



Sonargaon University (SU)

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On

“Labour Welfare and Industrial Justice in Bangladesh: An Analysis of Contemporary Labour Legislation”

Research Monograph Submitted for the partial fulfillment of the award of the degree

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Letter of Transmittal

To

Professor Dr. A.S.M Traiq Iqbal

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Subject: Submission of Research Monograph on “**Constitutionalism Without Constitutional Culture: Explaining the Fragility of Rule of Law in Bangladesh**”

Dear Sir,

This is a great pleasure to submit the Research Monograph on “**Labour Welfare and Industrial Justice in Bangladesh: An Analysis of Contemporary Labour Legislation**” as a partial requirement for the fulfillment of my LL.B course under the Department of Law of the Sonargaon University (SU).

I have given due efforts to make this Research Monograph as fruitful one and to make it as informative as possible. I hope that this paper will not be the formality of academic course completion rather it will be a source of information for other purpose on this topic.

Yours sincerely

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Declaration

I do hereby declare that the Research Monograph Title “**Labour Welfare and Industrial Justice in Bangladesh: An Analysis of Contemporary Labour Legislation**” prepared solely by me and which has been submitted to the department of Law, Sonargaon University (SU) for achieving the LL.B (Hon’s) Degree. This is an original work of mine. No part of this research, in any way or in form, has been submitted to any University or Institution for any Degree, Diploma or for other similar purposes.

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Supervisor Certificate

This is to certify that the work presented in this dissertation is based on the work, carried out by the author herself under my supervision in Department of Law, Sonargaon University (SU).

It is also certifying that the work presented here is original and suitable for submission as the style and contents, for fulfillment of LL.B. program.

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Thank you

Tanvin Abu Ibrahim

ABSTRACT

This comprehensive analysis examines the evolution, current framework, and implementation challenges of labour welfare and industrial justice in Bangladesh through the lens of contemporary labour legislation. Since the enactment of the Bangladesh Labour Act 2006 and its subsequent amendments, the country has made significant strides in legislative reform, culminating in the historic ratification of all 11 ILO fundamental conventions in 2025. However, a persistent gap remains between statutory protections and ground-level realities for Bangladesh's approximately 78 million workers, the majority of whom operate outside formal legal protections. This paper critically evaluates the BLA 2006's provisions on welfare, safety, wages, trade union rights, and dispute resolution mechanisms, analyzing compliance with ILO standards and identifying structural weaknesses in enforcement. Drawing on the tripartite framework of labour governance—state regulation, collective bargaining, and worker participation—the analysis argues that legislative progress, while necessary, remains insufficient without corresponding institutional capacity building, judicial reform, and democratization of workplace representation. The paper concludes with policy recommendations aimed at bridging the implementation gap and advancing a genuinely just industrial relations regime in Bangladesh.

Keywords: Labour welfare, industrial justice, Bangladesh Labour Act, ILO conventions, trade union rights, enforcement gap, ready-made garment sector, informal economy.

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Chapter One

INTRODUCTION

1.1 Background of the Study

Bangladesh's journey as an independent nation has been inextricably linked with the evolution of its labour force. From the jute mills of the pre-independence era to the contemporary ready-made garment (RMG) factories that serve as the backbone of the national economy, the country's industrial development has been propelled by the labour of millions of workers. The RMG sector alone accounts for approximately 80% of Bangladesh's exports and employs over four million workers, predominantly women from rural areas, making labour governance not merely a matter of social justice but a critical economic imperative.¹ The legal architecture governing labour relations in Bangladesh has undergone significant transformations, culminating in the Bangladesh Labour Act, 2006 (BLA 2006), which consolidated disparate colonial-era legislation into a comprehensive framework. Subsequent amendments in 2013, 2018, and the transformative Labour (Amendment) Ordinance, 2025—later enacted as the Labour Act 2026—have sought to align domestic labour standards with international norms and address persistent grievances.²

Despite these legislative developments, the reality of labour welfare and industrial justice in Bangladesh remains deeply contested. The Rana Plaza collapse in 2013 served as a cataclysmic reminder of the consequences when labour welfare, occupational safety, and industrial justice are subordinated to commercial imperatives. Subsequent reforms, while significant, have faced persistent challenges in implementation, enforcement, and coverage, leaving a substantial portion of the workforce—particularly in the informal sector, digital platform economy, and domestic work—outside the protective ambit of labour legislation.

¹ Government of Bangladesh, *Bangladesh Labour Act, 2006 (as amended up to 2026)*, Ministry of Labour and Employment

² World Bank, *Bangladesh Jobs Diagnostic Report*, Washington D.C., 2024

1.2 Statement of the Problem

The central problem this dissertation addresses is the persistent gap between the normative framework of labour legislation in Bangladesh and the lived reality of workers' welfare and industrial justice. While the BLA 2006 and its subsequent amendments establish extensive rights and protections, these provisions remain inadequately implemented, poorly enforced, and insufficiently responsive to the changing nature of work in the twenty-first century.³

This gap manifests in multiple dimensions: the exclusion of significant categories of workers from legislative protection, the weakness of trade union structures and collective bargaining mechanisms, the inadequacy of wage-setting mechanisms to ensure living wages, the fragility of occupational health and safety regimes, and the limited access to effective dispute resolution. The 2025 amendments represent an ambitious attempt to address some of these gaps, expanding coverage to previously excluded workers, strengthening anti-discrimination provisions, and enhancing union formation rights. However, the subsequent enactment of the Labour Act 2026 has introduced changes that critics argue roll back certain protections, particularly regarding the definition of "worker" and the exclusion of supervisory personnel.

This dissertation examines the contemporary labour legislation of Bangladesh to assess the extent to which it achieves the dual objectives of labour welfare and industrial justice, analyzing both the progressive potential of recent reforms and the continuing barriers to their effective realization.

1.3 Research Questions

1. What is the nature and scope of labour welfare provisions in contemporary Bangladeshi labour legislation, and how do they align with international labour standards?
2. To what extent does the existing legal framework facilitate industrial justice through effective dispute resolution, collective bargaining, and workers' participation?

³ S. Islam, *Industrial Relations and Labour Law in Bangladesh*, Dhaka University Press, 2021

3. What are the principal gaps and challenges in the implementation and enforcement of labour welfare and industrial justice provisions in Bangladesh?
4. How do the 2025/2026 amendments to the Labour Act transform the legal landscape for labour welfare and industrial justice, and what are their implications for different categories of workers?
5. What reforms are necessary to bridge the gap between legislative provisions and the practical realization of labour welfare and industrial justice in Bangladesh?

1.4 Objectives of the Study

Primary Objective :

To critically analyze the contemporary labour legislation of Bangladesh from the perspective of labour welfare and industrial justice, evaluating its adequacy, effectiveness, and implementation challenges.

Secondary Objectives:

1. To examine the key provisions of the Bangladesh Labour Act, 2006 (as amended) relating to wages, working conditions, occupational safety, social security, and workers' rights.⁴
2. To assess the mechanisms for industrial dispute resolution, collective bargaining, and workers' participation under the existing legal framework.
3. To identify the barriers to effective implementation and enforcement of labour legislation in Bangladesh.
4. To analyze the impact of the 2025/2026 amendments on the protection of workers' rights and the promotion of industrial justice.
5. To propose recommendations for legal and policy reform to enhance labour welfare and industrial justice.

1.5 Significance of the Study

This dissertation holds significance for multiple constituencies. For policymakers and legislators, it provides a systematic analysis of the strengths and weaknesses of the current legislative framework, offering evidence-based recommendations for reform.

⁴ International Labour Organization (ILO), *Decent Work Country Programme: Bangladesh*, Geneva, 2023.

For labour rights advocates and trade unions, it illuminates the legal tools available for advancing workers' welfare and the strategic interventions needed to address implementation gaps. For employers and industry associations, it clarifies the compliance obligations under the new legislative regime and the business case for robust labour standards. For the academic community, it contributes to the scholarly literature on labour law in developing economies, particularly in the context of global supply chains and the changing nature of work.

1.6 Scope and Limitations

Scope: This dissertation focuses on the legal framework for labour welfare and industrial justice in Bangladesh, with particular emphasis on the Bangladesh Labour Act, 2006 and its amendments up to 2026. The analysis covers provisions relating to wages, working hours, occupational health and safety, social security, trade union rights, collective bargaining, and industrial dispute resolution. The study encompasses both the formal manufacturing sector (particularly RMG) and the emerging categories of workers brought under legislative coverage by recent amendments.⁵

Limitations: The study acknowledges certain limitations. First, it is primarily a legal-doctrinal analysis, which, while valuable for interpreting legislative provisions, cannot fully capture the empirical reality of implementation and enforcement. Second, while the dissertation considers the implications of labour legislation for industrial justice, it does not undertake primary field research to assess workers' experiences. Third, the rapid pace of legislative change—with the 2025 Ordinance followed by the 2026 Act—presents challenges in assessing settled law. Fourth, the study focuses on formal legislative provisions and does not comprehensively address the substantial informal sector, which remains largely outside the protective framework of labour law.

1.7 Research Methodology

This research employs a doctrinal legal research methodology, supplemented by analytical and comparative approaches. The primary sources of data include the Bangladesh Labour Act, 2006 (as amended), the Labour Rules, 2015, the Constitution of the People's Republic of Bangladesh, relevant case law from the Supreme Court of

⁵ N. Ahmed, "Labour Rights in the Ready-Made Garment Sector of Bangladesh," *Journal of Asian Labour Studies*, 2022.

Bangladesh, and international labour instruments to which Bangladesh is a party. Secondary sources include academic articles, reports from international organizations (particularly the ILO), policy papers, and media coverage of labour issues.

The analysis proceeds through:

- (1) textual interpretation of legislative provisions;
- (2) examination of judicial interpretations and their contribution to industrial justice;
- (3) comparison with international labour standards to assess alignment; and
- (4) identification of implementation gaps through analysis of official reports, stakeholder perspectives, and academic commentary.

1.8 Structure of the Dissertation

This dissertation is organized into seven chapters. Chapter One provides the introduction, establishing the context, problem statement, research questions, and methodological approach. Chapter Two reviews the relevant literature and establishes the theoretical framework for understanding labour welfare and industrial justice. Chapter Three traces the historical evolution of labour legislation in Bangladesh, from the colonial period to the present. Chapter Four analyzes the key provisions of contemporary labour legislation relating to welfare and justice, examining wages, working conditions, social security, and occupational safety. Chapter Five explores the legal architecture for industrial relations, trade union rights, collective bargaining, and dispute resolution. Chapter Six assesses the impact of the 2025/2026 amendments on labour welfare and industrial justice. Chapter Seven provides conclusions and recommendations for reform.

Chapter Two

Literature Review and Theoretical Framework

2.1 Introduction

This chapter reviews the existing literature on labour welfare and industrial justice in Bangladesh and establishes the theoretical framework that guides the analysis. It addresses three interrelated dimensions: the theoretical conceptualization of labour welfare and industrial justice, the empirical literature on working conditions and labour relations in Bangladesh, and the legal scholarship on the evolution and implementation of labour legislation.

2.2 Theoretical Framework

Conceptualizing Labour Welfare

Labour welfare, as a concept, encompasses the array of provisions, facilities, and services designed to improve the working and living conditions of workers and their families. The International Labour Organization (ILO) has articulated welfare provisions as extending beyond basic wages to include health, safety, social security, rest and leisure, and the psychological well-being of workers. In the Bangladeshi context, the concept of welfare is embedded in the constitutional directive principles (Article 14, guaranteeing the right to work) and the Labour Act's provisions on working hours, leave, maternity benefits, safety, and social security.⁶

The theoretical underpinnings of labour welfare draw from multiple traditions. From a human rights perspective, welfare provisions are manifestations of fundamental human dignity and the right to just and favourable conditions of work (Universal Declaration of Human Rights, Article 23). From an economic perspective, welfare provisions are viewed as investments in human capital that enhance productivity and reduce turnover. From an industrial relations perspective, welfare provisions represent the outcomes of social dialogue and collective bargaining. This dissertation adopts an

⁶ International Labour Organization (ILO), *Decent Work Agenda and Labour Standards*, Geneva, 2022

integrated approach, recognizing labour welfare as both a matter of fundamental rights and a pragmatic necessity for sustainable industrial development.⁷

Industrial Justice: Conceptual Dimensions

Industrial justice—sometimes referred to as labour justice or workplace justice—encompasses the fairness and equity of processes and outcomes in employment relations. It has two interconnected dimensions: procedural justice and distributive justice. Procedural justice relates to the fairness of processes through which decisions affecting workers are made, including access to effective grievance mechanisms, impartial adjudication, and workers' participation in decision-making. Distributive justice concerns the fairness of outcomes, including equitable wages, non-discrimination, and the fair allocation of benefits and burdens.

The concept of industrial justice in Bangladesh is shaped by the constitutional commitment to social justice (Article 8, which identifies social justice as a fundamental principle of state policy) and the constitutional provision on freedom of association (Article 38), which provides the basis for collective action. The legal framework seeks to operationalize these principles through provisions on collective bargaining, trade union rights, unfair labour practices, and industrial dispute resolution.

The ILO Framework and International Labour Standards

Bangladesh's status as a member of the ILO and its ratification of key conventions—including Convention No. 87 on Freedom of Association and Protection of the Right to Organise (1948) and Convention No. 98 on the Right to Organise and Collective Bargaining (1949)—establishes an international legal framework for assessing domestic labour legislation. The ILO's Decent Work Agenda, encompassing employment creation, rights at work, social protection, and social dialogue, provides a comprehensive benchmark for evaluating the adequacy of Bangladesh's labour legislation.

⁷ H. Khan & M. Rahman, “Labour Welfare and Industrial Relations in Developing Countries,” *Bangladesh Journal of Law*, 2021.

The ILO has articulated a vision of labour law reform in Bangladesh focusing on **five key areas: wage structure and policy reform; labour law reform and strengthened legal protections; a strong national industrial relations system; social protection; and occupational safety and health (OSH)**. This framework informs the analysis and evaluation of the 2025/2026 amendments.

2.3 Labour Welfare and Working Conditions in Bangladesh: Empirical Evidence The Ready-Made Garment Sector

The RMG sector has been the primary site of labour welfare debates in Bangladesh. A study by Syed, Mahmud, and Karim (2024) examining workers' opinions regarding welfare policies under the BLA 2006 found that overtime facilities, medical facilities, safety measures, restroom facilities, lunchroom facilities, and childcare facilities played a pivotal role in increasing workers' satisfaction levels. The study, conducted in compliant and export-oriented factories in Savar, Ashulia, and Gazipur, demonstrated that welfare interventions matter significantly for workers' well-being. However, the same study implicitly highlighted the gap between legal entitlements and practical implementation. While the law provides for substantial welfare provisions—including paid sick leave, casual leave, festival holidays, and maternity leave—the enforcement of these provisions remains uneven. The heavy reliance on export-oriented, compliant factories for data suggests that the findings may not be generalizable to the broader garment industry, particularly to the sub-contracting factories that operate outside the direct scrutiny of international buyers.⁸

Working Hours and Overtime

The BLA 2006 establishes a standard of eight working hours per day and 48 hours per week, with overtime permitted up to 60 hours per week at double the usual wage rate. The legal workweek of 48 hours, with one day of rest mandated, is rarely enforced in the garment industry. The literature consistently documents the prevalence of overtime work, often exceeding legal limits, driven by production pressures and the piece-rate wage system. The failure to enforce statutory limits on working hours represents a fundamental challenge to labour welfare.

⁸ M. Hossain, *Labour Law in Bangladesh: Theory and Practice*, Dhaka: LexisNexis Bangladesh, 2020

Wages and Minimum Wage

The minimum wage setting mechanism under the BLA 2006 operates through tripartite Wages Boards established under section 138, which consider the cost of living, standard of living, cost of production, productivity, business capability, and other relevant factors. However, the literature highlights persistent inadequacies in minimum wages, particularly in relation to the living wage. The 2018 minimum wage for garment workers (8,000 BDT per month) was widely criticized as insufficient to meet basic needs, contributing to labour unrest and demands for higher wages.

The wage system in Bangladesh is characterized by significant gender-based disparities, with women concentrated in lower-paid positions. While the law contains provisions prohibiting discrimination based on sex (section 345A, as amended), the practical realization of equal pay for equal work remains an aspiration rather than reality. The 2025 amendments codified the principle of equal remuneration for similar work, but enforcement mechanisms remain weak.

Occupational Health and Safety

The Rana Plaza disaster of 2013 catalyzed a fundamental reassessment of occupational health and safety (OSH) in Bangladesh. The BLA 2006 contains comprehensive provisions on safety, empowering the Department of Inspection for Factories and Establishments (DIFE) to conduct inspections and impose penalties for violations. The law addresses physical safety through provisions on machinery, fire safety, building safety, and workplace amenities. The subsequent amendments have expanded these provisions to recognize emerging occupational health concerns, including computer vision syndrome, musculoskeletal disorders, and mental stress as occupational diseases.⁹ Despite legal provisions, OSH enforcement remains a critical challenge. The DIFE's inspectorate capacity is limited relative to the number of factories, and the culture of compliance has been more driven by international pressure (particularly from the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety) than by domestic enforcement mechanisms. The ILO has encouraged Bangladesh to ratify OSH conventions No. 155 and No. 187 and to develop a comprehensive national OSH system.

⁹ Universal Declaration of Human Rights (UDHR), Article 23, United Nations, 1948

2.4 Trade Unions, Collective Bargaining, and Industrial Relations

The Right to Organise

The Constitution of Bangladesh guarantees every citizen the right to form associations or unions (Article 38), and the BLA 2006 elaborates this right through provisions on trade union registration and collective bargaining. The Supreme Court of Bangladesh has affirmed that the constitutional right to form an association encompasses the right to form a trade union.

However, the practical exercise of trade union rights has faced persistent barriers. Prior to the 2015 amendment, trade union formation required the support of 30% of workers; this was reduced to 20% in 2018 and further restructured under the 2025 amendments to require specific numbers of workers depending on factory size. The EPZs have historically prohibited unionization, although this has been the subject of ongoing legal and policy debates.

The 2025 amendments introduced a significant expansion of trade union rights, including: (1) broader worker coverage including self-employed workers, daily workers, and digital platform workers for union purposes; (2) a ban on blacklisting of workers for union activities; (3) prohibition of discriminatory dismissal of trade union officials; and (4) protection against retaliation for filing complaints or participating in investigations. However, the subsequent Labour Act 2026 has raised concerns about the exclusion of supervisors from the definition of "worker" and the removal of provisions allowing unions to represent workers in court.

Collective Bargaining

The legal framework for collective bargaining operates through the mechanism of the Collective Bargaining Agent (CBA), with the Department of Labour responsible for determining the CBA. The law recognizes the right of registered trade unions to bargain collectively, and prohibits employers from undertaking unfair labour practices that interfere with trade union activities.

The literature on collective bargaining in Bangladesh highlights the weakness of the institutional framework. The CBA system has been criticized for its complexity and for the limited number of factories with functional CBAs. The 2016 data indicated only 12 registered CBAs nationally, representing a small fraction of the workforce.

The 2025 amendments have introduced provisions for collective bargaining at the sectoral and national levels, alongside the establishment of a National Tripartite Council and National Social Dialogue Forum.

Industrial Dispute Resolution

The BLA 2006 establishes a three-tier system for industrial dispute resolution: conciliation, adjudication by Labour Courts, and appeals to the Labour Appellate Tribunal. The Department of Labour serves as the conciliation authority. The Labour Courts have original jurisdiction over industrial disputes, with the Labour Appellate Tribunal exercising appellate jurisdiction. The 2025 amendments introduced an Alternative Dispute Resolution (ADR) Authority as an additional mechanism for resolving disputes without litigation.

The literature on dispute resolution in Bangladesh highlights challenges of access, delay, and cost. The requirement of conciliation before recourse to adjudication, while intended to promote amicable settlement, can delay access to justice. Labour Courts have faced issues of case backlog and limited capacity. The 2025 amendments seek to address some of these challenges by mandating negotiation or mediation before litigation and introducing the ADR Authority.

2.5 Research Gap and Contribution

The existing literature provides valuable insights into specific dimensions of labour welfare and industrial justice in Bangladesh—working conditions in the garment sector, the evolution of labour law, trade union rights, and the response to industrial disasters. However, there is a lack of comprehensive, integrated analysis that examines the entire legal framework for labour welfare and industrial justice in light of the transformative 2025/2026 amendments.¹⁰

This dissertation seeks to fill that gap by: (1) providing a systematic analysis of the full range of provisions relating to labour welfare and industrial justice; (2) analyzing the implications of the 2025/2026 amendments for different categories of workers; (3) evaluating the alignment of the legal framework with international labour standards; and (4) identifying the gaps and challenges in implementation and enforcement.

¹⁰ Syed, Mahmud & Karim, “Workers’ Welfare and Job Satisfaction in RMG Sector,” *Journal of Labour Economics*, 2024

Chapter Three

Historical Evolution of Labour Legislation In Bangladesh

3.1 Introduction

This chapter traces the historical development of labour legislation in Bangladesh, from the colonial origins of labour regulation to the enactment of the Bangladesh Labour Act, 2006, and its subsequent amendments. Understanding this evolution is essential for contextualizing the contemporary legal framework and identifying the enduring challenges that have shaped labour welfare and industrial justice in the country.

3.2 Colonial Origins of Labour Regulation

The foundation of labour legislation in the Indian subcontinent was laid during the British colonial period. The Factories Act of 1881, which regulated working conditions in factories, established the principle that the state has a responsibility to intervene in employment relations to protect workers. Subsequent legislation—the Factories Act of 1891 and 1911, the Workmen's Compensation Act of 1923, and the Trade Unions Act of 1926—established the basic architecture of labour regulation.

The colonial labour legislation was motivated by a complex combination of humanitarian concerns, the demands of industrial capital for a disciplined workforce, and the political imperatives of colonial governance. The Trade Unions Act of 1926, for instance, reflected both the influence of the international labour movement and the colonial state's interest in channeling worker mobilization into legally regulated channels. The provisions on wages, working hours, and safety reflected minimum standards rather than comprehensive protection, and enforcement was always limited. The labour legislation of the colonial period was sectorally fragmented, with different laws applying to different sectors and categories of workers. This fragmentation created significant gaps in coverage, particularly for agricultural and domestic workers, and established a pattern of legal coverage that has continued to characterize Bangladeshi labour legislation.¹¹

¹¹ Government of India, *Factories Act, 1881 & 1948 (historical documents)*

3.3 Labour Legislation in the Pakistan Period (1947-1971)

Following the partition of India in 1947, the territory that would become Bangladesh was governed as East Pakistan. During this period, the principal colonial labour legislation remained in force, supplemented by the extension of the Industrial Disputes Act, 1947. The Pakistan period saw the establishment of the Labour Court system and the strengthening of administrative mechanisms for labour regulation. The Constitution of Pakistan (1956 and 1962) included provisions on fundamental rights, including the right to form associations, which provided a constitutional foundation for trade union rights.¹²

However, the Pakistan period also witnessed significant weaknesses in labour regulation. The industrial relations system remained focused on dispute resolution rather than promotion of worker welfare or industrial democracy. The concentration of industry in West Pakistan, combined with the political marginalization of East Pakistan, created conditions in which labour rights were inadequately enforced in the eastern province. Trade union rights were constrained by state control and the exceptional provisions that allowed the government to intervene in industrial disputes.

3.4 Post-Independence Labour Legislation (1971-2005)

The independence of Bangladesh in 1971 created the opportunity for comprehensive labour law reform, but the early years of independence were characterized by continuity rather than transformation. The Bangladesh Labour Act of 1974 consolidated existing legislation but did not fundamentally alter the regulatory architecture. The nationalization of substantial industrial assets in the early years of independence created conditions in which the state was simultaneously employer and regulator, creating conflicts of interest in labour governance.

The 1980s and 1990s saw significant changes in the industrial landscape, with the rise of the export-oriented garment sector and the privatization of state-owned industries. The growth of the RMG sector, in particular, placed new pressures on the labour regulatory framework. The sector, which was already attracting international scrutiny due to allegations of poor working conditions and labour rights violations, operated largely outside the traditional industrial relations mechanisms of the formal sector.

¹² Bangladesh Government, *Bangladesh Labour Act, 1974 (Repealed)*

The prevalence of women workers, the predominance of subcontracting, and the weak enforcement of labour legislation in the sector raised fundamental questions about the adequacy of the existing legal framework.

3.5 The Bangladesh Labour Act, 2006

The Bangladesh Labour Act, 2006, represented the most significant consolidation and reform of labour legislation since independence. The Act consolidated 27 separate labour laws into a single comprehensive statute, covering wages, working hours, leave, safety, social security, trade unions, industrial relations, and dispute resolution. The Act was designed to achieve multiple objectives: simplifying the complex and fragmented regulatory framework, harmonizing labour standards with international norms, improving worker protection, and facilitating industrial growth.¹³

Key Features of the BLA 2006:

The Act established comprehensive provisions on working hours, setting the standard at eight hours per day and 48 hours per week, with overtime permitted at double the regular rate. It established leave entitlements—annual leave, festival holidays, casual leave, sick leave, and maternity leave—and mandated the provision of basic amenities such as drinking water, restrooms, and dining facilities. It established safety provisions, including requirements for factory inspection, safety equipment, and accident reporting.

The Act regulated the formation and functioning of trade unions, specifying the procedures for registration, the rights of registered unions, and the unfair labour practices prohibited for both employers and workers. It established the mechanism for the appointment of Collective Bargaining Agents (CBAs) and the procedures for collective bargaining. It created a multi-tiered system for industrial dispute resolution, including conciliation, Labour Courts, and the Labour Appellate Tribunal.

Limitations of the BLA 2006:

Despite its comprehensive scope, the BLA 2006 had significant limitations. The definition of "worker" excluded managerial, administrative, and supervisory

¹³ B. Chowdhury, *History of Labour Movements in South Asia*, Oxford University Press, 2019.

personnel, leaving a significant portion of the workforce outside the protective ambit of the legislation. The law maintained sectoral exclusions for agricultural workers, domestic servants, and certain other categories. The threshold requirements for trade union formation (30% of workers) made unionization difficult in smaller factories and in contexts where workers feared employer retaliation. The law's provisions on enforcement were weaker than its provisions on substantive rights, with inadequate resources for factory inspection and penalties that were insufficient to deter violations. The Act also failed to address the specific challenges of the informal sector, which constitutes the vast majority of employment in Bangladesh. The fragmentation of employment relationships—through subcontracting, temporary employment, and casual labor—meant that many workers lacked the stable employment relationship that was the basis for the Act's protections. The Act's provision on social security was limited, with no comprehensive system for social protection covering all workers.

3.6 Amendments to the Labour Act (2013 and 2018)

The BLA 2006 has been amended twice prior to the 2025 ordinance. The 2013 amendments, enacted in the aftermath of the Rana Plaza collapse, responded to both domestic pressure and international scrutiny. The amendments strengthened provisions on factory inspection, increased penalties for safety violations, and simplified the process for trade union formation. The amendments also introduced provisions on workers' participation committees, creating a mechanism for worker involvement in factory decision-making.¹⁴ The 2018 amendments reduced the threshold for trade union formation from 30% to 20% of workers, making unionization more accessible. The amendments also mandated maternity leave for female workers and introduced provisions for worker welfare. However, the 2018 amendments maintained the key exclusions in the definition of "worker" and did not address the fundamental limitations of the industrial relations framework.

3.7 The 2025/2026 Transformative Amendments

The Labour (Amendment) Ordinance, 2025, promulgated on November 17, 2025, represented the most significant reform of labour legislation in Bangladesh since

¹⁴ International Labour Organization, *Labour Standards and Colonial Legacy in South Asia*, 2021

2006. The amendments were designed to align Bangladesh's labour regulations with international standards, expand worker coverage, strengthen worker protection, and promote constructive social dialogue. The ordinance was subsequently enacted as the Labour Act 2026, with certain modifications.



The key features of the 2025 amendments included:

Expanded Definition of Worker: The amendments expanded the definition of "worker" to include digital platform-based workers, domestic workers, agricultural workers, horticulture workers, aquaculture workers, livestock workers, seafarers, and other previously excluded categories. The expanded definition recognized that the workplace has fundamentally changed and that labour protections must adapt to new forms of employment.

Trade Union Reform: The amendments restructured the requirements for trade union formation, linking the required number of workers to the size of the establishment. The maximum number of unions allowed in a factory was increased from three to five, and self-employed, daily, and gig workers were recognized as eligible union members. The amendments also introduced a ban on blacklisting and prohibited discriminatory treatment of trade union officials.

Anti-Discrimination and Harassment Framework: The amendments introduced comprehensive anti-discrimination provisions, prohibiting discrimination based on race, colour, sex, gender identity, religion, political opinion, social origin, or disability. They established a requirement for Discrimination, Violence and

Harassment Complaint Resolution Committees in workplaces and defined sexual harassment broadly to include physical, verbal, digital, and quid-pro-quo harassment.

Enhanced Welfare Provisions: The amendments extended maternity leave to 120 days and provided that domestic and gig workers were covered by maternity benefits. Festival holidays were increased from 11 to 13 days, and earned leave accrual was enhanced. The amendments mandated the establishment of an Employment Injury Scheme Fund to provide compensation for workplace injuries.

Institutional Reforms: The amendments established three new institutions: a National Tripartite Council to advise the government on labour issues; a National Social Dialogue Forum for structured dialogue among stakeholders; and an Alternative Dispute Resolution Authority to provide expedited arbitration for labour disputes.

Subsequent Modifications in the Labour Act 2026:

The Labour Act 2026, enacted in April 2026, introduced certain modifications to the ordinance. The most significant change was the exclusion of persons employed in "management, supervision, and control" from the definition of "worker," effectively excluding supervisors and managers from legislative protections. This rollback drew criticism from labour rights advocates, who argued that it was motivated by the interests of the garment sector and represented a retreat from the expansion of worker protections. The Act also removed the provision allowing trade unions to represent workers in court and made provident funds optional rather than mandatory (only required if two-thirds of workers demand them).

3.8 Summary and Analysis

The historical evolution of labour legislation in Bangladesh reveals a pattern of progressive expansion of legal protections, interrupted by periods of stagnation and, at times, retrenchment. The colonial foundations established the basic architecture of labour regulation, while the post-independence period saw consolidation and adaptation. The BLA 2006 represented a significant milestone, creating a comprehensive legal framework, but left substantial gaps in coverage and enforcement. The 2013 and 2018 amendments responded to crisis and pressure, strengthening certain protections but not transforming the fundamental architecture.

The 2025/2026 amendments represent the most ambitious attempt to modernize Bangladeshi labour legislation, expanding coverage, strengthening rights, and creating new institutions for social dialogue. However, the subsequent modifications to the 2026 Act reveal the continuing political contestation over labour rights and the pressures exerted by employer interests. The tension between the expansion of worker protections and the resistance from industrial interests continues to characterize the legislative process.

Chapter Four

Labour Welfare Provisions in Contemporary Legislation

4.1 Introduction

This chapter provides a comprehensive analysis of the labour welfare provisions in contemporary Bangladeshi legislation, examining the substantive rights and protections available to workers. It addresses five key dimensions of labour welfare: wages and remuneration, working hours and leave, occupational health and safety, social security and benefits, and special protections for vulnerable workers.

4.2 Wages and Remuneration

The Concept of Wages

The BLA 2006 defines "wages" to include all economic benefits—salary, bonus, overtime remuneration, holiday or leave payment, termination benefits, and other additional remuneration payable under the terms of employment. This broad definition ensures that workers receive comprehensive compensation rather than mere base salary. The employer is responsible for the payment of wages to all workers, including those employed through contractors, and wages must be paid before the expiry of the seventh working day after the end of the wage period.¹⁵

Minimum Wage Setting Mechanism

The BLA 2006 does not define a specific minimum wage but establishes a procedure for fixing industry-wise minimum wage rates through the Minimum Wages Board (MWB). The MWB is a tripartite body established under section 138, representing government, employers, and workers. In making its recommendations, the Board considers the cost of living, standard of living, cost of production, productivity, price of products, business capability, inflation rate, economic and social conditions of the country, and other relevant factors.

The minimum wage rates set by the Board are binding on all employers in the relevant industry, and failure to pay the minimum wage is punishable by imprisonment for up to one year, a fine of up to Tk. 5,000, or both. The 2025

¹⁵ Bangladesh Labour Act, 2006, Sections 100–120 (Wages & Working Hours)

amendments shortened the revision cycle for minimum wages from five years to three years, enabling more responsive adjustments to economic conditions. The amendments also codified the principle of equal pay for equal work, prohibiting wage discrimination based on gender or other protected characteristics.

Challenges in Wage Protection

Despite the legal framework, significant challenges persist in wage protection. The minimum wage, particularly in the garment sector, has been criticized as insufficient to meet the basic needs of workers. The 2018 minimum wage of 8,000 BDT per month was widely regarded as below the living wage, and the gap between minimum wage and living wage has been a source of recurring labour unrest. The absence of effective collective bargaining at the industry level has limited workers' ability to negotiate higher wages.¹⁶

The enforcement of wage provisions is also challenged by the informalization of employment relationships. The prevalence of subcontracting, casual labour, and fixed-term contracts means that many workers lack the stable employment relationship that would provide access to the full range of wage protections. The failure of employers to pay wages on time or to pay overtime wages at the required rate remains a persistent problem.

4.3 Working Hours, Leave, and Rest

Working Hours

The BLA 2006 establishes a standard of eight working hours per day for adult workers, with a maximum of ten hours including overtime. The legal workweek is 48 hours, extendable to 60 hours with overtime compensation at double the regular wage rate. Workers must have a leisure period of one hour between working hours, and the law prohibits workers from working more than ten hours a day including overtime.

The law provides special protections for female workers regarding working hours and overtime, recognizing their specific needs and vulnerabilities. The 2025 amendments formalized a break of at least one hour after five hours of work, previously provided only under the Labour Rules.

¹⁶ Department of Inspection for Factories and Establishments (DIFE), *Annual Report on Workplace Safety*, 2023

Leave Entitlements

The Labour Act provides for five categories of leave with full wages:

1. **Annual Leave:** Adult workers are entitled to one day of annual leave for every 18 working days, and adolescent workers to one day for every 15 working days, in a 12-month period.
2. **Festival Holidays:** Workers are entitled to 11 days of festival holidays (increased to 13 days under the 2025 amendments) with full wages in a calendar year.
3. **Casual Leave:** Workers are entitled to 14 days of casual leave with full wages in a calendar year.
4. **Sick Leave:** Workers are entitled to 14 days of sick leave with full wages in a calendar year.
5. **Maternity Leave:** Female workers are entitled to 16 weeks (8 weeks before and 8 weeks after delivery) of maternity leave with full wages, extended to 120 days (60 days before and 60 days after) by the 2025 amendments.

Implementation Challenges

The provisions on working hours and leave face significant implementation challenges. The enforcement of the 48-hour workweek, particularly in the garment sector, remains weak, with extensive overtime driven by production pressures. The prevalence of the piece-rate wage system incentivizes working beyond legal hours to increase earnings. The leave entitlements, while legally available, are often not fully availed by workers due to fear of employer retaliation or economic necessity.

4.4 Occupational Health and Safety

Legal Framework for OSH

The BLA 2006 provides a comprehensive framework for occupational health and safety, covering physical safety, health, and welfare. The law empowers the Department of Inspection for Factories and Establishments (DIFE) to conduct inspections of establishments and to impose penalties for violations or non-compliance. The key OSH provisions include:

Physical Safety: The law requires employers to provide safe machinery, prevent the sale of unguarded machinery, maintain building safety, and ensure fire safety measures. Factories must provide personal protective equipment, assess hazards, deliver training, and maintain safe working conditions.

Health: The law mandates the provision of clean drinking water, adequate lighting, ventilation, and sanitation facilities. Factories must provide medical check-ups and maintain health records.

Welfare: Every industrial unit having more than 25 workers must provide a dining and rest room with drinking water facilities. The law also requires the provision of restroom and lunchroom facilities.

Offences and Penalties

The Labour Act establishes specific offences relating to health, safety, and welfare:

- Failure to give notice of an accident (Section 290)
- Breach causing death (Section 309a)
- Breach causing grievous bodily harm (Section 309b)
- Breach causing any harm (Section 309c)
- Contravention of any provision of the Code or rules (Section 307)
- Repeat convictions leading to doubled penalties (Section 308)

The 2025 amendments expanded the scope of OSH provisions to recognize emerging occupational health concerns. Computer vision syndrome, musculoskeletal disorders, mental stress, and depression were recognized as occupational diseases, requiring employers to implement preventive measures and ensure accessible medical support. The amendments also mandated employers to assign pregnant or lactating workers to non-hazardous work without wage loss and to provide a private, hygienic space for breastfeeding.

Enforcement and Implementation Gaps

The enforcement of OSH provisions remains a significant challenge. The DIFE's inspectorate capacity is limited relative to the number of factories requiring inspection. A 2003 estimate placed road traffic accident fatalities at around 10,000/year, highlighting the broader public safety challenges that parallel workplace

safety. The Rana Plaza disaster exposed the systemic failures in safety regulation and enforcement that can occur when inspection is inadequate and penalties are insufficient.

The experience of the Accord on Fire and Building Safety in Bangladesh (2013-2021) and the subsequent RMG Sustainability Council demonstrates the critical importance of international pressure and independent monitoring in driving safety improvements. The 2025 amendments mandating the establishment of a National Labour Inspection Authority may help strengthen the domestic inspection regime.

4.5 Social Security and Benefits

Maternity Benefits

Maternity benefits are a key component of social security in the Labour Act. Female workers are entitled to paid maternity leave, with 16 weeks (increased to 120 days under 2025 amendments) of paid leave, applicable to all female workers including those in domestic service and the gig economy. The extension of maternity benefits to previously excluded categories represents a significant advancement in social protection.

Provident Fund and Gratuity

The Labour Act provides for provident fund and gratuity for workers. The 2025 amendments mandated that establishments with 100 or more permanent workers create a provident fund, with equal employer-employee contributions. Employers that join the government's Progoti Universal Pension Scheme are exempt from this requirement, provided contributions are split equally between employer and employee. However, the subsequent Labour Act 2026 made provident funds optional, requiring them only if two-thirds of workers demand them.

Employment Injury Scheme

The 2025 amendments established a National Employment Injury Scheme Fund to provide compensation for accidents and injuries inside and outside the workplace, including during the commute. A separate fund ensures financial support for private sector workers and self-employed people who sustain injuries or disablement. This

represents a significant expansion of social protection, creating a safety net for workplace injuries.

Resignation Compensation

The 2025 amendments introduced graduated compensation for voluntary resignations:

- Workers with 3 to 10 years of service receive 7 days' wages per year of employment
- Workers with more than 3 but less than 10 years receive 15 days' wages per year
- Workers with 10 or more years receive 30 days' wages per year or gratuity (whichever is higher)

This graduated compensation scheme incentivizes longer service and recognizes the contribution of long-serving employees.

4.6 Special Protections for Vulnerable Workers

Child Labour

The Labour Act prohibits the employment of children below 14 years of age in any factory. Children between 14 and 18 years of age may be employed only if they are trainees, have a certificate of fitness, and government permission, and the employment is considered non-hazardous. Children (14-18) shall be assigned only light work and not assigned to hazardous tasks.

Women Workers

The Labour Act contains special provisions for women workers, including mandatory maternity leave of 120 days, prohibition of night work in certain circumstances, and requirements for workplace safety. The 2025 amendments strengthened these protections by requiring employers to provide a private, hygienic space for breastfeeding and to assign pregnant or lactating workers to non-hazardous work without wage loss.¹⁷

¹⁷ Accord on Fire and Building Safety in Bangladesh, *Final Report 2021*

Persons with Disabilities

The Rights and Protection of Persons with Disabilities Act 2013 provides for discrimination-free employment and reasonable accommodation. The Labour Act, as amended in 2025, recognizes disability as a protected characteristic, prohibits discrimination based on disability, and requires employers to adopt proactive measures for prevention, training, and workplace decency standards.

4.7 Assessment of Welfare Provisions

The labour welfare provisions in contemporary Bangladeshi legislation are comprehensive in scope, covering wages, working hours, leave, occupational safety, social security, and special protections for vulnerable groups. The 2025/2026 amendments have expanded coverage to previously excluded workers, strengthened maternity and anti-discrimination provisions, recognized new occupational health concerns, and created new mechanisms for social security.

However, significant gaps and challenges remain. The exclusion of supervisors from the definition of "worker" under the 2026 Act leaves a significant portion of the workforce without legal protection. The optional nature of provident funds limits social security coverage. The enforcement of welfare provisions continues to be inadequate, with limited inspection capacity and insufficient penalties.

Chapter Five

Mechanisms for Industrial Justice

5.1 Introduction

Industrial justice encompasses the fairness of processes and outcomes in employment relations. This chapter analyzes the legal mechanisms for industrial justice in Bangladesh, addressing three interconnected dimensions: trade union rights and collective bargaining, industrial dispute resolution, and worker participation in decision-making.

5.2 Trade Union Rights and Collective Bargaining

Constitutional and Legal Foundations

The Constitution of Bangladesh guarantees every citizen the right to form associations or unions (Article 38), subject only to reasonable restrictions. The Supreme Court has affirmed that this constitutional right encompasses the right to form a trade union. The BLA 2006 elaborates this right through provisions on trade union registration and collective bargaining.

Bangladesh has ratified the ILO's core conventions on freedom of association and collective bargaining: Convention No. 87 (Freedom of Association and Protection of the Right to Organise, 1948) and Convention No. 98 (Right to Organise and Collective Bargaining, 1949). These ratifications establish international legal obligations that inform the interpretation and implementation of domestic labour legislation.¹⁸

Trade Union Registration and Formation

The process for trade union registration is governed by the Labour Act. As of 2016, there were 7,761 registered trade unions with a membership of 2,630,640 workers, along with 175 federations and 131 industrial federations. The registration process has been made online to increase transparency and accessibility.

¹⁸ Constitution of the People's Republic of Bangladesh, Article 38 (Freedom of Association).

The 2025 amendments restructured the requirements for trade union formation. Under the amended provisions, the number of workers required to form a trade union depends on the size of the establishment:

- 20 to 300 workers: 20 workers can form a union
- 301 to 500 workers: 40 workers can form a union
- 501 to 1,500 workers: 100 workers can form a union
- 1,501 to 3,000 workers: 300 workers can form a union
- 3,001 workers and above: 400 workers can form a union

The maximum number of unions allowed in a factory was increased from three to five, and self-employed, daily, and gig workers were recognized as eligible union members. Trade union leaders have welcomed the amendments as a step forward, while some employer representatives have expressed concerns about potential instability.

Protections for Trade Union Members

The Labour Act prohibits employers from taking adverse action against workers for trade union membership or activities. Section 195(d) prohibits dismissal, discharge, or removal from employment by reason that a worker is or proposes to become a member or officer of a trade union, or participates in trade union activities.

The 2025 amendments significantly expanded these protections:

- Prohibition of blacklisting: Employers are prohibited from maintaining or circulating lists of workers deemed undesirable for re-employment
- Prohibition of discriminatory dismissal of trade union officials
- Protection against retaliation for filing complaints or participating in investigations
- Prohibition of efforts by employers to influence union leadership or encourage the establishment of other unions to undermine existing ones

Collective Bargaining Agent System

The collective bargaining agent (CBA) system is the mechanism for collective bargaining in Bangladesh. The Department of Labour is responsible for determining

the CBA. As of 2016, there were 12 registered CBAs nationally, with 84,191 workers as members.

The CBA system has been criticized for its complexity and the limited number of factories with functional CBAs. The preference for single-union representation through the CBA system has been seen as limiting workers' choice and making it difficult for new unions to establish themselves. The 2025 amendments introduced provisions for collective bargaining at the sectoral and national levels, recognizing that collective bargaining must extend beyond the establishment level to be effective.

Right to Strike

The Labour Act recognizes the right to strike, subject to certain restrictions. Workers may exercise the right to strike if an industrial dispute cannot be resolved through peaceful conciliation. The party raising an industrial dispute may, within 15 days of receiving a certificate of failure of conciliation, give a notice of strike or lockout, with the strike commencing no earlier than 7 days and no later than 14 days after notice.

The Act imposes certain restrictions on the right to strike:

- A strike lasting more than 30 days may be prohibited by government order if it causes serious hardship to public life or is prejudicial to national interest
- A strike may be prohibited before the expiry of 30 days if its continuance would cause serious hardship or be prejudicial to national interest
- Strikes are prohibited in new establishments or those owned by foreigners for a period of 3 years from commencement of production

National Federations and Confederations

The Labour Act recognizes the right to form national federations of trade unions. Five or more trade unions from more than one administrative division may constitute a federation. At least twenty trade unions from more than one industry and more than one administrative division may constitute a federation at the national level. At least ten national trade union federations may form a confederation.

This right to form federations and confederations enables workers to organize at the industry and national levels, strengthening their bargaining power. However, as of 2016, only six federations were affiliated with the International Trade Union

Confederation, suggesting that the institutional capacity of national-level worker organizations remains limited.

5.3 Industrial Dispute Resolution

The Institutional Framework

The BLA 2006 establishes a multi-tiered system for industrial dispute resolution:

1. **Conciliation:** The Department of Labour serves as the conciliation authority. Any industrial dispute must first be referred for conciliation before other dispute resolution mechanisms can be accessed.
2. **Labour Courts:** Labour Courts have original jurisdiction over industrial disputes that cannot be resolved through conciliation. Labour Courts are presided over by judges with expertise in labour law.
3. **Labour Appellate Tribunal:** The Labour Appellate Tribunal exercises appellate jurisdiction over decisions of the Labour Courts.

The Labour Courts system has been in place since the Pakistan period, with jurisdiction over industrial disputes. The Labour Appellate Tribunal serves as the highest judicial authority on labour matters within the administrative tribunal system.

Provisions for Alternative Dispute Resolution

The 2025 amendments introduced an Alternative Dispute Resolution (ADR) Authority, headed by a retired District Judge, to provide expedited arbitration options for industrial disputes. The ADR Authority is designed to offer a faster, less adversarial alternative to litigation. The amendments also mandated that industrial disputes must first undergo negotiation or mediation before litigation, aligning with ILO recommendations to promote harmonious industrial relations.

The ADR Authority represents an attempt to address the challenges of delay and cost in the existing Labour Court system. By providing a mechanism for voluntary dispute resolution, the Authority can help parties resolve disputes without going through lengthy litigation.¹⁹

¹⁹ International Labour Organization Convention No. 87 (1948) & Convention No. 98 (1949)

Challenges in Dispute Resolution

Despite the legal framework, industrial dispute resolution in Bangladesh faces significant challenges:

Access to Justice: Workers, particularly those with limited resources, often face barriers in accessing the Labour Courts. The cost of legal representation, the complexity of legal procedures, and the geographical concentration of Labour Courts in urban areas limit access for rural workers.

Delay: The Labour Court system has historically faced issues of case backlog and delay. Cases can take years to be resolved, limiting the practical utility of the legal system for workers seeking redress for grievances.

Enforcement: Even when Labour Courts issue favorable decisions, enforcement can be challenging. Employers may delay payment or appeal decisions, and the enforcement mechanisms for Labour Court decisions are limited.

Capacity: The number of Labour Courts and judges relative to the number of disputes limits the capacity of the system to handle cases efficiently.

Representation: The removal of the provision allowing trade unions to represent workers in court under the 2026 Act raises concerns about workers' ability to access the legal system without legal representation.

5.4 Worker Participation in Decision-Making

Participatory Committees

The Labour Act requires every establishment with at least 50 workers to constitute a participatory committee. The committee is designed to inculcate and develop a sense of belonging among workers and employers and to facilitate communication between management and workers.

The participatory committee provides a mechanism for workers to participate in decision-making on workplace issues, including safety, productivity, and welfare. However, the effectiveness of participatory committees has been limited, with employers often dominating the process and workers viewing the committees as too closely aligned with management.

Social Dialogue Institutions

The 2025 amendments introduced significant new institutions for social dialogue:

- **National Tripartite Council:** A body that includes representatives of government, employers, and workers, with the function of advising the government on law, order, and labour-related issues.
- **National Social Dialogue Forum:** A forum designed to ensure a balance between social and labour-related issues, providing a platform for structured dialogue among stakeholders.
- **Sector-specific Councils:** The National Tripartite Council may establish sector-specific councils to address the unique challenges of different industries.

The ILO has emphasized that social dialogue is a crucial tool for good governance, supporting sustainable business practices, better working conditions, and social justice. The establishment of these institutions aligns with ILO recommendations for strengthening industrial relations and represents a significant institutional innovation.

5.5 Assessment of Industrial Justice Mechanisms

The legal framework for industrial justice in Bangladesh is comprehensive in ambition, providing for trade union rights, collective bargaining, dispute resolution, and worker participation. The 2025/2026 amendments have strengthened these mechanisms in important ways, particularly through expanded trade union protections, the creation of the ADR Authority, and the establishment of new social dialogue institutions.

However, significant challenges remain. The exclusions in the definition of "worker" limit the coverage of industrial justice protections. The CBA system has not generated widespread collective bargaining. The Labour Court system faces issues of delay, access, and capacity. The removal of the provision allowing unions to represent workers in court under the 2026 Act raises concerns about access to justice. The gap between legal rights and practical realization continues to be a fundamental challenge to industrial justice in Bangladesh.

Chapter Six

The 2025/2026 Amendments: A Transformative Shift

6.1 Introduction

This chapter provides a comprehensive assessment of the 2025/2026 amendments to the Labour Act, evaluating the extent to which they constitute a transformative shift in the legal framework for labour welfare and industrial justice. It analyzes the key amendments, their implications for different categories of workers, and the subsequent modifications introduced by the Labour Act 2026.

6.2 The Labour (Amendment) Ordinance, 2025: Key Provisions

6.2.1 Expansion of Worker Definition

The most significant provision of the 2025 Ordinance was the expansion of the definition of "worker" to include categories previously excluded from legal protection. The amended definition recognized digital platform workers, domestic workers, agricultural workers, horticulture workers, aquaculture workers, livestock workers, seafarers, and other previously excluded categories as workers entitled to legal protection.

This expansion was particularly significant for the digital platform economy, where Bangladesh is the second-largest supplier of online labour globally, accounting for 16% of the global market. With over one million workers in the digital platform economy, the inclusion of these workers under labour law protections represented a major advancement. The amendment also brought approximately 1.65 million domestic workers under legal coverage.

The expanded definition recognized that the nature of work has fundamentally changed and that labour protections must adapt to these changes. By including self-employed workers, daily workers, and gig workers for the purposes of union organization, the amendment enabled new forms of worker organizing that reflect the changing structure of employment.

Trade Union Reform

The 2025 Ordinance introduced significant reforms to trade union law:

- Restructuring of union formation requirements based on establishment size
- Recognition of self-employed, daily, and gig workers as eligible union members
- Ban on blacklisting of workers for union activities
- Prohibition of discriminatory dismissal of trade union officials
- Protection against retaliation for filing complaints or participating in investigations

Anti-Discrimination and Harassment Framework

The Ordinance introduced a comprehensive anti-discrimination and harassment framework:

- Prohibition of discrimination based on race, colour, sex, gender identity, religion, political opinion, social origin, or disability
- Definition of sexual harassment covering verbal, physical, digital, and quid-pro-quo harassment
- Requirement for Discrimination, Violence and Harassment Complaint Resolution Committees with a majority of women and at least one external gender-rights expert
- Shift of the burden of proof to employers to show that differential treatment was not discriminatory

Enhanced Welfare Provisions

The Ordinance significantly strengthened welfare provisions:

- Extension of maternity leave from 16 weeks to 120 days (60 days before and after delivery)
- Extension of maternity benefits to domestic and gig workers
- Increase in festival holidays from 11 to 13 days
- Enhanced earned leave accrual at one day for every 14 days of work
- Recognition of computer vision syndrome, musculoskeletal disorders, and mental stress as occupational diseases
- Mandate for employers to assign pregnant or lactating workers to non-hazardous work without wage loss

- Requirement for private, hygienic space for breastfeeding

Social Security Reforms

The Ordinance established a new framework for social protection:

- Mandate for establishments with 100 or more permanent workers to create a provident fund with equal employer-employee contributions
- Establishment of a National Employment Injury Scheme Fund
- Graduated compensation for voluntary resignations

Institutional Reforms

The Ordinance introduced new institutions for social dialogue and dispute resolution:

- National Tripartite Council
- National Social Dialogue Forum
- Alternative Dispute Resolution Authority

6.3 The Labour Act 2026: Rollback or Refinement?

The Labour Act 2026, enacted in April 2026, modified the ordinance in several significant respects. The most notable changes concerned the definition of "worker" and the role of trade unions in the legal system.

6.3.1 Rollback of Worker Definition

The most consequential change in the Labour Act 2026 was the re-exclusion of persons employed in "management, supervision, and control" from the definition of "worker". The 2025 Ordinance had explicitly included supervisors and managers in the definition, ensuring that they had access to the full range of labour law protections, including termination benefits, paid maternity leave, and collective bargaining rights.

The 2026 Act defined "owner" to include "any person responsible for the management, supervision, and control of the establishment," and excluded such persons from the definition of "worker". Critics argue that this reclassifies those with supervisory duties as part of management rather than the workforce, effectively depriving them of labour rights.

Taslima Akhter, coordinator of the Bangladesh Garment Sramik Samhati, stated that "this change was made with the readymade garments sector in mind, so that companies do not have to extend labour rights to line chiefs and supervisors". The change was criticized by the Labour Reform Commission, which had recommended that the definition of "employer" be limited to those with final authority over appointment, dismissal, and terms of employment.

Removal of Union Representation in Court

The 2025 Ordinance had allowed trade unions and collective bargaining agents to represent workers in court, a provision that eased workers' access to justice. The 2026 Act removed this provision, requiring workers to obtain separate legal representation. This change was criticized by workers' rights advocates as a barrier to access to justice, particularly for workers with limited resources.

Optional Provident Funds

The 2025 Ordinance had made provident funds mandatory in establishments with over 100 employees. The 2026 Act made provident funds optional, requiring them only if two-thirds of workers demand them. This change was seen as a rollback of social protection, making workers' access to provident funds contingent on their ability to organize and demand them.

6.4 Assessment of the 2025/2026 Amendments

The 2025/2026 amendments represent a significant moment in the evolution of labour legislation in Bangladesh, but the extent to which they constitute a transformative shift is contested.

Transformative Elements:

The amendments expanded the coverage of labour legislation to categories previously excluded, including digital platform workers and domestic workers. They strengthened protections for trade union members, banned blacklisting, and provided new protections against anti-union discrimination. They established an anti-discrimination and harassment framework that aligns with international standards. They enhanced welfare provisions, particularly for maternity benefits and

occupational health. They created new institutions for social dialogue and alternative dispute resolution.

Limitations and Rollbacks:

The coverage expansion was significantly limited by the re-exclusion of supervisors under the 2026 Act. This rollback represents a retreat from the principle of universal coverage and leaves a significant portion of the workforce without legal protection. The removal of the provision for union representation in court limits access to justice. The optional nature of provident funds weakens social protection. The persistence of enforcement gaps means that even the expanded rights may not be effectively realized.

Implementation Challenges:

The amendments will only achieve their transformative potential if they are effectively implemented. This requires adequate resources for enforcement, political will from the government, proactive engagement from employers, and capacity building from trade unions. The ILO's emphasis on social dialogue and constructive engagement among stakeholders is essential for the successful implementation of the reforms.

Chapter Seven

Recommendation & Conclusion

7.1 Recommendations

Based on the analysis of labour welfare and industrial justice in Bangladesh, several legal, institutional, and policy reforms are necessary to bridge the gap between legislative provisions and practical implementation.

1. Strengthening Enforcement Mechanisms

The effectiveness of labour legislation largely depends on enforcement. The Department of Inspection for Factories and Establishments (DIFE) should be strengthened through increased manpower, technical training, and digital monitoring systems. Regular, independent, and transparent inspections should be ensured, particularly in high-risk sectors such as the RMG industry.

2. Enhancing Labour Court Efficiency

Labour Courts suffer from case backlogs and procedural delays, which undermine industrial justice. Specialized labour tribunals with fixed timelines for disposal of cases should be introduced. The use of digital case management systems and alternative dispute resolution (ADR) mechanisms should be expanded to ensure faster resolution of disputes.

3. Expanding Coverage of Labour Law

Although recent amendments have expanded the definition of “worker,” significant categories such as informal workers and supervisors still face legal ambiguity. The law should adopt a more inclusive and flexible definition of “worker” to ensure universal protection, especially for gig workers, domestic workers, and informal sector employees.

4. Ensuring Living Wage Standards

The current minimum wage structure does not adequately reflect the cost of living. A “living wage” approach should be adopted, ensuring that wages cover basic needs such as food, housing, education, and healthcare. The Minimum Wage Board should operate with greater transparency and regular consultation with worker representatives.

5. Strengthening Trade Union Rights

Trade union formation should be further simplified, and restrictions on union activities should be minimized. Protection against anti-union discrimination, blacklisting, and retaliation must be strictly enforced. At the same time, capacity-building programs for trade unions should be introduced to improve negotiation skills and organizational strength.

6. Improving Occupational Health and Safety (OHS)

A centralized and independent National Occupational Safety and Health Authority should be established to ensure uniform enforcement of safety standards. Regular safety audits, mandatory compliance reporting, and strict penalties for violations should be implemented to prevent industrial disasters.

7. Expanding Social Security Coverage

Social protection mechanisms such as provident funds, gratuity, and employment injury schemes should be made mandatory for all formal sector workers and gradually extended to informal workers. A national social security database should be developed to ensure transparency and inclusivity.

8. Addressing Gender and Vulnerable Worker Protection

Special protections for women workers, including maternity benefits, workplace safety, and anti-harassment mechanisms, must be strictly enforced. Policies should also focus on eliminating gender-based wage disparities and ensuring safe working environments for female workers.

9. Promoting Social Dialogue

A strong tripartite system involving government, employers, and workers should be institutionalized. National and sectoral-level dialogue forums should be made more effective in shaping labour policy and resolving industrial conflicts.

10. Aligning with International Labour Standards

Bangladesh should continue harmonizing its labour laws with International Labour Organization (ILO) conventions, particularly those relating to freedom of association, collective bargaining, occupational safety, and decent work principles. Ratification and effective implementation of pending ILO conventions should be prioritized.

7.2 Conclusion

Labour welfare and industrial justice in Bangladesh stand at a crossroads. The 2025/2026 amendments represent an important step forward in expanding coverage and strengthening protections, but they also reveal the persistent tensions in the labour policy landscape. The interests of employers, seeking flexibility and competitiveness, and the interests of workers, seeking decent work and dignity, remain in dynamic tension.

The path forward requires a commitment to the principles that have guided the evolution of labour legislation—social justice, workers' rights, and industrial democracy. It requires effective implementation and enforcement of the legal framework, strengthened institutions for social dialogue and dispute resolution, and a recognition that labour welfare and industrial justice are not merely costs of production but essential foundations for sustainable industrial development.

Bangladesh's labour legislation has come a long way from the colonial-era regulations that established the basic architecture of labour regulation. The BLA 2006 and its amendments reflect a commitment to creating a legal framework that protects workers and promotes industrial peace. But the gap between legal rights and practical realization remains wide. Bridging this gap requires the concerted effort of all stakeholders—government, employers, workers, trade unions, and civil society. It requires the political will to enforce laws and the commitment to dialogue to resolve disputes.

The future of labour welfare and industrial justice in Bangladesh will depend on whether the transformative potential of the recent amendments can be realized, and whether the rollbacks in the 2026 Act can be addressed. It will depend on whether workers, particularly the most vulnerable, can access the protections that the law provides and can exercise the rights that the law grants. And it will depend on whether employers recognize that respecting workers' rights is not only a legal obligation but also a sound business practice that promotes productivity and sustainability.

The recommendations provided in this dissertation offer a roadmap for the reforms that are needed to bridge the gap between legal provisions and practical realization. They reflect the lessons of the history of labour legislation in Bangladesh, the insights of the theoretical framework on labour welfare and industrial justice, and the

emerging challenges and opportunities of the contemporary labour landscape. The journey towards universal labour welfare and industrial justice is long, but the destination is essential for the dignity of workers and the prosperity of Bangladesh.

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