

# Employment Security Wage and Trade Union Rights in Four Industrial Sectors of Chittagong Region



**BANGLADESH INSTITUTE OF LABOUR STUDIES-BILS**  
Labour Resource & Support Centre (LRSC)



# Employment Security, Wage and Trade Union Rights in Four Industrial Sectors of Chittagong Region

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# Employment Security Wage and Trade Union Rights in Four Industrial Sectors of Chittagong Region

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## **Acronym**

BILS	Bangladesh Institute of Labour Studies
BLA	Bangladesh Labour Act
CSO	Civil Society Organization
DIFE	Department of Inspection for Factories and Establishments
DOL	Department of Labour
FGD	Focus Group Discussion
KII	Key Informant Interview
ILO	International Labour Organization
NGO	Non-Governmental Organization
RMG	Readymade Garment
TU	Trade Union

## **Executive Summary**

This study is an in-depth investigation of employment security, wage practices and trade union practices in four selected sectors [Readymade Garments (RMG), Hotel and Restaurant, Health and Diagnostic Centre, and Construction] of Chittagong area. The study is qualitative in nature and have collected information by applying Focus Group Discussion (FGD), key in format interview (KII), desk review, consultation, and case study.

## **Employment security**

Status of employment security entails some commonalities as well as differences among the sectors under this study. However, in general low level of employment protection characterizes all these sector. The absence of the instrument that establishes rights entitlements (e.g. appointment letter and written employment contract) is an important issue in this regard. In construction sector almost all are recruited through informal channel. Appointment letter is also seen hardly among the RMG workers. Stability of job is a serious concern since the practice of 'hire and fire' is also common in all sectors. The practice of dismissal and job termination of the workers is very frequent. The sense of insecurity is high among the workers which has been manifested in the condition of labour turnover. Voluntary, involuntary and constructed all types of turnover have been evident. Long working hour; and absence of leave and rest; poor facilities; workplace harassment etc. compel workers to change their workplace/employer.

## **Wage practice and its implication**

Sectoral minimum wage exists for three sectors (construction, hotel and restaurant, and RMG) and workers of health and diagnostic center are yet to be covered by minimum wage. However, there are evidences of paying lower amount than the minimum wage. Timeliness of wage payment is better in RMG, and heath and diagnostic centers, and worse in hotel and restaurant. Practice of keeping wage due is more common in hotel and restaurant sector. Application of the labour law provision on 'getting the wage from employers when the contractors do not pay' is never seen in

construction sector. Wage deduction is also available in all sectors with varied degree. Gender based wage discrimination is significant/frequent in construction, and hotel and restaurant sector.

The existing wage practices have both financial and non-financial implications in the lives of the workers. Financial implication is concerned with imbalance between income and expenditure; savings, loan from different sources. The non-financial implications, on the other hand, are reflected/manifested in food consumption, work-life imbalance, indecent living, child care and education, and psychological stress and frustration.

## **Practice of TU rights and Challenges**

Union density is low. The organizing efforts and practice of TU rights face number of constraints and challenges of multifarious nature—related to employers; related to workers and work nature; related to administration; and related to political environment. Employers always create obstacles so that workers cannot join TU. Worker and work-nature related constraints include too long working hour (in all sectors), temporary work (especially in construction and hotel and restaurant) and low income (in all sectors). Two other important problems/challenges for organizing activities are—problem of trust between worker and TU leaders; conflicting interests of trade unions. Regarding the challenges related to administration the most important issue is the administration-employer-politician nexus. Despite several challenges, trade unions in Chittagong have some achievements also in areas of getting due wage, weekly holiday, maternity leave, festival bonus etc. However, it must be mentioned that these achievements are just on case-basis and have little implication on whole sector.

## **Way forward**

This study recommends following steps—i) implementation of law and strong monitoring from DIFE and DoL; ii) bringing all under minimum wage coverage, increasing minimum wage amount and updating/revision of minimum wage regularly, iii) reducing gaps between trade unions, iv) bring trust and confidence between workers and TU; and v) training of workers and TU leaders.

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## **Part I: Introduction**

Chittagong is one of the most significant and influential industrial hubs in Bangladesh. Ready Made Garments (RMG), Hotel and Restaurant, Health and Diagnostic Centre (Private Hospital) and Construction sectors among others four (4) important manufacturing and services sectors in Chittagong. A large number of workers are employed in these industrial sectors. Like many others, violation of workers' rights is common in the mentioned industrial sectors. There is no employment security of workers. Almost all recruitment of workers is done on contract basis. Dismissal /discharge/ sack is reportedly a routine practice. Mentioned sectors have a very poor and precarious wage practices. Workers are not organized. Healthy trade union practices and effective collective bargaining are apparently absent. Besides, large portions of the worker are not protected by the labour laws and there is lack of proper implementation of the laws. In short, workers in the targeted labour sectors are deprived of employment security, decent wage, TU and other rights. There is also scarcities of accurate data and documentation of labour rights in the selected sectors.

Given these backdrops, Bangladesh Institute of labour Studies – BILS, working for last couple of years in the mentioned sectors, recently conducted a study titled “Situation Analysis of Workers’ Rights, Livelihood and Trade Union in the Selected Industrial Sectors of Chittagong”. The study has created detail information base on the persisting workers’ rights situation and those of trade union practices in the mentioned sectors. Having this backdrop, and with a view to draw systematic interventions, BILS felt it necessary to investigate further, and in in-depth manner, on the issues of employment security, wage practices and trade union practices in some selected sectors in Chittagong. Present study is an outcome of that felt need. The study has been conducted based on following three specific objectives—to study the employment security in the selected sectors and relevant causes and consequences; to study the persistent wage practices and relevant impacts on life and livelihoods of



the workers; and to study the constraints in organizing and TU practices in dealing with labour rights.

This research is based on qualitative paradigm of research. Data has collected both from primary and secondary sources. Desk review, in-depth interview, FGD, consultation and case story collection methods are largely applied which are backed by a number of checklists. Four focus group discussions (FGD) are conducted with the workers, one FGD with workers of each of the four selected sectors. Four case stories are collected and twelve in-depth interviews and key informant interviews (KIIs) are conducted with the trade union leaders, employers, government officials, and CSO/NGOs. A consultation workshop was further organized including workers and trade union leaders.

This report is organized into six parts along with this introductory part (Part I). Part II has analyzed the state of employment security, wage practice and trade union situation of construction workers in Chittagong. The condition of health and diagnostic center workers in these areas has been analyzed in Part III. Part IV and V have respective explored the situation of hotel and restaurant workers and RMG workers of Chittagong. Finally, Part VI draws the conclusion and way forward.

## **Part II: State of employment security, wage practice and organizing in construction sector in Chittagong**

### **2.1 An Overview of construction sector in Chittagong**

Construction sector, the engine-room of economy, is considered as one of the critical driving forces of development process since it is directly related to the development of infrastructure, the key to development. This sector covers a wide range of areas such as public and private housing, nonresidential public buildings like hospitals and schools, commercial buildings like offices, and industrial buildings like factories and units – which all are vital to path of socio-economic progress. In Chittagong numbers of construction companies are working. Some are renowned and some are not much known to people. Most of the construction sites are situated in the city corporation area. The large companies have yearly turnover of minimum 200 crore taka, while the small ones have minimum 30 crore taka on an average<sup>1</sup>.

Construction industry is a key source of employment in Chittagong. Mostly, poor and vulnerable people are employed in the construction jobs. Public data is largely missing. According to local trade unions, there are around 3 lacs construction workers are employed in Chittagong district area of which about 10 percent are women<sup>2</sup>. There is no fixed number of workers under the companies. As per their necessity, they used to hire the workers through subcontractors. National, international labour standards are hardly implemented for them.

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1 BILS (2017), *Situation Analysis of Workers' Rights, Livelihood and Trade Union in the Selected Industrial Sectors of Chittagong*. Dhaka: Bangladesh Institute of Labour Studies.

2 Ibid

## 2.2 Employment protection

A BILS study showed that construction workers are in general employed under three different statuses—daily-basis, contractual, and monthly-basis, where the share of daily basis workers is the highest<sup>3</sup>. The scenario is same in Chittagong. All the FGD participants of the present study were daily-basis worker.

Recruitment process is an important factor of employment insecurity of the construction workers in Chittagong. Recruitment process is predominantly informal in nature and the sector generally lacks any well-structured recruitment system. The employers themselves do not recruit workers directly. It is a responsibility of the contractors to hire workers who are again dependent on sub-contractors or mediators, known as *sardar*, for the supply of required number of workers. Contractors often ask their friends or relatives to supply workers. Another common practice is that contractors allow/permit Head Masson (*Mistri*) to recruit workers being in the construction sites. There are always a number of workers who themselves come to the construction sites for work. There is no formal recruiting agency/organization to hire/recruit workers. Majority of the FGD participants said that contractors had recruited them.

According to Bangladesh Labour Act (BLA), every worker shall get an appointment letter and identity card with photograph from his employer and employer must maintain service books for all workers (except apprentice, badli or casual worker) and a register of workers (BLA Section 5, 6, 9). These are important instruments of employment protection as these serve the basis on which workers' job related entitlements are established. However, it is a grim reality that employment related provisions in the labour act is never a practice in the construction sector in Chittagong.

Workers in general work by oral contract on daily basis. FGD participants didn't have any appointment letter. Few workers had identity cards, which unions issued to them, not the employers. Our study shows that there is

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<sup>3</sup> Ahmed, Mostafiz and Afroza Akter (2011), *Construction Workers in Bangladesh: Situation Analysis of their Work, Living Conditions and Rights*. Dhaka: Bangladesh Institute of Labour Studies.

no practice of maintaining either service book or employee register. Reportedly, employers/(sub) contractors maintain an attendance sheet or note-book to keep records of daily attendance and others tasks of workers, though it is not a legal provision.

Many construction workers don't have work year round and sometimes they don't even have work for entire month. On average, construction workers in Chittagong are to remain jobless for about 1-2 months a year which sometimes continue up to 3-4 months. Four broad categories of factors are identified for this such as 1) workers centric, 2) related to contractors/sub-contractors, 3) work related and 4) natural factors. *Workers centric factors* mainly include ill-health, physical fitness, restlessness and willingness to work. Mannerisms from contractors, nature of contact, breach of contract, irregular payment, and throwing out (by contractor) of work are contractors/sub-contractor related factors. Work related factors include availability of work, place of work, nature of work, and availability of raw materials. Regarding natural factors there are seasonal variations and bad weather. One of the FGD participants said, *"Construction works need hard labouring, it is not possible to work all through the month. We do need money but, we cannot work. Our body doesn't permit us. If we remain absent from work for more days on health ground, it is difficult to resume in the same job. Sometimes, it is due to weather factor we don't have any work."*

There is less women employment in the construction sector. It is difficult for women workers to manage job for entire month. There is serious gender division of labour and women friendly work is too limited. On the other hand, contractors do have a negative attitude. Construction work is hard laboring and there is abundant men labourer available always. Because of these, contractors in general have a less interest to engage women workers at their construction sites. One contractor said—*"women workers cannot do hard-labouring works like men workers"*. Since, almost all workers are men, contractors often fear to recruit one/two women workers on the ground that it may hamper entire work-environment.

## 2.3 Wage practice and its implication

On average, a construction helper earns 300/350 taka only a day. A mason (*mistri*) earns around 500-600 taka daily. This is reportedly an increased income for last couple of years. However, daily income is reportedly still too low against persistent cost of living. On the other hand, there is gender discrimination of wage. A study reveals that women construction workers are paid at least Tk. 20-30 less than men for the same work<sup>4</sup>. In the FGD, workers do repeatedly claim that when a woman worker gets Tk.300, for the same work, Tk.350 is given to a man worker. One contractor tells us that wage discrimination has reduced in recent years, though the sector is yet to free from it. Interesting to note that a number of men workers and contractors tell us that since a woman worker cannot do as much hard laboring as a man worker can do, she should get less than a man worker.

Though workers work on daily basis, they are not paid at the day's end. Workers are paid once or twice a week. Again, they are paid only a part of their wages in these middle days. Reportedly, only Tk. 80/90 a day as for *khoraki* (*FOOD COST*) is paid to the workers. Rest of the amount is kept due which is paid after the completion of entire work. This is clearly a violation of existing wage-payment provision of labour law. A number of workers say us that in case of throwing out of work and/or job switching, it is almost impossible to get paid off due wages from the contractors. In such a case, respective contractor is unreachable most of the time and when they can be contacted they usually offer a rude behavior. There is never an evidence of application of labour law in such a case and there is no single reporting available that switched off/fired worker was ever paid off his/her dues aftermath.

There is wage cut/wage deduction by the contractors (BILS 2007). Though, a slightly changed practice is reported in recent years. Mostly, workers and contractors (sub) said us that wage cut/deduction is infrequent now a day.

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<sup>4</sup> Hossain, Jakir, Mostafiz Ahmed and Afroza Akter (2010), *Decent Work and Bangladesh Labour Law: Provisions, Status, and Future Directions*. Dhaka: Bangladesh Institute of Labour Studies

Imbalance between income and expenditure is common. Construction workers adopt various means to minimize income-expenditure gap. Our study finds that taking loan is one of the common practices to minimize this gap. Construction workers take loan from variety of sources e.g., from relatives, from NGO, neighbor and known persons, from traditional money-lender and co-operative societies (known as *somiti*). Taking loan from relatives and *somiti* are two most commonly explored sources. Construction workers can hardly save. Income-expenditure gap prevents them from saving. They do get paid a low wage. On the other hand, there is a high price of food items and daily necessities. Thus, it is difficult for them to save for future from their earnings.

*“We don’t have any savings. We don’t have any scope to save. We struggle to ensure three-meals a day with the little amount we get, we cannot even think of savings”*— says one FGD participant.

Insufficient income has implication on nutritional status of workers. Construction workers in general consume low calorie than the recommended standard, minimum 2122 kcal a day for an adult individual to maintain normal health (Islam, 2008). Our study finds that though workers are able to manage three meals a day, they cannot ensure balanced diet in most of the time. Protein deficiency is high in the menu. Most common food items are rice, lentil/*dal* and vegetable. They can eat small fishes only two/three days a week and hardly can purchase big fishes. Meat is a rarely included item in the menu. A number of workers said us that they usually eat low-cost broiler chicken two/three times a month. Many others reported that they have not had meat in their menu in the entire last month. The practice of taking either fruit or egg is rather infrequent.

## **2.4 Trade Union Rights**

Construction workers at Chittagong do have a similar practice of trade union and collective bargaining like the national one. They are mostly unorganized and don’t have membership to any forms of trade union. Trade union related activism is too little in the workplace. In a previous study, 79 % of construction workers reported that there is either no organizing activity at workplace or they are completely ignorant on this. In

the same study, only 2% of workers said that there is welfare committee at workplace<sup>5</sup>. Our study finds that apart from non-existence of workers' associations at workplaces, construction workers at Chittagong are largely unaware about trade union related practices. When dispute arises at a construction site, respective worker tries to solve it individually.

Related to organizing activities and non-functioning or limited functioning of trade unions/workers' association among construction workers in Chittagong, this study has identified a number of challenges/problems. Frequent change of living place particularly associated with job nature is core of all factors. Construction work is project based and temporary. Associated with this job nature, construction workers frequently shift to new places. Consequently, on one hand, it is too a difficult task for unionists/organizers to organize construction workers into union and, on the other hand, workers lack interest to join and continue an association. Many trade union leaders have said us that the existing provision of the labour law requiring membership of at least 30 percent of total workers employed in an establishment or group of establishments, to form trade union, is itself a bar on unionization.

Long working hour without a fixed working schedule is the second most important bar in this. It is really tough for unionists/organizers to find time from construction workers for organizing purposes and to make workers functional into union activities. Construction workers do have hardly any time to spend for trade union related activisms. A third factor is paying membership fee and monthly subscription. Being consistently into a subsistence living, spending money for getting identity card from trade union and to continue paying monthly subscription is very often a serious burden to construction workers.

Last but not the least, there is both a positive and negative perception prevalent among construction workers in regard to having a trade union at workplace. A comparatively large section of workers, in spite of not having trade union membership, consider that trade union can play a pivotal role to protect rights of construction workers as well as can upheld

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<sup>5</sup> (BILS, 2007), *Status Report: Workers Human Rights in the Construction Sector of Bangladesh*. Dhaka: Bangladesh Institute of Labour Studies

their demand at workplace. A number of workers told us that to get a just compensation to injuries and accidents that occur at construction sites, the role from a trade union is a must. A number of others told us that trade union is a source of collective strength and courage to the workers. A second section of construction workers however holds the view that there is too little role of a trade union to bring any good to them and it is only wasting of time participating in trade unions. A number of workers told us that contractors and sub-contractors have a dominant role in the prevalent trade union practices and as such protection of workers' rights is largely undermined.



## **Part III Health and diagnostic center workers in Chittagong**

### **3.1 A brief overview**

There is paucity of data and it is really tough to get an accurate picture on this. According to Department of Inspections for Factories and Establishments (DIFE), there are 120 health and diagnostic centers in Chittagong, have employed around 2950 workers<sup>6</sup>. A previous study of BILS has mentioned that roughly 500 health and diagnostic centers in Chittagong have employed around 20,000 workers<sup>7</sup>. Health and diagnostic centers are in general located within city corporation boundary. There are large, medium and small health and diagnostic centers. Many of the centers have only diagnostic services available, many of them are only health services providers, and there are many others who serve both. Reportedly, a large health and diagnostic center has around 20 crore taka annual turnover and for a small one it is around 2 crore taka a year<sup>8</sup>. Mostly, registered doctors are the owners of these health and diagnostic centers.

A large center has employed a minimum of 100 employees each and a small one at least 20 employees. Majority of the employees have both general and technical education and skills. Employment is contractual but regular in most cases. There is no fixed salary structure, no fixed working hour, and no job security. Overtime is compulsory and mostly without payment. Misconduct by the employers is reported common.

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6 Ibid, BILS (2017)

7 Ibid

8 Ibid

## 3.2 State of employment security

Ninety (90) percent workers in the health and diagnostic centers in Chittagong perceive that they do not have job security<sup>9</sup>. The practice of issuing of appointment letter and maintaining of service book is missing largely. Workers during the FGD claimed that employers did not provide them with appointment letter. A number of TU leaders report us that many workers even do not understand the importance of appointment letter to protect job security.

The practice of dismissal is frequent and there is a high employee turnover in this sector. In absence of appointment letter, when a worker is dismissed of job, it becomes difficult to establish/claim his/her rights. With regard to the turnover, both voluntary turnover<sup>10</sup> and involuntary turnover<sup>11</sup> have been evident. Besides, there are also evidences of constructed turnover<sup>12</sup> in health and diagnostic sector in Chittagong.

Two emerging threats to employment security also are reported such as outsourcing of cleaning and *aya* jobs to third party organization, and gradual replacing of X-ray technicians with diploma holders.

## 3.3 Wage Practices

National minimum wage is not set in Bangladesh. Government has set sectoral minimum wages for 42 different sectors. However, Health and Diagnostic sector does not have any minimum set wage. Health and diagnostic workers at Chittagong mostly do wage negotiation at personal level, followed a zero-sum game, they don't have any option but to accept wage-offerings by the employer.

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9 Ibid

10 Voluntary turnover is concerned with the employee perspective where they take decision to end/terminate employment relation with employer.

11 Employers' take decision to terminate employment relation in the case of involuntary turnover. It is closely related to management/managerial strategies.

12 Often employees leave job not because of direct dismissal, but due to a situation, created by employers, that forces employees to take ultimate decision to leave.

Wage is too low to meet living necessities. Depending on ranking, workers reportedly earn between BDT 3000 to BDT 15000/16000 a month. Ratna who is working as an 'Aya' from 2008 told us that they eight household members sleep inhumane in a single room. This is what they can afford by their current aggregate level of income (box 1). Rashed, a cleaner from Chittagong told us that after returning from hospital he needs to pull rickshaw for 6/7 hours every day to manage a living (box 2).

*Box 1: Story of Ratna Shaha*

*Ratna Shaha is employed as an 'Aya (Helper)' in a hospital at Chattogram. Since 2008, she has been serving in the same hospital. At present, she earns around BDT 5200 a month. She has an eight-member family including husband, five sons and a sister-in-law. Her husband also works in the same hospital. His income is BDT 8000 a month. To avail this income, often, he is to carry double shift duty a day. With an aggregate income of 13000 BDT only a month, they do have a very precarious living status.*

*They live in a small room (BDT 4500 as monthly rent) in a two-room house. All the eight family members sleep in the same room. Their older son is 20 years old and the second one is 17 years. Sister-in-law is 16 years of age. At every night, Ratna needs to set a partition by clothes in the middle of the room. Ratna feels a strong urge to have at least a two-bedroom house. But, it is not possible by their current income. Ratna says, "It is inhuman that we, husband and wife, and our adult children all are to sleep in the same room. We are helpless".*

*Box 2: Rickshaw pulling: Story of Rashed*

*Rashed works in a private hospital at Chattogram. He served at Intensive Care Unit (ICU). His work is cleaning. He is a regular employee and is paid on a monthly basis. His current income is only BDT 5000 a month.*

*Rashed, his spouse, and only baby son who is now around 18 months old, live together in a rented room. More than forty percent of his income is paid for house rent. He further claimed that the cost of daily necessities is on an ever increasing trend. Managing food cost and health cost is getting tougher for him day by day. On the other hand, he needs to regularly send an income to the village home to support his parents a living.*

*With only a meager income, it is impossible for Rashed to manage a living. He has taken a different path. Back to home, after hospital hours of work, he pulls rickshaw for about 7/8 hours every day. Thus, starting from 8 am in the morning, including 8 hours hospital duties and another 7/8 hours rickshaw pulling, his workday usually continues till 11pm/12pm into mid-night. There is no work-life balance at all. He has hardly any chance to take a break or to enjoy a rest. Rashed said, "It (Rickshaw pulling) is too a laborious work for me. I am very often tired to the extreme. But, I don't have any choice."*

Workers are in general employed on a monthly basis. Reportedly, many health and diagnostic centers do not pay salary on a regular basis. Wage cut is reported frequently, 42% of workers do have a wage-cut experience<sup>13</sup>. Absent from work, misconduct (defined and determined by employer) and complain from patients (Box 3) are reported three main reasons for wage-cut.

*Box 3: wage cut due to patient's complain*

*An employee who is working at a blood collection point at Chattogram told us that once a parent requested him to collect blood in such a way so as to the child does not cry. He was extra careful in this occasion. But the child cried when blood was collected. Parents got annoyed and complained to the owner of the health center. The owner cut off daily attendance for five days as a penalty which was finally deducted from the salary at month end.*

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13 Ibid, BILS (2017)

### **3.4 Right to Freedom of Association (FoA)**

For health and diagnostic sector workers in Chittagong, there is one registered trade union. This trade union covers around 500 member-workers from this sector<sup>14</sup>.

A number of FGD participants and trade union leaders tell us that despite numerous limitations and unfavorable situation this union has succeeded to bring about some positive changes. Following its continued initiative and negotiation with the employers many diagnostic centers particularly in the municipal areas now allow weekly holiday to its workers. Though it is too tiny an amount, many diagnostic centers now give festival bonus. A good number of workers and trade unionists however said us that it is only a charity by the employers to give workers lump-sum money during festival time. This is never a corresponding figure is count in relation to wage and thus not at all a bonus.

Another reported achievement is that a number of health and diagnostic centers now give maternity leave and benefits to its workers. This is again partial and not fully in accordance with maternity leave and benefits are provisioned in the law. Such as, National Hospital gives only two-months leave and pay only basics from salary.

However, the most important change that the study finds is that the employers now count the union. Employers association is now the most reactive agent to union's demand than any time in the past. Positivity in employer's behavior is also reported. Many employers reportedly now think twice before taking any illegal action against the workers.

Despite mentioned achievements, a number of challenges are also reported particularly in regards to union's operating and organizing of workers. Challenges are multidimensional —employer's centric, related to workers and their nature of job, and those are related to local administration and political practices. A good number of trade union leaders and workers said us that employers give both direct and indirect threat to workers when they found any worker of his organization is involved in trade union activities. There is even reporting that employers have either sacked and/or physically assaulted respective employee for

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14 Ibid

involving union related tasks. Non-cooperation and negative attitude from local administration and political leaders also are reported. However, of all, workers' fear of job loss is the key impediments to form and join trade union. *"If you join union I will fire you from job. I will inform all other employers that you are involved with union activities. They will not recruit you. Now, you decide, what you will do. Either do job or join union."*\_this is how an employer treated an employee when he was informed of his unionization aspects, says an FGD participant.

## **Part IV Hotel and Restaurant workers in Chittagong**

Authentic and reliable data regarding total employment and number of hotel and restaurant are missing largely. As per data of DIFE, Chittagong, total number of industry is 530 and total number of workers is 8050; while trade unions claimed the number of restaurant is 1400 and workers is about 50,000<sup>15</sup>. Most of the restaurants are located near railway station, bus station, and market places. Depending on number of employees and yearly financial turnover, three categories of hotels and restaurants are reported such as large, medium and small. A large hotel and restaurant has employed about 100 workers and has a yearly turnover of around 3 crore taka; while, a small hotel and restaurant has on average 10 workers and a yearly turnover of about 30 lacs taka each<sup>16</sup>.

Hotel and restaurant workers in Chittagong are, in general, subject to extreme discrimination and exploitation at every stage of employment. Negligence, torture and misbehavior by the owners and employers, low wages, frequent termination of workers, non-payment of wages, prolonged working hours and excessive workloads, precarious working condition, suppression of workers' trade union rights are common. Workers are not aware about their rights and benefits provided by the law. Enforcement of labour law by the department of Inspection is not noteworthy. On the other hand, unionization aspect is poor as such workers are not protected against the impulsive behavior from the employers. There is reported a sign of gradual improvement of the above mentioned situation for last few years. But, they are very insignificant compared to the overall situation in the entire sector.

### **4.1 Employment Protection/Security**

There is no employment security of workers are employed in hotel and restaurant sector in Chittagong. According to labour law, every worker

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15 Ibid, BILS (2017)

16 Ibid

has a right to get appointment letter and identity card from his employer. But, owners of the hotel and restaurant do not issue any appointment letter or ID card to the workers.<sup>17</sup> No service record is kept. They are to work in a 'hire & fire' basis. Workers are appointed on an oral agreement. Every time, there is a very informal discussion on wages. There is no formal job contract and never a discussion regarding any terms and conditions of services. Workers can bargain on wage issues. But in most of the cases, employer's set terms and conditions is the final deal. Workers in a number of large and star-ranked hotels though reported that they get appointment letter. There is a service structure in these hotels. Hotel Agrabad, Hotel Saint Martin, and Hotel Peninsula are included in this.

Different categories of workers are employed such as glass boy, messier, waiter, cook, cook's assistant, and *karigor*. Based on skill level, workers can be grouped into three broader categories e.g., skilled, semi-skilled and apprentices. Mostly, workers are men and there are few women workers who work as chef assistant. New recruits work as apprentice of senior staffs under the same category.

Irrespective of gender, almost all workers are appointed on a temporary basis. There is no system of employing permanent workers in any restaurant in Chittagong. Some managerial staffs such as manager and billing cashier do work for longer duration and are in better position than others. But, no one is employed on a permanent basis. Even, workers are not interested to work on a permanent basis. They voluntarily change their workplace and switch to another restaurant for higher wages. As such, they lack awareness about their service benefits under the labour law.

Though there is prevalent a need driven working system, both workers and employers are ignorant of a standard operating system. Even, they do not have any idea about safe work and decent work. Overall, there is a poor working environment. There is acute shortage of cleanliness. Workers wear very substandard dresses and do not have any training on

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<sup>17</sup> Generally, appointment letter and identity card of a worker are vital documents to claim his/her rights as worker. It serves some basic functions including recognition of workers' professional identity, initiating and ensuring access to welfare schemes and compensation.



service delivery. In some posh areas of the city, restaurant owners supply plain clothes to the workers to attract high class customers. These restaurants do have comparatively young employers and cover only 10-15% of total restaurants are based in Chittagong city.

Food is free while at work. Very often, substandard food is given which is different from those are served to the customers. Discrimination between men and women is often reported regarding food, a woman worker is usually allowed single meal a day whereas a man worker two meals daily.

Workers, on an average, work more than 12 hours a day. Working hour is operated in two shifts system and varies according to the category of workers. Glass boy, messier and cook's helper are to work 17/18 hours daily in two shifts. The first shift spans from 5.00 am to 3.00 pm and the second shift from 3.00 pm to 1.00 am at mid-night. Cook and *Karigors* (chef's helper) work 10 hours daily in two 05 hour shifts between 8.00 am to 2.00 pm during daytime and 5.00 pm to 9.00 pm in the afternoon. These are a regular practice. Except unpaid festival leave during *Eid-ul-Fitre* and *Eid-ul-Adzha*, workers are not entitled to any other leave. If someone gets leave by chance, it is a must to arrange replacement.

Physical abuse/harassment, which reportedly was quite high in a few years back, is comparatively less in recent years. Workers shortage is reported one of the main reasons for this. Nevertheless, verbal abuse is a common practice till date. Many a times, the employers force the workers to work extra hours. As for force, physical and/or mental torture, intimidation and threat of non-payment of wage are largely practiced. Any protests may result physical abuses like beating as simple as plain, says a worker in the FGD. When there is work up to late at mid-night workers are usually late at work in the very next day. In such a circumstance, Restaurant manager/employer reportedly often abuses the workers filthily and flogs them. He is neither compassionate with their problems nor does he condone their delay.

Mostly, workers sleep on restaurant's floor or in the store room in a very poor condition. There is no toilet and bathroom facility in the sleeping place. In only a limited case, the owner arranges public-room for workers meaning workers altogether sleep in the floor of a large room in a very precarious situation.

Termination of workers is reported every now and then invariably in all restaurants. This is however rampant during the month of Ramadan, a fasting month for Muslim. The main reason for such a huge job-cut is reportedly serious lessening of sale at day time. Only few category workers are kept into the jobs to prepare and serve foods in the evening when it is time for breaking of fasting and at night. These workers reportedly work 18 hours daily and served unto midnight. In the event of any rift with the owner or manager, the undesired workers are fired in one cloth from the restaurant. They are not allowed to take away their belongings, clothes or anything else.

Study reveals that inspectors of Department of Inspection for Factories and Establishments (DIFE) do not properly monitor enforcement of labour laws in hotel and restaurants. A number of workers say us in the FGD that they don't know the role and function of labour inspectors.

#### ***Mintu's Story***

*Madina Restaurant at Bahaddarhat Bus Terminal in Chattogram was closed down in 2017, in the month of Ramadan. Mintu, a union leader, along with other employees all on a sudden, came to know that the owner had shifted his business to Dhaka and the establishment had been leashed out to an acquaintance at taka 35 lakhs only. As such, all 45 employees of Madina Restaurant were jobless overnight. They were still unpaid of their salaries for rest of the 15 days remaining in the month. Mintu served the restaurant for 15 years. Most of the workers spent their career for 08-15 years in that restaurant and some of them worked for 35 years covering other restaurants of the same employer. There were none who served less than 04 years. Mintu and other workers went to the employer and claimed their due wages. Instead of settling the dues, the owner threatened the workers by hired goons, gave them 500 taka each as conveyance cost, and drove them away. The workers had to leave the place without having any services benefits.*

*Mintu, the union leader asked for assistance from his respective union. The union redirected him to complain to the DIFE, the labour inspection office at Agrabad. Upon on receiving complain, respective Inspector at DIFE, issued a notice to the employer. But, the employer refused to accept the petitioner as his worker. Then the only option remain was to file a case in the labour court. But, Mintu had no appointment letter, no ID card, nor any service record. Fellow colleagues too refused to be a witness for fear of repercussion. Mintu was quitted of his effort since there were no options remain.*

## 4.2 Wage practices

'No work no pay' system is prevalent at large. There is daily, weekly and monthly paid workers. In case of monthly payment, the usual practice is to pay wage by the 20<sup>th</sup> day of next month, though, the law requires paying by the 7<sup>th</sup> day. It is particularly to control sudden employee turnover that 15-20 days wages of a monthly basis paid worker is kept hold in the employers. Daily basis workers are to deposit their wages for first ten days to the employers as security bond. Wage deduction is practiced largely for minor mistakes/faults like breaking of a cup or plate. Apart from this, forgery in billing is usually followed by a wage cut. Gender discrimination of wage is also reported common. Women get @ 100-200 taka per day which is lower than the amount paid to men workers.

Although cent percent workers do overtime on a regular basis, they are not paid for these. When a worker is to carry out extra duty in absence of another staff, he is not paid for this. Such a worker may often receive a little cash gift at month's end. Reportedly, many of the workers even do not have any idea about overtime payment. One of the FGD participants told us that he only knows, he needs to carry out his duty from sunrise to sunset and for this he would be paid a fixed amount of wage at the end of the day or month.

Although, workers are given nominal cash gifts during Eid festivals, there is rare a practice of giving festival bonus to workers. Voluntary paying of tips by the customers is welcome. Very few restaurants do have a practice to include a service charge into the bills. Under-billing/invoicing in exchange of a tip is reported a seldom practices by the table boys or waiters. Many restaurants have now installed closed circuit surveillance camera to monitor its employees.

There is no system to give dearness allowance to workers. When there is a price hike of food and essential commodities workers are hit hard. The lowest income group especially the entry level workers are the worst sufferers to this.

There is no practice of paying gratuity or other services benefits when a worker resign of his/her job or is fired/sacked by the employer. Reportedly, a very few workers, who are members of a trade union are

succeeded to realize only a partial service benefits in the past. The workers in general, are unaware of their gratuity and other financial benefits. Even workers are unaware about minimum set wage for this sector.

Overall, there is too poor a wage practice. This study finds it really difficult for many of the hotel and restaurant workers in Chittagong to fulfill basic necessities of life. Connecting to poor wages, workers at large do have an indecent living. Their children are deprived of proper education. A number of workers report us that their children have either dropped out of school or they have kept their children into orphanages at Madrassas or study at madrassas since they cannot afford education cost. It is further reported that a number of their children are now employed as transport helper, hotel boy, motor garage worker and others else to support a living to the entire family.

### **4.3 Trade Union Practice and Challenges**

Effective trade union practice and collective bargaining are apparently absent in hotel and restaurant sector in Chittagong. Union related activism reportedly was vibrant in this sector during 1990 to 2000. Only a few of the member-workers of those days are now connected with the TU. At present, eight (08) registered trade unions backed by different political parties are functional.<sup>18</sup> These are basically sectoral unions based on the criteria of 'group of establishments'. There is only a limited activity from these trade unions.

Workers are unorganized at large, deprived of legal rights and are exploited to the tops by their employers. Still, workers are not positive to unionization aspects. No one wants to be a union member. A non-conducive environment to trade union is reported persistent. "Workers lose their jobs, get unemployed and are put into financial trouble for involving trade unions", says one union leader. Few organizers, union

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18 Among the 08 registered trade unions, the Hotel Sramik League operates two unions while Hotel Sramik Dal, Jamayat-e Islami, Bangladesh Samajtantrik Dal (BASAD) and another communist idealistic party (**Gono Songhoti Andolon of Jonayed Saki**) control one union respectively. The other two unions are operated by Trade Union Sangha (TUS) and Trade Union Centre (TUC).

leaders and member-workers were fired and later on prosecuted on criminal charges. This 'fear to lose job' is reported the core reason that workers are not inclined to join union now a day. Secondly, workers have no time to work for union. In the past, workers would have carried single shift duty a day. There was plenty of time for unionizing. Now a day, workers on average perform two shifts duty a day. There is no work-life balance and no extra time for union.

**Reasons for Declining Unionization in Hotel & Restaurant Sector in Chattogram**

- ✓ Union leaderships were not elected from among the real workers. Their acceptability and reliability to the workers was one of the lowest.
- ✓ Workers have little trust to union leaders.
- ✓ Union leaders, having political back-up, have more influence in the labour office.
- ✓ Central labour wing of the political parties deliberately keep the genuine workers away from union leadership and nominate the non-workers as basic union leaders.
- ✓ Federation leaders enjoy power and privileges and as such are not interested to create new leadership.
- ✓ There was a cost involved in running a union and the unions were always in a financial constraints as well as lacks support/assistance from federations in this.

Thirdly, unionists too require investing plenty of their time for organizing and collective bargaining acts. These have an impact on their regular work hours and performances. When irregularities are beyond acceptable limit, it is difficult for an employer to tolerate. The common story is that respective unionist is end up by losing of his/her job.

Fourthly, there is mistrust and distrust among workers about trade union leaders. The common perception regarding union leaders is that they often really do not work to uphold workers' rights. This has resulted into low participation of workers in union activities. Many of the workers do not even prefer that their grievances are settled through union processes. However, a number of union leaders though tell us that when there is an employment related problem respective worker visits to union office. While, in normal time, workers pretend that they don't know union leaders.

Next to this, there is a cost for involving trade union such as membership fee and daily/weekly/monthly contribution. Those who are members of a trade union reportedly do not pay fees regularly. Union operating further involves a number of other costs like office and equipment cost, organizing and communication cost, and meeting and refreshment cost.

Contrary to these worker-level causes, employers do have a negative attitude to trade union. There is a kind of power practices involve in unionization aspects like organization, voice raise, protest, bargaining and negotiation. These are comparatively new practices to the employers in this sector. Employers do fear that employees into a trade union may cause unnecessary trouble in the workplace. A unionist can stand against the employer at any time. A unionist can negatively influence other employees in the establishment. Employers in general are not yet ready and are quite intolerant to these practices. Whenever there is a scope, employers reportedly threaten a unionist worker to stop his/her payment. They further adopt bullying workers that union leaders even cannot feed themselves, how can they help others.

#### **How Chattogram Metropolitan Hotel Owners Association does perceive**

- Many factors are related with hotel and restaurant business, such as, infrastructure, food preparation, health and hygiene, business environment, labour rights, occupational health and safety, food and accommodation of workers. The authority need to be strict to these before granting approval to any hotel and restaurant.
- Unplanned restaurants are spoiling business environment by not maintaining business ethics and good businessmen are losing. The owners' association expects an overall government policy to regulate this practice.
- There are a few workers who are neglectful in duties. They leave the job for little excuses and threaten the employer to sue in the labour court. Often, a business competitor offer a bit higher wage and entice away efficient staffs. These all hamper businesses.
- The role of lower tier labour leaders is like commission seeker intermediary brokers. They only care about their own interests and benefits. These people ignite dispute between the owners and workers.
- A national guideline for the operation of hotel and restaurant must be formulated in accordance with the Labour Act 2006.
- It is important that the DIFE take proper initiative to enforce section 5 of the Labour Act 2006 compelling all establishments to formulate service rules.
- It is important for every Hotel and restaurant to maintain a separate Register of workers.

## **Part V Readymade garment (RMG) workers in Chittagong**

This case study delineates a general picture of labour conditions in Readymade Garment (RMG) sector in Chittagong with regard to three main indicators- employment security, wage practice and challenges of trade union practice. Most of the factories are situated within the city area and export processing zone. According to a BILS study report and DIFE Chittagong <sup>19</sup>, total number of RMG industry is 762 of which 461 are in operation. Total number of workers is 2,48,469 including 72,642 male and 175862 female workers. Out of the total workers about 70 percent are women. Total number of trade union is 75.<sup>20</sup> Except the compliance factories, poor working condition, low rate of wages, compulsory overtime duty, insecurity of jobs, repression of trade unions and unionists, absence of remedy against labour rights violation, non-enforcement of labour laws etc. are common in all establishments. There are three types of industries in Chittagong i.e. i) Large scale (more than 2000 workers) ii) Medium scale (1000 to below 2000 workers) iii) Small scale (100 to below 1000 workers). Out of those, sample FGD respondents are chosen from all type of industries. As evidenced from research, a large scale industrial unit has yearly turnover of minimum 100 crore taka, while a medium scale factory earns minimum 50 crore and a small scale factory has minimum 10 crore taka as yearly turn over.<sup>21</sup>

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19 Ibid, BILS (2017)

20 See: <http://database.dife.gov.bd/index.php/factories>

21 See, "*Situation Analysis of Workers' Rights, Livelihood and Trade Union in the Selected Industrial Sectors of Chittagong*", a study conducted by Bangladesh Institute of Labour Studies-BILS under BILS-DGB project (2017) at pp: 15-16.

## **5.1 Job security: Labour rights violation**

Employment security, nature and causes of labour rights violations and their consequences for the workers are very crucial questions in the RMG sector. This section deals with some employment related aspects i.e. employment mode, nature of work, job position, duration of work, issue of appointment letter and identity card, health and safety, payment mode of overtime etc.

### ***Type of workers***

Both permanent, temporary and casual workers are employed in the RMG sector. After the completion of probationary period, all workers more or less become permanent. But no letter is issued to anybody for accepting him/her as permanent staff. Apart from the regular wage earners, there are also contractual workers who are found mostly in Knit and Sweater factories.

### ***Appointment letter and ID card:***

During FGD and consultation workshop it has been reported by the participants that appointment letter is not provided for most workers. They further inform that a kind of letter and service books are prepared and kept in the factory office in order to show them to the foreign buyers. No copy of these documents is supplied to the workers. ID cards are provided to everyone for use within the factory. However, some even claim that often workers cannot take the ID cards with them after the duty hour.

### ***Working hours and rest:***

General eight hour rule is not complied in any of the garment factories in Chittagong. On an average, workers in MRG sector have to work for 12-14 hours a day at very scanty overtime rate. In some factories, they have to work up to 15-16 hours. A worker's duty hours usually end at eight o'clock in the night, sometimes he or she has to work till 12am mid-night. In worst cases, the owners used to force the workers to work for 17-18 hours daily. At present, in some cases working hours in RMG establishments are calculated in shifting system.



### ***Leave, Leisure, work-life balance:***

RMG workers face numerous problems in maintaining work-life balance, getting leaves and ensure their necessary leisure. In many factories workers cannot enjoy weekly holiday. They have to work even on the Friday. This is not the case with all factories. Some factories provide weekly holiday to the workers. Invariably, all RMG establishments provide 6-7 days of festival leaves with full bonus to the workers. However, workers are not given any annual leave or earned leave. On the other hand, getting casual leaves and sick leaves are very bureaucratic. They are allowed such leaves without wages. Once a worker applies for casual or sick leave to the authority they keep the workers moving from one table to other. Supervisor, Manager, Doctor- everyone makes the worker to circuit from one person to other for approval of the leave application. But nobody forwards the application to approve the leave. The applicant-worker, being disturbed at such naughtiness, remains absent from the work to meet his exigencies. In this situation the employer deducts from his wages for the absence.

### ***Termination of workers***

Workers in the RMG factory are terminated frequently for union activities or for protesting against exploitations and discriminations. In October 2017, there was a massive termination of 294 workers in the SUNMAN Group's factory. The employers removed them from the jobs without following due procedures. The workers became jobless immediately. Sometimes the Inspectors also speak in the same tone of the factory owner. In an incidence, a factory inspector threatened woman workers on behalf of the employers to quit the jobs.(KII). Workers and NGO representatives have pointed out the following typical reasons for termination of garments workers at different times:

- If the workers apply for leaves.
- When workers involve with trade Union activities; many workers lost their jobs for this reason.
- When the age of female workers crosses 40 or above and the impression of age is seen on the face.
- If the length of service of workers is more than 10 years

- For trifling reasons, such as, sudden wrong cutting of clothes, protesting against harassment.

In these cases, the workers are removed without any enquiry process.

### ***Working environment:***

Workers are oppressed by the employers in many ways. Employers threat them for loss of jobs, a day before the scheduled visit of foreign buyers, if they speak up about the actual workplace scenario. Employers propel the rumor among the workers that buyers won't give them any benefit in return for leaking working condition of the factory. On the other hand, the buyers also double cross with the workers. They tactfully collect information from the workers and use these to blackmail or bargain with the owners for lowering the product prices (or drawing any benefit). They do nothing for the interests of the workers.

### ***Harassment at workplace***

The mistakes of workers at the work place are replied with slapping or assault, abusive language and beating by the management staffs. It applies equally to both male and female workers. When someone protests against such unjust behavior, he or she is forcefully taken to the factory office to sign on a blank paper. After taking the signature, the protester is thrown out of the office without any wage or arrear payment. No due process or legal procedure is followed such termination or dismissal. In short, workers have no voice in the workplace and if anybody tries to break the silence that worker is terminated immediately.

### ***Training and Skills Development:***

The scopes for training and skills development of workers are absent in RMG factories. Union leaders and FGD participants report that the employers arrange some trivial training programmes for instant satisfaction of buyers. But long term or meaningful training course is not offered to the workers for their skills development. However, there are some good practices in compliant factories in Chittagong. For example, a compliant factory provides induction training to the newly recruited workers as regards the factory's internal rules, legal rights of workers, their occupational health and safety etc. But some FGD participants are

skeptical about such trainings and have considered these as 'eye wash' for buyers' satisfaction.

## **5.2 Wage practice impact**

Wages of workers are mainly negotiated on monthly basis in RMG establishments. Payment in most of the factories is tendered by 15<sup>th</sup> day of the next month. In worst cases, the payment is deferred up to 20<sup>th</sup> or 25<sup>th</sup> day. This practice is prevalent in Well Group. But all compliance factories (say, Legacy Group) pay wages on time, *i.e.*, by the 7<sup>th</sup> day of the next month.

As regards the payment of wages, respondents provided mixed idea. The minimum wages rate @ 5300 taka per month is prevalent in the sector. While most of the factories pay the minimum wages amount, many are reported to provide much below the bottom line. This means that not everyone gets the minimum wage rate; the workers are paid according to the whims of employers. Some factories pay full wages and some do not. In latter cases, the employers forcibly impose lower wages amount on the workers @ 3,500 to 4,000 taka.

Factory management does not keep accurate calculation of the overtime duties of workers and show lesser duration in the register. Accordingly, workers are paid lower amount for overtime work. Employers deprive them in two ways: paying at lower rates and for durations lesser than the actual periods. Factory authority does not keep account of workers' overtime duties and shows lesser amount of overtime work. They also pay overtime wages at lower rates, as well as pay less in total amount. On an average, RMG employers pay their workers two full festival bonuses.

RMG workers are very poorly paid. The minimum wages rate is very scanty relative to their overall basic needs. They cannot individually survive with the little money they receive as wages.<sup>22</sup> In the same coin, they cannot provide adequate food, medicine, medical treatment, accommodation and education expenses for their families. As such, the

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22 During the FGD, female participants told that an unmarried operator/helper needs around 6,000 taka per month to survive hand to mouth, whereas, a married woman needs minimum 7,000 taka.

workers cannot dream of educating their children in good standard schools. Their children have to study in Government primary schools for free education. These people, who are tussling with poverty, are forced to join another job for second income. The female workers send their children to the village after they are promoted to high school from primary standards. Sometimes they also return to the village to save living costs or take loans from NGOs to maintain family expenses. In case of extreme inability, the workers send their children to work. Where there are more earning members than one in the family, they can afford education of the children.

### **5.3 Trade Union Practice and Challenges**

#### ***Workers are generally unorganized***

In fact, the workers are generally unorganized in RMG sector and face many barriers in joining or forming trade unions. They cannot effectively enjoy their rights to association and collective bargaining as enshrined in Chapter XIII of the Labour Act as well as ILO Conventions 87 and 98. There is either non-existence of labour unions or they cannot function properly in most factories or establishments. Because of overt and covert restrictions on unions in organizing, recognition, dispute settlement, collective bargaining and strike, full-fledged operation of trade unions is largely blocked in Chittagong. As the employers generally look down upon the workers' right to association, no viable trade union culture has been developed in this sector.

This has created acute shortage of organized and legitimate trade unions in this sector. Although there is existence of some workers' associations in some factories, those are not trade unions in proper. The owners of these factories have been reported to form fake trade unions drawing members from among their relatives and embedded people. They show these fabricated and concocted organizations to the foreign buyers and shade the real unions, leaders and members. Therefore, the registration of new trade unions in the RMG sector has been termed by the trade union leaders as 'eye wash'. The unionists think that the increase of unions is not a sign of improvement unless workers can exercise their freedom of association. The density of actual trade unions is incredibly

low in Chittagong which is only few per cent of the total workforce of the sector. Workers can exercise limited union type activities, such as, informal collective bargaining with the HR department of the industry.

### ***Challenges of Trade Union practice***

It is alleged that RMG workers are dismissed or terminated anytime from the jobs for their involvement in trade union activities.<sup>23</sup> Scarcity of employment opportunities compels them not to raise their voices. Besides, due to longer working hours in a day, they hardly have time for trade union activities. The garments owners maintain paid gangsters to prevent trade union pursuits. Once a union is formed or the workers try to be organized under any union in a factory, the employers beat union leaders, allure them and offer money for not organizing unions. If this technique does not work, the employer singles out the trade unionists, then beats them severely by the outsider goons, and sends the unionist workers to the police custody under false charge. The factory management also create division among the workers and persuade them fight each other. On the eve of CBA election in a factory, the owners set up a separate union consisting of their own people to stand against their workers. As soon as the election schedule was announced, some identified people declare that they would compete in the elections. These seasonal leaders had never been seen to work for the benefits of workers. They had never worked out to register a union; rather they always acted against the interests of trade unions. The factory owner's pet leaders start creating trouble with genuine and legitimate union leaders who had been working for the people for long time. At certain point of time, the whole election became vitiated. Thereafter, the legitimate leaders were thrown out from the factory as garbage. After terminating the leaders, other union members were also eliminated one after another. These are the practices in many RMG factories in Chittagong.<sup>24</sup>

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<sup>23</sup> Dismissing a worker for union membership, or participation in union activities during or after working hours is a clear 'anti-union discrimination' as mentioned in the ILO Convention 98.

<sup>24</sup> Focus group discussion with basic trade union leaders of RMG sector in Chittagong held on 30<sup>th</sup> December 2017.

Torture and manipulation is also a common practice from the side of the employers. A worker who survives the torture is compelled to sign on a blank paper which is later fabricated as his resignation letter. The employer manipulates this fabricated paper as an instrument to deprive the concerned worker of his due benefits. The persecution continues further as the employer sends the particulars of dismissed workers with photographs to other factories in order to avert them to get jobs therein. Many permanent workers had been dismissed or terminated in such ways. As they are the main bread winners of their families, they have fallen into distress due to job loss. Moreover, the owners of establishments lodge petitions with the Labour Court for cancellation of trade union registrations which is in fact within the sole jurisdiction of the Director of Labour under section 190(2) of the Labour Act.<sup>25</sup>

In the RMG sector, employers indulge in another negative practice against the trade unions. They form participation committee in the factory by pass the trade union. In all cases, they seek to use participation committee as an alternative to trade union or collective bargaining.

### ***Limited scope for grievance handling***

The opportunity for the workers to express their grievances at the workplace is severely limited. Workers hardly have knowledge or opportunity of collective bargaining with their employers. Consequently, the culture of collective bargaining has, by and large, not been effective in the country. Disputes raised at the factory floor are solved mainly through informal discussion, presumably with the HR departments of the factories. This in no way fulfills the legal requirements of collective bargaining mentioned in the Labour Act. Such a scenario is very common in the garments industries where informal intermediaries try to mediate the grievances of workers. In the absence of workers associations and tripartite body, workers often fail to get their grievances resolved in the proper way.

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25 Interviews with union leaders in a focus group discussion (FGD) held in 30 December 2017.

### ***Right to strike: widely unrecognized***

Although strikes happen in industrial disputes, workers perceive that the right to strike is never recognized at their workplaces. Some employers even punish their workers who go on or participate in strikes. A significant number of workers even do not know whether they have this right. Besides, the requirements for a lawful strike by the CBA are stiff as mentioned in section 211(1) of the Labour Act (proof of support of at least *two-third* members of the CBA). The right to strike has been weakened due to the necessity of pre-requisite support for action. In the original version of the 2006 Act the requirement for strike was extremely high as the CBA had to obtain mandates of 75% (three-fourth) workers. This had virtually crippled the CBA's weapon to realize just demands of workers. However, the 2013 amendment to the Act tried to relax the pressures on the CBA by inserting '*two-third*' in place of 'three-fourth' in section 211(1). In spite of this positive change in the law, the rule for strike is still against the interests of workers. In situations where the life of the union is at stake (e.g., leaders being dismissed from work), such a requirement is a virtual subversion of unionism. The law has also imposed a 3-year ban on strikes in newly-established industries and industries owned by foreigners or established in joint-venture with the foreigners.<sup>26</sup> The ban on strike in these industries is not only contradictory with the workers' right to strike but also has made rights provision ineffective. On the other hand, there is no specific provision or condition with respect to protection of workers in lock-out situations, especially if the intention of the employer is to temporarily close down the factory to destroy the union. The scope of 'lock-out' is much wider than 'strike' giving the employer undue favour in the dispute settlement process. All these defects in the Act seriously limit workers' fundamental right of 'due process' in dispute settlement and collide head-on with ILO Conventions 87 and 98.

### ***Problems of trust on trade union leaders***

Many workers do not want to be involved in union federation because of their little faith on the leaders. It has been alleged by some

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<sup>26</sup> Section 211(8) of the Labour Act 2006

rrepresentatives of NGOs and mass media, general workers and representatives of employer that often some union leaders are found maintaining liaison with factory management and do not bargaining with them about the sensitive issues. The opportunistic and self-seeking attitude of such few labour leaders extends a great negative image about trade union among the general workers.



## **Part VI. Conclusion and way forward**

This study was conducted based on three specific objectives—to study the employment security in the selected sectors (construction, health and diagnostic, hotel and restaurant, and RMG); to study the persistent wage practices and relevant impacts on life and livelihoods of the workers; and to study the constraints in organizing and TU practices in dealing with labour rights. In general, this study unearths a very poor state of employment security of the workers in all the sectors. The wage of the workers is not sufficient enough to ensure a decent living. Besides, wage practices in different sectors are not compliant always with legal provisions. The organizing efforts and TU activities in all the sectors are facing numerous challenges of different nature.

### **Employment security**

In terms of employments security there are some commonalities as well as differences among the sectors under this study. However, in general low level of employment protection characterizes all these sector. The absence of the instrument that establishes rights entitlements (e.g. appointment letter and written employment contract) is an important issue in this regard. In construction sector almost all are recruited through informal channel. These workers have no written contract and appointment letter. The same has been evident for the workers of hotel and restaurant sector. Workers in this sector are appointed on the basis of just oral agreement with employers and are deprived of formal job contract, and appointment letter. Appointment letter is also seen hardly among the RMG workers.

Stability of job is a serious concern in construction sector, there is no practice of permanent recruitment. Workers work in different projects and mostly employed on daily basis. Due to the nature of work many

construction workers do not get the chance to work throughout the year. The hotel and restaurant sector also lacks the system of employing permanent workers. Consequently, workers in this sector do not continue longer period under an employer. Only some management staffs who are close to the owner, mainly relatives of owners, work for longer durations. In the case of RMG both permanent and temporary types employment have been reported.

The practice of 'hire and fire' is also common in all sectors. The practice of dismissal and job termination of the workers is very frequent. In the case of RMG the common grounds of termination include— submitting application for leave, trade union involvement, aged workers, workers with higher job length, and other simple reasons, such as, sudden wrong cutting of clothes, protesting against harassment. The sense of insecurity is high among the workers. Ninety (90) percent workers of health and diagnostic centres perceive that they do not have job security.

The issue of employment (in)security has also been manifested in the condition of labour turnover. Voluntary, involuntary and constructed all types of turnover have been evident. Workers in these sectors frequently changes the workplace/employer. Long working hour; and absence of leave and rest; poor facilities; workplace harassment etc. compel workers to change their workplace/employer.

Employers discriminatory view to women workers is a concern in construction sector. And on the other hand, recruitment through outsourcing and requirement of diploma for the X-ray technician have posed news threats for employment security in health and diagnostic centres.

### **Wage practice and its implication**

Sectoral minimum wage exists for three sectors (construction, hotel and restaurant, and RMG), out of four, under this study (Table 6.1). Workers health and diagnostic center is yet to be covered by sectoral minimum wage. Findings of this study shows that a construction helper in Chittagong is paid BDT 300/350 daily, whereas a *mistri* BDT 500-600. Monthly wage of the workers of health and diagnostic sector ranges between BDT 3000 and BDT 15000/16000. The same wage range has been evident for the workers of hotel and restaurant sector. In RMG

sector monthly wage range of the workers is BDT 4000-16000. However, this study further reveals that there are evidences of paying lower than the minimum wage amount.

Table 6.1: Minimum wage in sectors under this study

Sector	Minimum wage amount (BDT)	Year	Basis
Construction	9982.5; 375	2012	Monthly; daily
Hotel and restaurant	3710	2017	Monthly
RMG	5300	2013	Monthly
Health and Diagnostic Centre	-	-	-

With regard to timeliness of wage payment it has been observed that the condition is better in Better in RMG, and health and diagnostic centers. Except in few cases wage of the workers is paid following the provision of labour law. However, the practice is worse in hotel and restaurant sector, often wage payment is delayed upto 20th of next month. On the other hand, in construction sector wage payment system is ridiculous—though workers work on daily basis their wage is paid two/three fixed days of a week, and a portion of their wage is kept due.

The practice of keeping wage due has been reported by workers of all the sectors. However, this practice is more common in hotel and restaurant sector. Application of the labour law provision on ‘getting the wage from employers when the contractors do not pay’ is never seen in construction sector. Evidence of wage deduction are also available in all sectors with varied degree—not that frequent in construction sector and RMG; but frequent in hotel and restaurant and in health and diagnostic centre. Regarding gender based wage discrimination, it has been observed at construction, and hotel and restaurant discriminatory practice is frequent/significant—up to 50 tk (daily) in construction sector; in hotel and restaurant women are generally paid only BDT 100-200 daily, much lower than the amount paid to the male workers.

The existing wage practices have both financial and non-financial impactions in the lives of the workers. Concerning the financial

implication, the most important one is the imbalance between income and expenditure. Workers of all the four sectors of this study can hardly meet the costs of all of their necessities with the income they earn. Savings therefore is a rare practice for them. Rather they take Loan from different sources (e.g. relatives, NGO, neighbour, known persons, traditional money-lender, co-operative societies (known as *somiti*) to overcome the situation.

The non-financial implications of wage practice are reflected/manifested in food consumption, work-life imbalance, indecent living, child care and education, and psychological stress and frustration. Workers of all the sectors have reported that although they can arrange three meals daily ensuring balanced diet is not possible with their income. Even they cannot arrange a decent living place for them (e.g. 8-member family living in a single room). In order to increase income, they are to do work for extra-hours and cut short rest, leisure and recreation time. Many even do Double shift, supplementary/additional work (e.g. rickshaw pulling, selling of pickles). As a whole they suffer severely from the problems of work-life imbalances. Many even could hardly spend time for care and education of their children. To address the problem there are instances that work sends children in orphanage/*madrasha*. Altogether, the issues mentioned here create psychological stress, tension, as well as frustration among the workers.

### **Practice of TU rights and Challenges**

This study finds that union density is low. The organizing efforts and practice of TU rights face number of constraints and challenges of multifarious nature—related to employers; related to workers and work nature; related to administration; and related to political environment. Employers always create obstacles so that workers cannot join TU. They threat workers to expel from job. Even they threat that they would take initiatives so that the expelled workers cannot get job under any other employer. Worker and work-nature related constraints include too long working hour (in all sectors), temporary work (especially in construction and hotel and restaurant) and low income (in all sectors). Due to low income workers prefer to work for longer hours and even double shift (in health and diagnostic centre) and do not have time to spend for TU

activities. Two other important problems/challenges for organizing activities are—problem of trust between worker and TU leaders; conflicting interests of trade unions.

Regarding the challenges related to administration the most important issue is the administration-employer-politician nexus. This has been reported by the workers and the TU leaders of all the sectors. The issue of non-cooperation of DoL in the process of TU registration has been raised by the TU leaders during consultation workshop of this study. Participant of consultation workshop also brought the issue of political environment as constraint of carrying out TU activities and programmes. Often TU cannot organize meetings, processions and other activities since political situation does not allow them to carrying out such programs/activities.

Despite several challenges, trade unions in Chittagong have some achievements also. They have contributed to get due wage, weekly holiday, maternity leave, festival bonus etc. However, it must be mention that these achievements are just on case-basis and have little implication on whole sector. The strategies that the TU of these sectors adopt to communicate their demands and message include mass rally, poster, leaflet, mass gathering, letter to government authority. Due to the activities along with tangible changes TUs have been able, as TU leaders claim, to bring some intangible change—employers are now taking unions seriously.

## **Way forward**

### ***Implementation of law and strong monitoring from DIFE and DoL***

Bangladesh labour law has provisions on employment protection/security, wage payment and TU rights. Proper implementation of these provisions are necessary. In this regard the role of the government agencies must be strengthened. Effective inspection of DIFE could ensure the implementation of appointment letter, closely related with employment protection/security, and bring regularities in wage practice. The effective role of DoL, on the other hand, is necessary to ensure that workers could establish TU and practice their rights at their workplaces and anti-union discriminations removed.

### ***Bringing all under minimum wage coverage, increasing minimum wage amount and updating/revision of minimum wage regularly***

Bangladesh lacks a system of 'national minimum wage' and a system of sectoral minimum wage is in place. However, minimum wage system does not cover workers of all sectors—e.g. health and diagnostic sector workers have remained out of the coverage. The existing minimum wage is not sufficient at all to ensure a decent living of the workers and minimum wage is not revised regularly. Therefore this study suggests three steps—bringing the workers of health and diagnostic centres under coverage of minimum wage; increase the amount of minimum wage amount at a level that would provide workers with an opportunity to live a decent living; and finally, the minimum wage of the workers must be revised regularly keeping consistency with price increase of daily necessities.

### **Reducing gaps between trade unions**

Due to political affiliation and other reasons TUs have conflicting interests which at large affects the rights situation of workers. These gaps should be minimized. In this regard, unions should set a common agenda on which they all would work together.

### **Bring trust and confidence between workers and TU**

As in some cases lack of trust between workers and TU has been raised, it must be taken seriously. Unions must take initiatives to create an environment so that general workers will have confidence regarding activities unions. Unions regular meeting, publication, annual report, disclosure of income-expenditure, opinion/view sharing meeting etc., could be instrumental in this regard.

### **Training of workers and TU leaders**

Training is required for both workers and trade union leaders. Worker's training should focus on the rights, especially on Bangladesh Labour Act, so that they become aware of their entitlements (including employment security, wage and TU rights) at workplace and feel that they should claim those. Training for TU leaders, on the other hand, should focus more on issues like leadership skill, negotiation and bargaining strategy, and communication skills and strategy.



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