



Bangladesh Labor Reform

Insights

8.26.13

Since the tragic collapse of a factory building in Dhaka, Bangladesh in April of 2013, which resulted in the death of over 1,000 workers in the clothing industry, the Bangladeshi government has adopted a number of amendments to the Bangladesh Labor Act of 2006 (“Labor Act”) in an attempt to better conform with international labor standards applicable to workplace safety, freedom of association and collective bargaining.

The amendments, including Convention Nos. 87 and 98 relevant to freedom of association and collective bargaining, (collectively “the Amendments”), which were adopted on July 15, 2013, provide for the following labor reforms:

- Safety committees are required by employers with factories comprised of 50 employees or more;
- Personal safety equipment is now required for employees;
- The Labor Inspector will now have new responsibilities to inspect safety and health conditions and will also be permitted to conduct on-the-spot inspections;
- Workplace Health Centers are required in workplaces with over 5,000 employees and safety welfare officers are required in workplaces with more than 500 employees;
- Workers are permitted to consult with outside experts during collective bargaining;
- Factory owners are now prohibited from vetoing the formation of unions. However, the Amendments require that union leaders be selected from within the company, not from outside the company;
- In order to form a union, 30% of the company’s total workforce must vote in favor of a union; and
- There is no longer the requirement that the names of union leaders be provided to employers at the time of registration of a trade union at a factory or federal level.

Although these Amendments do indicate some level of progress by the Bangladeshi government in complying with international labor standards, the Amendments fail to address many of the labor recommendations made by the International Labor Organization (“ILO”). For instance, the Amendments do not extend freedom of association and collective bargaining rights to workers in export processing zones where factories often doing business with Western companies are based nor to hospitals, clinics and diagnostic centers.

The government also has the right to prohibit any union strike if it determines that the strike would cause a “serious hardship to the community” or if a strike was deemed “prejudicial to the national interest.” The Amendments also do not prohibit certain types of discrimination and harassment in the workplace such as sexual harassment.

Based upon continuing pressure from the international community and recommendations by the ILO, the Bangladeshi government is expected to enact additional reforms in the coming year to further comply with key international labor standards pertaining to workplace safety and employee rights.