

Economic Policy Paper

on

Labor Laws

1. Background Information

The DCCI-CIPE-ERRA project is designed to prepare and present policy papers on different subjects including labor laws. The paper on labor laws has been prepared in line with the T.O.R. covering-

- (a) review of existing labor laws;
- (b) listing of labor laws supporting business sector;
- (c) listing of laws that need changes for making them supportive;
- (d) analysis of current and future needs for changes in labor laws;

2. Brief Review of Labor Laws

Existing labor laws were adopted by British Colonial administration as well as by the government of Pakistan and the government of Bangladesh. These laws were adopted in the context of prevailing conditions in the field of employment over the past decades of the last two centuries.

These laws were adopted for enforcement of law in the field of employment and particularly relating to wages, benefits, compensation for injuries and weekly holidays working hours, maternity benefit for women workers, legal provisions made for trade union activities, workers participation fund, fixation of minimum wages in informal sectors and the like.

Laws were set for ensuring social justice, equitable distribution of profits and safeguard against health and safety problems. Beyond local conditions laws were also to meet obligations under international norms and conventions adopted by ILO and other UN agencies.

3. Labor Laws Supportive of Business Sector

Laws in general and labor laws in particular have to be supportive of business and industry as well as the economy as a whole with increased involvement of private sector business and industrial community in the economy the coverage of labor laws should be expanded.

Provisions of law should be made for linking wages with productivity in factors and fiscal awards and extra-benefits with expansion of trade in general and distribution of products in particular. Labor laws should also enable business and industrial community to ensure timely inflow of backward linkage items, use of raw materials and outflow of finished products. The schedule of working hours, including night work, overtime work etc. should be facilitative, where necessary by amending laws and authorizing employers to negotiate directly with workers on terms and conditions of employment.

Official agencies including labor works should be made helpful to employers and business community and that by inducting professionals in selected jobs and by

eliminating bureaucratic practices for this end, existing labor laws should be thoroughly reviewed before introducing positive changes.

4. Labor Laws that Need Reform

Out of 46 labor laws, a professional in the field listed 22 labor laws as of prime importance directly or indirectly for business and industry. The provisions of the Industrial Relations ordinance 1969 are relevant to employment conditions including trade union activities, settlement of disputes plus adjudication and arbitration.

The finding and recommendations of the National Labor Law Commission that submitted its report in 1994 may have to be reviewed for introducing provisions that may be facilitative for business and industry.

The Business Community may insist on Amendment of Labor Laws for Ensuring :-

- (a) direct negotiation between employers and workers for fixation of works;
- (b) exercise of the right to employ and terminate works;
- (c) interaction with the government, the ILO and workers organization;
- (d) induction of apprentices in factories and business establishments.

5. Analysis of Current Situation

Labor management relation in Bangladesh is under continuous stress due to ghesao, hartal and other political programmes, Bureaucration in official circles delays conflict resolution, despite favorable labor laws. Workers have also problems in terms of immunization, collective bargaining and leadership.

Even the multiplicity of labor laws keep them relatively unfavorable to business and industrial community, which are yet to obtain services of qualified personnel for handling labor laws.

6. Conclusions and Recommendations

The emerging scenario vis-a-vis the relationship between workers and employers has been further influenced by the globalization and privatization process. More interaction is needed among the three partners, namely, the government, the business community and the workforce.

Recommendations for change and improvement in the labor management field may be debated on and adopted in the seminar on labor laws.

1. Background

- 1.1. The Dhaka Chamber of Commerce and Industry, among other such Chambers, works for the advancement of the interest of the business and the industrial community in the country. It has so far gathered information on business and industry and compiled and disseminated such information, especially to its members and all other concerned agencies and individuals. It also organizes different seminars and symposia for discussion on issues that arise in the commercial and industrial scene. In the process, the Dhaka Chamber of Commerce and Industry maintains good contact with government agencies and working partners in the country on the one hand, and business partners in different countries of the world on the other. Its scope of work has increased due to the adoption of the free-market policy by the government and the emerging global policies enunciated by international trade organizations. The bilateral trade and commercial relations with different countries have made the Chamber interactive with the chambers of business and industrial communities in those countries.
- 1.2. The Dhaka Chamber of Commerce and Industry has so far maintained contact with chambers in different countries and interchanged information that was available. In the context of globalization such contacts and exchange of information have become all the more important. Information and data are to be made more objective and comprehensive for enabling business partners to enter into bilateral deals, as well as to fulfil the terms and conditions enunciated by global organizations. With such a rapidly widening perspective of work, the Dhaka Chamber of Commerce and Industry has taken steps to strengthen its organization by creating new units of work and by appointing professionals in different disciplines. It has since obtained technical and financial assistance from the Center for International Private Enterprise (CIPE), an affiliate of the U.S. Chamber of Commerce, Washington, for conducting studies on different aspects of business and industry and preparing economic policy papers for submission to appropriate government agencies. The overall goal of the Chamber is to provide support to policy makers on the one hand, and member enterprises on the other.
- 1.3. The Dhaka Chamber of Commerce and Industry has taken the initiative of preparing an Economic Policy Paper on Labor Laws. The draught of the paper was submitted for perusal by the management of the DCCI-CIPE-ERRA project. The same paper, improved in line with suggestions from the DCCI, is to be presented in a seminar organized for review and ultimate inclusion of valuable suggestions and findings.
- 1.4. The paper has been prepared in line with the terms of reference enclosed with the formal letter of engagement of the consultant. The paper has to cover, among other aspects :-
 - (a) A brief review of the current labor laws.
 - (b) An assessment of the labor laws that are supportive of the development of the business sector.
 - (c) An assessment of the labor laws that need further improvements for the development of the business sector in the context of the free market economy.
 - (d) An analysis of the current situation as well as of future requirements of labor laws to make them more supportive of the business sector in facing the challenge of the free market economy.

- 1.5. The paper has been prepared with an eye on the current realities in the business and industrial sector of Bangladesh. It is brief and at the same time comprehensive in terms of coverage. That being so, the academic niceties of quoting references with footnotes have been dropped in the text. The analysis and findings have been presented on the basis of personal experiences plus interfaces with professionals and business executives plus the leadership of the workforce. It is therefore expected to meet the requirements of all concerned.

2. Brief Review of Labor Laws

- 2.1. Since its emergence as an independent country in 1971, through the liberation war that continued for nine months from March 26 to December 16, Bangladesh has been passing through a phase of adjustment. The adoption of the Constitution of the People's Republic of Bangladesh was one of the major achievements of the government. The same government took necessary steps to adopt laws in different fields and they did so by adopting the appropriate legal measures. In the process, the country and the government took upon itself the obligation to implement provisions of laws that were adopted earlier as well as of laws that have since been enacted to meet the changing needs.
- 2.2. Bangladesh has also adopted legislative measures for protection of the rights and interests of the workforce engaged in different sectors of the economy. The preponderance of the primary sector of the economy and the relatively smaller size of the secondary and tertiary sectors have a direct bearing on the wage employment scene. Those engaged in family vocations and family farms have remained beyond the range of the labor laws and wage employment.
- 2.3. The provisions of laws were made applicable only to those employed in factories and other establishments. Over the years, employment in factories and establishments has increased due to setting up of new industries, including around two thousand and five hundred garment manufacturing units. Workers have derived the benefits of continued employment, assured payment of wages and benefits as per provisions of the law. Even in business houses wage employment opportunities have increased, and qualified and experienced employees have started working on a long-term basis. They are employed in exchange of competitive wages and other benefits offered by employers in the business community.
- 2.4. Bangladesh inherited the legal system both from the British colonial period and from the post-partition period from 1947 to 1971. Laws that were enacted under the colonial rule were meant to meet the realities of a mercantile capitalistic arrangement. In that scenario, workers were largely appointed by contractors who were not so much concerned about protecting their rights and interests. The majority of the workforce in farming sector, or those who worked in family farms, did not have defined rates of wages nor any legal coverage thereon. Those in cottage industries also remained beyond the scope of legal provisions.

The overall situation in the employment scene started changing with the setting up of textile mills, shipyards, ports, railways and some mining operations in the subcontinent under the British rule. The process of change has continued over the years with added

attention from all quarters, i.e. the government, the civil society, the entrepreneurial class and the workforce in general.

- 2.5. In the historical context, the colonial government took the initiative of enacting laws for the workforce engaged in factories and business establishments in the country. It may be worthwhile to go over the list of the laws that have been adopted in different parts of the country through the 20th century plus some two decades of the 19th century. Laws enacted for the employment scene are quite numerous and may be seen for general appreciation of the legal frame work.
- 2.6. Laws relating to workmen's compensation, dock laborers, payment of wages, employers' liability, employment of children, maternity benefit and weekly holidays were adopted in the twenties, thirties and forties of the 20th century. Laws covering maternity benefits for tea-estate employees, fatal accidents, minimum wages, record of service in factories and establishments were also adopted.
- 2.7. The Employment of Labor (Standing Orders) Act, the Shops and Establishments Act, the Inland Water Transport (Regulation of Employment) Act, and the Companies' Profit (Workers' Participation) Act were adopted from 1950 to 1968. Some more laws were adopted in seventies in post-liberation Bangladesh. These legislations cover printing presses and publications, state-owned manufacturing industries and newspapers. Some more laws have since been enacted to implement the recommendations of the wages and productivity commissions.
- 2.8. The regulatory processes of labor laws have been based on three principles, namely social justice, social equity and conformity with international standards. In an article on "Adjustment, Labor Market Reforms, Industrial Relations and Productivity in Bangladesh", Professor Momtazuddin Ahmed and Research Fellow Abdul Hye Mondal highlighted the principle of social justice in the form of equitable distribution of profits and benefits between employers and employees in an industry. They also referred to the safeguards of workers against harmful effects on health, safety and morality. The principle of social equity demands that application of labor laws should be flexible enough to adapt to changing social conditions, whenever necessary, by adopting rules by the government as supplementary provisions of the relevant act.
- 2.9. In addition to improving the local conditions of work, laws were adopted for the purpose of bringing them into conformity with international standards. The provisions of the ILO convention '87 on the right to organise and convention '98 on the right to collective bargaining are of profound importance. All other provisions of the ILO conventions adopted for the protection of the rights and interest of the workers have to be followed by the three partners in progress, namely the government, the employer and the worker. Labor laws in Bangladesh thus have global implications as well.
- 2.10. The legislative process in the South Asian subcontinent started with adoption of the Factories Act, 1881. The provision of the Act was applicable to factories, mainly textile mills set up in Bombay and jute mills in Calcutta. The Factories Act was further improved under the provisions of the Factories Act of 1911. It was further followed up by the adoption of the Workmen's Compensation Act 1923, the Trade Union Act 1926, the Indian Trade Disputes Act 1929, the Payment of Wages Act 1936 and the Bengal Maternity Benefit Act 1939. Since the emergence of Bangladesh the three partners have

been set to implement and optimize the provisions of 46 labor laws adopted over the past decades. The provisions of these laws are expected to support the economic activities in different sectors. They have the direct and indirect support of both entrepreneurs and workers. Both these quarters and the government agencies have innate obligations to ensure unhindered production and growth of the economy.

3. Labor Laws Supportive of Business Sector

- 3.1. By deciding to transform the state-controlled economy to a market economy through the process of disinvestment of the public sector industries and enterprises on the one hand and encouragement of both local and direct foreign investment on the other, the government in the country has expressed its confidence in the ability of private sector entrepreneurs to accelerate the growth of the economy.

The growth of the economy depends on various factors, of which a peaceful and congenial atmosphere in the industrial sector is very important. An equally peaceful process of work should also be ensured in the movement of goods, including import of backward linkage items from their source via ports to work places, and of finished products from production units to ultimate consumers via distribution channels as well as airports, seaports and railway and highway stations.

- 3.2. With the implementation of the structural adjustment program, as many as 657 industrial enterprises including 35 jute mills and 40 textile mills have been transferred from the public to the private sector by 1991. More jute and textile mills are in the process of being divested. The government has, of late, decided to transfer 9 mills to private companies floated by workers engaged in selected mills.

As a result, the contribution of public sector enterprises has been diminished from 90 per cent in the seventies to 40 per cent in the nineties. On the other hand, private entrepreneurs have assumed greater responsibilities vis-a-vis management and production of various production units in the country. The overall responsibility of broadening the base of the economy and increasing the gross domestic product has now been reposed on the private sector in general and entrepreneurs in the business and industrial sector in particular.

- 3.3. The growth rate of the economy as a whole has remained largely uncertain over the past decades. Among other factors, fiscal and financial reforms, stable labor market with upgraded skill level and productivity per unit of labor, maintenance of discipline in the use of labor and effective management practices are needed for increasing the gross domestic product. While the number of jobs has increased, the performance and productivity of per unit of labor has remained uncertain. Beyond that, the increase in labor disputes, high strike proneness and militancy of the workforce plus politicization of labor unions have adversely affected the economy as a whole and enterprises in particular.

The rapid increase in the size of the workforce, and the decline in modern sector employment except in garment manufacturing units, have also adversely affected the growth of the economy. The process of wage determination both for the public sector industries and the private sector establishments, despite legal provisions thereon, has not been followed sincerely or completely. The increase in wages has not been equated

with the increase in overall productivity. In addition, the antagonistic relationship between management and trade unions has adversely affected the ultimate output. The time frame within which wages are refixed on the basis of the recommendations of wage commissions or Wage Boards has largely made the exercise ineffective. Settlement of disputes also take too long a time, since it involves the three phases of negotiation, arbitration and adjudication in labor courts. Hundreds of cases remain under consideration by labor courts for years, often due to legal anomalies.

- 3.4. Among other laws, the Factories Act 1965, the Employment of Labor (Standing Orders) Act 1965, the Shops and Establishments Act 1965, the Payment of Wages Act 1936, and the Industrial Relations Ordinance 1969 have a direct bearing on the performance of the business and industrial sector. So far the trade unions, collective bargaining agents, national trade union federations and trade federations of workers have raised issues relating to wages, compensation, retrenchment, redeployment and protection of employment. The provision of profit sharing to the extent of 5 per cent of the profit and transferring the same to the Workers' Participation Fund also have some impact on the overall labor-management relations in the country.

The Maternity Benefit Act 1939 remains applicable to workers and employees of given industrial units managed either by public-sector or private-sector personnel. The main plinth of legal coverage of decisions and activities of the employers or entrepreneurs who own and operate specific industrial establishments is provided by the Industrial Relations Ordinance 1969. The formation of trade unions, registration of such trade unions, election of collective bargaining agents, conciliation, arbitration plus the functioning of labor courts have all been given legal coverage by this ordinance. Employers often take advantage of this ordinance for settling disputes. As such this ordinance is considered favorable for the entrepreneurial group.

- 3.5. In a country like Bangladesh, the legal system and the machinery for overseeing the provisions of existing laws have also the onus of ensuring proper implementation of the laws. But the experiences of both the management and the workforce are quite disappointing. Despite the provisions of law on supervision and monitoring of labor relations by the government agencies, and the time frame within which relevant issues have to be resolved, the employment scene remains clouded with problems. Issues relating to minimum wages, working hours, overtime work and rest and recreation plus housing and transport facilities have put the labor-management relations under stress. The recommendations of the Pay Commission on wages for non-labor employees of factories in the public sector and that of the Wages Commission for upward revision of wages in factories for workers have largely been imposed on the private sector, without much assessment of the ability of the employers to pay. No effort has yet been made to link such wage increase with productivity. Due to rapid increase in the cost of living the wage-earners continue to suffer.

4. Labor Laws that Need Reform

- 4.1. Bangladesh has a long heritage in terms of labor laws. Of the 46 labor laws, 10 acts were adopted during the British colonial rule. Some 11 acts were adopted during the period from 1947 to 1970 by the federal and provincial governments of Pakistan. Since the liberation of Bangladesh other laws were adopted in the form of acts, ordinances and standing orders. Existing acts have also been amended from time to time.

- 4.2. In an article published in the Bangladesh Observer on July 29, 1998, Md. Meherullah, a former Chief Inspector of Factories and Establishments, categorized existing laws into:
- (i) Laws which are closely related to labor.
 - (ii) Laws which are distantly related to labor.
 - (iii) Laws which are of general application to labor.
- 4.3. As per this categorization, the following list of laws has been included in category (i):
- (i.a) The Bolers Act 1923.
 - (i.b) The Dock Labor Act 1934.
 - (i.c) The Dock Workers' (Regulation of Employment) Act 1980.
 - (i.d) The Mines Act 1923.
 - (i.e) The Plantation Employees (Provided Fund) Ordinance 1962.
 - (i.f) The Tea Plantation Labor Ordinance 1962.
 - (i.g) The Factories Act 1965.
 - (i.h) The Shops and Establishments Act 1965.
 - (i.i) The Newspaper Employees (Conditions of Service) Act 1974.
- 4.4. The distantly related laws under category (ii) are:-
- (ii.a) The Employers' Liability Act 1938.
 - (ii.b) The Essential Personnel (Registration) Ordinance 1948.
 - (ii.c) The Essential Services (Maintenance) Act 1952.
 - (ii.d) The Essential Services (Second) Ordinance 1952.
 - (ii.e) The Apprenticeship Ordinance 1962.
 - (ii.f) The Services (Temporary Powers) Ordinance 1963.
 - (ii.g) The Emigration Ordinance 1982.
- 4.5. The laws which are of general application in the field of labor-management relations listed in category (iii) are :-
- (iii-a) The Workmen's Compensation Act 1923.
 - (iii-b) The Children's (Pledging of Labor) Act 1933.
 - (iii-c) The Payment of Wages Act 1936.
 - (iii-d) The Employment of Children Act 1938.
 - (iii-e) The Employment of Labor (Standing Orders) Act 1965.
 - (iii-f) The Industrial Relations Ordinance 1969.
- 4.6. Other existing laws may be placed in one or the other category by professionals and practitioners in labor laws. Those in the field of labor administration, as well as in the category of employers and workers, consider the Industrial Relations Ordinance 1969 as the most important labor law in the country. This law, inter alia, has provisions for the formation of trade unions, determination of collective bargaining agents, regulation of relations between employers and workers, settlement of disputes between them, arbitration and adjudication of industrial disputes and other allied matters.

- 4.7. The existing labor laws were adopted largely in the context of issues and conditions that drew the attention of law-makers in the country over the last few decades of the twentieth century. Professionals and practitioners in the field of labor laws, as well as the employers and the trade union leaders, have underscored the need for reforms in the labor laws. The piece-meal changes introduced through adoption of amendments from time to time did not meet the expectations of the concerned quarters. The government of Bangladesh appointed a National Labor Law Commission in 1992 to suggest means for improvement of labor relations and also amendments of laws needed for meeting the updated demands of the partners in progress, i.e. both the labor and management. The element of competition that has since crept into the employment scene due to globalization and the adoption of the free-enterprise economy by the government has to be taken into consideration before framing new labor laws and determining the nature of labor-management relations.
- 4.8. The Commission has obtained relevant information through a questionnaire and also through dialogues, seminars and meetings held with all concerned quarters. It submitted its report to the government in 1994, but follow-up actions are still awaited. Among other reforms, the Commission has made useful recommendations for improving labor-management relations. It has also recommended that steps should be taken to upgrade the terms and conditions of employment, wage-structure and the health and safety of the workers. It highlighted the need for productivity improvement and upgrading of institutional arrangements for official supervision of labor-management relations. All these recommendations are directed presumably to upgrade the status of the Department of Labor and to recruit, train and engage properly qualified people in the administrative departments concerned.
- 4.9. Some other critical labor law issues have been identified by professionals in the field. One of them has suggested that for improving the labor-management relations, an overall balance between the needs of the enterprise to be competitive and the rightful aspirations of the workforce has to be achieved. The rapid increase in the ranks of the workforce may be matched with an increase in employment opportunities if the productivity and competitiveness of our products in the world market are ensured. The quality of products should be retained along with the promotion of overall increase in productivity of the workforce.
- 4.10. In that context employers among the entrepreneurial community may insist on reforms in labor laws in the following areas :
- (a) The law should allow employers and workers to negotiate on wages in terms of productivity per unit of labor. The issues relating to wages have to be settled through the collective bargaining process.
 - (b) The law should also provide due provisions for protection of the employers' right to employ and terminate on the basis of structural and production requirements of the given establishments, shops and industrial units. The practice of retaining surplus labor in factories and establishments, as in the public-sector industries, has to be done away with, wherever feasible, by offering benefits under golden handshakes.

- (c) Provisions should also be made to enable the entrepreneurial class to interact with government and international organizations like the ILO at all levels, and for adopting ILO conventions and national legislations in line with the current realities in the field of employment and economy.
- (d) Provisions should be made to induct apprentices into factories and establishments and allow them to acquire the knowledge and skill needed for modern production units.

5. Analysis of Current Situation

- 5.1. The overall environment within which the partners in progress, namely the government, the employers and the workers, have been working is not very favorable. The government in office is faced with an opposition which for the last few years has avoided interacting, not to speak of cooperating, with the government. The opposition parties have gone for strikes and 'hartals' quite frequently. They have shown no concern for the loss of production or for the disruption of the movement of products from factories and farms to markets at home and abroad. The opposition call for "gherao" (encirclement or siege) of offices has also adversely affected the routine discharge of duties by officials who deal with trade and industry. The government in office, on the other hand, remains busy in tackling the recurring political movements, which create law and order problems. Policy decisions are influenced by immediate problems rather than by the long-term goals of governance. Policy decisions in support of the free-market economy and investments from local entrepreneurs and foreign investors have not been very clear. Even suggestions from multilateral agencies on the investment climate and structural adjustment issues have been more or less ignored.
- 5.2. The employers' community, comprising local entrepreneurs and their partners abroad, have taken the initiative of conducting their own business and operating their industries within the given legal parameters. They have invested in machinery and equipment for industries, made provisions for working capital, and funded all activities including payment of wages. They have obtained backward linkage items from foreign sources and used them for production of different goods in their industrial units. They have also marketed their products at home and abroad. In the process they have followed the provisions of laws including labor laws in the country. This culture of following the provisions of the law could be further strengthened if official agencies and workers' organizations interact positively with the employers. Unfortunately for the business community, bureaucratism in official circles and unfair labor union practices of employers and workers sometimes adversely affect the overall investment climate and the operations of business and industry.
- 5.3. The third partner of business and industry, namely the workforce, also has its positive and negative aspects. On the positive side, the bulk of the workforce opted for working in industrial and business establishments for getting assured earnings and good living conditions in urban areas, where such establishments are located. The negative aspect of the workforce is inherent in its being the first generation of job-seekers. The educational level of the most of the workers is very low, their skills are inadequate, and thus their productivity is lower than average. These drawbacks of the workforce are highlighted in write-ups on the subject. On top of the negative aspects, one finds that only a section of the workforce has joined labor organizations. Those in the leadership of the workforce

and trade unions have gone for politicization of their own unions and thus have worked more for political ends than the workers' interest.

- 5.4. The prevailing uncertainties in the field of labor-management relations are also linked with the inadequacies of official agencies that handle the subject. The Department of Labor and the Inspectorate of Factories and Establishments have not been strengthened in terms of organizational structure and personnel. These organizations have not been upgraded and the personnel therein have not been given training opportunities that could broaden their base of knowledge and increase their capacity to effectively handle labor-management relations. One study on dispute settlement has brought to light the fact that officials handling disputes cannot complete the task within the legally valid time schedule. Another study on the inspection of factories and establishments indicates that officials usually take some three years to visit the enlisted factories and establishments once. Likewise the Minimum Wages Board cannot consider the cases of shops and establishments and offer any award regarding minimum wages. Even the Labor Courts have piles of cases, awaiting decisions and judgement on various disputes.
- 5.5. Beyond that, the multiplicity of labor laws and the provisions therein demand intensive and extensive study both for appreciation of the provisions and for their application in the field. Since these laws are codified in the English language, their implications are not easily understood by the management and the workforce without help from those in the legal profession. Efforts of the government to offer training to all concerned through the holding of training courses on labor laws in the Industrial Relations Institutes have proved to be mostly unsuccessful in terms of the enrolment of trainees. Anyone reviewing the list of participants in courses held in those institutes will find that participation in those courses from the employers' side remains inadequate both in terms of enrolment and the level of participants in the management hierarchy.
- 5.6. It is desirable for the business and industrial community, as well as the economy as a whole, to conduct studies on labor laws and to hold workshops, seminars and training courses on labor-management relations in general and labor laws in particular. The current effort of the Dhaka Chamber of Commerce and Industry to prepare national policy papers on different aspects of the economy, including labor laws, may yield desirable results if it is taken to its logical end. Information on labor laws has to be disseminated to all concerned and their application has to be ensured. Issues that haunt the labor-management relations have to be debated upon at all forums for creating public opinion and also at the Parliament for ultimate amendment of labor laws needed for ensuring favorable labor-management relations in the country.

6. Conclusions and Recommendations

- 6.1 In the context of globalization and competition, developing countries like Bangladesh have to take substantive measures for accelerating the growth of their economies. Those in the business and industrial field have to take the initiative of broadening the base of the economy and increasing the overall production in all sectors. They should offer fair wages to workers and price their products competitively. They should also insist on higher productivity per unit of worker. The business and industrial community, with the necessary technical assistance from developed countries, have to ensure proper use of equipment and machinery as well as of the manpower employed. They should meet the demand for innovation and resuscitation of existing industries and the establishment of

more industrial units. They should interact with the workforce in an environment of mutual trust and understanding.

- 6.2 In the given context, the interface of the business and industrial community with the workforce, in general, and the trade union leadership, in particular, is of prime importance. Such an interface may be gainfully used for augmenting production in different sectors of the economy as well as for persuading the political forces to establish a much-needed consensus on national issues including economic development. Once such consensus is achieved, the tendency to politicize labor-management relations may be reduced. In addition, mutual trust between employers and workers should be created and sustained. Even the issues of accountability and transparency of decisions should be tackled to the satisfaction of all concerned.
- 6.3 In such a context, dispassionate quarters may suggest some measures for adoption of relevant provisions of law and for effective application of those provisions. For this, the following recommendations may be considered for adoption :-
- (i) The existing labor laws should be kept under constant review in the light of current practices and for making the necessary amendments.
 - (ii) The current practice of keeping some establishments and industries, which are located in export processing zones, beyond the range of labor laws should be reviewed for introducing uniform laws and practices in the country.
 - (iii) For this a tripartite standing committee on law may be constituted either as a facet of the National Tripartite Council, now working under the Ministry of Labor & Employment, or as an independent legal advisory agency for the government, the employers and the workers in the country.
 - (iv) The recommendations of the National Commission on Labor Laws, which submitted its report in 1994, should be made public and effective measures should be taken to implement them in phases.
 - (v) The functioning of committees, enunciated in the provisions of labor laws and legal institutions like the Labor Court, the Minimum Wages Board and other institutions, should be extended, with necessary changes in the provisions of the Labor Laws and the composition of those institutions along with necessary changes in the procedures.
 - (vi) The prevailing practice of assigning the primary role to the government in industrial relations may have to be changed, due to the inefficacy of the administrative agencies in the field of labor-management relations and the reduction of the contribution of the public sector to the economy as a whole.
 - (vii) In the light of the expansion of the economy as a whole, labor-management relations may be put on a bilateral basis, wherever necessary by amending the provisions of labor laws.
 - (viii) Outsiders in the trade unions should be given the option to leave their positions and thus encourage the genuine workers to take up the leadership.

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M/s. Raymond Garments (Pvt.) Ltd.
47, Dilkusha C/A, (3rd floor.),
Dhaka-1000.
Tel: 9564281, 9564270 (O)
8917093(R), 011864129(Mobile)

12. MR. SYED MOAZZAM HOSSAIN
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M/s. S M H Engineering & Trading
Company, TMC Bldg., 7th floor,
52 New Eskaton, Dhaka-1000.
Tel: 9344549, 9346645(Off),
9332097(R)
13. MR. SALAHUDDIN ABDULLAH
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M/s. Remfry & Son
56, New Eskaton Road (4th floor)
Dhaka.
Tel:9338201, 412128(O), 317860(R)
Fax: 8317860
14. MR. MANZUR-UR-RAHMAN (RUSKIN)
Director, DCCI
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Malibagh, Dhaka-1217
Tel:9331900, 504603 (O),
9669056(R), 017521259(Mobile)
15. MR. SAJJATUZ JUMMA
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47, Dilkusha C.A, Dhaka-1000
Tel: 9558813,9551627(Off),
8114132(R), 011857461(Mobile)
16. MR. MD. MAZHARUL ISLAM
Director, DCCI
M/s. Hospital Physician News
Network
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Tel: 327390, 810941(O), 9131370(R),
019341911(Mobile)
17. MR. MOHAMMED ZAINUL ABEDIN
Director, DCCI
M/s. Paramount Securities Ltd.
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Dhaka.
Tel: 9564286(O), 9566340(R)
18. MR. MD. KAMALUDDIN MALIK
Director, DCCI
M/s. Imperial Plastic Industries
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Tel: 246814 (O), 246151, 246728(R)
19. MR. SAYEEDUR RAHMAN
Director, DCCI
M/s. Padmarag
10, Gopibagh Third Lane
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Tel: 9553746
20. MR. MASUDUR RAHMAN
Director, DCCI
M/s. Asia Securities Ltd.
Concord Tower (3rd Floor)
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Dhaka-1000
Tel: 9335942,411638(O), 9663924(R)
21. MR. NASIR HOSSAIN
Director, DCCI
M/s. Rina Glass House
10, A.C. Roy Road
Armanitola, Dhaka
Tel: 7313998,017-524074
22. MR. HOSSAIN AKHTAR
Director, DCCI
M/s. Marna & Company Ltd.
67, Tejgaon I/A
Dhaka.
Tel: 9564033(O) 509715(R)
23. MR. GEASUDDIN AHMED
Director, DCCI
M/s. United Trading Corporation
1-Ga, Central Basaboo,
Dhaka.
Tel: 9715241(R), 18213042(Mobile)
24. MR. ARSHAD ALI
Director, DCCI
M/s. Arshad Ali Traders
64/A, Purana Paltan Lane
Kakrail, Dhaka.
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9333896(R),017532174(Mobile)

Country Profile of Bangladesh

The Country	: The People's Republic of Bangladesh
Geographical	
Location	: In South Asia : between 20.34 and 26.38 north latitude and between 88.01 and 92.41 east longitude; consists of flat fertile alluvial land.
Boundaries	: North-India (West Bengal & Meghalaya), West-India (West Bengal) East-India, (Tripura & Assam) and Myanmar, South-Bay of Bengal.
Area	: 147570 square km. (Territorial water-12 nautical miles)
Capital City	: Dhaka Metropolitan Area 202 Sq. miles of 522 Sp. km.
Standard Time	: GMT+6 hours
Climate	: Sub-tropical monsoon.
Climatic Variations	: Winter (Nov-Feb) temperature: Average maximum 29 ⁰ C, average minimum 11 ⁰ C, Summer (March-June) temperature: Average maximum 32 ⁰ C average minimum 21 ⁰ C.
Rainfall	: 1194 mm to 3454 mm (average during monsoon, mid June-mid August).
Humidity	: Highest-99 percent (July), Lowest-36 percent (Dec. & January).
Vegetation	: Grassland, Mixed evergreen and evergreen.
Population	: 124.0 million (1997), Density 840 persons per sq.km.
Adult Literacy Rate (15 years+)	: 42.6%
Rate of Population Growth	: 2.17%
Literacy Rate	: 35%
Ethnic Groups	: Predominantly mixed group of Proto Austroloids/ Dravidians, Mongoloids and Aryans.
Language	: 95 percent Bangla, 5 percent other dialects. English is widely spoken.

Religion	: Muslim (88.3 percent), Hindu (10.5 percent), Buddhist (0.6 percent), Christian (0.3 percent), and Animists and believers in tribal faiths (0.3 percent).
Food	: Staple diet rice, vegetable, pulses, meat and fish.
Principal Crops	: Rice, wheat, jute, tea, tobacco and sugarcane.
Principal Rivers	: Ganges, Padma, Brahmaputra, Jamuna, Meghna, Karnaphuli, Teesta etc. (total 230 rivers including tributaries).
Mineral Resources	: Natural gas, limestone, hart rock, coal, lignite, silica sand, white clay, radio-active sand, etc. (There is a strong possibility of oil deposit).
Human Resources	: A substantial manpower reserve well trained and skilled engineers, economists, technicians, physicians, accountants, and other professionals, trained physician, administrative and managerial personnel, abundant, cheap, easily trained and adaptable, hard working, intelligent and youthful labour force; labour rates between 1.5-2.0 US\$ per day.

The Economy

Currency	: Taka (Tk.)
GDP at Current Price (1995-96)	: Tk. 1521.5 billion/ US\$ 32.84 billion
GDP (PPP)	: US\$ 170 billion
Annual Per Capita GDP (1995-96)	: US\$ 273
Per Capita GDP (PPP)	: US\$ 1,410
GDP Growth Rate (1996-97)	: 5.7% at constant price
Industrial Growth Rate(1996-97)	: 3.3% at constant price
Inflation Rate (1996-97)	: 5.6%
Investment Rate (1995-96)	: 17% of GDP
National Savings Rate (1995-96)	: 15.2% of GDP
Exports (1996-97)	: US\$ 5 billion
Imports (1996-97)	: US\$ 8.02 billion

(Sources : Bangladesh Bank Annual Report 1995-96, Bangladesh Economic Survey 1996, Export Promotion Bureau and Asia week)

Principal Industries : Jute, Tea, Textiles, Garments, Paper, Newsprint, Fertilizer, Leather and Leather Goods, Sugar, Cement, Fish Processing, Pharmaceuticals, Chemical industries etc.

Non-traditional

Exports Items : Garments, Frozen Shrimps, other fish products, Newsprint, Paper, Naptha, Furnace oil, Urea, etc.

Principal Imports : Wheat, Oil Seeds, Crude Petroleum, Raw Cotton, Edible Oil, Petroleum Products, Fertilizer, Cement, Staple Filter, Yarn, Capital goods etc.

Average Annual Production

of Selected Industries : Jute mills 0.41 million MT, Textile mills- 1793 million Kg. of cotton yarn and 1085 million meters of cloths, Sugar 0.2 million MT, Paper 43000 MT, Newsprint 57702 MT, Cement 0.27 million MT, Fertilizer-2.05 million MT, Cigarette 12107 million sticks, Safety matches 13.78 million gross/boxes and Petroleum products 1.20 million Tons.

Foreign Exchange Reserve : 1.62 billion upto June, 1997

Bank Rate : 8 Percent (Nov. 1997)

Domestic Resources

Contribution to ADP : 43 Percent

Airports

International Airport : Zia International Airport, Dhaka, Patenga Airport, Chittagong.

Domestic Airport : Dhaka, Chittagong, Sylhet, Cox's Bazar, Thakurgaon, Syedpur, Rajshahi, Jessore, Barisal and Ishurdi.

Sea and Inland River Ports

Sea ports : Chittagong and Mongla

Inland River Ports : Dhaka, Chandpur, Barisal, Khulna, Bhairab, Narayanganj, etc.

Introducing DCCI

The DCCI is a limited company incorporated under the Companies Act. It was established in 1958. It is the largest Chamber of the country in both size of its membership and the range of its services. The DCCI consists of persons, firms, companies, corporate bodies engaged in trade, commerce, industry, agriculture, manufacture, etc. Since its establishment, the Chamber has grown rapidly and today it represents nearly 5000 members which include large, medium and small companies and firms. It has four types of membership, namely, General Class, Associate Class, Town Association and Trade Group. The Chamber is run by a Board of twenty four Directors representing all classes of membership. The Board is assisted by a number of standing committees. The main objectives of the DCCI are:

- ? To promote and develop trade, commerce and industry of the country.
- ? To put forward suggestions in the formulation and implementation of government policy on Import, Export, Investment, Banking, Insurance and Fiscal Measures, etc.
- ? To represent on various Advisory/consultative Committees under different Ministries/Departments concerned with trade, commerce, industry and finance.
- ? To comment on legislative or other measures affecting the growth and development of trade, commerce or industry.
- ? To provide a forum for exchanging views between Chamber Members, Government Agencies and the DCCI Members and delegation from Bangladesh and abroad.
- ? To undertake by arbitration the settlement of disputes arising out of business transaction.
- ? To issue Certificate of Origin (COO) and authenticate documents in connection with trade and commerce.
- ? To collect circulars, notifications, statistical data and to disseminate information relating to trade, commerce and industry among its members.
- ? To organize trade delegations, seminars, symposiums and trade fair participation as well as receive business delegation from abroad.
- ? To act upon Memorandum of Understandings (MOUs) with other Chambers of Commerce and Industry of overseas countries for Promotion of bilateral trade and investments. The Chamber serves the entire range of members in three main ways: representations, services and contacts.

Representation

Representing the collective voice of its members the Chamber puts forward its suggestions and recommendations to the Government on all policy matters involving the business community such as Industrial Policy, Export Policy Import Policy, Fiscal Policy and the Annual Budget of the Government of Bangladesh. Besides, the Chamber also takes up individual problems with Government departments, corporations and autonomous bodies as and when necessary and suggests remedial measures. It is represented in about 70 Government, Semi-Govt. and Autonomous bodies.