

# Leveraging the Bangladesh Labour Act to Support Vulnerable Workers in the Informal Apparel Sector

Bangladesh is the second largest garment exporter in the world, with its ready-made garment (RMG) industry accounting for more than 80 percent of the country's export earnings. Since passage of the Bangladesh Labour Act (BLA) in 2006, working conditions in Bangladesh's export-oriented formal apparel factories have improved. However, informal RMG factories have not benefited from the same improvements. Producing primarily for domestic markets, informal factories have not been subjected to the same levels of oversight, leaving workers at elevated risk of forced and child labor. With support from the Global Fund to End Modern Slavery and the UK's Foreign, Commonwealth and Development Office, NORC at the University of Chicago conducted a study of Bangladesh's RMG sector to identify gaps in existing legislation and make recommendations for its application and enforcement in the informal RMG sector.

*Conducted from September 2020 through April 2021, the study includes analysis of current legal frameworks, an academic and gray literature review, and fifteen interviews with government stakeholders, legal professionals, international brands, employers' associations, informal sector representatives, and donors/NGOs.*

## Gaps in the Bangladesh Labour Act (BLA)

The BLA lacks significant enforcement mandates, therefore limiting the ability of the Department of Inspection for Factories and Establishments (DIFE) to impose significant penalties and fines. DIFE lacks adequate resources to inspect factories— including personnel, training facilities, and performance management systems. Employers perceive that the consequences of non-compliance are not severe enough to bear the costs of compliance.

### RECOMMENDATION

- Enhance the executive authority and enforcement capacities of DIFE.
- Create stronger punishments for violations by granting DIFE on-the-spot power to withdraw licenses and impose fines and other penalties.

The prohibition of child labor is complicated by a provision that allows children between 12-14 years old to be employed in "light work".

### RECOMMENDATION

- Enhance monitoring mechanisms and impose stronger penalties for violations that endanger children or interfere with their education.

Factories with fewer than 100 workers are not permitted to form a trade union. Most informal factories employ much less than 100 workers, limiting their ability to unionize with legal protection.

Non-regular hiring arrangements (i.e., apprentice, casual, temporary) also allow employers to avoid unionization.

### RECOMMENDATION

- Revise provisions to support the formation of trade unions in informal apparel factories.

Specific provisions are lacking to ensure occupational health and safety (OHS) and to prevent discriminatory practices related to race, gender, origin, religion, political beliefs, ethnic group, and/or disability status.

### RECOMMENDATIONS

- Improve OHS training facilities and adopt policies to ensure equal worker rights.
- Broaden discrimination provisions to include non-wage issues and protect additional classes of workers.

No clear authority is designated to oversee child labor law compliance in the informal sector. While the Ministry of Women and Children Affairs (MOWCA) and Ministry of Labor and Employment (MOLE) are tasked with child protection, they do not coordinate to implement child labor laws.

### RECOMMENDATIONS

- Improve coordination between MOLE and MOWCA and assign an inspection and monitoring authority for the local garment sector.
- Streamline coordination among DIFE, the metropolitan police departments, City Corporation, and the Ministry of Home Affairs to ensure information is shared and workplaces are safe before government services are administered.

# Tackling Exploitation of Informal Apparel Workers through the National Plan of Action (NPA) for Prevention and Suppression of Human Trafficking

Millions of workers in Bangladesh's informal apparel factories are vulnerable to forced and child labor due to high rates of poverty, the fragmented nature of textile supply chains, and the lack of enforcement of legal protections for workers. The government, in partnership with NGOs and donors, has set out goals to combat all forms of trafficking under the National Plan of Action (NPA) for Prevention and Suppression of Human Trafficking (2018-2022). With support from the Global Fund to End Modern Slavery and the UK's Foreign, Commonwealth and Development Office, NORC at the University of Chicago conducted a study that has generated recommendations for the government to ensure that the NPA protects informal ready-made garment (RMG) workers.

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Goals set out in the NPA can be applied by the anti-trafficking community to address labor exploitation in the informal apparel sector, but there is a general lack of awareness about the NPA among relevant RMG stakeholders (legal experts, regulators, brands, donors, and NGOs).

## RECOMMENDATION

- Government should make the NPA and its provisions widely accessible for NGOs, other anti-trafficking stakeholders, and vulnerable populations and trafficking survivors.

NPA implementation is led by the Ministry of Home Affairs (MOHA) and involves multiple other ministries, but NGOs and other stakeholders are often excluded from participation. Despite a critical need for a centralized human trafficking database, efforts to compile and maintain this data are hindered by a lack of

coordination. Such a database would facilitate more effective anti-trafficking programs and greater public awareness on penalties.

## RECOMMENDATION

- The MOHA should engage a wide variety of organizations implementing anti-trafficking programs, labor leaders, and other entities working for labor rights.
- The MOHA should maintain a publicly available and centralized database including law enforcement, legal prosecution, and victim protection data.

The NPA prioritizes specific interventions to build the capacity of implementing agencies, combat trafficking in children, and strengthen the legal provisions for prosecuting traffickers. However, many important existing

provisions and activities of the NPA have not been fully implemented yet.

## RECOMMENDATION

- Support the implementation of provisions including:
  - Enhance victim care interventions, including operating the seven anti-trafficking tribunals to provide access to justice for survivors and victims of trafficking.
  - Activate the National Fund for mobilizing resources to combat trafficking.
  - Institutionalize the National Authority to Suppress and Prevent Human Trafficking for better cooperation, monitoring, and implementation.

# Empowering Workers and Engaging Brands: Eliminating Forced Labor in the Informal Apparel Sector

The ready-made garment (RMG) sector in Bangladesh is based on business relationships between buyers and suppliers. Though buyers formally require their Tier 1 suppliers to disclose the use of subcontractors, suppliers do not consistently do so. Under-the-table or unauthorized subcontractors are not monitored by buyers, which can depress wages and working conditions, stymie investment in technology and training, and hinder improvements in productivity and quality. With support from the Global Fund to End Modern Slavery and the UK's Foreign, Commonwealth and Development Office, NORC at the University of Chicago conducted a study of Bangladesh's RMG sector to generate recommendations for empowering informal workers and assure better business.

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## Empowering Workers

Informal RMG workers working for unauthorized subcontractors may not be aware of their rights related to wages, overtime hours, and workplace safety standards. Workers often lack the power, resources, and knowledge to file cases against non-compliant employers.

### RECOMMENDATION

- Support interventions that increase workers' and employers' awareness of labor laws and their rights.
- Strengthen unions to raise workers' rights awareness, file cases on behalf of workers, and spur employers to action.

The enabling environment for unions is weak, limiting their capacity to advocate for workers. Informal workers may fear backlash for advocating for their rights.

### RECOMMENDATION

- In the absence of unions, empower local NGOs and other local worker groups and advocate for workers. Strengthen their capacity to file grievances against employers.

- Support union-building activities and accountability initiatives for non-compliant employers by encouraging informal factories to formalize through incentives such as access to training, capacity-building services, and financing.

## Transforming Private Sector Labor Practices – Transparency and Incentives

Pressure by international brands has led to improvements in labor conditions in the formal sector. However, when buyers increase orders without re-evaluating supplier capacity, the gap is often closed by unauthorized subcontractors. The transparency of supply chains is necessary for compliance with worker safety standards.

### RECOMMENDATION

- Brands should disclose their lists of suppliers publicly.
- Brands should work with suppliers to disclose all their subcontractors.
- Brands should incentivize smaller suppliers to maintain standard regulations – i.e. ensure more regular work or expand access to financing.

## Transforming Private Sector Labor Practices - Guidelines and Monitoring

While buyers are accountable for compliance with labor standards, suppliers bear responsibility for adhering to worker safety guidelines. Suppliers agree that all factories will be inspected to meet the workplace standards specified by brands. The practice of indirect sourcing through subcontractors without an effective regulatory framework continues to undermine wages and working conditions.

### RECOMMENDATIONS

- Brands should coordinate with government and NGO stakeholders to develop appropriate subcontracting business guidelines to regulate the RMG supply chain and encourage compliance.
- Brands should increase monitoring (including unannounced visits) of supplier factories to discourage unsafe labor arrangements.
- Brands should build direct relationships with subcontractors and support their capacity to comply with labor standards.