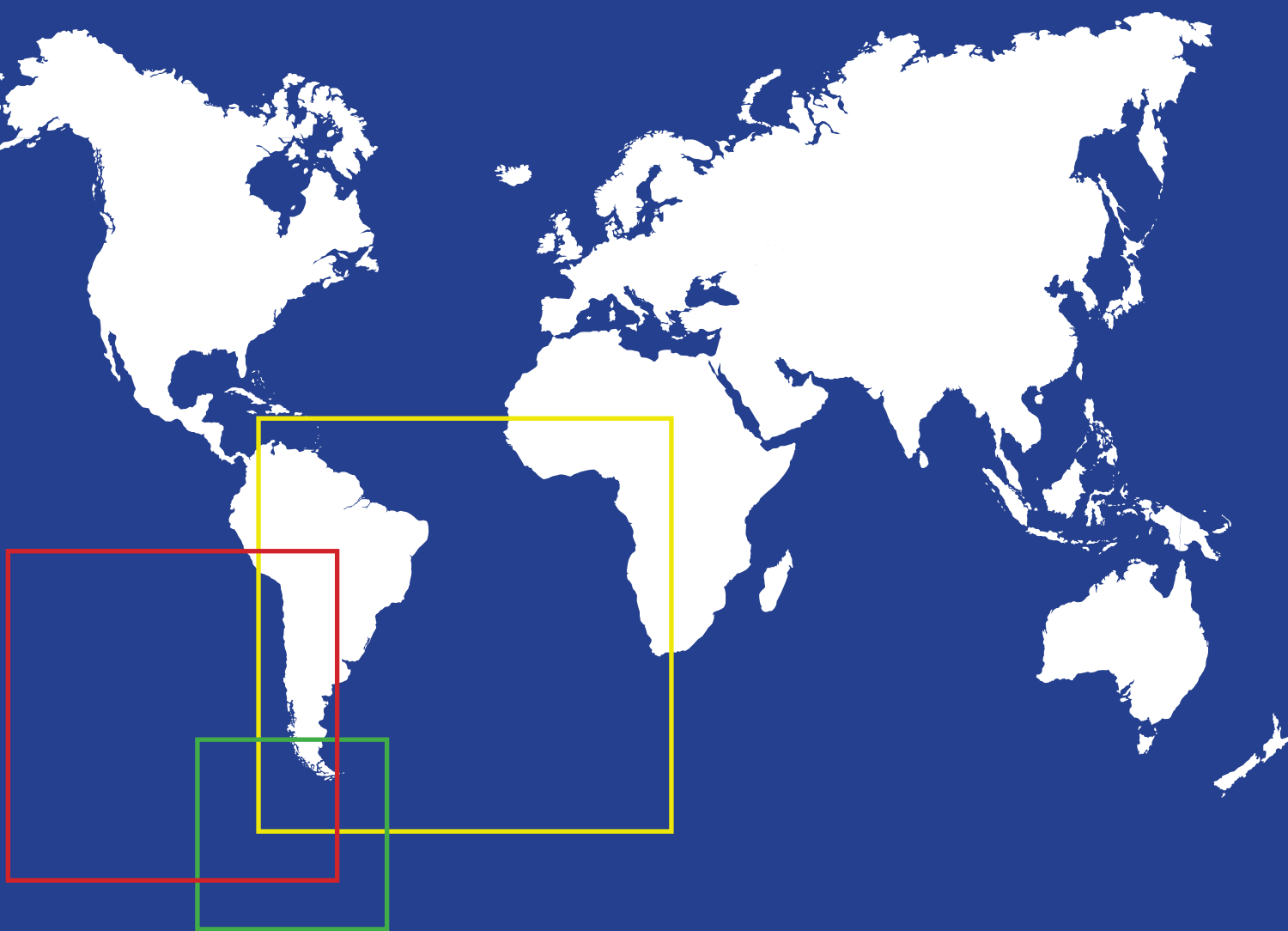




International
Labour
Office

Decent Work Country Profile BANGLADESH



Executive summary

For the past 20 years Bangladesh has been struggling to establish democracy and has undergone tremendous economic, social and political changes that have shaped the landscape for decent work (see Chapter 1). The country has experienced a political transition to a more democratic system along with fundamental labour market reforms, including the adoption of the Bangladesh Labour Law of 2006 that consolidated all the earlier labour laws.

Over the last decade there has been steady progress in raising **per capita income** and significant achievements in alleviating poverty. In many parts of the country, however, poverty rates are still high and inequalities are widespread. Although the share of employment in manufacturing has increased, jobs are still concentrated mainly in the agricultural and services sectors. Labour productivity has risen moderately during the past ten years, but it still lags behind other South Asian economies. With regard to education, significant progress has been achieved in reducing the percentage of children not attending school, and some improvement in the adult literacy rate has also been observed. At the same time, Bangladesh faces few immediate challenges in terms of HIV and AIDS, the prevalence of which is among the lowest in Asia.

During the same period progress in **employment opportunities** has been mixed, notably in three critical areas: gender, youth and informal employment (Chapter 2). The overall employment-to-population ratio has risen steadily, albeit with significantly lower figures for women (notwithstanding a sharp increase) than for men (despite a drop in 2010). Generally, the unemployment rate is on an upward trend, though tending to increase for men and to decline for women for whom it remains higher than for men. Young workers face a serious challenge in the labour market even if their situation has improved, particularly in the case of young women. Finally, there has been no progress in reducing the share of Bangladeshi workers engaged in informal employment, with women workers faring particularly badly in this regard. The Government has placed employment creation among the main objectives of the Sixth Five-Year Plan for 2011-15.

Progress in **adequate earnings and productive work** has been robust (Chapter 3). With a global positive increase in average real wages for both men and women, the declining trend of the minimum wage as a proportion of the median wage shows that there has been a respectable rise in real wages compared to minimum wages. More importantly, the share of employees with monthly earnings of less than two-thirds of the median earnings declined from 20.2 per cent in 2005-06 to 16.1 per cent in 2010. This was especially true among women workers (from 29.6 to 8.1 per cent) and among workers in urban areas (from 27.8 to 14.7 per cent). As expected, casual employees and female employees benefited less from the trend than regular employees and male employees. By and large, the minimum wage policy has been inadequate in terms of protecting employees, primarily because of non-compliance of employers and non-enforcement by the labour authorities.

In general, Bangladesh has made little progress since 2005-06 in respect of **decent working time** (Chapter 4). The percentage of employees working more than 48 hours per week increased from 48.1 per cent in 2005-06 to 51.5 per cent in 2010. The trend has been more prominent among male workers (58.6 to 65.2 per cent) and among workers in rural areas (from 45.8 to 51.3 per

cent), though there has been significant progress on decent working hours among workers in urban areas (55.7 to 52.3 per cent). For about half of Bangladesh's workers the average working week exceed the legal limit, while time-related underemployment among those working 10-19 hours increased from 7.1 per cent to 12.4 per cent and for those working 40-48 hours from 23.9 per cent to 29.9 per cent.

In terms of the decent work dimension of **combining work, family and personal life**, the Government has introduced several changes to legal provisions concerning leave and working time, especially maternity leave (from four months previously to six months since 10 January 2011) and annual leave (Chapter 5). Working hours have been regulated in order to provide workers with a more balanced work, family and personal life. However, workers in both formal and informal employment tend increasingly to work longer hours, especially urban workers who are affected by the impact of urban sprawl and high commuting time.

With regard to **work that should be abolished** (Chapter 6) a greater effort built on existing measures is needed to prevent and eliminate such work. Although the Government has set the age of admission to employment at 14 years and has taken legal steps to monitor admission to employment, light work and hazardous work, little recent progress has been achieved in reducing child labour (from 17.5 per cent in 2002-03 to 15.2 in 2005-06) and in improving the school enrolment rates (which have remained largely stagnant in recent years). In 2005 some 521,614 working children (96.7 per cent of child labourers) were engaged in hazardous work.

As to forced labour, Bangladesh's laws, regulations and plans of action include measures to prevent trafficking in persons, especially women and children. The major effort that is necessary to eliminate the practice altogether, however, is greatly hindered by poverty, lack of access to secondary and tertiary education, the demand for child labour and shortcomings in law enforcement. Currently, there exist no accurate or official data on the extent of forced labour in Bangladesh.

In the area of **stability and security of work** the labour market has experienced an increase in flexible forms of employment and, with it, often higher job insecurity (Chapter 7). Although Bangladesh has not ratified the Termination of Employment Convention, 1982 (No. 158), the 2006 Bangladesh Labour Law does contain provisions for terminating employment on valid grounds and for severance payment. Over the last decade, despite the Government's employment policies, a significant and increasing part of the active population has been engaged in precarious or casual work. The proportion of workers in informal employment rose from 76.2 per cent in 1999-00 to 87.5 per cent in 2010. This trend in precarious work is associated with the increasing pace of globalization, intensified global competition, technological change, corporate restructuring and a relatively stable unemployment rate. This implies that, notwithstanding the erosion of the standard employment relationship in the country, most people in Bangladesh cannot afford to remain unemployed and, because access to social security benefits is virtually non-existent, people are often forced to take whatever precarious jobs they can find simply for the sake of survival. In addition, the real wages of casual employees remain at around two-fifths of the level of regular employees. Gender-based wage disparities are also apparent between male and female casual workers.

In terms of **equality of opportunity and treatment in employment** some progress has been achieved over the last five years, resulting in a rise in women's participation in law, politics and management and a narrowing of the gender wage gap among regular employees (Chapter 8). Moreover, the share of women in wage employment in the non-agricultural sector increased slightly, from 19.3 per cent in 2005-06 to 20.1 per cent in 2010. Significant challenges remain, however, such as that of expanding education and employment opportunities for women and ensuring equal pay for work of equal value (both for women and other discriminated groups like those with disabilities) and enhancing protection for overseas migrant workers, particularly women engaged in domestic work.

As regards the provision of a **safe work environment** (Chapter 9) the Department of Inspection for Factories and Establishments is responsible for enforcing occupational safety regulations. Employment injury benefits are provided through the Bangladesh Labour Law, which regulates compensation for injured workers. No attempt has yet been made to extend such coverage to self-employed workers, let alone to provide injury benefits for workers in the informal sector. In 2009 the Government formed the National Council for Industrial Health and Safety, a tripartite body consisting of representatives from government, businesses and workers' organizations. Despite existing gaps in the reporting system from the local level to the central level, the available data show some progress in the first half of the last decade but none in more recent years, as indicated by the steady increase in fatal and non-fatal occupational injury rates. This suggests that the Government is still lacking the institutional capacity to enforce occupational safety regulations, primarily because the increase in the number of registered workers far outstrips the increase in the number of labour inspectors, with no improvement in logistic and financial support.

The Government has not yet introduced any nationwide **social security** scheme, which may reflect limited political commitment to social protection as a policy priority (Chapter 10). No existing laws provide for universal coverage of social security with compulsory contributions and different programmes, except for old-age pensions for public servants. A number of social safety net programmes include old-age benefits but not unemployment insurance. Despite this, some efforts have been undertaken to improve aspects of social protection in recent years, as can be seen from the rise in government expenditure on safety net programmes and the increasing share of health-care expenditure not financed out-of-pocket by private households (i.e. provided by the State or other non-private actors). Nonetheless, a sizeable proportion of private formal sector employees still do not participate fully in the social security system and programmes to support informal workers are non-existent.

Finally, with respect to **social dialogue and employers' and workers' representation**, Bangladesh has ratified the main ILO Conventions on the subject (Chapter 11). However, progress in recent years has been mixed: not only has there been a decline in the number of trade unions as a whole, but the rate of union membership has also remained relatively low (around 7 per cent of all employees in 2010). At the same time, the number of registered companies affiliated to employers' associations has tended to rise, with the number of industrial concerns and groups attached to the Bangladesh Employers' Federation showing a steady increase. Strikes and lockouts have been on the decline, but the number of workers involved and of workdays lost has increased.

Despite the achievements mentioned above, Bangladesh is still facing many problems in achieving decent work for all, as called for in Millennium Development Goal Target 1.B: “achieve full and productive employment and decent work for all, including women and young people”. The Government recognizes these problems and in its Sixth Five-Year Plan for 2011-15 adopted policy strategies focusing on the pursuit of economic growth, along with labour intensive investment, enhanced competitiveness and poverty reduction. However, these strategies demand a concerted effort on the part of the Government to ensure their effectiveness by including decent work indicators in appropriate monitoring and evaluation systems and national plans of action.