

# Application of Labour Laws in the Garment Sectors: Workers' Perspective of Bangladesh

Md. Ziaul Karim

## Abstract

The rules that control the relationship between employees, employers, trade unions, and the government are known as labour laws. Individual labour law is concerned with workers' rights at work, as well as the effort performance agreement. Employment and labour laws and regulations in Bangladesh address topics like as working conditions, discrimination, and commercial sales. Bangladesh's labour laws ensure that workers' rights are protected. The purpose of this study is to examine how labour laws (service and employment, wages and payment, working time and leave, occupational safety and health, freedom of association, maternity benefit, and profit participation) are applied in the garment industry from the perspective of Bangladeshi workers. A structured questionnaire with five-point Likert scales was used to collect data from 350 respondents using survey technique. A method of selective sampling is applied. Descriptive statistics, reliability analysis, and regression analysis are used to analyze the data. Service and employment, earnings and payment, working time and leave, occupational safety and health, maternity benefits, and profit involvement were all shown to have a substantial impact on garment workers in Bangladesh, according to the study. The researchers are certain that the study will raise awareness about the application of labour regulations among garment manufacturers, government and private sector employees, academics, legislators, and other stakeholders.



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## 1. Introduction

Employees, employers, unions, and the government are all governed by labour regulations. The tripartite connection between an employee, an employer, and a union is addressed under collective labour legislation. Employees' rights on the work, including those arising from employment contracts, are addressed by individual labour law (Wikipedia, 2020). Employment, compensation, working conditions, trade unions, and industrial relations are all governed by labour law. The word refers to social security and disability insurance in its fullest form. The sections of labour law are less consistent than the rules governing a specific legal relationship in comparison to contract, tort, and property law. Apart from individual contractual relationships in the traditional employment relationship, labour law also deals with statutory requirements and collective relationships, which are becoming increasingly important in mass-production societies, legal relationships between organized economic interests and the state, and various rights and obligations associated with specific types of social services (Johannes Schregle, 2006).

Labour law has gained academic legal recognition as a distinct branch of practice, but whether a country has a labour code or other distinctive body of labour legislation, whether separate labour courts or tribunals exist, and whether an influential group within the academic legal community recognizes it as a distinct branch of legal practice varies significantly depending on whether a country has a labour code or other distinctive body of labour legislation, whether separate labour courts or tribunals exist, and whether an influential group within the academic legal community recognizes it as a distinct branch of (Johannes Schregle, 2006). During the early stages of development, labour law is frequently restricted to the most developed and significant industries, enterprises exceeding a certain size, and wage earners; however, these restrictions are gradually lifted, and the law's scope is expanded to include handicrafts, rural industries and agriculture, small businesses, office workers, and, in some countries, government employees. As a result, a body of law that was intended to protect manual labourers in industrial enterprises gradually evolved into a broader body of legal principles and standards that serve primarily two purposes: protecting the worker as the weaker party in an employment relationship and regulating relations between organized interest groups (industrial relations). Bangladesh Labour Act-2006 changes and consolidates the laws governing labour employment, employee-employer interactions, wage payment, workers' compensation, and other labour-related issues. Workers are allowed to work up to 48 hours each week. If overtime is necessary, they are allowed to work up to ten hours per day and sixty hours per week. According to Bangladesh's Employee Rights and Labour Law, each worker's wage must be paid by the end of the seventh day following the final day of payment.

The population of the third world has been disproportionately affected by globalization. As a result of the collapse of conventional industries and the worsening of poverty, unemployment has risen. Nonetheless, the textiles industry's rapid growth, which now employs roughly 1.5 million people, is cause for celebration for the organizations that support Foreign Direct Investment in Bangladesh. However, due to the tough working conditions they face, the joy of having a job is lessened for these folks. Bangladesh created Export Processing Zones (EPZs) in 1978 to attract foreign investment and earn export revenues. In 1993, the Bangladesh Export Processing Zone Authority (BEPZA) was founded, with a blanket ban on trade union activity. Clearly, this is the most appealing feature for investors, far more so than the tax benefits and other incentives given. The EPZs now employ 70,000 people, mostly in the textile and shoe manufacturing industries.

EPZs are exempt from national labour laws, allowing BEPZA unlimited control over working conditions, pay, and benefits (Naila Kabeer, 2002). As a result, the goal of this research was to look at how labour rules are applied in the garment industry from the perspective of Bangladeshi employees. Specific goals include evaluating the factors that affect the efficacy of garment workers in Bangladesh, such as service and employment, wages and payment, working time and leave, occupational safety and health, freedom of association, maternity benefits, and profit participation in the garment industry.

There are various sections to the study article. The literature review is initially based on a previous study. Second, the evolution of the conceptual model and assumptions has been proven. Finally, the research procedures used in the current study are discussed. Finally, the findings and discussions are provided in the article. Finally, the conclusion and implications section discusses the findings of the current study and how they relate to past research. The part concludes with a discussion of the research's limitations and prospective directions.

## **2. Literature Review**

### **2.1 Service and Employment**

There shall be no use of forced labour, including that conducted in a bonded or jail environment, under applicable legislation and regulations (ILO Conventions 29 and 105). 2006 labour legislation: Each business may have its own set of service standards that regulate employee employment (Section-3). No employer shall hire a worker without first delivering the employee with an appointment letter, and each such employee shall be granted a photo identification card (Section-5). Each employer shall provide an employee with a service book at his or her expense (Section-6 (1)). The employer of each establishment is obligated to maintain an employee register (Section-9 (1)). Each employee must be issued a ticket or card (Section-9 (5)). Employers are required to keep track of their employees' leave information in a leave book or registrar book (Section-10). Employers are required to compensate employees for unpaid leave (Section-11). If a worker dies on the job or later as a result of an accident that occurred while he was working, his dependent is entitled to thirty days' wages from the employer (Section-19). All fines and their realizations shall be entered into a designated register held by the employer, and such realizations shall be hastened only for the benefit of the establishment's employees (Section-19 (5)). If an employer desires to terminate a worker's employment, the worker must be given notice; this condition may be satisfied by paying the worker's earnings in lieu of notice (Section-26 (3)). If an employer terminates a permanent worker's employment under this section, the employer must compensate him at the rate of thirty days salary for each completed year of service (Section-26 (4)).

### **2.2 Wages and Payment**

Legislation and regulations, "Work hours must adhere to applicable laws and industry norms. In any case, workers shall not be expected to work more than 48 hours per week on a regular basis and shall be provided with at least one day off for every seven-day work period. Overtime shall be voluntary and not exceed twelve hours per week; overtime shall not be required on a regular basis; and overtime shall always be reimbursed at a premium rate" (International Labour Organization (n 6)).

### **2.3 Working time and leave**

"Wages and benefits paid for a typical workweek shall meet at a minimum legal or industry minimum criteria and shall always be sufficient to support the fundamental needs of workers and their families, as well as to give some discretionary income" [ibid.(26 and 131)].

### **2.4 Occupational safety and Health**

Enacting legislation and enforcing rules, "Occupational safety and health (OSH), also referred to as occupational health and safety (OHS) (Rusak and Tsvetkova, 2013), or occupational safety, is a multidisciplinary field concerned with the safety, health, and welfare of workers. Furthermore, these terms are used to describe the field's objectives (Mosby's Medical Dictionary). According to 2010 NHIS-OHS data, hazardous physical/chemical exposures in the service industry were lower than national averages. On the other hand, this sector reported a high incidence of potentially harmful work organization characteristics and workplace psychological exposures. In 2010, 30% of service industry workers reported job insecurity, 27% worked non-standard shifts (not a typical day shift), and 21% worked in non-standard employment arrangements (not as regular permanent employees) (CDC – NHIS – Services Sector Profile, 2013).

### **2.5 Freedom of association**

"All workers must have the right to form and join trade unions and bargain collectively" [ibid. (87 and 98)]. "Workers' representatives should not be discriminated against and shall have access to all workplaces necessary for the performance of their representation tasks." [ibid., pp. 135–143].

### **2.6 Maternity benefits**

According to the Legislation and Regulations, 2006 Labour Law, no woman shall work in any establishment for the eight weeks immediately after the day of her birth (Section 45 (2)). Every woman employed in an organization is entitled to, and her employer is responsible for, maternity benefits for the eight weeks preceding and shortly following her expected due date (Section-46 (1)).

### **2.7 Profit participation**

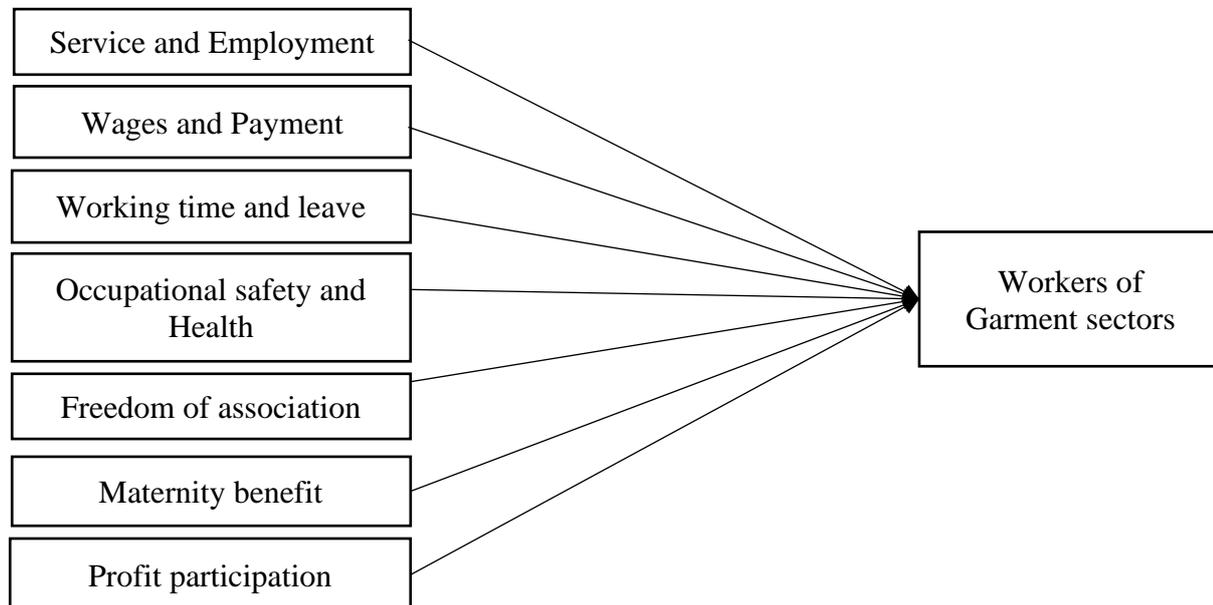
enacting legislation and enforcing rules, A board of trustees shall be formed as soon as possible following the establishment of the Participation Fund and the Welfare Fund, consisting of the following members: (a) two individuals nominated by the collective bargaining agent, or, in the absence of a collective bargaining agent in the company, two individuals elected by the company's workers among themselves; and (b) two individuals nominated by the company's management, one of whom shall be a member of the company (Section- 235). Each year, two-thirds of the total amount invested in the Participation Fund shall be distributed in cash to all employees in an equal proportion, and one-third shall be invested in accordance with applicable regulations to all employees (Section- 242).

### **2.8 Workers of garment sectors**

The garment industry exemplifies the fundamental issues of global manufacturing: low wages, "flexible" contracts (or no contracts at all), and inadequate working conditions. Informal garment and textile workers, who account for a large segment of the workforce in a number of nations, are sometimes invisible, particularly those who work from home. Garment workers, on the other hand, are organizing and achieving policy triumphs. While the bulk of labour conditions—maternity benefit, working hours, paid leave, and a livable wage—are satisfactory, Islam and Rakib (2019) argue that improvements in areas such as trade unions, profit participation, and health care are occasionally necessary. The garment sector should follow labour standards to ensure the safety and well-being of its workers, and the government should keep an eye on the situation. The study 'Labour Laws in Bangladesh's Textile Sector in Workers' Contexts' examines labour law practices in Bangladesh's textile sector. While the researchers

decided that many components of employment law were in order (e.g., employment conditions, maternity allowance, working hours, and leave), they determined that several areas required amendment (i.e. trade unions, profit participation, and the health of employees).

### 3. Conceptual Framework and Hypotheses Development



**Figure 1.** Research model

- H1: There is a positive application of service and employment in the garment sectors.*  
*H2: There is a positive application of wages and payment in the garment sectors.*  
*H3: There is a positive application of working time and leave in the garment sectors.*  
*H4: There is a positive application of occupational safety and health in the garment sectors.*  
*H5: There is a positive application of freedom of association in the garment sectors.*  
*H6: There is a positive application of maternity benefit in the garment sectors.*  
*H7: There is a positive application of profit participation in the garment sectors.*

## 4. Research Methods

### 4.1 Research types & Design

The present study is quantitative type. Quantitative research is the gathering of statistics that comprises bigger, more defendant's models and mathematical calculation of outcomes. The research plans used in the study are descriptive study strategy. With emphasis on descriptive category, with the intention of conduct primary data the research will have questionnaires on the application of labour laws (service and employment, wages and payment, working time and leave, occupational safety and health, freedom of association, maternity benefit, and profit participation) in the garment sectors in the contexts of workers in Bangladesh.

### 4.2 Sources of data

The sources of data are used both primary and secondary. The primary data is gathered from the field through the management of a well-organized questionnaire form and individual discussion survey. The literature review is to be developed from the secondary sources in this study. Secondary data sources are those Textbooks, Different journals, Internet source, PhD dissertation and Annual report.

### 4.3 Sampling method, Sample size & Area

The study is used nonprobability sampling technique (purposive sampling). For the study it is pertinent to be able to attain a sample of around 350 garments workers. Sample area is selected garment firms at Chattogram in Bangladesh.

### 4.4 Questionnaire types & Design

Each of the questions is closed ended. The first section is an introduction, which includes the research survey's objective and topic. Structural questions have been prepared and consist of 21 data collection items. The first section features ten selected garment firms. The second section contains twenty questions about the application of labour laws (service and employment, wages and payment, working hours and leave, occupational safety and health, freedom of association, maternity benefit, and profit participation) in Bangladesh's garment sector. Thus, all variables are quantified using five-point Likert scales (1 = 'Strongly dissatisfied' to 5 = 'Strongly satisfied'); the first question contains three propositions related to service and employment (preservation of service book in employer's custody, providing termination notice to the employee prior to termination, and compensating terminated workers in accordance with the law); the second question contains three propositions related to labour relations; and the third question contains three propositions related to labour relations (establishing trustee board for the management of the participation funds, utilization of welfare fund for the workers). (Rakib and Islam, 2019).

### 4.5 Data collection

The research is gathered data from three hundred fifty respondents in personal interview method through survey technique in Bangladeshi garment workers who have already worked in selected garment at Chattogram.

### 4.6 Data analysis

Data are collected from garment workers and encoded in SPSS 25.0 software for analysis. It is analyzed by applying descriptive statistics (mean & standard deviation) analysis, reliability analysis and regression analysis (Model Summary, ANOVA, and Coefficients).

## 5. Results and Discussions

**Table 1.** Descriptive Statistics analysis

Constructs (Labour laws)	Mean	Std. Deviation	Rank
Service and Employment	3.8914	.82558	6
Wages and Payment	3.6514	1.10673	7
Working time and leave	4.1000	.84552	2
Occupational safety and Health	3.9714	.76775	5
Freedom of association	4.0143	.75498	4
Maternity benefit	4.2200	.66008	1
Profit participation	4.0686	.74625	3

### 5.1 Descriptive statistics analysis

The mean and standard deviation scores were used to analyze all of the constructs (labour laws). The factors (labour laws) were ranked according to their calculated mean values. As shown in Table 1, maternity benefit received the highest mean score (M = 4.2200), while service and employment received the lowest mean score (M = 3.8914). All aspects (labour laws) generated moderate mean scores. It suggests that wages and payment, and maternity benefit have more significant variations, among other elements.

**Table 2.** Reliability analysis

Constructs (Labour laws)	Numbers of Items	Cronbach's Alpha
Service and Employment	3	.700
Wages and Payment	3	.912
Working time and leave	3	.707
Occupational safety and Health	3	.796
Freedom of association	3	.845
Maternity benefit	3	.901
Profit participation	2	.721

### 5.2 Reliability statistics analysis

Cronbach's coefficient alpha is to be used to test for internal dependability of the constructs by applying Reliability study. All factors (labour laws) have no difficult in consistencies if the Cronbach's Alpha values surpassed the criterion of 7.00 (Hair et al., 2011). As illustrated in Table 2, it is revealed that the analysis showed that the lowest value of Cronbach's Alpha was 0.700 for the application labour laws of workers in the garment sectors. Accordingly, the survey tool is dependable to assess all factors reliably and free from random error.

**Table 3.** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821	.674	.667	.37816

### 5.3 Model summary

As illustrated in Table 3, it is demonstrated that correlation coefficient value (R) is equivalent to 0.821 which recommends that there is a good positive association (application based) between workers of garment sectors and service and employment, wages and payment, working time and leave, occupational safety and health, freedom of association, maternity benefit, profit participation. However, only 67.4% (R-square values of 0.674) variation in workers of garment sectors is accounted due to service and employment, wages and payment, working time and leave, occupational safety and health, freedom of association, maternity benefit, and profit participation. The adjusted ( $R^2$ ) is 0.667 representing that the factors (labour laws) can suggestively account for 66.7% variance in workers of garment sectors.

**Table 4.** ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101.091	7	14.442	100.989	.000
	Residual	48.907	342	.143		
	Total	149.998	349			

### 5.4 ANOVA (Confirm the Model Fitness)

As demonstrated in Table 4, the study reveals that multiple regression analysis is achieved to examine the association between service and employment, wages and payment, working time and leave, occupational safety and health, freedom of association, maternity benefit, and profit participation with workers of garment sectors. Seven hypotheses are anticipated and outcomes are computed. The F-value is 100.989 with a significant level 0.000 which is less than 0.01 with 7 and 342 degrees of freedom and it declares model fitness for regression analysis.

**Table 5.** Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.685	.166		4.141	.000
Service and Employment	.493	.028	.621	17.815	.000
Wages and Payment	.152	.021	.256	7.250	.000
Working time and leave	.092	.059	.097	2.903	.042
Occupational safety and Health	.124	.031	.145	3.961	.000
Freedom of association	.030	.033	.035	.928	.354
Maternity benefit	.081	.041	.082	2.003	.046
Profit participation	.124	.032	.141	3.839	.000

### 5.5 Coefficients (Application of labour laws in the garment sectors)

As showed Table in 5, there are outcomes of multiple regression analysis. It is shown that service and employment as the important facet, which significantly influence on workers of garment sectors ( $\beta_1 = 0.621$ ;  $t$ -value = 17.815;  $p < 0.05$ ). Therefore, service and employment have a positive and significant effect on workers of garment sectors. Next, wages and payment as the significant element, which notably affect workers of garment sectors ( $\beta_2 = .256$ ;  $t$ -value = 7.250;  $p < 0.05$ ). So, wages and payment have a significant impact on workers of garment sectors. Then, working time and leave as the vital feature, which notably influence on workers of garment sectors ( $\beta_3 = .097$ ;  $t$ -value = 2.903;  $p < 0.05$ ). Thus, working time and leave have a positive and significant impact on workers of garment sectors. Thus, working time and leave have impact on workers of garment sectors. At that time, occupational safety and health as the vital feature, which notably influence on workers of garment sectors ( $\beta_4 = .145$ ;  $t$ -value = 3.961;  $p < 0.05$ ). Thus, occupational safety and health have a positive and significant impact on workers of garment sectors. Thus, occupational safety and health have impact on workers of garment sectors. At that juncture, maternity benefit as the vital feature, which notably influences on workers of garment sectors ( $\beta_6 = .082$ ;  $t$ -value = 2.003;  $p < 0.05$ ). Thus, maternity benefit has a positive and significant impacts on workers of garment sectors. Thus, maternity benefit has impacts on workers of garment sectors. Last one, profit participation as the vital feature, which notably effects on workers of garment sectors ( $\beta_7 = .141$ ;  $t$ -value = 3.839;  $p < 0.05$ ). Thus, profit participation has a positive and significant impacts on workers of garment sectors. Thus, profit participation has impacts on workers of garment sectors.

The outcomes in Table 5 designate that freedom of association insignificantly impacts on workers of garment sectors ( $\beta_5 = .035$ ;  $t$ -value = .928;  $p > 0.05$ ). Therefore, freedom of association has no effects on workers of garment sectors.

## 6. Conclusion and Implications

Although Bangladesh's economy is largely agrarian, the Readymade Garment (RMG) industry has emerged as the country's primary source of foreign currency in recent years. This crucial sector generates more than 75% of Bangladesh's foreign revenue. At the moment, about four million people are working in 4,500 RMG enterprises, with 90% of them being illiterate women from rural Bangladesh (Islam & Chowdhuri, 2014). According to policymakers and employers in this sector, the growth of the garment industry has facilitated the employment of a huge number of rural women in Bangladesh, who have since improved their socioeconomic status. However, national and internal observers are concerned that RMG firms rarely adhere to labour laws and other regulations like as factory rules, labour relations laws, employment laws,

wage payment laws, ILO standards, and ethics, so making life extremely difficult for these people. At times, employers take advantage of these workers' illiteracy and submissiveness by increasing the amount of hours worked each day without compensating for overtime. Thus, this article will examine the extent to which labour laws and other rules are adhered to in Bangladesh's RMG industry, as these are the only safeguards for the country's large number of female workers in this crucial sector. In terms of preventing sexual harassment, the application of labour laws is a significant concern in this sector, followed by physical mobility and access control of employees, the company's leave and entry path, working hours, and counseling arrangements inside the business. This study demonstrates that producers of ready-to-wear should take sexual harassment seriously in order to ensure that employees feel safe at work. Additionally, they should prioritize workplace safety, work hours, and employee counseling to foster a more favorable work atmosphere (Islam et al., 2018).

The study's purpose was to examine the application of labour rules in the garment sector in the context of Bangladeshi employees. Different sources of labour law application are critical tools for guiding the happiness of garment workers. The purpose of this study is to examine the application of labour laws (service and employment, wages and payment, working hours and leave, occupational safety and health, freedom of association, maternity benefit, and profit participation) in Bangladesh's garment industries from the perspective of workers. The research discovered that service and employment, earnings and payment, working hours and leave, occupational safety and health, maternity benefit, and profit involvement all had a substantial effect on garment sector workers. The study's findings may benefit both researchers and practitioners. It provides instructions for researchers to comprehend awareness patterns, their level, and their relative significance. Together with material for future research, this study identifies avenues for delving deeper into the labour regulations affecting garment sector workers. Additionally, this study provides practical guidance and pertinent suggestions to businesspeople, garment industrialists, and marketing experts in order to encourage policies that promote the application of enlightened labour laws, as satisfaction issues are opportunities to improve worker performance in Bangladesh's garment sectors.

## 7. Limitation and Further Research

The study was conducted solely in Bangladesh, and the findings may not be applicable in other parts of the world. Because of the small sample size, it is possible that this data is not truly indicative of the overall perspective of Bangladeshi garment workers. The sample size should be increased in order to improve the generalizability of the results in future study. According to the findings of the study, only a few labour laws had an impact on the independent variable. As a result, there may be another element related to labour regulations that has an impact on worker satisfaction in the clothing industry as well. Those aspects of labour law will be studied in greater depth in the future.

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