

## CHAPTER THREE

### PRICES, WAGES AND EMPLOYMENT

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*Prices, wages and employment are the most important three indicators for an economy of any country. In Bangladesh price level is expressed by the Consumer Price Index (CPI). The CPI inflation rate in FY2017-18 was 5.78 percent at national level, which was 5.44 percent in FY2016-17. In FY2018-19 up to March 2019 average CPI inflation rate is 5.44 percent. To contain inflation, the government has taken a wide range of measures which include ensuring smooth food supply as well as following prudent fiscal policy and monetary policy. According to the last Quarterly Labour Force Survey (QLFS) 2016-17 conducted by BBS, the number of economically active population (above 15 years) in the country is 6.35 crore (male 4.35 crore and female 2.00 crore), out of which, a labour force of 6.08 crore is engaged in a number of professions. According to the survey, total labour force employed in agriculture stood at 40.60 percent which is 2.10 percentage points less compared to the previous Labour Force Survey (LFS) 2015-16. According to the Wages Rate Index (calculated as the new base year 2010-11), nominal wage rate has been rise from 2011-12 to 2017-18. Overseas employment and the remittances play an important role for the economic development of the country as well as reducing unemployment, poverty reduction and increasing the foreign currency reserve. During FY2017-18 a total of 8.80 lakh Bangladeshi workers went abroad for employment. Up to March 2019 in current FY2018-19 5.57 lakh Bangladeshi workers went abroad for employment. The remittances of the expatriate workers stood at US\$ 14,981.69 million in FY2017-18. In FY2018-19 up to March 2019 the remittances of the expatriate workers stood US\$ 11,868.97 million which is 10.28 percent higher than same period of the previous fiscal year. Skill development initiatives have been accelerated through proper training to the workers. In order to ensure smooth inflow of remittances, the government has taken a number of measures such as digitization of the immigration system.*

#### Consumer Price Index and Inflation

Bangladesh Bureau of Statistics (BBS) computes national Consumer Price Index (CPI) calculated by using food and non-food commodities basket and services consumed by the consumers in their day-to-day life. CPI is published counting 2005-06 as the base year. The commodities and their weights, used for the computation of the index, are determined based on the Household Income and Expenditure Survey (HIES). All rural and

urban price indices are compiled using the lists of consumer goods of rural and urban households based on the survey and finally, the national price index is calculated by combining the weighted average of consumption expenditures of the two areas. All indices are computed separately in food and non-food groups which are again divided into a number of sub groups. Consumer Price Index and inflation during FY2008-09 to FY2017-18 are shown in Table 3.1 and Figure 3.1.

**Table 3.1: Consumer Price Index and Inflation**  
Base Year 2005-2006

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
General index	132.17	141.18	156.59	170.19	181.73	195.08	207.58	219.86	231.82	245.22
Inflation	(7.60)	(6.82)	(10.91)	(8.69)	(6.78)	(7.35)	(6.41)	(5.92)	(5.44)	(5.78)
Food index	140.61	149.40	170.48	183.65	193.24	209.79	223.80	234.77	248.90	266.64
Inflation	(7.91)	(6.25)	(14.11)	(7.72)	(5.22)	(8.56)	(6.68)	(4.90)	(6.02)	(7.13)
Non-food index	127.36	130.66	138.77	152.94	166.97	176.23	186.79	200.66	209.92	217.76
Inflation	(7.14)	(7.66)	(6.21)	(10.21)	(9.17)	(5.55)	(5.99)	(7.43)	(4.61)	(3.74)

Source: Bangladesh Bureau of Statistics (BBS)

**Figure 3.1: Rate of Inflation at National Level**

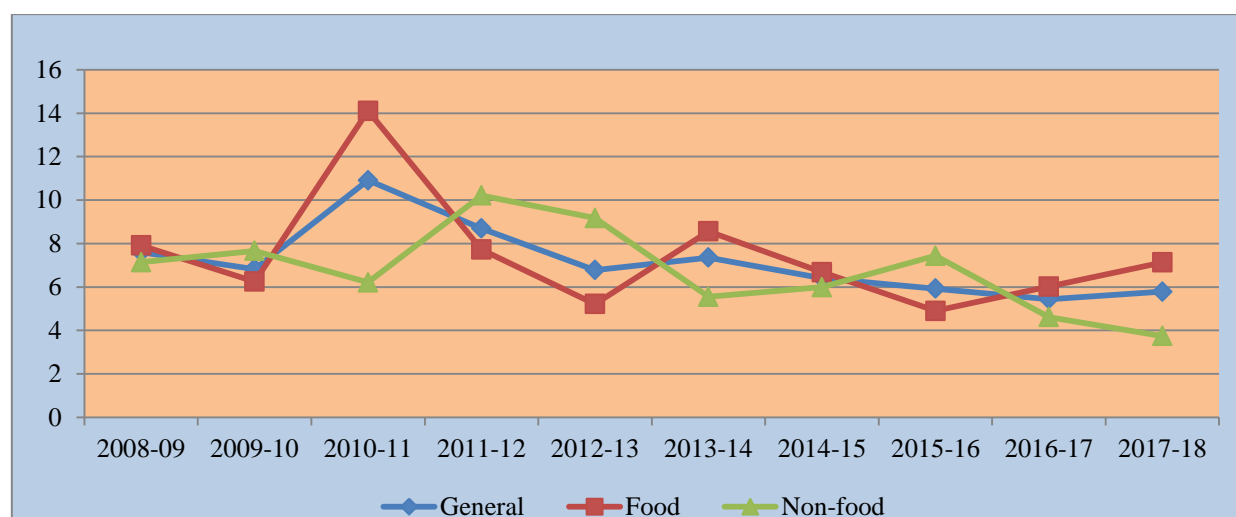


Table 3.1 and Figure 3.1 show that during the last 10 years, national level of inflation stood highest in FY2010-11 at 10.91 percent and lowest in FY2016-17, i.e. 5.44 percent. Inflation rate stood at 5.78 percent in FY2017-18. At this time non-food inflation remained lower than food inflation.

In FY2018-19 the rate of inflation at national level in July 2018 was 5.51 percent on a point-to-point basis. The government has taken a number of initiatives to lower the price level and to keep the prices of essential commodities stable. In this regard, the

monetary policy for FY2018-19 aimed at attaining inclusive growth as well as containing average inflation below the targeted level of 5.6 percent in the MTMF. The average inflation rate from July 2018 to March 2019 is 5.44 percent. Inflation rate of food item was 6.18 percent in July 2018 which decreased to 5.72 percent in March 2019. Non-food inflation was 3.74 percent in July 2018 which increased to 5.29 percent in March 2019. The monthly rate of inflation during FY2018-19 calculated on a point-to-point basis is presented in Table 3.2.

**Table 3.2: Monthly Rate of inflation Point to Point during FY2018-19**

(Base Year 2005-06=100)

Level	Type of Inflation	2017-18	July'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Average (July 2018 – March 2019)
National	General	5.78	5.51	5.48	5.43	5.40	5.37	5.35	5.42	5.47	5.55	5.44
	Food	7.13	6.18	5.97	5.42	5.08	5.29	5.28	5.33	5.44	5.72	5.52
	Non-food	3.74	4.49	4.73	5.45	5.90	5.49	5.45	5.57	5.51	5.29	5.32
Rural	General	5.69	5.04	5.05	4.99	4.87	4.91	4.91	5.14	5.26	5.38	5.11
	Food	6.90	5.34	5.34	4.86	4.52	4.84	4.84	5.28	5.48	5.80	5.14
	Non-food	3.48	4.49	4.51	5.22	5.53	5.06	5.05	4.89	4.86	4.58	4.91
Urban	General	5.95	6.37	6.28	6.23	6.38	6.21	6.14	5.93	5.85	5.86	6.13
	Food	7.63	8.08	7.39	6.65	6.35	6.32	6.27	5.43	5.38	5.52	6.37
	Non-food	4.08	4.50	5.04	5.74	6.41	6.09	5.99	6.50	6.39	6.24	5.87

Source: Bangladesh Bureau of Statistics (BBS)

**Wages Rate Index**

Previously BBS had been constructing Wage Rate Index (WRI) using FY1969-70 as the base year since 1974. Meanwhile,

constructing WRI using base year FY2010-11 has been initiated. The WRI from FY2013-14 to FY2017-18, calculated with the new base year, is presented in Table 3.3.

**Table 3.3: Wage Rate Index and Growth Rate**

(Base Year 2010-11=100)

Year	Nominal Wage Rate Index				Growth Rate ( Point to Point)			
	General	Agriculture	Industry	Service	General	Agriculture	Industry	Service
2013-14	118.82	118.44	119.07	120.16	5.50	5.68	4.97	5.75
2014-15	124.69	124.51	124.38	126.15	4.94	5.12	4.47	4.98
2015-16	132.81	132.48	132.02	136.03	6.52	6.41	6.16	7.86
2016-17	141.46	141.22	140.27	145.01	6.50	6.59	6.24	6.60
2017-18	150.59	150.27	149.23	154.44	6.46	6.40	6.55	6.51

Source: Bangladesh Bureau of Statistics (BBS)

It is observed from the above Table that Nominal Wage Rate Index (NWRI) has been increased on an average by 6 percent annually since FY2013-2014. In FY2017-18, NWRI increased by 6.46 percent against 6.50 percent growth in FY2016-17. The sector-wise analysis of growth rate reveals that the indices of all the three sectors namely agriculture, industry and service stood at

6.40, 6.55 and 6.51 percent in FY2017-18 whereas in the previous year these were 6.59, 6.24 and 6.60 percent respectively. Growth rate of industry's indices increased by 0.16 percentage point and that of agriculture and service decreased by 0.18 and 0.09 percentage points FY2017-18 compared to the previous fiscal year.

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### Labour Force and Employment

BBS conducts the Labour Force Survey (LFS) to assess the overall situation of employment. According to the latest survey in FY2016-17, the number of economically active population above 15 years is 6.35 crore. Out of this, male 4.35 crore and female 2.00 crore. As many as 6.08 crore people are engaged in a number of professions. Agriculture employed 40.6 percent of the employed person, followed by service, at 39.00 percent with the smallest proportion in the industry sector, at 20.4 percent.

According to the LFS- 2016-17, the largest share of the employed population 44.3 per

cent worked as own-account workers, followed by 39.1 per cent as employees and contributing family workers (11.5 per cent). Between the sexes by largest share, there were more males in all categories except among contributing family workers, where there were more than three times employed females (5.3 million) than employed males (1.7 million).

The share of employed labour force above 15 years by different sectors of the economy according to the Labour Force Surveys 1995-96, 1999-00, 2002-03, 2005-06, 2010, 2013, 2015-16 and 2016-17 is shown in Table 3.4.

**Table 3.4: Share of Employed Labour Force above 15 Years by Sector**

Sector	LFS 1995-96	LFS 1999-00	LFS 2002-03	LFS 2005-06	LFS 2010	LFS 2013	LFS 2015-16	LFS 2016-17
Agriculture, forestry and fishery	48.85	50.77	51.69	48.10	47.33	45.10	42.70	40.62
Mining & quarrying	-	0.51	0.23	0.21	0.18	0.40	0.20	0.20
Manufacturing	10.06	9.49	9.71	10.97	12.34	16.40	14.40	14.43
Power, gas & water	0.29	0.26	0.23	0.21	0.18	0.20	0.30	0.20
Construction	2.87	2.82	3.39	3.16	4.79	3.70	5.60	5.58
Trade, hotel & restaurant	17.24	15.64	15.34	16.45	15.47	14.50	13.40	14.34
Transport, maintenance & communication	6.32	6.41	6.77	8.44	7.37	6.40	9.40	10.50
Finance, business & services	0.57	1.03	0.68	1.48	1.84	1.30	1.60	1.97
Commodities & personal services	13.80	13.07	5.64	5.49	6.26	6.20	6.20	6.08
Public administration and defense	-	-	6.32	5.49	4.24	5.80	6.20	6.08
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: BBS, Labour Force Survey, 1995-96, 1999-00, 2002-03, 2005-06, 2010, 2013, 2015-16 & 2016-17.

### Steps Taken to Improve Employment Situation

To ensure the transition of Bangladesh to a middle income economy establishing the rights of workers specially living wage, improving safe working condition, ensuring

occupational safety and health and to establish peace and stability for enhancing productivity and economic development. Besides, implementation of labour law and update the changed scenario, national labour policy formulation and implementation,

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skilled manpower and employment generation, Minimum wage fixing, eliminating child labour, creating safe workplace. Moreover, Ministry of Labour and Employment (MoLE) is leading in various indicator of sustainable development goals such as eliminating child labour, decent work environment, equal pay for same work etc.

Under this purview the government has undertaken some pragmatic steps in order to ensure the welfare of workers which are stated below:

### a. Preparation/Revision of Acts and Rules

- Preparation of Bangladesh Labor Act (Amendment), 2018: ‘Bangladesh Labour Act, 2006 has been updated to address the challenges of the implementation of legal rights of working people, strengthening the legal basis of compliance and mutual relations, increasing productivity and skill development. In this regard, the Bangladesh Labor Act (Amendment), 2018 has been formulated. Through this revision there have been robust changes in these law- facilities for workers increased, trade union registration process become easier, factory and personal safety for workers increased.
- Implementation of ‘Bangladesh Labour Rules, 2015’: In line with the revised ‘Bangladesh Labour Law, 2006’, the government for the first time introduced ‘Bangladesh Labour Rules, 2015’. For further consolidation of labour relations, these rules specifically pinpointed the responsibilities of the government, owners and workers. This has triggered

gradual improvement in industrial relations.

- Preparation of ‘Domestic Workers Protection and Welfare Policy 2015’: Following the International Labour Organisation (ILO) Convention, recognizing domestic workers as formal employee, the ‘Domestic Workers Protection and Welfare Policy 2015’ is published. This policy will ensure the working conditions and protection of the domestic workers employed, decent working environment, wages and welfare, and upholds good relations between employers and domestic workers.
- ‘Product Manufacturers (Conditions of employment) Act, 2018’: To implement the recommendations of the ‘National Wage and Productivity Commission, 2015’- the government has enacted the ‘Product Manufacturers (Conditions of employment) Act, 2018’ on October 8, 2018. According to the act, salary and allowances of the workers in the state-owned industrial units are being provided.

### b. Maintaining Industrial Peace and Compliance in Labour Sector for Uninterrupted Production

- To ensure industrial peace and compliance in all industry including Ready Made Garments (RMG) sector DIFE form 112 inspection team (including 24 for *Dhaka*, 10 for *Chattogram*, 13 in *Gazipur* and 10 for *Narayanganj*) for field level supervision and coordination. In FY2016-17, 2017-18 and 2018-19 (till January 2019), 3,292, 4,985 and 2,710 garment factories have

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been visited respectively. Compliance has been confirmed in FY2016-17, FY2017-18 and FY2018-19 (till January 2019), respectively, in 2,000, 2,600 and 405 factories. These factories are in a process to establish as green factory.

- **Fire and Building Security Activities:** A Tripartite National Program of Action on Fire Safety for RMG industry has been undertaken under the joint initiatives of the ministry, owners and workers with the assistance of the ILO. To implement the plan of action, a project titled 'Improving Working Conditions in the Ready-made Garment Sector in Bangladesh' has been taken up with the assistance of ILO. Meanwhile, under the project, the government has completed the evaluation of fire, electrical and structural safety assessment of 3,780 garment factories by BUET, ACCORD and ALLIANCE.
- **Establishment of RCC:** To ensure long-term sustainability of governments initiatives and efforts of building and fire safety a Remediation Coordination Cell (RCC) headed by Department of Inspection for Factories and Establishments (DIFE) has been established. The core bodies include representatives from seven government departments: DIFE, *Rajdhani Unnayan Katripokkha* (RAJUK), Bangladesh Fire Service and Civil Defense (BFSCD), Public Works Department (PWD), Electrical Adviser and Chief Electrical Inspector, *Chattogram* Development Authority (CDA). ILO is giving technical support for these activities. A total of 745 factories in *Dhaka*, *Gazipur*, *Narayanganj* and *Chattogram* districts were exchanged for discussion on the progress of the reforms through the 32 incentive meetings. Even after the deadline for completing the renovation work was set at the meetings only 38 percent of the remediation works have been completed till to date.
- **Receiving complaints and resolving complaints:** DIFE take complaints from the workers regarding the violation of Bangladesh Labor Act and Bangladesh Labor Rules at workplace and taking the complaint to resolve within the fastest time. By settling the complaint, the workers are provided with appropriate payment. In FY2017-18, DIFE received 3,492 complaints from workers working for different industrial sectors and disposed 2,154 complaints within fastest time. To facilitate the complaint, a toll-free helpline has been launched in the department, which is 16357. Through this Helpline, workers from different parts of the country can complain about violation of labour law and labour rules and other problems.
- **Minimum Wage:** In order to ensure the quality of living standard of the workers, the present government has already declared the lowest wages for 42 industrial sectors among 43. The minimum wage of workers working in the private sector is undertaken to redefine every 5 years. In FY2016-17, FY2017-18 and FY2018-19, the minimum wage of 16 industry sectors has been revised. Restructuring of the minimum wages of

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the remaining industrial sectors is in progress. After 2013, the minimum wage for the RMG sector has been re-fixed 25 November 2018 with an effect from December 2018. The new minimum wage of Tk. 8,000 is about 40 percent higher than that of Tk. 5,300 fixed in 2013. The fixation was made under prudent consideration of existing export prices of apparels in global market vis-à-vis workers' wellbeing. It was indeed a balancing initiative.

- Compensation to the accident in the factory: A total of Tk.77.10 was paid in compensation for 435 workers families pay who were injured and the families of 170 workers who have lost their lives in the accident.
- Formation of Safety Committee: After the introduction of the provisions of the Safety Committees in the Bangladesh Labour Act and the Labour Rules framed in the year 2015, steps have been taken to establish the Safety Committee in the factory. After this, formation of a total of 2,043 Safety Committees in different factories is completed in order to ensure safe working environment in the factories.
- Establishment of Industrial Safety Unit: To ensure the safety of all the factories under DIFE, it has been proposed to establish a separate unit named industrial safety unit at the time of second phase extension of organogram apart from the safety section. Structural, fire and electrical safety related issues will be closely monitored in the factories through

this unit. The activities of the proposed Industrial Safety Unit will be conducted from the proposed departmental office including the head office. As a result, it will be possible to ensure the safety of buildings, electricity, fire related construction of all factories, including RMGs. In addition to the RMG factories, the divisional offices will work according to a planned way to ensure the completion and assurance of the other factories.

### c. Skill Development and Training

- In order to increase the dynamics of work at workplace and to improve efficiency through 4 Industrial Relation Institutions established in *Dhaka, Chattogram, Rajshahi* and *Khulna* and existing labour welfare centre, training have been provided to 6,376 persons from the workers' union, representatives from industrialist and the officials involved in the labour administration. Apart from this, the ministry and its departments conducted training on government's rules, cyber security, PIMS, labour education, outsourcing and so on for all level of 7,199 employees for 65 days from July 2018 to February 2019.
- Occupational Health and Safety Research and Training: A project is under progress to establish a National Occupational Health and Safety training institute which is called OSH Institute of regular training for officials of the DIFE on Occupational Health and Safety, special training for other stakeholders and for higher education in relevant and research. Plans

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have been taken to arrange seminars, symposiums, discussion programs and campaigns for various media campaigns to create awareness among professionals and health professionals across the country. "OSH Unit" has been constituted in the Department for the implementation of this culture.

- Improving Working Conditions in the Ready-Made Garment Sector program: With the collaboration of Bangladesh government, the employers and workers organizations ILO is implementing a project to improve the working conditions in Ready-Made Garment (RMG) sector industries with the technical and financial assistance of UK (DFID), Netherlands, Canada. Second phase of this project is being implemented from July 2017 to 30 June 2023. The objectives of this project is fixed based on the achievements of first phase. The achievements of first phase were assessment of building, electrical and fire safety of 1,549 RMG factories; strengthening labour and fire safety inspection capacity; training of more than 8 lakh RMG workers on occupational safety and health; rehabilitation and training of the disabled and injured 300 workers of *Rana Plaza* and implementation of Better Work Program.
- Promoting Social Dialogue and Harmonious Industrial Relations in Bangladesh Ready-Made Garment Industry project has been taken in collaboration with ILO. Sweden and Denmark government provide technical assistance to implement the project from April 2016 to March 2021. Under the

project, the RMG Tripartite Consultative Council (TCC) has been established to prevent industrial dispute and make the arbitrator and negotiation program more acceptable, reliable and transparent. Besides, Standard Operating Procedure (SoP) has been formulated for trade union registration. 30 officers of the Department of Labour have been trained as Chief Trainers on the workplace cooperation.

- To develop life skills and technical and vocational training program the project titled Setting 'Standards for Life Skills Training' funded by UNFPA is implementing by National Skill Development Council (NSDC) secretariat.
- A project titled 'Skills for Employment Investment Program' by Finance Division is ongoing with the target to trained 5.02 lakh persons and employment at least 60 percent of trainees i.e. 3 lakh persons. Up to March 2019 a total of 2,59,529 person were trained, among them 1,92,319 persons(74 percent of trained persons) were employed. Besides, 1,078 and 359 trainers were trained in home and abroad respectively. National Skill Development Authority (NSDA) has been established under this project.

### d. Eradication of Child Labour

The child labour was reduced drastically due to various measures taken by the present government. According to the Child Labour Survey in 2013 by BBS, the number of the child labour was 17 lakh from which 12 lakh child labour were engaged in the hazardous activities in the industrial sectors. But the number of the child labour was 34 lakh as



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depicted in the survey conducted in 2003. As part of the implementation of SDG, the government has set a target to eliminate child labour in the hazardous activities by 2021 and all forms of child labour by 2025 from Bangladesh.

The government has taken a number of initiatives on the eradication of hazardous child labour from both formal and informal industrial sectors. Among them the following endeavours are noteworthy:

- A booklet has been published forming a list on marking the risks of 38 works/activities which are inhibited in favour of children's physical, mental and moral development.
- The newly established section for women and child labour under the Ministry of Labour and Employment is playing coordinating role for the implementation of all policies and activities in a planned way and integrated manner.
- Inspectors of the DIFE under the Ministry of Labour and Employment are regular monitoring activities related to child labour and legal actions are being taken against those industrialists who are being employed in child labour. In the meantime, 182 cases related to child labour have been filed with concerned courts from which 49 have been disposed of.
- In order to improve the child labour in Bangladesh, through three phases of the development project titled 'Elimination of Child Labour in the Hazardous Activities in Bangladesh' during 2002-2017 a total number of 90,000 children withdrawn from the risky work was given by skill

development training with non-formal education and 5,000 parents were provided micro-credit for employment generation. The aforementioned government funded project was implemented by the MoLE. Under the fourth phase of the project during from January 2018 to December 2020 one lakh children are targeted to be trained by skill development training.

- In the export-oriented industrial sectors, especially in the garment industry sector and shrimp processing industry child labour has been eliminated. DIFE has fixed targets to eliminate child labour from eleven hazardous activities (aluminum, tobacco/bidi, soap, plastic, glass, stone crushing, spinning, silk, tannery, ship breaking, weaving). In the meantime, 23 district offices have already been instructed to take necessary measures.

### e. Women Development and Training

Ministry of Labour and Employment has taken the following measures for the development of women and their employment:

- 'Northern Areas Reduction of Poverty Initiative Project (NARI)' with the assistance of the World Bank is being implemented. Under this project three training centre and dormitory is established in *Dhaka*, *Rajshahi* and *Ishordi (Pabna)*. This project will provide training and job placement of 10,800 poor young women of five backward districts (*Rangpur*, *Nilphamari*, *Lalmonirhat*,

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*Gaibandha* and *Kurigram*) of the northern region of the country.

- Providing maternity welfare benefits: Provision of female wages is ensured in the cases applicable in accordance with the procedure described in the Chapter IV of Bangladesh Labour Act. The maternity welfare facility of 6,283 workers has been ensured. The amount of financial benefit provided to the workers is Tk. 14.76 crore.
- To provide safety and low cost housing facilities for women workers engaged in garment and other industries, construction of two dormitories at *Kalurghat* in *Chottogram* and *Bondor* in *Narayangonj* are in progress. The capacity of the dormitory to provide housing facilities for 960 and 700 (total 1,660) women workers respectively.
- Day Care Center Establishment: Considering women's involvement in the workplace, empowerment of women and women's contribution to the national economy day care centers are being set up in factories and establishments for children to ensure women-friendly and healthier workplaces. Children's kitchens under the supervision of DIFE, a total of 4,537 day care center have been set up in factories and establishments up to January 2019. In addition, 3,879 incentive meetings have been organized for setting up of children's kitchen.
- Gender Equality and Women's Empowerment at workplace: For Improving gender equality and women

empowerment and reduce gender based violence and other harassment at work place the ministry is implementing the project titled 'Gender Equality and Women's Empowerment at Workplace' from July 2017 to December 2020, funded by UNFPA and Bangladesh government.

### f. Innovation and digital activities

To implement the vision of digital Bangladesh of the government MoLE plays role in different ways. Some of important ones are stated below:

- To facilitate the simplification of the services to reach the doorsteps of the licensing and renewal services of factories and institutions a2i program has been taken. This will stop the loss of the time and money of the service providers and the borrowers as well as stop the citizen's suffering. Licensing has begun in this kind of way across the country through the office of 23 Deputy Inspector General of the Department.
- Digital Inspection is a major initiative for bringing more transparency, accountability and mobility in the activities of factories and establishments. Therefore, a mobile app called Labor Inspection Management Application (LIMA) has been created to simplify the activities of the Department and this app will play an important role in properly preserving and using the rights. Adaptation to make the app useful of officers being trained in phases.

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Meanwhile, 270 people have attended the training. International organization, ILO has provided support to it.

- To make the services available to the labourers a mobile application named '*Sramiker Shastho Kotha*' has been launched. Besides of that Hot-Line service has been launched to provide quick resolution of any complain related to labour and labourers and anti-union discrimination.
- Following the Digital Bangladesh program, MoLE has introduced online registration of trade unions and issuance of licenses as well as renewal of licenses for factories and different establishments.
- For the domestic and international partners associated with the labor sector, the Department of Labour has introduced a online platform namely 'Publicly Accessible Database' to make the information available related to the main services of the Department of Labour.
- The Labour Welfare Foundation and Central fund of the Ministry of Labour and Employment started to disburse the grant directly to the victim and their family directly by using mobile banking system.

### g. Reform Measures for Labour Welfare

The government has undertaken the following measures for ensuring the welfare of workers:

- The Better Work Program is being implemented in the ready-made garment industry with the help of ILO. Under the program, 200 factories have been

registered and 4.57 lakh workers are working there. About 54 percent of the workers are women. 22 international brands and retailers are actively supporting the work of Better Work Program. So far, 2,286 advisory visits have been completed under this program. 118 industry seminars have been organized, 360 assessments were completed and 185 training were organized. A total of 7,545 workers participated in these training out of which 35 percent were female trainers.

- Under the 'Bangladesh Workers Welfare Foundation (Amendment ) Act, 2013', the Bangladesh workers' Welfare Fund has been formed for the welfare of a large number of workers and their families engaged in both institutional and informal sectors of the country. If any worker is unable to physically and mentally disable due to accidental death, transportation of dead bodies, financial assistance for remedial treatment, and maternal welfare of women workers working in the informal sector, recognition of special skills, financial incentives and various financial grants are being provided to the fund. A total of 8,552 workers were assisted from this fund with Tk.28.59 crore.
- Central funds were created under the Ministry of Labour and Employment in 2016 for workers working in Bangladesh's 100 percent export-oriented garments industry. The amount of money received from the Central Fund for various financial assistance amounted to Tk.57.05

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crore. In order to provide medical assistance to 62 sick workers working in 100 percent export-oriented garment factories Tk.29.55 lakh have been provided. A total of Tk.15.40 Lakh was paid as education to 77 meritorious children of workers working in garment factories.

- A total of 32 Labour Welfare Centres under the Directorate of Labour renders basic health, family planning services and recreational facilities to workers and their families. In FY2018-19 a total of 47,510 workers and their families received free medical services and 19,648 workers and their families were provided family planning services. At the same time, recreational services have been provided to 64,783 labourers and their family members.
- Under Public Private Partnership (PPP) program two specialized hospital with modern facilities named Occupational Diseases Hospital construction is ongoing at *Chashara, Narayanganj and Tongi*. Respectively 100 and 75 beds of these hospitals will reserve for labourers to provide low cost treatment.
- A multipurpose project has been initiated in July 2017 for welfare and skill development of hill tracts workers. A complex including a 10 bed hospital, labour welfare centre and training outfit will be established at *Ghagra, Rangamati*. This project will be completed at June 2020.

- To ensure safe working place and introduce Injury Insurance Scheme for RMG sector, a project is ongoing titled 'Implementation of the National Employment Injury Insurance Scheme of Bangladesh' with the help of ILO and German government.

### Overseas Employment and Remittances

Bangladesh is one of the major manpower exporting country. Foreign employment and remittance sent by the Bangladeshi expatriates have immense contribution to economic development of Bangladesh in many significant ways such as lowering unemployment, poverty alleviation and swelling up of foreign exchange reserve. A sizeable portion of Bangladeshi labour force is employed in the Middle-East and many other countries of the world.

'*Probasi Kollyan Bank*', established by the government strengthen their activities to assist the financial support for overseas employment and extend the investment facilities in country for the Bangladeshi expatriates. To develop skill manpower according to the demand of international labour market, initiatives have been taken for 'National Skill Development Council' to be more active.

About 8.80 lakh workers went abroad in FY2017-18, which was 2.70 percent lower than the previous fiscal year. But Bangladesh earned remittances of US\$14,981.69 million in FY2017-18 which is 17.32 percent higher than the previous fiscal year. In FY2018-19 (up to March 2019) Bangladesh earned remittances of US\$11,868.97 million which was 10.28 percent higher than remittance

inflows of same period of FY2017-18. Year-wise data of inward remittances sent by

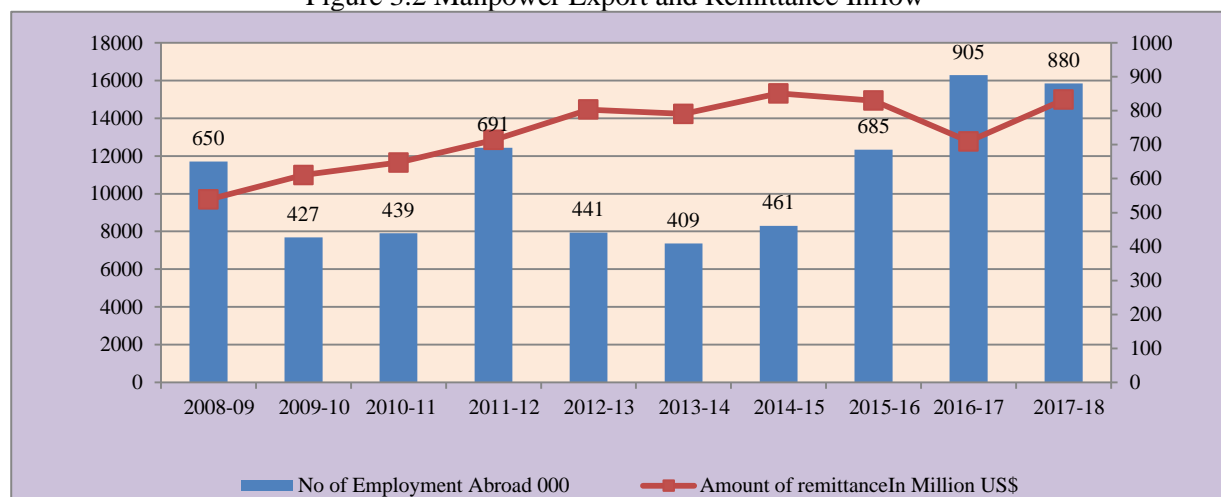
Bangladeshi expatriates is shown in Table 3.5 and Figure 3.2.

**Table 3.5: Number of Expatriate Employees and Amount of Remittance**

FY	No. of Employment Abroad'000	Amount of remittance			
		In Million US\$	Percentage Change %	Tk. In Crore	Percentage Change %
2008-09	650	9689.16	22.42	66675.51	22.81
2009-10	427	10987.40	13.40	76109.60	14.15
2010-11	439	11650.32	6.03	82992.90	9.04
2011-12	691	12843.40	10.24	101882.78	22.76
2012-13	441	14461.15	12.60	115646.16	13.51
2013-14	409	14228.30	-1.61	110582.37	-4.38
2014-15	462	15316.91	7.65	118982.32	7.60
2015-16	685	14931.14	-2.52	116856.72	-1.79
2016-17	905	12769.45	-14.48	101099.62	-13.48
2017-18	880	14981.69	17.32	123156.01	21.82
2018-19*	557	11868.97	10.28	99579.00	13.19

Source: BMET, Bangladesh Bank.. \*Up to March 2019

**Figure 3.2 Manpower Export and Remittance Inflow**



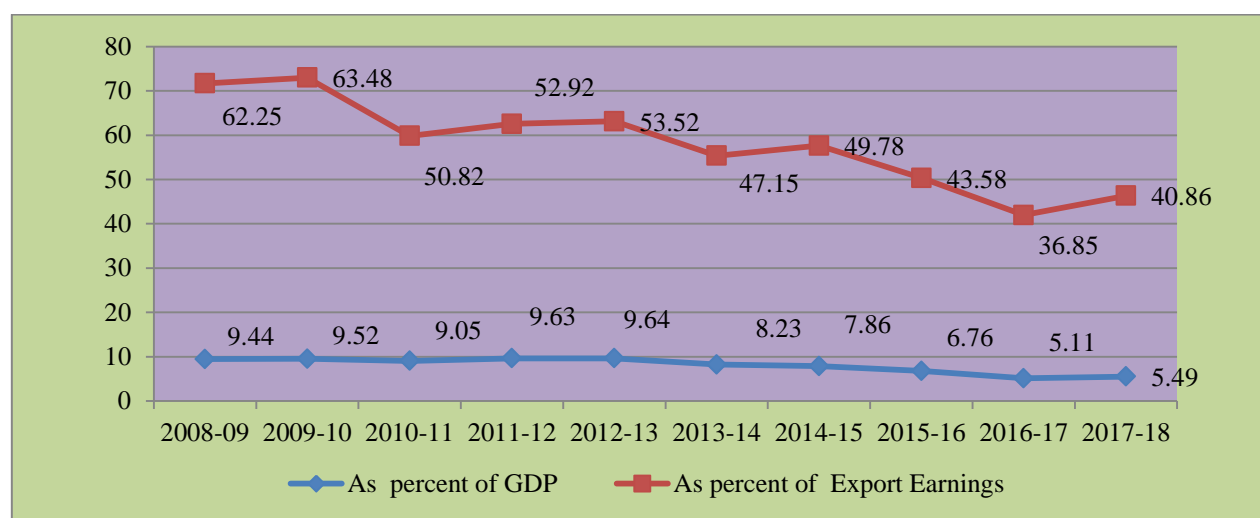
The ratios of remittances to GDP and remittances to export earning is showing decreasing trend in last ten years (Table 3.5 and Figure 3.2). The remittance sent by Bangladeshi expatriates was 9.44 percent of GDP and 62.25 percent of total export earnings during FY2008-09. But this ratios

had declined and stood at 5.49 percent of GDP and 40.86 percent of total export earnings in FY2017-18 respectively. Remittances as percent of GDP and as percent of total export earnings are shown in Table 3.6 and Figure 3.3.

**Table 3.6: Remittance as Percent of GDP and Export Earnings**

FY	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
As percent of GDP	9.44	9.52	9.05	9.63	9.64	8.23	7.86	6.76	5.11	5.49
As percent of Export Earnings	62.25	63.48	50.82	52.92	53.52	47.15	49.78	43.58	36.85	40.86

Source: Bangladesh Bank, BBS and EPB

**Figure 3.3: Remittances as percent of GDP and Export Earnings****Expatriates Classified by Skills**

Analysing the statistics of the Bangladesh of Manpower Employment and Training (BMET) from 2009 to 2018, it is observed that around 37 percent of overseas workers are less-skilled. The number of expatriates classified by skills is presented in Table 3.7.

From the Table, it is observed that the share of skills workers is increased significantly. Share of professional workers has also increased notably in 2016 and 2017, but decreased in 2018. The share of less skilled workers decreased. However, semi-skilled workers are at same level.

**Table 3.7: Number of Expatriates Classified by Skill**

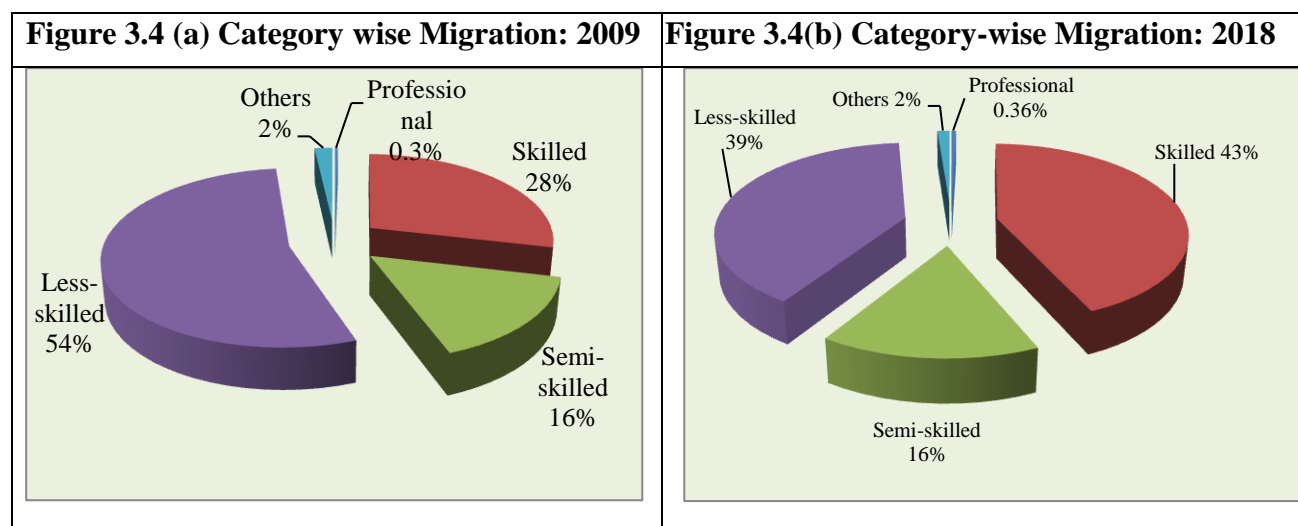
Calendar Year	Professional	Skilled	Semi-skilled	Less-skilled	Others	Total
2009	1426	134265	74604	255070	8485	475278
2010	387	90621	12469	287225	7560	390702
2011	1192	229149	28729	308992	7440	568062
2012	812	209368	20498	377120	9509	607798
2013	689	133754	62528	212282	9224	409253
2014	1730	148766	70095	193403	11690	425684
2015	1828	214328	91099	243929	4697	555881
2016	4638	318851	119946	303706	10590	757731
2017	4507	434344	155569	401796	12302	1008518
2018	2673	317528	117734	283002	13244	734181

Source: Bureau of Manpower, Employment and Training.

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In 2009, the share of skilled expatriates was 28 percent which substantially increased to 43 percent in 2018. Likewise, the share of less-skilled workers decreased to 39 percent in

2018 from 54 percent in 2009. Comparison of overseas employment by profession between 2009 and 2018 is presented in Figure 3.4(a) and 3.4(b).



Source: BMET, MoEWOE, Bangladesh Bank.

## Country wise Manpower Export and Remittances

Most of the Bangladeshi expatriates are working in Saudi Arabia, UAE, Malaysia, Qatar, Oman, Singapore and Kuwait. Besides,

they are working in Bahrain, Jordan, Lebanon, UK, USA, Italy and other countries. The number of Bangladeshi expatriates by country since 2009 is shown in Table 3.8 and Figure 3.5(a) and 3.5(b).

**Table 3.8 Number of Expatriate Bangladeshi Workers by Country**

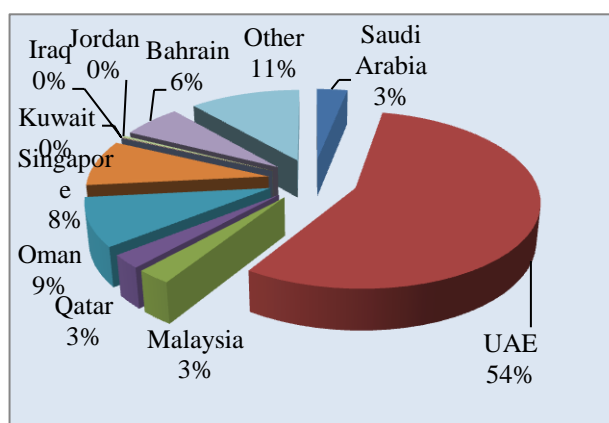
Calendar Year	Saudi Arabia	UAE	Malaysia	Qatar	Oman	Singapore	Kuwait	Iraq	Jordan	Bahrain	Other	Total
2009	14666	258348	12402	11672	41704	39581	10	412	1691	28426	52837	475278
2010	7069	203308	919	12085	42641	39053	48	2288	2235	21824	63803	390702
2011	15039	282739	742	13111	135265	48667	29	234	4387	13996	58503	568062
2012	21232	215452	804	28801	180326	58657	2	359	11726	21777	90749	607798
2013	12654	14241	3853	57584	134028	60057	6	7456	21383	25155	101681	409253
2014	10657	24232	5134	87575	105748	54750	3094	13627	20338	23378	114210	425684
2015	58270	25271	30483	123965	129859	55523	17472	13982	22093	20720	111790	555881
2016	143913	8131	40126	120382	188247	54730	39188	4738	23017	72167	130035	757731
2017	551308	4135	99787	82012	89074	40401	49604	3819	20449	19318	10038	1008525
2018	257317	1786	175927	76560	72504	41393	27637	19567	9724	731	40953	734181
2019*	86219	906	55	23547	20263	10207	2910	4771	4954	1	11495	165328

Source: Bureau of Manpower, Employment and Training. \*up to March 2019.

The overseas labour market of Bangladesh is continuously changing. In last decades manpower export shows a significant change. In 2009, 54 percent of total overseas employment was in United Arab Emirates (UAE) which decrease to 0.24 percent (almost 0%) in 2018. The share of overseas employment in Saudi Arabia was only 3 percent in 2009, which increase to 55 percent in 2017 but decrease to 35 percent in 2018. Manpower exported to Malaysia was only 3 percent in 2009, which increased to 24

percent in 2018. The share of man power export in Qatar was 3 percent in 2009 and increased to 10 percent in 2018. The share of man power export also decreased in Bahrain and Singapore, but increased in Oman. In 2009 a total of 22,224 female worker went to abroad and increased to 1,21,925 in 2017 which was highest than any time. In 2018 a total of 1,01,695 female workers went to abroad which was 14 percent of total overseas employment.

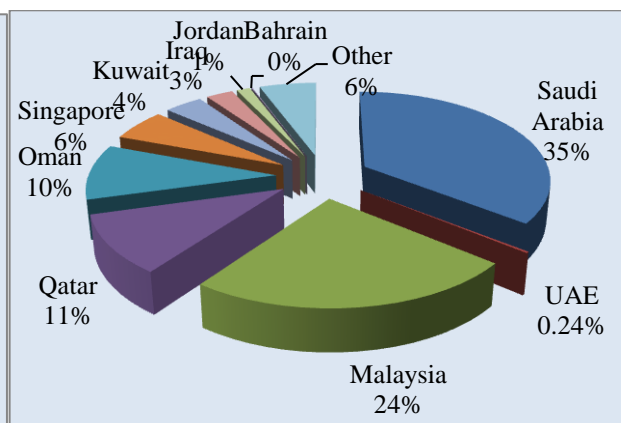
Figure 3.5 (a): Overseas Employment by Countries in 2009



Source: BMET, MoEWOE, Bangladesh Bank.

The major share of remittance come from the middle-east countries. Despite significant decline in remittance as a single source of remittance inflows, the highest amount of remittance is still coming from Saudi Arabia. In FY2008-09, about 30 percent of the total remittances were received from Saudi Arabia which declined to 17 percent in FY2017-18. On the other hand, during the same period, share of remittance from the UAE is the second highest (16 percent) which was 18 percent in the FY2008-09. Remittance inflows from USA, UK and Kuwait also

Figure 3.5 (b): Overseas Employment by Countries in 2018



decreased from FY2008-09 to FY2017-18. However, the share of remittance from Oman, Qatar, Italy and Malaysia are increased. The share of remittance from Malaysia was only 3 percent in FY2008-09 where as it becomes 7 percent in 2017-18. Remittance from Italy is increasing since 2013-14 significantly, which is 4 percent in FY2017-18. Country-wise remittances sent by Bangladeshi expatriates from FY2008-09 to FY2018-19 are shown in Table 3.9 and Figure 3.6(a) and 3.6(b).

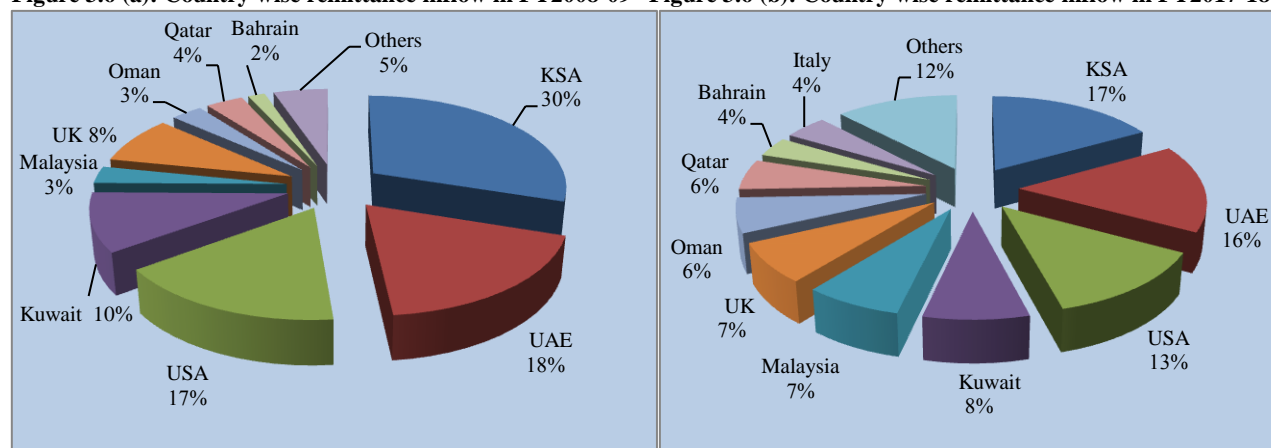


**Table 3.9: Country wise Remittances**

(In million US\$)

FY	KSA	UAE	USA	Kuwait	Malaysia	UK	Oman	Qatar	Bahrain	Italy	Others	Total
2008-09	2859.09	1754.92	1575.22	970.75	282.2	789.65	290.06	343.36	157.45	-	501.33	9,689.16
2009-10	3427.05	1890.31	1451.89	1019.18	587.09	827.51	349.08	360.11	170.14	-	711.58	10987.4
2010-11	3290	2002.6	1848.51	1075.8	703.7	889.6	334.3	319.4	185.93	-	798.16	11650.3
2011-12	3684.37	2404.78	1498.45	1190.13	847.49	987.45	400.93	335.25	298.47	-	884.61	12843.4
2012-13	3829.5	2829.4	1859.8	1186.9	997.4	991.6	610.1	286.9	361.7	-	1009.1	14461.1
2013-14	3118.9	2684.9	2323.3	1106.9	1064.7	901.3	701.1	257.5	459.4	-	1181.3	14228.3
2014-15	3345.23	2823.77	2380.19	1077.78	1381.53	812.34	915.26	310.15	554.3	260.16	1263.9	15316.91
2015-16	2955.55	2711.74	2424.32	1039.95	1337.14	863.28	909.65	435.61	489.99	351.31	1376.67	14931.14
2016-17	2267.22	2093.5	1688.9	1033.3	1103.62	808.16	897.71	576.02	437.1	510.78	1563.1	12769.45
2017-18	2591.58	2429.96	1997.49	1199.70	1107.21	1106.01	958.19	844.06	541.62	662.22	1875.24	14981.69
2018-19*	2240.94	1865.60	1332.95	1036.81	869.15	848.64	758.05	734.39	348.82	570.04	1263.58	11868.97

Source: Bangladesh Bank, \*Up to March 2019.

**Figure 3.6 (a): Country wise remittance inflow in FY2008-09** **Figure 3.6 (b): Country wise remittance inflow in FY2017-18**

Source: BMET, MoEWOE, Bangladesh Bank.

### Steps Taken to Boost up Foreign Employment and Remittances

The following steps have been undertaken in order to enhance both foreign employment and remittances:

#### a) Expansion of Labour Market

The Middle-East is one of the principal destinations of manpower export from

Bangladesh. Recent political turmoil in this region decreasing demand for workers is posing risks for manpower export from the country. In this context, the government has been exploring new destinations of manpower export in other regions of the world. As a part of expansion scheme Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE) created labour market research

cell in ministry. Research for new labour market have completed for 53 countries. At the same time MoEWOE has taken various steps to ensure immigration and hounarable job. An MOU was signed with Japan to send house workers.

#### **b) Control of Immigration Cost**

'Overseas Employment and Migration Act, 2013' has been enacted in order to reduce migration cost and to ensure transparency and accountability of the recruiting agencies. Provisions are there for imprisonment and penalty against unscrupulous recruiting agencies for offences including charging high migration cost. Country wise highest migration cost has fixed for 16 countries. Moreover, 'Overseas Employment Policy-2017' has been approved.

#### **c) Training and Skill Development**

Demand of skilled labour is higher than unskilled labour in different countries. For this reason, the government gives emphasis on the training for the workers who are seeking job in abroad. In 2018, under the supervision of Bureau of Manpower Employment and Training (BMET) as many as 6.82 lakh trainees in 55 different trades received training through 6 Institutes of Marine Technology and 64 Technical Training Centres.

The government has targeted to establish at least one vocational training centre in every upazilla. Establishment of 41 centres is ongoing. Proposal for more 50 centres is under process. 357 trainers of the training centres under BMET were trained in abroad to upgrade the standard of technical training to international level of this centres. Joint

training program for women workers has taken with Saudi Arabia and Hong Kong as they can employ in these countries after training.

#### **d) Modernisation of Emigration Process**

To reduce the influence and fraudulence of the recruiting agencies and brokers, a database of migrant workers with digitalised fingerprints has been created. Outgoing clearance is being given by using database network. The hassles of the expatriate workers and deception have been reduced in the airports due to workers' information kept in the smart card. Besides this, to make easier service for foreign job seeking workers pre-departure and finger print training program has been decentralized. Workers selection is going through online registration, safe migration is ensured with this process as well as regional balance is also ensured.

#### **e) Encouraging Sending Remittance Through Proper Channel**

In FY2018-19, the following measures have been taken for promoting remittance inflows through official channel:

- Authorized Dealers (ADs) are allowed to issue bid bonds on behalf of residents favoring foreign organizations/entities inviting tenders for supply of goods/services in Bangladesh or from Bangladesh to foreign countries;
- Repayment installments of interest and principal against external loans by public sector entities approved by Standing Committee on Non-Concessional Loan (SCNCL) and industrial units of Export Processing Zones/Economic zones and other approved zones entities subject to

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the approval from the Bangladesh Bank are permissible within the purview of the regulations contained in GFET. Besides, Authorized Dealers are also allowed to remit the charges related to such term loans as approved by BIDA, SCNCL and Bangladesh Bank within the purview of effective interests or within the framework of approved term sheets/loan agreements;

- Authorized Dealers are allowed to issue guarantees in foreign currency or in equivalent taka favouring residents without back to back/counter guarantee from overseas correspondent or other banks located abroad against the remittances credited in their nostro accounts arranged by the guarantee applicant non-resident firm/company.