views CSR practice and their level of involvement. It was found that (i) Only 01 of them have very clear idea but others are very poor about CSR understanding. (ii) None of them has any involvement with CSR activities in the corporations. (iii) CSR activities held at their organizations by Authority’s decision with no scope for them. (iv) They replied that CSR could be effective by government initiatives through policy formulation and public awareness. (v) They all strongly believe that TU has a significant scope to work for CSR with the owners or authorities.

7.8 CSR and UNGC Affiliation; In the study, so far it has been observed, only (03) organizations are the signatory of UNGC. But most of them are doing welfare activities being kind sometimes rather professionally identifying as CSR.

Table: 7.8-CSR and status with UNGC Affiliation

<table>
<thead>
<tr>
<th>SL.No</th>
<th>Name of Corporation</th>
<th>UNGC Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals Ltd</td>
<td>Yes</td>
</tr>
<tr>
<td>02</td>
<td>Rahimafroz Group</td>
<td>Yes</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>No</td>
</tr>
<tr>
<td>04</td>
<td>Navana Real Estate</td>
<td>No</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank Ltd</td>
<td>No</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh</td>
<td>No</td>
</tr>
<tr>
<td>07</td>
<td>Sopura Silk Mills Rajshahi</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-August 2015
7.9 Organizational Strengths in CSR Practices; It is well noted that to conduct CSR functions properly, every company should have a separate administrative wing or division. Major findings of the study reflect that there is a huge conceptual as well contextual gape about CSR among the owners, investors and even in the policy formulators let alone the workers or employees in Bangladesh. In the study, amongst the (07) organizations only Janata Bank Ltd has separate CSR division, which proves the drawbacks of the other organizations in terms of effective and professional performance of CSR.

Table: 7.9-Organizational Strengths in CSR Practices

<table>
<thead>
<tr>
<th>SL.No</th>
<th>Name of Corporation</th>
<th>Existence of Distinct CSR division</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals</td>
<td>No</td>
</tr>
<tr>
<td>02</td>
<td>Rahimafroz Group</td>
<td>No</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>No</td>
</tr>
<tr>
<td>04</td>
<td>Navana Real Estate</td>
<td>No</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank Ltd</td>
<td>Yes</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh</td>
<td>No</td>
</tr>
<tr>
<td>07</td>
<td>Sopura Silk Mills Rajshahi</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-August 2015

8.0 Major Recommendations

Some general recommendations may be effective for the recognition and effective functions of the trade unions in the promotion of CSR in association with the workers in Bangladesh which are following:

- For better working environment, trade union needs to be established in a priority basis within the corporations which will enhance CSR functions and minimize the industrial unrest through the continuous ventilation of the workers grievances.
- Awareness campaign should be held nationally towards more familiarizing and spreading the ideas as well as significance of CSR and trade union focusing on its necessity for workers benefits and company wellbeing in long run.
- Trade Union is a platform to uphold the rights of the workers with the investors or the owners. As CSR So it should be properly evaluated and monitored by the concern authority.
- The industry authority and the owners should be very positive to accept the emergence of trade union because of their company interest not for the workers benefit only, and then the activities of the trade union might be expanded rapidly.
• The trade union may extend the provision of professional training, legal advice and representation for its members and trade unions may promote legislation favorable to the interests of their members or workers as a whole.

9.0 Concluding Remarks
In Bangladesh, there are so many problems in the corporations, banking sectors, national and multinational companies, within the NGOs and GOs, and prior to the readymade garment industries that continuously impede the regular functions and hampers the national development. Being the biggest export revenue earners export sectors, readymade garments industry still exists numerous internal and external crisis issues.

The results found from the organizations are not held satisfactory in CSR performance, workers’ participation and trade union involvement. Most of the organizations are conducting CSR activities as their own choice in lieu of any set rules or CSR policy that are simply happening as philanthropy. The company owners and executive authorities should be aware and willing to activate CSR and encourage trade unions for their long lasting organizational benefits not only for the workers wellbeing. Similarly, government should promote CSR functions nationally by taking effective measures. There is a huge space for trade union to enhance CSR activities in association with the owners of corporations towards workers welfare and organizational image.

At the end, it is generously expressed that CSR activities should be considered and implemented as the prior concern of workers’ benefits firstly and which must be held through their active participation and belongingness rather doing all other social activities. Massive workers participation in both trade union and CSR activities can widely impact on the change and development of business like the developed countries.

References
[1] Sustainability Reporting Guideline (www.globalreporting.org, info@globalreporting.org).
[2] Professor (Dr) M Alimullah Miyan, Vice Chancellor & Founder of IUBAT – International University of Business Agriculture and Technology, Dhaka, Bangladesh
[3] Chowdhury, Shitangshu Kumar, MRDI, CSR Review.
[6] Libcom (2006), Garment Workers revolt in Bangladesh. Available from:
Evaluation of FDI Policies and Core Labour Rights in the Export Processing Zones of Bangladesh: An assessment in line with the international labour standards

Md. Aurongajeb Akond 1

Abstract
This paper evaluates the practices of core labour rights, particularly the freedom of association and right to organize in the Export Processing Zones of Bangladeshi in line with the international labour standards. At the same time, consistently analyses the Foreign Direct Investment (FDI) Policies and trends in the Export Processing zones (EPZs) of Bangladesh to investigate the contradiction of labour rights with the countries open door FDI policies following the main research question “do the FDI policy and industrial relation mechanism of EPZs in Bangladesh contradict with the national and international labour standards and how? The secondary qualitative research methods is followed to conduct this study. The research findings show that the FDI policies in the EPZ areas are comparatively more favorable to the capital than the nurturing of labour. Though it maintains a standard of labour rights with a separate law but still there are some shortfall in terms of complete exercise of fundamental labour rights like freedom of association and right to form trade union. The paper concluded with a set of policy recommendation for the trade unions.

Key Words: Export Processing Zones, Core Labour Rights, Foreign Direct Investment, Freedom of Associations, Right to Organize, Trade Union Policies

1.INTRODUCTION
Bangladesh, a country in South Asia, has recently been reclassified as a low middle income country with sturdy growth (more than 6 %)

1. Student, M.A. in Labour Policies and Globalisation, International Center for Development and Decent Work (ICDD), University of Kassel, Global Labour University, Germany, and Senior Research Associate, Bangladesh Institute of Labour Studies-BILS, Dhaka, Bangladesh. aurongajeb@yahoo.com
of Gross Domestic Product (GDP) for the last couple of years. The World Bank Development Indicators Database and International Monetary Fund’s (IMF) World Economic Outlook reported that the Bangladesh economy moves up 14 places in comparison of the previous year. The country ranked as the 44th place in the global economic ranking in terms of GDP prices whereas the position was 58th in 2013 (bdnews24, 2015). The private investment, export, large amount of remittance, growth of construction and service sector are considered as the main factors in this development (World Bank, 2013). Bangladesh, after independence in 1971, immediately inherited a public sector led growth economic regime, but very quickly shifted its concentration to policy framework that promoted private sector and export oriented industrialization and adapted the structural adjustment program of international development agencies. Bangladesh economic policy consider the Foreign Direct Investment (FDI) as an important development factor thus following the open door policies, expanding the FDI scope in the Export Processing Zones (EPZs) sometimes tailoring the core labour standards.

The FDI is often discussed as an important factor of economic development for the developing countries because of its’ potential to bring capital, technology, management know-how, jobs and access to new markets, accordingly, many countries have developed policies to encourage inward FDI (OECD, 2008). Bangladesh is one of them that adopted several policies to relax FDI rules and procedures specially in Export Processing Zones (EPZs).

This policy paper attempts to analyses the FDI policies of Bangladesh in the EPZs focusing the fundamental labour rights and the industrial relation system in the targeted economic areas. Thus the main research question was “do the FDI policy and industrial relation mechanism of SEZs in Bangladesh contradict with the national and international labour standards and how? Seeking the answer of the research question to develop a trade policy paper the qualitative research method has been used to analyze the FDI attraction policies and industrial relation mechanism in the EPZs and identified the areas of the policies that contradict with the national and international labour standards. The secondary data sources like relevant books, articles, national and international databases, newspaper contents, web contents are frequently used for the purposes of this research.
The trade policy paper is divided into five sections, followed by this introductory section the second part define the key concepts and the third segment mainly analysis the FDI trends and policies in the EPZs. The fourth section provides an analytical explanation of FDI policies and labour standards and industrial relation mechanism in the EPZs and the concluding section suggests a set of recommendations for the trade union evaluating the best practices of labour standards in the EPZs of other countries for effective collective action to ensure the exercise of fundamental labour standards in the EPZs of Bangladesh.

2. WORKING DEFINITION OF KEY CONCEPTS: THE THEORETICAL EXPLANATION

This paper mainly analyses the legal issues, the fundamental labour rights according to the ILO conventions, particularly focusing the FDI policies of the EPZs in Bangladesh. However, the theoretical approaches are used to explain the basic concept of this trade policy paper as follows;

2.1 Export Processing Zones (EPZs): The Export Processing zone denotes the Export Processing Zones¹ of Bangladesh under the Bangladesh Export Processing Zone Authority². In addition, the paper also mentions references of some other SEZs outside of BEPZA, but the core research question explicitly explains the condition of EPZs.

The development and operation of Export Processing zone can be explained from different theoretical point of view. The orthodox or neo-classical approaches of economy explain the SEZ as a means of practicing free trade and expansion of trade liberalization across the borders. This theory advocates that the government should adopt this trade policy as best practices of trade liberalization and opportunities for the transnational companies. However, this theory also provides a basis for criticism against SEZs pointing that the substantial increase in the number SEZs across the world promotes economic reforms in the rest of the economy rather than preceded them and it is identified as an outcome of the trade liberalized regime (Aggarwal, 2010). Under this perspective of free trade and

¹. (EPZ) means the Government Authorised Economic Zone.
². Academically EPZ is one kind of special Economic Zone (SEZ).
internationalization of trade, Bangladesh has developed new capital favor authorities like BEPZA or BEZA which solely responsible for operating the business in the SEZs excludes the control or reducing the central labour market regulations.

The establishment of SEZs in case of Bangladesh can be better explained under the Heterodox Approach as well where in justification, Chang, H. (2002) explain that it advocates a mix of state-market interactions, in which developmental governments play a significant role in investment, human capital formation, the acquisition of technology, institutional setting, and the promotion of policy and institutional reforms (Aggarwal, 2010). The same source also pointed out that the establishment of favorable investment opportunities, creating efficient infrastructure, good governance, simpler regulatory system, availability of skilled labour, tax incentives, finance and strategic locations, SEZs are instrumental in attracting FDI (Aggarwal, 2010).

2.2 Foreign Direct Investment (FDI) Policies: The World Bank defines the FDI as foreign direct investment refers to direct investment equity flows in the reporting economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. In this paper, FDI means the FDI inflow to Bangladesh and the policies indicates the policies taken by the government of Bangladesh to attract FDI in the Export Processing zones.

2.3 Labour Standards: The core labour standards mainly symbolize four major principles; the freedom of association and right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour as well as the elimination of discrimination in respect of employment and occupation. The declaration makes these four core labour standards as a quasi-condition of membership, as Article 2 states that all member states "have an obligation, arising from the very fact of membership in the Organization, to respect, to promote and to realize" (Wildgruber 2013). The issues come to the fore more widely after the Doha round of trade negotiation, which excluded the issues of labour standards. The World Trade Organization (WTO) and the International Labour
Organization (ILO) member states have agreed that Labour standards should not be tailored for the purposes of protectionist and avoid ignorance and deliberate violations of core Labour standards to achieve comparative advantage (Dehejia and Samy 2007).

As our main concern is to find out the contradiction of core labour standard with EPZs and FDI polies in line with the international labour standards, so it is solely a legal issue thus we can explain our concepts the core labour standards with the trade and investment policies. In this policy paper, predominantly the state of fundament rights to exercise the freedom of association and collective bargaining is analyzed.

3. FDI IN Export Processing ZONES OF BANGLADESH: TRENDS AND POLICIES

The first part of this section explains the overall FDI trends and policies in Bangladesh, and the second part specially focuses on FDI inflow and policies in EPZs and the concluding part provides a brief introduction of FDI policies in other SEZs in Bangladesh.

3.1 General Trends and Policies of FDI

The economic policy of Bangladesh has been framed, recently with a view to boosting up the economic growth and overall development, reducing unemployment by creating jobs for its huge number of labour force, increasing foreign exchange through export and international labour migration, and adapting standard modern technology, management skills and continuously making efforts to attract more FDI flow (Rayhan, 2009).

Source: Adapted from the figure reported in World Investment Report 2015

Different literature shows that FDI plays significant role for the growth
of GDP. UN Conference on Trade and Development (UNCTAD), reported that the amount of countries’ FDI flow was estimated $1.53 billion in 2014 whereas the amount was $1.6 billion in 2013 (bdnews24, 2015). The World Investment Report 2015 reveals during the last 5 year period (2009 to 2014) the FDI inflow in Bangladesh increases more than the double amount. The amount figured 700 Million USD in 2009 which climbed up to 1527 Million USD in 2014. The latest data of Bangladesh Bank, the central Bank of Bangladesh, calculated that during the period of the first nine month (January to September) of 2015 the FDI inflows stand as 1695 Million USD (Bangladesh Bank, 2015).

The analysis of major investment sectors found that the manufacturing sector, trade and commerce sector, transport sector, storage and communications sector, are some of the largest FDI share attracted broad sectors in Bangladesh. Particularly as a single sector apparel industry, banking sector, telecommunication, power, gas and petroleum, and electric sector are some the notable attraction of FDI inflow.

In terms of diversity of FDI origin, The Egypt is the top foreign investor in Bangladesh followed by the United Kingdom, United States and Singapore (UNCTAD, 2013).


3.2 FDI Trends and Policies in Export Processing Zones

Bangladesh Export Processing Zone Authority (BEPZA) is the official organ of the government to promote, attract and facilitate foreign investment in the Export Processing Zones (EPZs) of Bangladesh. Currently, eight EPZs in different areas of Bangladesh are operating the export oriented business under three types of ownership; Type; A - 100% foreign ownership (58% of the total establishment), Type-B - joint venture (14% of the total establishment) and Type C - 100% local venture (28% of the total establishment) (BEPZA, 2016). Bangladesh derives 20 percent of its income from exports created in the EPZs and accumulated employment of some 377,600 workers.
and significantly the larger portion are women who work in 497 factories (Solidarity Center, 2015).

The EPZs specially has lured a significant share of country’s total FDI. The Foreign Investment & External Debt (FIED) Division of Bangladesh Bank reveals that the amount of FDI in the EPZs is in upward trends likewise the country’s total FDI inflow.

Table-1: Year Wise FDI Inflow in EPZ and Non-EPZ Areas (2011-2015 Sep.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 (Jan-Sep)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI in EPZs</td>
<td>228.03</td>
<td>251.47</td>
<td>352.07</td>
<td>406.41</td>
<td>284.99</td>
</tr>
<tr>
<td>FDI in Non-EPZs</td>
<td>908.35</td>
<td>1041.09</td>
<td>1247.09</td>
<td>1144.87</td>
<td>1409.95</td>
</tr>
<tr>
<td>Total FDI inflow</td>
<td>1136.38</td>
<td>1292.56</td>
<td>1599.16</td>
<td>1551.28</td>
<td>1694.94</td>
</tr>
</tbody>
</table>

Source: Adapted from foreign investment and external debt (FIED) division of Bangladesh bank economic data, 2015

In terms of policies, Bangladesh can be defined as one of the FDI open door policies adopted country among the least developed countries of the world (BEPZA, 2016). It is gradually relaxing the investment policies only to accelerate the FDI. Quoting the statement of the Chair of Board of Investment, Government of Bangladesh, the online news portal bdnews24.com reported that all the investment related formalities had been relaxed with a view to accelerating the foreign investment (Bdnews24, 2015).

The Board of Investment (BOI) is the main concerning FDI facilitators offering a wide ranges of services and incepts to the potential foreign investor; Investor welcome service (including a faster immigration service), Registration and approval of foreign, joint-venture and local projects, Registration and approval of branch, liaison and representative offices, Approving remittances of royalty, technical know-how and technical assistance fees, Approving foreign loan suppliers’ credit, PAYE scheme etc., Assistance in obtaining industrial plots, Providing necessary facilities and assistance in the establishment of businesses, Obtaining approval for work permits for foreign nationals, Facilitating the import of capital machinery and raw materials, Facilitating utility connections (electricity, gas, water and sewerage, telecoms etc., Assistance with import clearance and warehousing licenses, Online Registration System (ORS) and BOI Online Service Tracking (BOST) (BOI, 2016). These are the very
abstract and nominal services for the foreign investor to attract the FDI.

The economical viewpoint explains that the FDI policies of Bangladesh offers the investors following key facilities; Fiscal incentives like tax holiday up to 10 years, duty free import of construction materials, machineries, office equipment & spare parts etc., duty free import and export of raw materials and finished goods, relief from double taxation, exemption from dividend tax, accelerated depreciation on machinery or plant allowed, remittance of royalty, technical and consultancy fees allowed, duty & quota free access to EU, Canada, Norway, Australia etc. Non – Fiscal Incentives like 100% foreign ownership permissible, MFN (most favored nation) status, no ceiling on foreign and local investment, full repatriation of capital & dividend, foreign Currency loan from abroad under direct automatic route, non-resident, foreign Currency Deposit (NFCD) Account permitted, operation of FC account by 'B' and 'C' type Industries allowed. In addition some other facilities like no UD, IRC, ERC and renewal of Bond license, work permits issued by BEPZA, secured and protected bonded area, off-Shore banking available, import on Documentary Acceptance (DA) basic allowed and back to Back L/C, import and Export on CM basis allowed, import from DTA (Domestic Tariff Area), 10% sale to DTA (Domestic Tariff Area), customs clearance at factory site, simplified sanction procedure, sub-contracting with export oriented Industries inside and outside EPZ allowed, relocation of foreign industries allowed, accords Resident-ship and Citizenship, one Window same day service and simplified procedure.

Besides these fiscal, non-fiscal incentives and facilities the BEPZA authority guaranteed and secured the foreign investment under the Foreign Private Investment (Promotion and Protection) Act, 1980, offer insurance and finance program with OPIC’s (Overseas Investment Corporation, USA), secure and safeguards available under Multilateral Investment Guarantee Agency (MIGA) of which Bangladesh is a member and allow arbitration facility of the International Center for the Settlement of Investment Dispute (ICSID).

3.3 FDI Provisions in other Export Processing Zones: Besides EPZs the government of Bangladesh has recently established Bangladesh Economic Zones Authority (BEZA) which has been
emerged by the Bangladesh Economic Zones Act, 2010 with a view to establish more economic zones in all potential areas in Bangladesh including backward and underdeveloped regions with a view to encouraging rapid economic development through increase and diversification of industry, employment, production and export' (BEZA, 2016). This economic zone investment policy also offers a wide range of incentives to attract the FDI, for example the Income tax exemption on income derived from the business development of EZ in a block of 10 years in 15 years, Exemption of VAT on electricity or taxes on sale, All purchases, excluding petroleum product from Domestic Tariff Area (DTA) shall be exempted from VAT, sales tax, subsidy, Exemption from custom/excise duties, Exemption of stamp duty and registration fees, Exemption of stamp duty for registration of loan/credit document, Exemption from dividend tax and Exemption of income tax on service charges (BEZA, 2016). Despite having such lucrative incentives for the FDI, the Investment Policy Review of UNCTAD reported that the country performing poorly for FDI attraction and identifies the infrastructural weakness as one of the critical challenges besides administrative inefficiency and corruptions.

4. LABOUR STANDARDS AND REGULATION OF INDUSTRIAL RELATION IN EXPORT PROCESSING ZONES: ANALITICAL DISCUSSION

The journey of Export Processing zones in Bangladesh was started in 1980s establishing the countries first EPZ in Chittagong in 1983 to attract mainly the FDI with offering a wide range of incentives. Though from the very beginning the state provides a lot of incentives for the capital accumulation whereby the labour rights have been considered as a minor issue in the Export Processing zone. This section mainly analyses the labour rights and industrial regulation system in the EPZ areas of Bangladesh underlying the international labour standards in line with the core conventions of ILO and domestic labour law. There is a controversial debate about the labour standards in EPZs basically in terms of freedom of associations’ and right to organize and collective bargaining. However, the following section gradually explains the main objectives of the policy paper.

4.1 National Labour Law Does Not Cover the EPZ Workers:
Bangladesh has a comprehensive national labour law, the
Bangladesh Labour Act 2006, (amendment, 2013), despite having some limitation, the act ensures fundamental rights at work in light of the international labour standards. But the fact is that the EPZ workers’ rights and industrial relation is not covered under the Labour Act, 2006 (Amendment 2013). The labour relation in EPZ areas are controlled under a separate law titled “EPZ Workers Welfare Society and Industrial Relation Act 2010”. This law under section 3 provides that nothing withstanding explained about the labour rights and welfare in other laws this law will be followed over other. The government of Bangladesh has very recently has developed another special law for the EPZ areas, the Bangladesh Export Processing Zone (EPZ) Labour Law, 2014 rather including of the EPZ workers under the national labour law. The newly draft law is still to be finalized and matter of rigorous analysis and already raised debate.

4.2 Shortfall in Exercising Right to Freedom of Association and Collective Bargaining:
The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) is one of the core ILO convention and fundamental labour rights which denotes all workers and employers are entitled to establish and to join organizations according to their free choice to promote and defend their respective interests, and to exercise the collective negotiation power. This forming and joining a trade union should be free from any kinds of interference by the other party or the state. This rights to organize and collective bargaining rights makes it possible to promote democracy, sound labour market governance and decent conditions at work (ILO, 2008). Bangladesh has ratified this convention and the right to organize and freedom of association is also a constitutional right and the labour law of the country ensures specifically these rights and the state parties as well as the employers also recognized the trade union as a legal entity (Constitution of Bangladesh, Article-38, BLA 2006, Section-176).

But empirically, the EPZ workers have been treated separately than the other workers of the country in terms of rights, especially for the freedom of association and right to form trade unions. The solidarity center reported that EPZ workers had long been denied the freedom to form unions, but under the EPZ Workers Welfare Society and Industrial Relations Act of 2010 provides an opportunity to form workers’ welfare associations but not the trade union. But likewise the traditional trade union, the welfare associations are not allowed to be
affiliated or collaborate with any other trade union federation, nongovernmental organization or political organization outside the EPZs (Wadud, 2015). The USAID labour rights assessment in Bangladesh (2014), similarly stated that the labour relation cover under the EPZ Workers Welfare Society and Industrial Relations Act of 2010 but it does not allow to form trade union rather allows to form "Worker Welfare Societies" and register them with BEPZA (USAID, 2014). Besides the law provides a number of control over the workers association and conservative barriers to flourish the workers' associations like at least 30 percent of the workers in an establishment should be signed in the association formation application form and the authority will verify whether the workers really signed or not in the application form as well as the sign of the worker will be valid up to six months from the date of signing.

The restriction of forming traditional trade union and its association with any other outsider labour union and non-government association is completely contradicted with the core international labour standards.

Recently, the government developed a draft law entitled" The Bangladesh EPZ labour Act, 2014 and the cabinet has already approved the draft on 7th July of 2014. It is claimed by the authority that the new law acknowledged the right to collective bargaining and freedom of association (BEPZA, 2014). But the term trade unions, was still disappeared in the draft approved by the cabinet. The existing workers' welfare associations will act like as trade unions under the proposed Bangladesh EPZ Labour Act, 2014, explained by the cabinet (The Daily Star, 2014).

After review, the final draft law Bangladesh EPZ Labour Act, 2014, very recently has been approved by the cabinet on 15th February 2016. The New Age editorial, dailies of Bangladesh, reported that different provisions of the draft EPZ labour law are feared to allow employers’ interference, direct and indirect, in forming the welfare associations which certainly contradictory of mainstream trade union rights to unionism that would interfere to elect TU representatives independently with fair elections to bargain with the employers for their legitimate rights. The same source also explained that the new law makes the representative selection process complex, imposing the condition of forming a welfare association that needs the support of at least 30 per cent of the workers for registration with the Bangladesh EPZ Authority. In addition, after being registered the representatives of the welfare association must have the support of
50 per cent of the workers to claim themselves as representative (The New Age, 2016).

In sum, it can be said that the main contradiction of labour standards lies in the recognition of the right to freedom of association thus forming mainstream trade union inside the EPZs.

4.3 Minimum Wage of the EPZ Workers:
In the nominal sense, it is said that the workers of EPZs area enjoy comparatively more wages than the outsiders but how much is it? While the minimum wage of a helper in the garments sector outside of EPZ is 5300 Taka (67 USD), the amount is 5600 Taka (71 USD) for EPZs workers, a minor difference of 4 USD. The analysis of the minimum wage for the workers of enterprises of EPZs -2013 reveals that there is a minimum wage level difference among the various enterprises in EPZs. As mentioned the minimum wage of a helper in garments, shoes, leather products, service, tent, plastic, toys, cap and hat and support sector is 5600 Taka, it is 5992 Taka for the unskilled workers of Textile, Chemical, Oil, Dying, Agro, Furniture and Wood workers. There is no universal minimum wage standard for the EPZ workers and the amount of wage is not compatible for a minimum standard living condition.

But in terms of international standards of minimum wage, the ILO convention C131 - Minimum Wage Fixing Convention, 1970 (No. 131), Article 3, the elements to be taken into consideration in determining the level of minimum wages shall, so far as possible and appropriate in relation to national practice and conditions, include--(a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups; (b) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

Underlying this principle, the study finding of Ahmed and Akond (2013) calculated the minimum wage of a worker should be at least 10,000 Taka (127 USD) for a decent living condition whereas the current amount is half of this amount. In comparison with the public sector minimum wage the wage level is also significantly lower. The minimum wage level for the public sector workers is 8,250 Taka (105 USD).
5. POLICY RECOMMENDATION: GUIDELINES FOR TRADE UNIONS

The government are being developed 30 Export Processing zones and also targeted to develop 100 Export Processing zones across the country, the leading dailies of Bangladesh the Daily Star reported quoting the Commerce Minister Tofail Ahmed (The daily Star, November 26, 2015). The government is also more concentrated into the profit of foreign investors. The research found that the FDI policies in the EPZ areas of Bangladesh are more favorable towards the capital than the labour. Though there are a lot of incentives for the foreign investor, in contrast the fundamental labour rights, the freedom of association is still a debatable issue. So, it is the high time for the trade unions to give an intensive look to the labour standards in the Export Processing zones of the country. The equal opportunities of capital and labour is always a debatable issue for the country who follows the open door FDI policies. This section explains why the labour of the Export Processing zone should be promoted equally to accelerate the real growth and ensure social justice of the workers.

5.1 Justification to Formulate Labour Friendly Policies

The aim of this paper is not intended to oppose the FDI inflow to the country, but suggesting and arguing in favour of trade unions to formulate their own agenda to bargain with the authority to ensure internationally accepted labour welfare. Thus the research outlined the following justification or ground for the trade union arguments;

5.1.1 FDI should be strategically regulated: Incentives is not the merely solution

It is also argued and evidently proved that only the open door policies of the FDI is not the mere way of economic development. The success of deregulated FDI has been always a questionable issue. The prominent economist Chang. H (2008) with evidence pointed out that FDI may contribute economic growth only when it is regulated strategically for the long term oriented development. The research on

---

2 "We are offering an economic zone to Spanish investors, and they can choose any of the 30 zones that are being developed in parts of the country now.” “Our target is to develop 100 SEZs across the country.” “Our investment policies are really excellent and liberal.” (The daily Star, November 26, 2015).

2 The investors can easily repatriate their profits or capital from Bangladesh.”(The daily Star, November 26, 2015).
foreign investors in Eastern Africa conducted for the World Bank in five East African countries in 1994 which covered 150 current and potential investors from Europe, Asia and South Africa reveals that "Fundamentals" rather than "incentives" were indicated by the respondents as the main reason for their investment decisions. Incentives were ranked by similar factors as established personal relations, previous trade relations and favourable information. The investors identified the political and policy risks as the top risk whereas the labour regulations, trade unions and labour costs were perceived as moderate to minor constraints as well as the cost and/or quality of labour were ranked among low range constraints (ILO, 1996). So the exercise of international labour standards regarding trade union and maintaining a standard wage would not affect the investment opportunities in the EPZ of Bangladesh. The research also supports that the investor consider labour issues such as trade union representation useful as a channel for negotiation and dispute resolution.

Other research findings, in case of South Africa, which indicates, though the policymakers have introduced FDI favorable policies to attract more FDI, so far the results have not met expectations. The economy of South Africa grew faster in 2010, the real output in the economy increased by 2.8% and the unemployment rate in the fourth quarter of 2010 was 24%, a decrease of 2.1% when compared with the fourth quarter of 2009 though the UNCTAD estimated that a slump in FDI flows into South Africa in 2010 compared with 2009 (Mosia, 2012). So it doesn’t mean the only open door FDI policy can contribute to the development rather the sustainable and standard infrastructure is more valuable for the economic growth.

The practice of incentives for the investor to attract FDI should not include the right to freedom of association, organize and right to strike.

5.1.2 Trade union and labour standards: Friends of FDI inflow not Foes

Different research found that the existence of trade unions and practices of core labour standards positively affects the investor’s decision to invest in a country. Research finding stated that though there is a conventional wisdom that the trade union bargaining strength and system of wage bargaining tends to reduce the potential of FDI inflow, but empirically the evidence in favor of this assumption is rather limited (Radulescu and Robson, 2006). In a study, Bughin
and Vannini (1995) argue that a high degree of unionization amongst domestic firms might help to attract foreign direct investment if the ‘foreign’ firm is able to recruit labour in the host country market at the competitive wage. Challenging the conventional wisdom, Leahy and Montagna (2000) pointed that the centralized wage bargaining leads to be beneficial for a multinational enterprise.

In response of the slight decline of the FDI in Bangladesh, the Foreign Investors’ Chamber of Commerce and Industry President Chowdhury identified three major reasons; weakness in infrastructure, bureaucratic bottlenecks and corruption (Bdnews24, 2015) that doesn’t indicate any reasons related to trade union activities or workers association.

Following the evidence any restriction to use of the term “Trade Union” should be abolished and practicing the core labour rights must be ensured and setting deviant new norms for the EPZs should be rethought.

### 5.1.3 Applicability of national labour law: Cue from the International examples

The applicability of national labour code should be ensured in the EPZ areas likewise other developing countries as Costa Rica, Honduras, Indonesia, Kenya, Mauritius and Sri Lanka. These countries have already ensured the enforcement of all labour legislation in the EPZ areas. The country like Kenya modifying its legislation and ensured that the occupational safety and health regulation is applicable to all workplaces, including those in EPZs and Individual Observation on Convention No. 81, Madagascar, Published: 2008 found that the country reforming the applicability of its labour code and extending it to EPZs (ILO, 2011).

### 5.1.4 Central labour inspection: Practices of other developing countries

The Ministry of Labour and Employment should be proactive to take necessary action to ensure the inspection of workplace inside the BEPZ through the Department of Inspection for the Factories and Establishment. In many countries, there is a specialized inspection team for the EPZ areas. For example, Guatemala has formed a specific unit of labour inspectors that only responsible for the regular inspection all over companies in EPZ regimes. In Sri Lanka, there is a Labour Inspection Office inside the EPZs under the control of labour ministry (ILO, 2011).
5.1.5 Remittance and FDI: Demand for equal treatment

Though various studies indicate that FDI has a direct impact on the Balance of Payment (BOP), export, import and government revenue (Rayhan, 2009) the contribution of FDI is much lower than the inflow of remittances in Bangladesh (Rahman and Akond, 2015). The study of Rahman and Akond (2015) calculated that the total receipt of FDI in 15 years (2000-2014) was 12,203 USD while the amount of remittance inflow for the same period was 115,721.6 USD. Thus, it is evident that the contribution of remittances for the national economic development is much higher than the FDI inflow. Underlying this ground the trade union has also scope to demand equal concentration for the workers of outside the EPZs, specially for the workers in abroad. If the government can offer a bunch of lucrative incentive for the foreign investors, so why not for the workers who contribute much higher than this FDI? Though this issue is not associated with the EPZ but as a TU issue it can be highlighted.

6. CONCLUSION

In sum, Bangladesh is much friendlier towards the FDI in terms of incentives and benefits, whereas still there is some loop hole in practicing widely accepted labour standards. The issue of right to organize is facilitated with other terminology "Welfare Association" but not ready to accept the term "Trade Union" though worldwide studies didn't find a significant negative correlation with the existence of trade unions and FDI inflow. Despite having hindrance, there is also an opinion that the unusual option of protecting workers rights, welfare associations are gaining ground in factories throughout Bangladesh's export processing zones (Solidarity Center, 2015). But in line with the international standards, there is still scope of development. The right to bargain, with another form of association and complex process of representation is contradictory with the fundamental principles of freedom of association. The government should ensure the free and fair practice of trade union rights inside the EPZs. Additionally, the minimum wage of the SEZs workers should be determined following the international standards.

At the same time, the other core labour standards, according to fundamental principles of work should be empirically assessed as there is no reliable data available on these topics. This is also suffers the comprehensiveness of this study. The inspection, workers welfare and benefits, establishment of basic rights at the workplace is a matter of empirical research.
Finally, we can say that the labour standards in EPZs of Bangladesh is neither completely contradictory with the international labour standards, nor completely obliged, the new law ensures the fundamental right to form associations and entitled to bargain, but with a complex process and making space of interference which is contradictory with the freedom of acting freely, thus intervene the freedom of association. There are still space for collective action to ensure the exercise of fundamental labour rights.

REFERENCES


BEPZA. 2016. “About Bangladesh Export Processing Zone Authority.” Available at: http://www.epzbangladesh.org.bd/


39


Wildgruber, Susanne. 2013. “The Core Labour Standards of the International Labour Organization – Can Contemporary Compliance Theories Explain the Behaviour of States Towards the Norms?” Bachelorarbeit bei Dr. Lars Colschen

1. Introduction

In the recent sixth five-year plan of Bangladesh, it is mentioned that in view of large financing needs for social protection programs, options will be explored to move towards contributory social protection schemes including participation by the private sector. Emphasis will also be given to design social protection programs that create assets and employment opportunities.

In addition to government’s policy emphasis, the current United Nations Development Assistance Framework (UNDAF) for Bangladesh mentions the overreaching imperative of creating for all Bangladeshi citizens more equitable access to social protection and the establishment of a functional social protection system. Under Pillar 6, ‘Pro-Poor Urban Development’, a key-overriding theme is the need to secure equitable development within urban areas and to mitigate the worst effects of rapid urbanization. At the policy level, UN System Agencies will support development of national and municipal plans and budget allocations that support the rights of the urban poor and vulnerable populations, particularly with regard to land tenure security and access to affordable housing. Democratic and pro-urban-poor governance will be promoted, along with developing stakeholder capacities to plan and manage sustainable urban development. In particular, capacities of the urban poor to improve their socioeconomic conditions will be enhanced, along with increasing their access to basic services and social protection programs. UNDP will serve as lead Agency for this Pillar of Action Plan.¹

ILO country Office in Bangladesh also has social protection as one of the pillars in its current Decent Work Country Program (DWCP). Bangladesh Decent Work Country Program (DWCP) strategy was

¹ UNDAF Action Plan
developed and the first phase has been implemented for the period of 2006-2009. A newer and ongoing phase of DWCP for the period 2012-2015 focuses also on four key outcomes; one of these four is “Improving coverage of social protection and rights for workers in selected sectors, including for migrants”. The Country Office (of ILO) Strategy on Social Protection includes, inter alia, the development of a strategy paper on social protection for construction workers. This strategy search can be a part of ILO’s contribution to the Inter-Agency collaboration for development of a National Social Protection Strategy for Bangladesh, as envisaged in ILO’s country strategy of assistance to Bangladesh.

Against this background an attempt has been made to develop a social protection strategy for the construction workers in Bangladesh. This paper may include construction workers and also other workers from the informal economy and initiate progressive extension of social security and social protection for construction workers. In this way it can be considered as a stepping-stone. This is an attempt to examine the opportunities that exist and the innovations that are required in order to ensure gradual coverage for this group within an overall Social Protection Strategy in Bangladesh.

2. Overview of Social Protection Framework in Bangladesh

Bangladesh has variety of Social Safety Net Programs (SSNPs) from many years, some which have even commenced as early as the 1970s following independence. These were designed with the aim to provide for social security and risk cover. These have evolved over time with two basic objectives: protecting individuals from falling into poverty beyond a certain level through redistribution and correcting market failures. Food rations and post-disaster relief dominated the design of SSNPs of 70’s in Bangladesh. Gradually, Bangladesh government concentrated on the issue of demographic and social shocks and aligned SSNPs with this agenda. Although SSNPs have gradually been linked with mainstream social and developmental concerns from the 1990s, the scope and coverage is in fact less than 3 percent from the total expenditure on SSNPs. Importance of social safety nets in Bangladesh has increased due to the social, economic and political facts like erosion of informal social safety net by the family and neighborhood, poverty reduction and augmented responsibilities of Bangladesh state to social welfare.
Strategic and policy importance of social safety net within the policy framework of Bangladesh government can be understood by the budget speech of incumbent Finance Minister of Government of Bangladesh in 2011 on categorization of SSNPs. “Social safety net framework for poverty reduction is divided into four major categories: a) Provision of special allowances so that the hardcore poor can face the incidence of poverty to a certain extent, b) Employment generation for the hardcore poor through micro credit and different funds/schemes, c) Ensuring food security for hardcore poor by providing food free of cost or at fair price, and d) providing support to the hardcore poor in the areas of education, health and training to face the incidence of poverty.”

The Government of Bangladesh maintains a variety of social safety net programs designed to address mainly transient food insecurity stemming from different type of shocks due to seasonality, disasters, crisis etc. However, comparing the needs of the poor and marginalized people in Bangladesh, the rate of increase in social safety net programs is inadequate. Social Safety Net programs now account for 2.5% of GDP (FY 2009-2010) of Bangladesh and reach 11.6% of the population and 30% of the poor and food insecure marginalized. Government allocated BDT 17327 crore for the SSN in the FY 2009-10 which is about 15.22 percent of total budget outlay. (2010-11). In total, 97 percent of annual allocations are spent through 30 major programs (in excess of Taka 50 crores). There are also 22 minor programs (less than Taka 50 crores). The 10 top programs are accounting for 80.5% of total SSNP allocations for 2010-11.

However, still around 40 percent of Bangladeshi lives in poverty and 31 percent of households live in poverty in rural Bangladesh; the SSN programs leave out millions of poor people. That means all SSNPs cover only less than 10% of the poor. Again due to the implementation anomalies like mis-targeting and leakages, percentage of poor population actually covered through SSNPs can be low to the level of 7 percent.

---

2 In his budget speech for FY 2010-2011, the Bangladesh Finance Minister announced an allocation of Taka 19,497 crores to social safety net and social empowerment programs, roughly 2.5% of the GDP. However, it may be noted that this figure includes pensions for retired government employees and their family members.

3 Hossain Zillur Rahman (2011)

4 World Bank (2005)
3. Social Protection Covers and Construction Workers

Existing labour law of Bangladesh do not give any direction on pension provision and medical and life insurance for the workers from informal sectors like construction. Social assistance from the side of the government is not available for the construction workers. There are no provisions for health care, holiday pay and protection against loss of pay in periods when they are unable to work due to unemployment, ill health, accidents or old age. The condition of the construction workers has so far attracted least attention from the side of NGOs also. NGOs rarely move forward with programmes targeting the construction workers. Private issuance companies are also reluctant to take schemes for construction sector workers. At present 43 general insurance companies and 17 life insurance companies under private ownership are offering different packages of service targeting the clients. However, none of these insurance agencies has any package especially designed for the construction workers considering their socio-economic specificity. Gratuity is defined under the law as separation payment, at least 30 days, for workers discharged from work and yet who have worked not less than 6 months (BLL). But construction workers never hear about anything that resembles gratuity provision. According to the BLL, every establishment/employer is required to form a Provident Fund if three-fourths of its workers demand it by written application, which is not possible for construction works due to their transitory job employment arrangement. According to BLL again, establishments with 200 or more workers should institute a group insurance, which is again irrelevant for construction workers. Not only are employment conditions abysmal for construction workers, wage rates are unable to compensate for such poor working conditions thus leading to a high incidence of poverty for construction workers. In a recent study conducted by the Bangladesh Bureau of Statistics, wage rates were examined to identify the working poor (BBS, 2011). A total of 86 occupations spanning twenty industries were identified which included the following occupations within the construction sector: 1) site preparation labour; 2) mason; 3) mason helper; 4) brick breaking labour; 5) bricklayer; and 6) gharami. Within the occupation of metal, machinery and related trades, the welder and sheet metal worker were also listed as part of the working poor occupational categories.

---

5 Mostafiz Ahmed & Afroza Akter (June 2011)
4. SOCIAL PROTECTION STRATEGY for Construction Workers in Bangladesh

4.1 Social Protection Strategy

**Goal:** All construction workers in Bangladesh will benefit from improved social safety nets and social security as an integral part of a sustainable, affordable and effective national social protection system and floor and from a separate but promotive set of social welfare strategies for unorganised workers.

Goal of this strategy may comprise two guiding elements: (1) increased participation of the informal sector in the contributory social security systems, with more people enjoying the benefits of labour legislation and labour welfare schemes; (2) and create access for construction workers in existing National Social Protection Floor that is available at national level for all vulnerable people.

**Mission**
Initiate social development initiatives and complementary activities to help the construction workers graduate out of poverty and to assist the construction workers’ families graduate from the need for social protection ultimately.

**Milestones**

a. Prepare all construction workers in Bangladesh gradually for a right based, informed and scientific social protection programs through a national registration system over the period of next 8 (eight) years;

b. Review, reform and enact necessary regulations and acts under the framework of national labour act 2006, national labour policy 2010, national child labour elimination policy 2010, national labour welfare foundation act and other relevant and similar regulatory references to extend protection of construction workers in work environment and within labour market;

c. Establish a mechanism of national level social welfare found/scheme discreetly for construction workers under national labour welfare policy framework and consolidated from piloting to scaled up from 2013 to 2018.

d. Integrate, incorporate and influence National Social Protection Policy to augment better access for future, retired and existing
construction workers and for the family members of construction workers to national level social protection floor and human development programmes;

e. Innovate and explore micro, area-based and sub-sectoral social protection, security and social assistances for construction workers involving local government, trade unions, private sectors, employers and non-government organisations (NGOs).

Programmes (Immediate/Long-term)

A. Establishing National Registration System
B. Protection through Labour Market Measures and Labour Regulation
D. Accessing Public Safety Net and Human Development Programme
E. Innovate and explore micro/area-based social assistance projects/programmes

A. Setting the tones: Establishing a National Registration System and Other Institutional Arrangements: However, at macro level some initiatives, as groundwork can also be the part of a national social protection strategy for construction workers. Setting and promoting a National Registration system of Informal Workers, by enacting separate law particularly for construction sector or generalised law for all workers in informal/unorganised sector is required foremost. A mechanism to ensure that employers in construction workers issue appointment letters and provide wage slips and be monitored by the Directorates of Ministry of Labour and Local Government entities. This National Registration and Identity generation mechanism will help to create an administrative-governance mechanism to steer social protection measures effectively. A National Commission for Unorganised Sector (like in other countries) or strengthening existing National Labour Welfare Foundation but with rigour in monitoring, tracking and initiating schemes with required mandates and resource can be considered before initiating targeted social protection scheme or programs for construction workers, these types of governing entities may be required for even initiating any sort of national registration system for construction workers. The good news is that the National
Labour Policy 2012 also refers to the institutionalisation of Bangladesh National Labour Welfare Foundation Act 2006; repealed in 2009 in a more effective way so that different innovative social protection/social security schemes can be initiated for a particular segment. Implementation of any registration and formalisation law on issuing appointment letters, maintaining wage slip by the employers may require equipping local government to issue identity cards. Policy direction on capacity enhancement of national government in forming a central database and MIS based on these identity cards should also be the integral part of this law/regulatory framework.

Present sub-contractors through the aid or credit, small sub-contractor enterprises can be provided with capacity transfer packages and they can transform themselves into full-fledged and registered contractors (example – China).

Specific and Possible Future Strategic Actions under this Area A:

a. Collaboration with ILO/IOM on tracking construction workers and setting a registration system involving multi-stakeholders like Local Government Units, Directorates, Employers Associations Foundation and others

b. Streamlining social safety net schemes/social protection across all ministries through a separate commission

c. Developing MIS/national database and Regularisation of sub-contractors.

B. Labour Market Measures

Social Protection Strategy then should address the Labour market policies and programs designed to facilitate employment and promote the efficient operation of Labour markets. A social protection strategy of a certain segment of informal workers may include social insurance programs to cushion the risks associated with unemployment, health, disability, work injury, and old age.

Labour market reform can include implementation of National Labour Act and policy translations of recently enacted National Labour Policy 2010 to provide wage security and decent work to construction workers and to combat any form of wage discriminations in construction sector. Labour legislation, skills development, labour demand policies, labour supply policies, labour market programs and services, and labour migration policies are general elements of
labour market measures leading towards social protection. ILO’s four ‘core labour standards- freedom of association and the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour; and elimination of discrimination in respect of employment and occupation- can provide the first cover of social protection for the construction workers. Other ‘substantive’ measures including protective ones such as minimum wages and control of workplace hazards are also important.

In Bangladesh, minimum wage for informal workers is not institutionally determined and facilitated. However, like all other informal sectors, workers in construction sector face huge delay and loss in wages. Some sub-contractors, real estate agencies, manpower supplying agencies in public sector and engineering firms try to deceive them. Mastanocracy (dictates of local goons at local level) and ill-governed law enforcing agencies make the situation even worse. Along with minimum wage security, workers in informal sectors require a law-based guarantee to protect their wage and earnings from sub-contractors, mastans and employers.

A right of the workingwomen in construction sector particularly during their pregnancy is also an issue that requires serious attention when considering labour market reforms within the informal sector. The critical issue is therefore to get trade unions to take up the cause of the informal sector and work with government, insurance organisations, the small-scale private sector, and other civil society organisations to extend protection.

Even where legal measures are adequate, there is a serious lack of monitoring and enforcement. The government and its agencies have been weak in monitoring labour practices on construction sites and enforcing the laws and regulations designed to protect the workers. At the same time, workers are generally not aware of their rights and entitlements under the law and the contract. Lack of monitoring and enforcement and lack of awareness on the part of the workers’ has allowed the contractors the freedom to choose how they wish to treat their labour force and whether or not they will abide by the regulations of the government in this regard.

**Specific and Possible Future Strategic Actions under this Area B**

a. Implementation of Labour Law 2006 (including 2009’s Amendment) and protect construction workers from injury, illness, occupational hazards, wage loss, and discrimination.
b. If necessary a new act can be promulgated using the policy reference from National Labour Policy, National Social Protection Strategy and that can be termed as Labour Contract Enforcement Law/Act for Construction Workers or as National Construction Workers Service Regulations Act. This can address the issue of formalising the informal employer-labour relations, sub-contractors regulation and facilitation. (Stream A and Stream B actually may pursue same objective of formalising the informal workers and complimentary in nature but with two different action focuses.)

c. Elaboration of National Labour Policy 2010 and enact a separate act relevant for construction workers to protect them from wage and employment security, discrimination, occupational health and hazards, workplace safety, injury, invalidity, death, maternity emergency and denial of compensations. (Again action B.b and Action B.c can be considered as one single activity and one Act can encompass these elements in same Regulatory Reference)

d. Skill development and skill information dissemination programs for the informal level construction workers can be designed to address existing skill gaps. Skill is required for employment security and healthy relationship between employers and workers. Free public employment services and training can also be considered. Private sector (like REHAB) can be approached for resources necessary for skill development and training.

e. Awareness on labour policy and reforms in labour regulations are needed to be augmented and workers are required to be aware of these. Public education programme and plan can be developed involving private media, public media, ministry of information, social welfare and labours.


For specific program for the social protection of construction workers, a probe will be required to get the assessment of possibilities, opportunities and constraints over establishment of centrally funded and legally bound social assistance and welfare assistance programmes (as public initiative particularly for construction workers). A central construction workers welfare fund/scheme can be developed through mandatory contribution of employers, public sector subsidy and voluntary contribution of workers and
implemented by Local Government and New Administrative Arrangement like in India, Thailand and Philippines. Generally this type of Fund addresses the issue of unemployment benefit, illness coverage, medical insurance and death and injury insurance. However there are instances of specific social insurance programmes to cover risks under National Labour Welfare Foundation/Act like housing schemes and others like health care, children education as augmentation of the benefits gradually.

However this (national scheme/foundation/fund independently or under NLWF) will need a priori arrangement for regulations of employment and condition of services in construction sector. By enacting Building and Other Construction Workers (Regulations of Employment and Conditions of Service) Act, like India and many other countries; elements like compensation, registration, occupational safety and hazards reduction, skill development and other can be addressed in Bangladesh. This regulation of services and labour can set the basis of Welfare Schemes/Social Protection Fund. Moreover, it has to be considered that Social Welfare Fund cannot protect the wage security, work-hours rights, non-discrimination in wage.

Currently no social insurance is available for the construction workers since the available policy framework of insurance does not include informal workers. In addition the mobile, non-sedentary construction workers who have rural-urban migrant status are difficult to cover under national level social safety net type insurance or contributory fund generated insurance schemes like formal or public workers.

If the protection measures like work injury insurance, compensation against death and invalidity and medical insurance are covered through Labour legislation, Labour market measures and specific implementation of Labour act and Labour laws, then specific social insurance programs for construction works can address the issue of retirement, unemployment security, after death living allowances for family members, Urban Medical Insurance, Unemployment Insurance, informal safety net needs, risk covers during urban disasters like fire, natural disasters like urban flood, man-made disasters like economic depression and house allowance.

To implement this, a scoping and realistic plan will be required and local government institutions will need to be trained to deliver or cash transfer of the dividends of social welfare fund. There are some constraints that have to be looked into; for instance, in many
countries this type of contributory scheme (based on generated funds) ultimately brings down the wage of daily labourer. Employers include their contribution for cess in day-to-day basis wage. Minimum/standard wage for different sub-categories if will not be determined and suggested by government and maintained by owners/employers then it (collection of fund for contributory insurance schemes) will not be ultimately beneficial for the workers. Criteria of beneficiary and credit recipient eligibility has to be scrutinised and how much government can pay/contribute to this fund that should be determined by a budget analysis in relation to construction sector’s contribution to GDP and levy from private sector has to be aligned with profit that they are making or the range of consumption that an individual owners do.

Another issue that can be addressed through this type of national social welfare foundation is shelter and housing needs of the large informal workers engaged in construction sector. When consulted with construction workers they also state that their main economic hurdle to live in city life is to spend for housing. They, instead of suggesting cash transfer, request policy makers to initiate low-cost housing in peri-urban or surrounding areas of the cities with transportation facilities. They also suggest that they may contribute over a longer period such as 20 years and wish to own a small flat or a piece of land. There are examples of mixed subsidised and voluntary fund generation for housing in Bangladesh. Construction workers now spend almost half or one third of their earning on shelter and public utilities while living in even slums. Learning from housing programme like Ashrayan in coastal areas can be reviewed. Recently Bangladesh Bank has assisted women workers to build low cost houses in the periphery of Dhaka city through a fund, which is being managed by some NGOs. There are many examples of this type of housing and transport support in South Asian and Asian countries.

Specific and Possible Future Strategic Actions under this Area C

b. Governance, administration mechanisms and delivery mechanism have to be reviewed, reformed and mainstreamed by 3 years piloting.
c. A separate funding mechanism for low cost house allowance for workers can be designed. This can be treated as payable non-interest loan. Private sectors can also be brought as supportive sponsors along with government and government led financing agencies. Middle class aspirations should be avoided from the inception of designing such housing assistance programs.

D. Accessing Public Safety Net and Human Development Programme

To make the social safety protection programme relevant for the returnees of urban migrants again to their rural homes, or more importantly for the access to basic education and primary health care needs for their future generation and family members, accessing social protection floor for the nation in general is important for constructions workers.

The construction workers can access maternity allowance by accessing national social safety net programs. However there are two programs for mothers in Bangladesh; Ministry of Women and Children Affairs offers the Maternity Allowance for the Poor Lactating Mothers and the Ministry of Health offers Maternal Health Vouchers. Interestingly, there is a program at national level for low-income lactating mothers at urban settings too which is implemented under Urban Public Environment Health Development program but the problem has limited coverage, with a budget of only 30 crore taka in one financial year. So better would be to pursue for maternity benefits under the Labour regulation or services contract system in Bangladesh simultaneously augmenting access of construction workers in nationwide voucher and allowance nets.

When consulted and during Focus Group Discussion (FGDs) it has been found that almost all of the children of the construction worker now go to school and they have clear understanding about the importance of education for the future generation. Presently primary education up to class five is fully free and it will soon be extended up to class 8. Government of Bangladesh is distributing free textbooks up to class 5. There is the primary school stipend project, which monetarily is also a huge cash transfer under social safety net program. There are female secondary school stipend projects and the largest non-formal education program for hard to reach urban children. Even government from its Department of Social Welfare is
distributing stipend for Students with Disability. The only problem is the high hidden cost of illegal coaching in urban setup and less quality education. Accessing education for urban children is related with high cost of transportation and opportunity cost of earning from child work. Many children are also prohibited from enrolling in government schools because they do not have an official address. Even among those children that do have geographic access to primary schools and whose housing status allows them to enroll in formal schools, incentives to attend are low due to the reliance of families on their children’s Labour. Solutions lie in enhancing quality of primary education in government schools, abolishing illegal coaching, introduction of flexible transfer system for the children of urban workers and schools in slums, expansion of the programs like Basic Education for Hard to Reach Children in urban areas run by UNICEF and Bangladesh government. School meal as a social protection strategy for all urban children can retain children in schools and be beneficial.

To augment the access of workers of informal labour market, establishment of specialised hospitals for workers, recruitment of specialist physicians on occupational health hazards in existing health centres are also considered in newly enacted National Labour Policy (NLP 2010). The government pledges to introduce these gradually. Establishment of free medical centres or at least free primary health care facilities within the infrastructure of existing Shramo Kollayan Kendro (Labour Welfare Centres) in industrial areas of Dhaka and its surrounding areas is another policy direction mentioned in Bangladesh Labour Act. Sromo Kollayan Kendro (Labour Welfare Centre), which is factory-based idea, can be augmented to include informal workers. Furthermore, a GIS mapping can be introduced and based on that mobile sromo kolloyan kendo/labour welfare centres can be conceptualised and set in areas with a high concentration of construction workers in Dhaka and other large divisional cities.

Specific and Possible Future Strategic Actions under this Area D

a. Scoping study and dialogue with UNICEF, PEDP implementing unit of MoPE, Directorate of Education, Directorate of Secondary Education to advocate for extending more schools, flexible learning centres like BEHRC project and teachers and resources in urban setups.
b. Influencing PEDP and SEQAEP\textsuperscript{6} for initiating special measures like
   - Flexible transfers, recap (of lessons) and retake for the children of informal and mobile workforce and rural-urban migrant families
   - School meal at urban schools

\textbf{c. Contributing actions from Ministries of labour, women and children affairs, labour rights organizations, employers in construction workers to strengthen existing initiatives taken to gradually eliminate child labour in line with national child labour elimination policy, 2010.}

\textbf{d. Setting more health care facilities and labour welfare centres (sromo kallayan kendra) targeted for construction workers’ access}

\textbf{e. Recruitment of specialist physicians on occupational health hazards in existing health centres of government}

\textbf{E. Innovate and explore micro/area-based social assistance projects/programmes}

Micro and area-based schemes to address risk and vulnerability at the community level can be another avenue for providing social protection to construction workers. However these will need a certain policy guidelines as enacted by the national government and also facilitation of some policy supports to local level organisations will be needed to make the micro/area based social protection programs effective and relevant for the construction workers. Trade Unions must be brought into these micro/local area based schemes of insurances, savings and negotiation. Trade Union, NGOs and Labour Rights organizations can play an effective role in implementing such localised schemes. These programs can be based on cultural and sociological probing of traditional and non-formal cooperation and support mechanisms that are available for long in Bangladesh. Explore of traditional and alternative Social Protection Mechanism, involving Samaj, NGOs for innovative, alternative insurance and credit and other programmes can also be thought of under this idea of micro/area based social protection mechanism.

\textsuperscript{6} PEDP – Primary Education Development Program – now is in Stage III (Prog 3) and SEQAP is Secondary Education Quality and Access Enhancement Project; two large and huge Sectorwide multi-actors projects
Considering child protection distinctively to secure a healthy and productive development of the future workforce of Bangladesh a Social Protection Strategy for Construction Workers can find links from National Social Protection Strategy for Children.

**Specific and Possible Future Strategic Actions under this Area:**

**a.** Develop a national guideline for innovative and exploratory micro, area-based and sub-sectoral social protection, security and social assistances for construction workers involving, local government, trade unions, private sectors, cooperatives, employers and non-government organisations (NGOs). Roles, responsibilities, limitations, monitoring, evaluation, reporting and punishment measures all can be articulated in this guideline.

**b.** Training on Occupational Safety and Health (OSH) and Workplace Safety can be piloted in collaboration with Trade Unions, REHAB/Employers and Government and learning can be consolidated for future scaling up.

**c.** Private sectors according to existing National Labour Policy and NLWF Act can easily be encouraged to set essential service centres for construction workers and generally to informal workforces in Bangladesh.

**d.** Another policy guideline/rather directives can be formulated to bring private insurance companies and other public-private risk cover institutions to devise package/program for construction workers.

5. **Strategic Considerations before Translating this Strategy to Concrete Action Plans**

Bangladesh now needs a nationally owned/consensus based and practical/realistic but coherent National Social Protection Policy for all in Bangladesh, which may include all Social Safety Net Programmes and Labour Market Reforms, Private Sector initiatives on Social Protection and others. However along with national level formulization, this national strategy can include specific schemes for discrete and different needs like that of Construction Workers who belong to the informal and unorganised labour market. This can also be one path and be sought simultaneously with search and establish Special Laws/Acts/Policies and Schemes under National Labour Welfare Foundation or Separate Governing Board/Authority catering only the construction workers.
In this context, to develop a social protection strategy for the construction workers, narrow concepts of social safety nets have to be overhauled. Non-contributory social safety nets in the form of cash and food transfers are not the only elements of social protection strategy of modern world. To relate social protection with the prospect of national growth and to make the social protection both preventive and promotive and finally to instill a social transformation process leading towards equitable society, social protection strategy has to incorporate programs for extreme poor, poor and also moderate poor, and people from rural and urban, working class as rural-urban migrants and workers involved in both formal and informal sectors. Social Protection strategy then must encompasses social safety nets and other promotive social protection elements like insurance, contributory transfers and others.

Notwithstanding Bangladesh’s progress and level of development in some areas, appropriate credit and insurance markets are underdeveloped restricting the scope for private insurance. The scope for social insurance is limited because the labour market is characterised by high proportions of self-employment and unstable and irregular wage employment. High occupational diversity and employment instability also characterises the urban informal sector in Bangladesh economy. Finally labour market is characterized by irregular and informal employment. Extreme poverty and this imperfect labour market make Bangladeshi policy maker to select options for basic entitlements for those in chronic poverty and as protection against more ‘ordinary’ threats to livelihoods and living standards of poor people. To address social protection needs of construction workers in Bangladesh approach to social protection must be broadened to special welfare couched by and cushioned with special programmes, polices, acts and laws so that the these moderate poor of construction workers and their family members cannot be dragged again to poverty.

This strategy may suggest paths to find access for construction workers to existing social assistance and welfare service programs those are providing subsistence to the most vulnerable groups with no other means of adequate support. Strategy may suggest micro and area-based schemes/actions to address risk and vulnerability at local level and also national level large and contributory foundation and fund for social protection.
Strategy may extend it to other rights issues like child protection and health care of the families of construction workers to secure a healthy and productive development of the future workforce of the country.

Growing demands of the unorganized labour force and their attempts to organize themselves can be met by a decentralized participatory social security system. Moreover, extending social security to the unorganized sector does not mean merely a matter of extending existing organized sector schemes or national level social protection elements to new groups. Rural Local Government Units may have different social protection measures for their migrant contributors from urban centres. Decentralised Social Protection involving employers, Trade Union leaders and Local Government can be explored under certain regulatory framework or policy diktat. Decentralised schemes can also make the funds contributory and manageable. However the so-called mis-governance paradox of Bangladesh polity can be a threat to be considered for this ‘decentralization’.

Workers may not like to be trapped in stigmatised social safety nets like allowances; charity may work for extreme poor from rural setup, but for construction workers a certain rights based framework of contributory social protection mechanism will be required. Transformative components of social protection if will be included in the policy document then different departments, directorates, authority and ministries of government can develop their own social protection programmes/projects. Alternative idea to have Social protection Floor at national level however prefers nationalised social safety net for all gradually.

Many policy makers have tendency to argue for empowering low-paid workers to claim fairer wages and challenging employers to provide better working conditions, minimum wage legislation simultaneously raises incomes (which is “promotive”) and enhances workers’ rights and bargaining power in the labour market (which is “transformative”). However the situation and living contexts of construction workers in Bangladesh demand certain social security interventions against illness, unemployment and so on. Focussing only on wage may not help these workers but again ensuring decent work environment and additional protective schemes may not work if a minimum wage security cannot be provided with.

Populist tendency is to advocate for ration/OMS for construction workers living in urban centres. There is example of distributing food
ration among garment workers in industrial zones of peri-urban centres of Dhaka, Bangladesh. However existing review literatures, on Social Safety Net implementation, reveal the fact that food transfer generates corruption, leakages and misappropriation, in general. Again however the temporary nature of construction sector employment may not be helpful for initiating food ration like for garment workers.

Social protection measures should not only provide immediate relief but also contribute to building the beneficiary population’s ability/capacity to contribute to the social and economic development of their community. However basic premises behind the formulation of social safety net programmes by policy makers shape ultimately the bias between responding immediate shocks of vulnerable and extreme poor and providing safety plus ladder or 'transformative' social protection needs.

Notes on Future Implementation: First of all a database of identity is required and must be generated through a national registration system with which multi-stakeholders (local government, trade unions, employers and others) are needed to be involved. Possibilities of smart and digital technology and mobile-based payments of dividends from social protection funds have to be explored in inception stage. More rigorous policy analysis will be required to be undertaken for each suggested action under all sets of action-streams. Capacity development program, orientation program on social protection for labour ministry officials and orientation on construction/informal workers’ lives and aspirations on social protection for others like policy makers involved with Ministry of Social Welfare, Planning, Finance and Education and Health may create the right momentum for shared understanding on the necessities, mechanisms, systems and processes for effective implementation of future social protection programs for informal workers in Bangladesh. So as to identify minimized planning and delivery costs (overheads) of social safety net programs and in order to achieve a maximum net transfer of resources to beneficiary populations, practicalities of implementation modalities should be sorted out. Cross-sectional coordination and integration of social protection measures with decentralized development planning can be instilled as a principle for suggesting implementation mechanism for any social protection scheme or action. Premature or whimsical program cycles need to be avoided. Mechanisms for greater voice
and participation by construction workers are required during policy formulation, review, appraisal and evaluation processes. Issues like the weakness of the local government institutions, leakages and corruption like ghost-registration and double registration of beneficiaries can be identified using learning from existing social transfers.

A consultative process accommodating grassroots actors, trade unions, construction workers, possible implementing agencies of government, development partners, civil society organisations, other policy makers, and development partners is required to finalise a nationally owned social protection strategy for construction workers in Bangladesh. Since Government of Bangladesh initiated the process of development of a National Social Protection Strategy, the salient issues of social protection relevant for construction workers can be incorporated within this strategy. Moreover, under the framework of National Labour Law and Labour Welfare Foundation Law, Bangladesh 2006, another Welfare and Social Protection Strategy is required for workers in informal labour market in Bangladesh where the issues for construction workers can be accommodated. Before finalizing any program/action targeting social protection for construction workers, rigorous assessments of similar current programs are needed along with feasibility of innovations and new programs. Learning from international best practices may sharpen the programs for construction workers’ security and protection.

6. In Lieu of Conclusion
As such, a definitive social protection strategy for construction workers may include the following: a national registration system for construction workers, issuing of appointment letters and wage slips, contributory social insurance schemes, housing allowances, skill development, paid maternity leave, provisioning of health and education services, etc. The proposed strategy to provide social protection for construction workers in Bangladesh provides a set of initiatives that go beyond that of mere safety net provisioning and are more in line with the concept of a social protection floor that rests on the dual provisioning of services such as health and education as well as income support.

In fact, a range of different social protection policies, such as those in India, China and the Phillipines, for example, illustrate that
comprehensive social protection schemes are feasible. The analysis has also shown that financing such a social protection floor is fiscally possible. Moreover, a wide range of existing policies, laws, frameworks and conventions such as National Labour Law, National Building Code, Convention on Migrant Workers, etc. provide a starting point with which to frame a minimum social protection floor policy for construction workers.

BIBLIOGRAPHY

- Abdul Hye Mondal (December 2011); Mapping Social Security and Social Protection Regime in Bangladesh, International Labour Organization, Dhaka
- ADB (May 2008); Report and Recommendation of the President to the Board of Directors; Project Number: 39408; Proposed Loan People’s Republic of Bangladesh: Skills Development Project by ADB (Asian Development Bank)
- Afzal Kabir Khan (April 2012); Social Protection of the Workers in Bangladesh: An overview of the leather processing industries; Bangladesh Institute of Labour Studies (BILS)
- Binayak Sen (2011); Governing Social Protection in Bangladesh Addressing Critical Issues and New Challenges, (Dr. Binayak Sen of BIDS), Presented at International Conference “Scaling up Social Protection in Bangladesh: Providing Ladders out of Poverty and Social Safety Nets” in Dhaka, on 9-10 October, 2011
- Bingqin Li and Huamin Peng (November 2006); The Social Protection of Rural Workers in the Construction Industry in Urban China; Centre for Analysis of Social Exclusion London School of Economics
- BSS, GoB (2010); Labour Force Survey Report, Beaureau of Statistics (BSS)
- C. P. John (2004); Social Security and Labour Welfare with Special Reference to Construction Workers in Kerala; Kerala Research Program on Local Level Development, Centre for Development Studies, Thiruvananthapuram
- Government of Bangladesh; National Labour Act, Bangladesh 2006
- Government of Bangladesh; National Labour Policy, Bangladesh, 2010
• Government of Bangladesh; Labour Welfare Foundation Law, Bangladesh 2006
• Government of Bangladesh; National Child Labour Elimination Policy 2010,
• Government of Bangladesh; OSH Policy (draft)
• Government of Bangladesh; Sixth Five Year Plan
• Government of Bangladesh; 2012; Budget Speech (Social Safety Net Relevant Parts)
• Hossain Zillur Rahman (2011); Consolidating Nets, Promoting Ladders Bangladesh Experiences on Social Protection and Way Ahead; Keynote Presentation by Hossain Zillur Rahman of PPRC, Presentation made at International Conference on Scaling-Up Social Protection in Bangladesh, Dhaka 9-10 October, 2011
• Iffath Sharif (2011) Scaling up Social Protection in Bangladesh, Targeting for Effective Social Protection in Bangladesh: Evidence from Household Surveys; (Dr. Iffath Sharif, Senior Economist, World Bank), Presented at International Conference “Scaling up Social Protection in Bangladesh: Providing Ladders out of Poverty and Social Safety Nets” in Dhaka, on 9-10 October, 2011
• ILO Bangladesh; Decent Work Country Program-Bangladesh (DWCP-Bangladesh)
• ILO & WHO (October 2009); The Social Protection Floor; A joint Crisis Initiative of the UN Chief Executives Board for Co-ordination on the Social Protection Floor; Geneva
• ILO & WHO; June 2010; Social Protection Floor Initiatives
• ILO (2011); Social protection floor for a fair and inclusive globalization; Report of the Advisory Group chaired by Michelle Bachelet Convened by the ILO with the collaboration of the WHO;
• ILO; (2011); Basic social protection costing models and policy implications; By Behrendt, C.; Presentation given at ODI International Conference on Financing Social Protection in LICs: Finding the Common Ground, London, 26-27 May 2011
• ILO (2012); Improving social protection and promoting employment
• ILO Instrument on Minimum Social Protection Floor etc.
• ILC Recommendations on Social Protection Floor
• World Bank (2005); Social Safety Nets in Bangladesh: An Assessment, Human Development Unit, South Asia Region
and legally bound social assistance and welfare assistance opportunities and constraints over establishment of centrally funded C. Social Insurance/Social Welfare Fund/Social Welfare Schemes increasing their access to basic services and social protection Pillar 6, 'Pro-Poor Urban Development', a key-overriding theme is the only on wage may not help these workers but again ensuring decent health care of the families of construction workers to secure a healthy public education programme and plan can be developed can encompass these elements in same Regulatory Reference) gradually been linked with mainstream social and developmental local government institutions will need to be trained to deliver or cash funds) ultimately brings down the wage of daily labourer. Employers currently no social insurance is available for the construction workers employment and condition of services in construction sector. By children education as augmentation of the benefits gradually. Arrangement like in India, Thailand and Philippines. Generally this possibilities of smart and digital technology and mobile-based salient issues of social protection relevant for construction workers gradually been linked with mainstream social and developmental local government institutions will need to be trained to deliver or cash

ossibilities of smart and digital technology and mobile-based

salient issues of social protection relevant for construction workers gradually been linked with mainstream social and developmental local government institutions will need to be trained to deliver or cash