

Practices of Labor Laws in Bangladesh: A Study on Garments Sector

Mohammad Shahidul Islam¹, Md. Abdur Rakib², Ayub Nabi Khan³

ABSTRACT: *The principal objectives of the study are to explore the labor law practices in garments sector of Bangladesh and to describe the international labor standard and Bangladesh labor Law. The study took 138 garments factories as ample in Gazipur District. The questionnaire was developed on the basis of previous studies, and opinion of top management of garments, academicians, and labor law experts. It was surveyed on different level of management from different units of garments. In this study, percentile, descriptive statistics, parametric test, factor analysis are used to analyze the results. The research findings reveal that the most of the issues or factors of labor laws practices in garments sectors are in satisfactory level. The satisfactory factors are-child and adolescent workers, wage, working hours, holidays and leave, maternity benefit, service conditions, cleanliness and environmental issues. But in few cases, it should be developed due to poor situation which are-trade union, active worker's participatory committee, profit sharing to workers, provident fund, and group insurance. In some factors, the satisfactory level of factors is good but need to still improve which are service rules, safety issues medical service, canteen and wash room facilities. The labor law practices in some issues are highly satisfactory level but in some cases, it needs to improve the situation. For improving the labor law practices in garment industry, the study will be helpful for stakeholders, factory owners and management, BGMEA and BKMEA, buyer's association, worker's association, NGOs and ILO.*

Keywords: *Labor Laws, Garments, BGMEA, Compliance, Factor Analysis.*

¹ Professor and Dean, Faculty of Business, UITS.

* Corresponding author: Email: shahidulislam28@yahoo.com

² Assistant Professor, Department of Social Sciences, BGMEA University of Fashion & Technology, Dhaka, Bangladesh. Email: abdurakibdu@gmail.com

³ Pro Vice Chancellor, BGMEA University of Fashion & Technology, Dhaka, Bangladesh. Email: provc@buft.edu.bd

1. INTRODUCTION

The ready-made garments (RMG) industry in Bangladesh has greater potential in terms of employment and foreign exchange earnings to eliminate poverty over the past three decades and make a contribution to the national economy with high population density. Export earnings of Bangladesh are heavily contributed by the RMG sector from early 90's (Rakib & Adnan, 2015). Workers of the factory are the heart of the organization. So, their existence, and rights are the key factor to success of the industry. The industry plays an important role in employment generation and in the provision of income to the poor. RMG products are exported mainly to the developed countries like the USA (29%), The EU (59%) and other (15%) developed countries in the world (BGMEA, 2015). In 2014, this sector contributes about 13.5% of GDP including 81.2% of total export which is became possible since the RMG sector has achieved on average 15% growth in the fiscal year 2009 to 2014 (Tasin, 2015).

This sector earns foreign currency through employing almost 4 million workers of which 80% are female. A healthy, positive, collaborative, creative work environment is important because it builds positive employee relations, reduce employee turnover rates and labor unrest, enhances worker productivity, increases outsider interest, create valuable reputation for the company. Now days, buyer's compliance is the most rising issue. Buyers are the most powerful participant of the business deal than sellers or manufacturer. If manufacturers failed to fulfill the buyers' requirements, then they may be faced huge financial loss as well as loss their reputation in the market place.

In the garments sector, buyers impose several conditions not only order related but also garment manufacturers overall operating environment related like working hours, worker's safety, workplace environment, environment pollution, production process, raw materials collection, quality maintain and control, social responsibility etc. The buyers also required that Health, security, right to organize and bargain collectively, appointment letter and minimum wage for the garment workers, structural/building regulations in the entire sector should be ensured. Several global brand retails have warned Bangladesh to ensure basic labor rights (social compliance) and step-by-step implementation of all the compliance criteria in the industries. Buyer compliance is an important prerequisite of garment manufacturers' success. International buyers are very particular about compliance with codes of conduct. The factory working environment is not very satisfactory. So in order to sustain in the industry, Bangladesh needs to improve the factory working environment

and various social issues related to the RMG industry. Actually, compliance ensures all labor rights and facilities according to the buyer's code of conduct. Baral (2008) focused that compliance of RMG factories is a key requirement for most of the reputable global garments' buyers. It ensures labor rights and facilities according to the buyer's code of conduct. Every RMG factory should try to be compliant not only for-profit reasons but also for the protection of human rights. Local employers in the Bangladesh garment industry must now demonstrate compliance with these codes to win orders from international buyers. According to International Labor Organization (2010), buyers make sourcing decisions based on four factors: price, quality, how long it takes to get produce to the marketplace and social compliance, including compliance with labor standard. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has formulated its own code of conduct for the industry, in collaboration with the major trade unions, and has set up a compliance unit that monitors labor conditions in its members' factories.

There is a labor law in Bangladesh known as Bangladesh Shrama Ain, 2006 (herein after Bangladesh Labor Act, 2006 or BLA, 2006) which is lastly amended in 2013 for ensuring security and safely issue of workers. These labor laws cover service and employment rules, employment of adolescent, maternity benefit, health and hygiene, safety, welfare, working hours and leave, wages and payment, compensation for accident, trade union and industrial relations, profit participation, provident funds, inspection etc. Besides the labor law, government made labor policy (Bangladesh labor policy, 2012), labor rules (Bangladesh labor rules 2015), labor welfare foundation law (Bangladesh labor welfare foundation (amendment) law, 2013), national safety rule(national occupational health and safety rule, 2013), child labor(national child labor elimination policy 2010) to ensure the labor right.

The Bangladesh Labor Act, 2006 is a major and comprehensive enactment regarding labor rights partly as a response to demand of stakeholders for improving regulatory framework on working conditions and partly by demand for codification of existing labor laws in order to avoid overlapping and inconsistencies (Al Faruque, 2009). Two major private initiatives were created in 2013 by global brands and retailers -the Bangladesh Accord on Fire and Building Safety ('Accord') and the Alliance for Bangladesh Worker Safety ('Alliance'). Both the Accord and the Alliance are comprised primarily of multinational corporations from North America and Europe. The Accord includes two global trade unions as signatories and several Bangladeshi unions. The Alliance includes the participation of local industry on its board. Factories covered Accord 'All

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suppliers are producing products for the signatory companies'; approximately 1619 suppliers across three tiers and Alliance '100% of factories in the members' respective supply chains; approximately 626 factories (Labowitz and Pauly, 2014). Beside these organization many other national and international organizations (Fair wear, Gtz, Giz, action aid Bangladesh, Ain o Salish Kendra, Awaj foundation, BILS, Oxfam, Karmojibi Nari) work for the right of the Garments workers of Bangladesh. Our main objective is to find out the scenarios of labor law practices in garments of Bangladesh.

1.1. Problem Statement

Social codes of conduct are rules and guidelines imposed by buyers upon themselves and along their supply chains, both in response to consumer pressure and as part of comprehensive marketing strategies aimed at improving their image. Social and environmental standards as outlined in the Bangladesh Labor Law and Environmental Act set out minimum standards to which manufacturers in Bangladesh must adhere. The social compliance status of the Bangladesh RMG industry refers to the extent to which the industry meets the requirements of the labor law or any other buyer-specific code of conduct or voluntary certification scheme. If the compliance issue is not taken seriously, it will become a big obstacle to the RMG sector's progress.

So, a compliance requirement may be mandatory or optional. The Bangladesh Labor Act, 2006 is a major and comprehensive enactment regarding labor rights partly as a response to demand of stakeholders for improving regulatory framework on working conditions and partly by demand for codification of existing labor laws in order to avoid overlapping and inconsistencies. (Al Faruque, 2009). This newly revised law covers a lot of the common labor standards like child labor, employment conditions, occupational health and safety issues as well as the ILO core labor standards that most of the international standards or Code of Conduct requires. This new legislation constitutes a progress with regards to the previous legal framework. The scope and applicability of the law has been extended and definitions of different terms have been clarified. To justify the implementation status of Bangladesh Labor Laws in RMG industry, the researchers took initiative to improve the situation.

1.2. Research Objectives

The principal objective of the study is to explore the labor law practices in garments sector of Bangladesh. To accomplish this principal objective, following specific objectives are covered:

- i. to describe the international labor standard and Bangladesh labor Laws.
- ii. to study labor laws practices in garments sector of Bangladesh
- iii. to provide the policy guidelines for improving the labor law practices in Garments' sector.

2. LITERATURE REVIEW

The literature Review helps the researcher avoid reinventing past contributions and results. This focuses on the past literature in the field of research and its classification under different angles. The outcome of the literature review gives a direction for future research. Rahman, Khanam, and Nur (1999) found that Bangladesh is considered to have the child labor problem especially in the RMG sector. In most cases, children often commence work at a very young age; as a result, they are suffering serious injuries and sometimes death in the work place. Bhattacharya et al. (2002) analyzed a wealth of data on the social and economic background, problems and prospects of workers in the Bangladeshi RMG sector where Bangladesh is an extremely poor developing country with histories of weak adherence to labor standards in industrial production and some of the lowest labor costs in the world. In Bangladesh, textile and garment workers have experienced numerous violations of worker rights supposedly guaranteed in their national labor codes, ranging from long working hours, forced and excessive overtime, illegal pay deductions, lack of safe and sanitary working conditions, and denial of the freedom to associate and bargain collectively.

Alam (2004) suggested regulatory measures and its strict implementation and monitoring by the government agency that could overcome work place in security problem of garments workers in Bangladesh. Work areas are often overcrowded with limited workspaces, causing occupational hazards such as musculoskeletal disorders and contagious diseases. To avoid unrest in the RMG sector, Khan (2006) argued for strengthening Social compliance issues and labor standards to improve wages, working hours, overtime, job security, the right to form trade unions, social security and also occupational health and safety. Khan also (2006) suggested that NGOs, civil society, trade unions and other stakeholders should work together to adopt the Code of Conduct for a viable and competitive RMG industry. The government, NGOs, international agencies, buyers and other stakeholder groups promote full compliance with mandatory requirements as specified in the law. Kumar (2006) focused that the Garments workers are concerned with long working hours or double consecutive shifts, personally unsafe work environment, poor

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working conditions, wage and gender discrimination. Indeed, employers treat the RMG workers as slaves, exploiting workers to increase their profit margins and keep their industry competitive in the face of increasing international competition. Uddin and Jahed (2007) analyzed that the most common reasons of labor unrest in the garment sector are wage rate and unpaid wage. Some garment owners do not pay salaries and overtime allowance to the workers on time. Haider (2007) in his study stated that the social dimensions of the RMG industry are getting more attention from consumers, social workers, welfare organizations and brand name international buyers. International buyers are very particular about compliance with codes of conduct. The factory working environment is not very satisfactory.

Bansari (2010) said that recruitment policies are highly informal compared to western standards and there are no written formal contracts and appointment letters. They are therefore vulnerable to losing their jobs at any time. However, fear of losing their jobs and lack of alternative job opportunities compel workers to continue in unsatisfactory employment. Islam and Ahmed (2010) observed that most of the garment factories in Bangladesh do not follow the labor law and ILO conventions. One of the reasons for this unrest in the garment industry is legal and institutional failures to ensure labor rights. Islam and Ahmed (2010) also studied that The Labor Act 2006 (called Labor code) clearly mentions that the wage of a worker must be paid within seven workings days [Section 123 (1)].

Majority factories do not provide appointment letters/contract letters, identity cards and employee handbooks. Health safety and security condition in this sector are also insufficient. The workers do not have a clear idea about their rights and labor laws. Priyo, (2010) recommended that Employment letters should include flexible working arrangements, maximum weekly hours, annual leave, personal leave and parental leave, the required notice for termination and redundancy pay. Then the government and Compliance Cell can monitor whether the RMG factory has provided an appointment letter and whether it observes fair labor practices. Late or irregular wage payments are common in the sector. Usually most of the factories do not provide any pay slip. The factories, which provide pay slips, don't have transparency. Ferdous et al., (2014) found that the hazards in the garments industry of Bangladesh includes crowded conditions, exposed operating machines, electrical connections are crude and unsafe, a few or no fire extinguishers inaccessible or malfunctioning, no fire practice is ever performed, managers and workers are not trained to understand health and safety issues, stairs and floors used as storage; gates remain closed even in emergency; factory not

designed as commercial facility, narrow aisles for fire fighters to enter and rescue. Islam & Rakib (2019) found that most of the cases' employment conditions-maternity benefit, working hours, paid leave, sufficient wage-are at a satisfactory level but improvements are sometimes needed concerning trade unions, profit participation and health issues.

3. METHODOLOGY

3.1. Sampling procedure and sample size determination:

We have taken the RMG units of 138 from 898 factories in Gazipur District. We used the following formula (Daniel, 1999) to determine the sample size calculation.

$$n = \frac{Z^2 P(1-P)}{d^2}$$

$$n = \frac{(1.96)^2 * 0.9 * (1-0.10)}{(0.05)^2}$$

$$n = \frac{(1.96)^2 * 0.9 * 0.10}{(0.05)^2}$$

$$n = 138$$

Where, n = sample size, Z = Z statistic for a level of confidence, P = expected prevalence or proportion (in proportion of one; if 20%, $P = 0.2$), and d = precision (in proportion of one; if 5%, $d = 0.05$). Z statistic (Z): For the level of confidence of 95%, which is conventional, Z value is 1.96. In these studies, investigators present their results with 95% confidence intervals (CI). Investigators who want to be more confident (say 99%) about their estimates, the value of Z is set at 2.58.

3.2. Data Collection Procedures

Questionnaire development: We developed the questionnaire on the basis of previous studies, opinion of top management of garments, academicians and labor law experts. The data have been collected through the primary mode using a structured questionnaire based on likert scale where, Not exists=0, Dissatisfactory=1, moderate Satisfactory=2, Satisfactory=3. The respondents are asked to indicate the level of satisfaction.

Survey Period: The questionnaire survey was conducted from July 2016 to December 2017.

Respondents: We prepared questionnaire for different level management of different units of garments.

Pilot survey: We have done two pilot surveys. First, we personally

surveyed to 10 RMG units and found some errors from their opinions. We revised the questionnaire and second time surveyed to 5 RMG units. Then, we prepared the questionnaire for final survey.

Final Survey: We went personally to the respondents (managers) of each firm. Finally, we have collected data from 138 RMG units through questionnaire.

Secondary data collection: The data are taken from Sample companies' websites, annual report.

Techniques: In this study, Percentile, descriptive statistics, parametric test, Factor analysis are used to analyze the results. Factor analysis is used to find factors among observed variables. In other words, if the data contains many variables, it can use factor analysis to reduce the number of variables. Factor analysis groups variables with similar characteristics together. With factor analysis you can produce a small number of factors from a large number of variables which is capable of explaining the observed variance in the larger number of variables. The reduced factors can also be used for further analysis. The parametric test is the hypothesis test which provides generalizations for making statements about the mean of the parent population. A t-test based on Student's t-statistic, which is often used in this regard. The t-statistic rests on the underlying assumption that there is the normal distribution of variable and the mean is known or assumed to be known.

4. RESULTS AND DISCUSSION

4.1. Study on Management: Level of Satisfaction

4.1.1. Conditions of Service & Employment

Labor Laws of Bangladesh: Every establishment may have its own service rules regulating employment of workers (Section-3). No employer shall employ any worker without giving such worker an appointment letter and every such employed worker shall be provided with an identity card with his photograph. (Section-5). Every employer shall, at his own cost, provide a service book for every worker employed by him (Section-6(1)). The employer of every establishment shall maintain a register of workers (Section-9(1)). The employer shall supply tickets or cards to every worker (Section-9 (5)). The employer shall be recorded the leave information of the worker in the leave book or registrar book (Section-10). The employer shall pay the wages in lieu of the unexpired leave of worker (Section-11). If a worker dies during the course of employment or at later time in consequence of any accident occurred during his working in establishment, his dependent shall be paid by the employer compensation at the rate of thirty days wages in the former case (Section-19). All fines

and all realizations there of shall be recorded in a prescribed register to be kept by the employer and all such realizations shall be speeded only to such purposes beneficial to the workers employed in the establishment (Section-19 (5)).

Table 1: Service condition and employment.

No.	Labor law Issues	Satisfactory	Moderate	Dissatis factory	Not exist
Y1	Having own service rules for employee	71.01%	16.67%	5.07%	6.52%
Y2	Providing a service book for every worker	85.51%	8.70%	5.07%	0.00%
Y3	Providing identity card and appointment letter to worker	82.61%	14.49%	2.90%	0.00%
Y4	Maintaining workers register	84.78%	11.59%	2.90%	0.00%
Y5	Supplying number cards to every worker.	84.78%	13.77%	1.45%	0.00%
Y6	Recording the leave information in the leave book or register book	89.86%	10.14%	0.00%	0.00%
Y7	Paying the wages in lieu of the unveiled leave of worker.	75.36%	19.57%	5.07%	0.00%
Y8	Providing the compensation of died employee at the rate of thirty days wages	85.51%	10.86%	3.62%	0.00%
Y9	Recording all fines and all realizations	15.22%	5.80%	4.35%	73.19%

The employment condition is in satisfactory level, especially in case of Providing a service book for every worker, providing identity card and appointment letter to worker, maintaining workers register, supplying number cards to every worker, Recording the leave information in the leave book or register book, Providing the compensation of died employee at the rate of thirty days wages. But in some cases, it should be improved in Recording all fines and all realizations, having own service rules for employee.

4.1.2. Employment of Child and Adolescent

Labor Law of Bangladesh: No child shall be employed or permitted to work in any occupation or establishment (Section-34(1)). No child shall be required or allowed to work in any factory, for more than six hours as in any day and thirty-six hours in any week (Section-4(1)). No child shall be required or allowed to work in any establishment between the hours of 7.00 P.M and 7.00 a.m. (Section-41(3)).

Table 2: Employment of Child and Adolescent.

No.	Labor law Issues	Satisfactory	Moderate	Dissatis factory	Not exist
Y10	No Child employment or permission to work	100.00%	0.00%	0.00%	0.00%
Y11	No Adolescent allowing to work for more than six hours in any day and thirty-six hours in any week	100.00%	0.00%	0.00%	0.00%
Y12	No Adolescent allowing to work between the hours of 7.00 P.M and 7.00 a.m.	100.00%	0.00%	0.00%	0.00%

There is no child labor exist in garments sector. The working of adolescent is going as per the law which indicates the good situation of working environment.

4.1.3 Welfare Measures

Labor Law of Bangladesh: Total number of members in the Safety Committee shall not be less than 6 (six) or more than 12 (twelve) and there shall be equal number of representatives in it from the Owner Party and the Worker Party (Rules, Section- 81(2)). In an establishment where at least 100 (one hundred) permanent workers are employed, the employer shall introduce group insurance under the existing insurance laws (Section- 99(1)).

Table 3: Welfare Measures.

No.	Labor law Issues	Satisfactory	Moderate	Dissatis factory	Not exist
Y13	Establishing Safety Committee with equal participation from owner and workers (6>SC< 12)	47.83%	36.96%	14.49%	0.00%

Y14	Implementing group insurance facilities for worker	30.57%	18.00%	10.13%	41.30%
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The facility of group insurance is not in good condition and the participation in safe committee should be increased.

4.1.4. Compensation for Injury caused by Accident

Labor Law of Bangladesh: Where a worker gives notice of an accident, the employer shall, within 3 (three) days of service of such notice, cause the worker to be examined [at the expense of the employer] by a registered medical practitioner and the worker shall submit himself (Section- 160(1)).

Table 4: Compensation for Injury caused by Accident.

No.	Labor law Issues	Satis factory	Moderate	Dissatis factory	Not exist
Y15	After notifying an accident, a worker is to be examined by a registered medical Officer	82.61%	15.94%	1.45%	0.00%

The worker gets the compensation for accident which is a good symptom for the industry.

4.1.5. Trade Unions & Industrial Relations

Labor Law of Bangladesh: Workers, without distinction whatsoever, shall have the right to form trade union primarily for the purpose of regulating the relations between workers and employers or workers and workers and, subject to the constitution of the union concerned, to joint trade union of their own choosing (Section- 176(a)).

Table 5: Trade Unions & Industrial Relations.

No.	Labor law Issues	Satisfactory	Moderate	Dissatis factory	Not exist
Y16	Presence of Trade Union	0.00%	0.00%	0.00%	100.00%

There is no trade union in the factory. But there are some unions related to garments exists outside.

4.1.6. Worker's Participation in Company's Profits

Labor Law of Bangladesh: Pay, within 9 (nine) months of the close of every year, five percent (5%) of the net profit of the previous year at the

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proportion of 80:10:10 to respectively the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund established under section 14 of the Bangladesh Workers Welfare Foundation Act, 2006(Section-234(b)).

Table 6: Worker’s Participation in Company’s Profits.

No.	Labor law Issues	Satisfactory	Moderate	Dissatisfactory	Not exist
Y17	Paying five percent (5%) of the net profit at the proportion of 80:10:10 to the Participatory Fund and Welfare Fund, welfare foundation respectively	7.60%	15.35%	10.05%	67.00%

It is not found the profit participation for the workers.

4.1.7 Provident Fund

Labor Law of Bangladesh: Any establishment in the private sector may constitute a provident fund for the benefits of its workers (Section- 264 (1)).

Table 7: Provident Fund

No.	Labor law Issues	Satisfactory	Moderate	Dissatisfactory	Not exist
Y18	Establishing a provident fund benefits	42.75%	18.84%	12.32%	24.64%

The most of company are not paying provident fund (24.64%). So, it should be improved.

4.1.8. Miscellaneous

Labor Law of Bangladesh: In determining wages or fixing the minimum rate of wages for any worker, the principle of equal wages for male, female and handicapped] workers for work of equal nature or standard or value shall be followed; and no discrimination shall be made in this respect on the ground of being [male-female-handicapped.] (Section- 345).

Table- 8: Miscellaneous.

No.	Labor law Issues	Satisfactory	Moderate	Dissatisfactory	Not exist
Y19	Providing equal wages for male, female and handicapped workers	97.10%	2.17%	0.00%	0.00%

The equality among the male, female, handicapped is in satisfactory level (97.1%).

4.2 Parametric Test

The parametric test is the hypothesis test which provides generalizations for making statements about the mean of the parent population. A t-test based on Student’s t-statistic, which is often used in this regard. The t-statistic rests on the underlying assumption that there is the normal distribution of variable and the mean is known or assumed to be known. The population variance is calculated for the sample. It is assumed that the variables of interest, in the population are measured on an interval scale. We have applied one-sample t-test to determine whether the mean response for each of the factors involving labor law practices differs significantly from 0 (Indifferent).

Table 9: One-Sample Test.

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Y1	33.929	137	.000	2.52174	2.3748	2.6687
Y2	13.516	137	.000	3.02174	2.5797	3.4638
Y3	69.848	137	.000	2.79710	2.7179	2.8763
Y4	72.639	137	.000	2.81884	2.7421	2.8956
Y5	80.940	137	.000	2.83333	2.7641	2.9026
Y6	112.369	137	.000	2.89855	2.8475	2.9496
Y7	56.795	137	.000	2.70290	2.6088	2.7970
Y8	62.786	137	.000	2.80435	2.7160	2.8927
Y9	6.611	137	.000	.63768	.4470	.8284
Y10	5.236	137	.5610	.50148	.3400	.6204
Y11	4.870	137	.500	.45288	.4010	.6124
Y12	4.148	137	.510	.40937	.3050	.5284
Y13	36.580	137	.000	2.31884	2.1935	2.4442
Y14	11.187	137	.000	1.11594	.9187	1.3132
Y15	77.162	137	.000	2.81159	2.7395	2.8836

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Y16	5.109	137	.520	.50540	.3760	.70914
Y18	16.776	137	.000	1.78261	1.5725	1.9927
Y19	118.649	137	.000	2.95652	2.9072	3.0058

From the table-9, it is seen that the variables Y10, Y11, Y12, Y16 are insignificant. The rest of the variables are significant. So, we have done the factor analysis with the significant variables.

4.3. Factor Analysis

- ❖ **Reliability Analysis:** The scale of measurement was tested using Cronbach α reliability test. It was found to be 0.767 which is considered a satisfactory level of construct reliability.

Table 10: Reliability Statistics.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.79	0.78	14

- ❖ **Sampling Adequacy:** The tests have been conducted to know that whether the sample is adequate or not. The sampling adequacy is depicted in table 11:

Table 11: KMO and Bartlett's Test.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.634
Bartlett's Test of Sphericity	Approx. Chi-Square	146.136
	Df	91
	Sig.	.000

KMO recommends accepting value greater than 0.5 as barely acceptable and Bartlett recommends the accepting value less than 0.05. Since, the accepting value for variables is 0.696 (more than 0.5) for KMO and .000 for Bartlett's test (less than .05), these measures indicate that the set of variables is appropriate for factor analysis and the analysis can be continued for next stage.

- ❖ **Component Factor Analysis: Deriving the Factors**

Factor analysis procedure is based on initial computation of a table of correlations among the variables that is, correlation matrix. This matrix is then transformed through estimation of a factor model to obtain the factor

matrix containing the loadings for each variable on each derived factor. The table 12 contains the information regarding the factors and the relative explanatory power as expressed by their eigen values. As per the latent root criteria of retaining the factors, those factors should be retained that have eigen value > 1. The Eigen values, the percentage of total variance, and rotated sum of squared loadings have been shown in table-12. The factor matrix as obtained in the principal component analysis has also been further subjected to Varimax Rotation. An examination of Eigen values has led to the retention of six factors. These factors have accumulated for 12.6%, 10.64%, 9.77%, 9.52%, 8.78% and 7.84% of variation. This implies that the total variance accumulated for by all six factors is 59.24% and remaining variance is explained by other factors.

Table 12: Total Variance Explained.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.865	13.322	13.322	1.865	13.322	13.322	1.774	12.670	12.670
2	1.639	11.706	25.028	1.639	11.706	25.028	1.491	10.648	23.318
3	1.378	9.843	34.872	1.378	9.843	34.872	1.369	9.775	33.093
4	1.217	8.691	43.563	1.217	8.691	43.563	1.333	9.520	42.613
5	1.161	8.295	51.858	1.161	8.295	51.858	1.230	8.785	51.398
6	1.033	7.382	59.240	1.033	7.382	59.240	1.098	7.842	59.240
7	.981	7.006	66.246						
8	.883	6.310	72.556						
9	.829	5.921	78.477						
10	.725	5.178	83.655						
11	.666	4.758	88.413						
12	.617	4.406	92.819						
13	.554	3.954	96.773						
14	.452	3.227	100.000						

Extraction Method: Principal Component Analysis

❖ *Scree plot*

The application of Cattell’s (1966) scree test (Figure-1) resulted in acceptance of Factors. The Scree plot shows the factor Eigen values in descending order. The eigen values of a factor represents the variance explained by each factor. An elbow in the Scree plot occurs at Factor 6, which indicates the point at which the inclusion of additional factors does not contribute significantly in explaining the variance of the data set. The results of the analysis are presented in the form of factor pattern matrix.

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Factors above the elbow of the plot are retained. A set of 6 Factors that were chosen accounts for about 59.24 % of the variations in data.

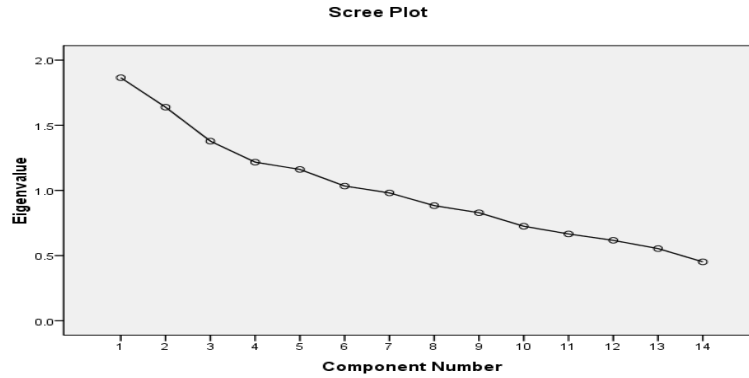


Figure-1: Scree Plot.

❖ *Examining and identifying the significant Factors loading*

After studying the Eigen values for the components, the next step is to study the factor matrix and the respective factors loadings. The loadings above 0.40 have been considered for the study. For obtaining the rotated factor matrix, orthogonal rotation method, viz, VARIMAX rotation has been used. The results are displayed in table-13.

Table 13: Rotated Component Matrix^a.

	Component					
	1	2	3	4	5	6
Y3	.729	-.071	-.083	.074	-.048	.071
Y4	.620	-.232	.339	-.015	.400	-.017
Y5	.603	.063	-.080	-.073	-.250	-.082
Y15	-.113	-.655	.175	.073	.227	-.036
Y18	-.107	.626	.044	.017	.244	-.053
Y14	-.099	.546	.451	.146	.257	.000
Y13	.055	-.119	.702	.134	-.239	.178
Y19	-.095	.064	.608	-.144	.058	-.175
Y9	.346	.056	.109	.696	.006	.078
Y1	.258	.257	.318	-.607	-.088	.065
Y6	.241	-.435	-.093	-.546	.217	.009
Y2	-.124	.087	-.102	-.029	.812	.039

Y7	.265	.094	-.088	.226	.184	.726
Y8	.343	.123	-.054	.227	.139	-.693
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						
a. Rotation converged in 8 iterations.						

❖ *Assessing Communalities*

After identifying the significant factor loadings, next step is to study the communalities of the variables, representing the amount of variance accounted for by the factor solution for each variable. It is generally assumed that variable with communalities > 0.5 should be retained for the study; the communalities of the variables have been shown in the table-14.

Table 14: Communalities.

	Initial	Extraction
Y1	1.000	.615
Y2	1.000	.695
Y3	1.000	.556
Y4	1.000	.714
Y5	1.000	.549
Y6	1.000	.602
Y7	1.000	.699
Y8	1.000	.687
Y9	1.000	.626
Y13	1.000	.616
Y14	1.000	.599
Y15	1.000	.531
Y18	1.000	.568
Y19	1.000	.538
Extraction Method: Principal Component Analysis.		

❖ *Factor Analysis Results*

The principal component analysis using varimax rotation of 14 variables has led to the extraction of 6 factors. Following tables represent the final results of the study and reflects the extraction of the factors that are considered more influential by the respondents. The rotated factor matrix has been shown in table-13. This shows that variables understudy has constituted 6 groups. These have been discussed in the following paragraphs.

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No.	Labor law Issues
Y3	Providing identity card and appointment letter to worker
Y4	Maintaining workers register
Y5	Supplying number cards to every worker.

Factor I: Service Conditions Factor

Factor-I explains 67% of the total variations existing in the variable set. This includes variables-Y3, Y4, Y5. This factor has significant factor loadings on these variables which have formed this major cluster. So, this factor provides a basis for conceptualization of a dimension, which may be identified as ‘Service Conditions Factor’.

Factor II: Welfare measures Factor

Factor- IIexplains 10.64% of the total variations existing in the variable set. This includes variables-Y14, Y15, Y18. This factor has significant factor loadings on these variables which have formed this major cluster. So, this factor provides a basis for conceptualization of a dimension, which may be identified as ‘Welfare measures Factor’.

No.	Labor law Issues
Y14	Implementing group insurance facilities for worker
Y15	After notifying an accident, a worker is to be examined by a registered medical Officer
Y18	Establishing a provident fund benefits

Factor III: Safety and Equality factor

Factor-III explains 9.77 % of the total variations existing in the variable set. This includes variables-Y13, Y19. This factor has significant factor loadings on these variables which have formed this major cluster. So, this factor provides a basis for conceptualization of a dimension, which may be identified as ‘Safety and Equality Factor’.

Factor-IV: Service Rules Factor

No.	Labor law Issues
Y13	Establishing Safety Committee with equal participation from owner and workers (6>SC< 12)
Y19	Providing equal wages for male, female and handicapped workers

Factor-IV explains 9.52 % of the total variations existing in the variable set. This includes variables- Y1, Y6, Y9. This factor has significant factor loadings on these variables which have formed this major cluster. So, this factor provides a basis for conceptualization of a dimension, which may be identified as ‘Service Rules Factor’.

No.	Labor law Issues
Y1	Having own service rules for employee
Y6	Recording the leave information in the leave book or register book
Y9	Recording all fines and all realizations

Factor V: Service Book Factor

No.	Labor law Issues
Y2	Providing a service book for every worker

Factor-V explains 8.78% of the total variations existing in the variable set. This includes variables- Y2. This factor has significant factor loadings on these variables which have formed this major cluster. So, this factor provides a basis for conceptualization of a dimension, which may be identified as ‘Service book Factor’.

Factor VI: Workers’ compensation Factor

No.	Labor law Issues
Y7	Paying the wages in lieu of the unveiled leave of worker.
Y8	Providing the compensation of died employee at the rate of thirty days wages

Factor-VI explains 7.84% of the total variations existing in the variable set. This includes variables- Y7, Y8. This factor has significant factor loadings on these variables which have formed this major cluster. So, this factor provides a basis for conceptualization of a dimension, which may be identified as ‘Worker compensation Factor’.

Finally, the summarized results of Factor analysis are shown in the following table:

Table 15: Summary of Factors Analysis Results.

Factors	Factor Interpretation (% variance explained)	Loading	Variables included in the factor	
Factor-I	<i>Service Conditions Factor (67%)</i>	.729	Y3	Providing identity card and appointment letter to worker
		.620	Y4	Maintaining workers register
		.603	Y5	Supplying number cards to every worker.
Factor-II	<i>Welfare measures Factor (10.64%)</i>	.546	Y14	Implementing group insurance facilities for worker
		-.655	Y15	Where After notifying an accident, a worker is to be examined by a registered medical Officer
		.626	Y18	Establishing a provident fund benefits
Factor-III	<i>Safety and Equality factor (9.77 %)</i>	.702	Y13	Establishing Safety Committee with equal participation from owner and workers (6<SC< 12)
		.608	Y19	Providing equal wages for male, female and handicapped workers
Factor-IV	<i>Service Rules Factor (9.52 %)</i>	-.607	Y1	Having own service rules for employee
		-.546	Y6	Recording the leave information in the leave book or register book
		.696	Y9	Recording all fines and all realizations
Factor-V	<i>Service Book Factor (8.78%)</i>	.812	Y2	Providing a service book for every worker
Factor-VI	<i>Workers' compensation Factor (7.84%)</i>	.726	Y7	Paying the wages in lieu of the unveiled leave of worker.
		-.693	Y8	Providing the compensation of died employee at the rate of thirty days wages

Note: Data have been compiled by the researcher

5. RECOMMENDATIONS

Bangladesh is a fast-growing developing country in the world. The export-oriented apparel industry of Bangladesh, popularly known as readymade garment (RMG) is one of the booming manufacturing areas with greater interest to the national economy of Bangladesh. The workers of the factory are the heart of the organization. So, their existence, rights are the key factor to success of the industry. The labor law practices in some issues are highly satisfactory level, but in some cases, it needs to improve the situation. On the basis our findings, we have placed the following recommendations which will improve the labor conditions in garments sectors of Bangladesh.

6. CONCLUSION

The research findings reveal that the most of the issues or factors of labor laws practices in garments sectors are in satisfactory level. The satisfactory factors are-child and adolescent workers, wage, working hours, holidays and leave, maternity benefit, service conditions, cleanliness and environmental issues. But in few cases, it should be developed due to poor situation which are-trade union, active worker's participatory committee, profit sharing to workers, provident fund, and group insurance. In some factors, the satisfactory level of factors is good but need to still improve which are service rules, safety issues medical service, canteen and wash room facilities. This study finds out the key factors of labor law practices in garments sector of Bangladesh with the level of satisfaction (high, moderate and low). The stakeholders can improve the law satisfactory indicators or factors of labor law. The information of data collection is a sensitive issue. So, the interviewer faced difficulties. The future research can take the other regions as sample district and can take more intensive baseline survey.

To the Government of Bangladesh

The government is the regulatory of body of labor administration. So, it is recommended

- To ensure effective and impartial labor administration.
- To increase effectiveness of labor inspections and labor courts due to shortage of manpower.
- To revise and to increase the minimum wage so as to ensure it covers basic needs of workers.
- To ensure garment village projects for improving the livelihood of workers.

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- To establish community clinic/hospital for providing medical facilities to workers.

To Factory Owners and Management

The factory owners and management have the key role for implementing the labor laws in garments sector. So, they have-

- To provide adequate Medical facilities to the workers.
- To establish the provident fund and group insurance facilities for workers.
- To provide part of profit to the workers for more belongings.
- To establish community school for the education of workers' children.
- To provide training of occupational safety, fire safety.
- To arrange the training and development program for the workers.
- To activate the meaningful worker's participation committee.
- To setup non profitable grocery shop in factory premises for workers.

To BGMEA and BKMEA

The BGMEA and BKMEA are the owner's association of garments. So, they are main body who can implement the labor law practice in the factory. So, it is suggested-

- To respect and promote fundamental rights at work in factories.
- To ensure freedom of association and the right to collective bargaining of workers.

To Buyers Association

The buyer associations have the key responsibilities to improve the workers' socioeconomic conditions by increasing price of the products. So that, the producers can provide the better facilities and environments to the workers. So, it is recommended –

- To increase the price rate for producer to meet the excess expenditures
- To provide foreign aids to develop the workers' supportive facilities
- To provide the support to the BGMEA
- To find out the lack of compliance issues through ACCORD and Alliance

To the workers Association

-The worker's association should place the rights of workers. But they should not act any destructive activities. They should be bias free from political parties.

To NGOs

This NGOs seeks to promote welfare for workers, create awareness and provide education regarding workers' rights and responsibilities, environmental pollution and occupational health and safety, defending the rights—particularly of women—in the social, economic and political spheres, mobilize workers and support them regarding their rights. So, it is recommended to-

- To provide training for fire safety, awareness of right, working safety etc.
- To arrange community clinic for garments workers.

To ILO

The international Labor Organization (ILO) is a specialized organization in the field of labor issues. The ILO is to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues. All the decisions made by ILO are tripartite; this means that governments, employers and employees are represented within those decisions. So, it is suggested –

- To monitor the international labor convention implementation and to provide support and suggestion.
- To help to develop the labor law and labor rules related to apparel sectors.

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