CHAPTER VII
COLLECTIVE BARGAINING - I

Background

Immediately after the liberation of Bangladesh most of the industrial enterprises, whether owned by government or private entrepreneurs, or abandoned by West Pakistani owners, faced serious labour problems. This situation arose when the management of several enterprises were asked to sign agreements for increased financial benefits to labour and to withdraw various punitive measures taken against workers and trade union leaders before liberation. The jute industry, as a whole, was no exception to the problem arising out of this situation. Under these circumstances, the jute industry was nationalised on 26th March, 1972 along with some other key industries of Bangladesh. But the labour problems continued unabated even after nationalisation. Later, the government declared on its own an enhancement in the wages of workers in general in the form of "Adhoc Relief" ranging from Taka 15.00 to Taka 25.00. It was expected by the government that this would assuage the workers. On the contrary, these monetary benefits were considered meagre and inadequate by the workers and union leaders and failed to a great extent to satisfy the workers of the jute industry. The result was that at the very beginning, BJMC, the apex management body of the industry, faced unprecedented labour trouble. As a precautionary measure, BJMC issued a circular bearing No. 46 (vide office memo No.BJMC/LAB/CD/72, dated 1st July, 1972) containing government directives
on the subject, a part of which is reproduced here.

There seems to be a tendency amongst some sections of the employees and workers in Bangladesh to create labour unrest on the plea of realisation of old demands in terms of the agreement alleged to have been reached between employers and employees.

Government wants to make it clear to all concerned that adoption of unauthorised courses to realise demands in contravention of the President's Order by calling strike, gheraos and unfair practices in nationalised industries and statutory corporations shall not be tolerated at any level. All persons involved in such actions shall be dealt with severely. The outstanding demands, if any, will be resolved in accordance with the provisions of the existing labour laws having due regard to the rationality of their claims. In fact, the outstanding cases have already been taken up by the relevant Ministries which are under active and sympathetic consideration of the Government.

In view of the above fact, workers and employees in Bangladesh are therefore advised to act, in a manner not to jeopardise their own interest and the interest of the country at large.\footnote{Bangladesh Jute Mills Corporation, Circular No. 46, The 1st July, 1972; The Bangladesh Observer, Dacca, The 1st July, 1972.}

BJMC on its own accord advised the management of all the jute mills to follow strictly the guidelines stated in the above directive and categorically emphasized the settlement of demands in accordance with the provisions of the country's labour laws.

But within 15 days of the issuance of such directives, and nearly three and half months after nationalisation, the first case of collective bargaining in the jute industry came up. The situation arose when Bangladesh Chatkal Sramik Federation (hereinafter to be referred as BCSF) submitted its 23 point charter of demands to BJMC on 15th July, 1972. At that time there were many
national federations such as Bangladesh Sramik Federation, Bangladesh Trade Union Kendra, Bangla Sramik Federation, etc., having strong organisational base among the jute mills workers. Surprisingly, none of them made any attempt in this direction and the BCSF alone took this pioneering step because of certain favourable conditions. These were:

i) In 1972, BCSF was the only jute industry based federation of workers.

ii) BCSF had affiliation with Bangladesh Jatiyo Sramik League, the labour front of Bangladesh Awami League which at that time was the ruling party of Bangladesh.

iii) The General Secretary of BCSF was a member of the first national assembly of Bangladesh.

iv) BCSF had a strong hold on the workers of jute industry.

v) The leadership of BCSF was very strong and almost all the main leaders had been actively associated with various movements of workers in jute industry during pre-liberation days.

Notwithstanding these favourable conditions, BCSF had no legal basis as a federation of trade unions for submitting a charter of demands. At the time of submission of demands it was an unregistered federation. But according to the country's labour laws, no trade union or federation of unions had the right to raise or submit any charter of demands unless it was registered and declared as CBA.2

2For details see chapter IV of this study, pp.109-113.
The 23 point charter of demands of BCSF mainly emphasized financial demands of the batching, preparing, spinning, winding, beaming, finishing and maintenance workers of the jute mills. It may be mentioned here that there had been no change in the wage structure of jute mills workers during the period 1969-72. An idea about the minimum wages of jute workers upto 1972 and the percentage increase in the minimum wage of a jute mill worker as compared to the percentage increase in the cost of living index of the industrial workers of Bangladesh from 1968-69 to 1972-73 can be had from Table 7.1.

**TABLE 7.1**

Percentage Increase in Minimum Wage of a Jute Mill Worker as Compared to Percentage Increase in the Cost of Living Index of the Industrial Workers of Bangladesh

<table>
<thead>
<tr>
<th>Period</th>
<th>Minimum Wage Structure of Jute Mills Workers</th>
<th>Cost of Living Index of Industrial Workers 1969-70=100</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic Rs. D.A. Rs. Total Rs.</td>
<td></td>
</tr>
<tr>
<td>Till 1960</td>
<td>23.83 35.75 59.58</td>
<td></td>
</tr>
<tr>
<td>1960-61 (Fixed by Minimum Wage Board)</td>
<td>32.50 32.50 65.00</td>
<td></td>
</tr>
<tr>
<td>1961-68 (As per Agreement between PJMO and different Workers' Organisations)</td>
<td>48.50 32.50 81.00</td>
<td></td>
</tr>
<tr>
<td>1968-69 (New Agreement Signed in 1967)</td>
<td>55.70 32.50 88.20</td>
<td>96.17</td>
</tr>
</tbody>
</table>
TABLE 7.1 (Contd.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Wage</th>
<th>Increase in Minimum Wage (As per Minimum Wage Ordinance)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969-70</td>
<td>73.00</td>
<td>52.00</td>
<td>125.00</td>
</tr>
<tr>
<td>1970-71</td>
<td>73.00</td>
<td>52.00</td>
<td>125.00</td>
</tr>
<tr>
<td>1971-72</td>
<td>73.00</td>
<td>52.00</td>
<td>125.00</td>
</tr>
<tr>
<td>1972-73</td>
<td>Taka 73.00</td>
<td>Taka 52.00 Taka 125.00</td>
<td>198.46</td>
</tr>
</tbody>
</table>

Increase in (Percentage)

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968-69</td>
<td>31.06</td>
</tr>
<tr>
<td>1969-70</td>
<td>60.00</td>
</tr>
<tr>
<td>1970-71</td>
<td>41.72</td>
</tr>
<tr>
<td>1971-72</td>
<td></td>
</tr>
</tbody>
</table>


Table 7.1 indicates that there was no increase in the minimum wages of a jute mill worker between 1969-70 and 1972-73. On the other hand, the percentage increase in the cost of living index on an average was 3.98 from 1969-70 to 1971-72, and in 1972-73 it went up to 83.56 compared to the year 1971-72. This
sudden increase in the cost of living index between the years 1971-72 and 1972-73 occurred mainly due to rapid price rise following heavy government reconstruction expenditure after the liberation of Bangladesh and increased import costs.³

Charter of Demands

A close study of the charter of demands submitted by the BCSF reveals that it covered both financial and non-financial demands. The financial demands included wages, bonus, house rent allowance, medical allowance, conveyance allowance, rationing at a reduced rate, payment of arrears, etc. On the other hand, the non-financial demands were related to workers' participation in management, withdrawal of illegal charges against workers and trade union leaders, training for workers, etc. Of these demands, some were new and some were related to pre-liberation period. Implementation of some of the unfulfilled terms and conditions of the Agreement signed in 1969 between the Pakistan Jute Mills Organisation and the Purba Pakistan Chatkal Sramik Federation, and the withdrawal of different charges against workers and union leaders by the owners, were the main components of the demands of the pre-liberation period. Table 7.2 provides a classified idea about the nature of these demands.⁴

³Kamruddin Ahmad, op.cit., p. 114; Rehman Sobhan and Muzaffar Ahmad, op.cit., pp. 518-524.

TABLE 7.2
Nature of Financial and Non-Financial Demands Submitted by the BCSF

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 1</td>
<td>Wages should be increased at the following rates:</td>
<td>1. 6</td>
<td>Workers who had been dismissed on the grounds of participating in strikes from 1967 onwards should be reinstated. Also those workers employed prior to imposition of Martial Law in 1969, and who were discharged after the imposition of Martial Law, should be reinstated with full compensation.</td>
</tr>
<tr>
<td></td>
<td>Taka P.M.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Unskilled Workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>260.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Semi-Skilled &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>280.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Skilled &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>300.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Highly Skilled &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>320.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. 2</td>
<td>Two months' wages should be paid as bonus annually, instead of one month's wages as at present.</td>
<td>2. 8</td>
<td>Workers were badly affected under contract labour system. The practice of employing contract labour should be abolished.</td>
</tr>
<tr>
<td>3. 3</td>
<td>75% of the total work force in the jute industry should be provided with housing accommodation and the balance 25%, who could not be so provided, should be given house rent @ 20% of their pay.</td>
<td>3. 9</td>
<td>An arrangement should be made for 15 days festival holiday per year, annual leave at the rate of one day for every 11 days' work and, 14 days medical leave annually.</td>
</tr>
<tr>
<td>4. 4</td>
<td>Due to increased prices of essential commodities, workers in no way benefited by increased wages. Hence, family rationing should be introduced at the following subsidised rates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Per haund</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Rice-Taka</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20.00 &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Wheat &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.00 &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Fuel (Wood)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.00 &quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Mustard Oil</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.50 &quot; Seer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Workers were badly affected under contract labour system. The practice of employing contract labour should be abolished.

An arrangement should be made for 15 days festival holiday per year, annual leave at the rate of one day for every 11 days' work and, 14 days medical leave annually.

T.B.Hospitals should be established at Dacca, Chittagong and Khulna for jute mills' workers.

A "Standard Batch" should be prepared for the industry in consultation with the workers' representatives.
A five men committee should be set up to examine and investigate the entire area of activities of the industry, from production to final export. The committee should consist of two representatives from the workers' union, one representative from the financial institution, one representative from the government and one representative from the corporation.

Further, the high powered committee should have full powers and responsibility to get into such questions as purchase of spare and accessories, purchase of batching oil, marketing of jute goods, etc. In exchange, the Federation was ready to sign an agreement guaranteeing that, in those mills where the unions affiliated to the Federation are in control, they would guarantee at least 65% to 75% efficiency.

Representatives of the unions should be authorised to examine such matters as the purchase of stores, purchase of raw jute, sales of jute goods, etc.

Groups of 250 workers should be selected from the honest workers of the jute mills of Bangladesh for training in various aspects of the working of nationalised industries. The first batch should be given at least 6 months' training in socialism.

5. A flat rate of Taka 25.00 should be paid to all workers on the basis of the wages obtaining in the Pakistan Jute Mills Organisation's schedule of 1/7/69.

6. A five men committee should be set up to examine and investigate the entire area of activities of the industry, from production to final export. The committee should consist of two representatives from the workers' union, one representative from the financial institution, one representative from the government and one representative from the corporation.

7. In cases of retrenchment or discharge, financial benefits like gratuity, etc. should be paid to workers. Further, there should be an arrangement of encashment of 1½ days' medical leave with effect from 1st March, 1969.

8. Full payment of wages should be made in the event of stoppages on account of power failure.

9. The Badli workers should be paid Taka 25.00 per week as an attendance wage, even if work is not provided to them. Moreover, the percentage of Badli workers should be fixed.

10. Workers' "Dearness Allowance" should be merged with the basic wage.
TABLE 7.2 (Contd.)

9. The bank credit limits and loans to the jute mills should be based on the stock of the mills and the deposits in their respective banks as on 16th Dec., 1971. In other words, liabilities prior to this date should not be taken into account and there should be a moratorium on such previous liabilities.

22. The agreement signed between Purba Pakistan Chatkal Sramik Federation and Pakistan Jute Mills Organisation in the presence of high Labour Directorate officials on 25th March, 1971 should be implemented.

10. Piece rate system should be introduced from batching to spinning throughout the industry.

11. The minimum wage should be based on efficiency and there should be an arrangement to increase his efficiency above 50%.

12. 50% of the net profit of each jute mill should be spent for the welfare of workers and their families.

13. Each worker in the night shift should be paid 75 paisa per night as night allowance.

14. The various dues such as provident fund, insurance and other compensatory dues should be paid to the workers for the period between 25th March, 1971 and 16th December, 1971.
Negotiation Process

The negotiations over the charter of demands took place in a formal meeting arranged between representatives of BJMC and BCSF. This meeting was held on 30th and 31st October, 1972 in the office of the Chairman of BJMC. It appears that the formal negotiation started about three and a half months after the submission of the charter of demands. This was a direct infringement of the legal provision for the arrangement of such meeting within ten days of the receipt of any demand charter or dispute notice. Besides, it ignored the BCSF demand for holding a formal session between the two parties within seven days from the date of submission of the charter of demands.\(^5\) However, the meeting was attended by the representatives of both the parties. Table 7.3 shows the rank and status of the representatives who participated in the meeting.

**TABLE 7.3**

Rank and Status of the Representatives of BJMC and BCSF

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Bangladesh Jute Mills Corporation</th>
<th>Sl.No.</th>
<th>Bangladesh Chatkal Sramik Federation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chairman</td>
<td>1.</td>
<td>General Secretary, BCSF</td>
</tr>
<tr>
<td>2.</td>
<td>Director (Technical)</td>
<td>2.</td>
<td>Vice-President, BCSF</td>
</tr>
<tr>
<td>3.</td>
<td>Secretary (BCSF)</td>
<td>3.</td>
<td>Publicity Secretary, BCSF</td>
</tr>
<tr>
<td>4.</td>
<td>Labour Adviser (ERD)</td>
<td>4.</td>
<td>Treasurer, BCSF</td>
</tr>
</tbody>
</table>

\(^5\)Bangladesh Chatkal Sramik Federation, *op. cit.*
TABLE 7.3 (Contd.)

5. Joint Secretary, BCSF
6. Vice-President, Bangladesh Jatiyo Sramik League (BJSL)
7. General Secretary (BJSL, Khulna and Jessore)
8. President, People's Jute Mills Workers Union
9. President, Gawsia and National Jute Mills Workers Union
10. President, Adamjee Jute Mills Workers Union
11. General Secretary, Delta Jute Mills Labour Union
12. President, Noakhali Jatiyo Sramik League

Source: Bangladesh Jute Mills Corporation.

Table 7.3 indicates that, besides its own leaders, BCSF was represented by its affiliated enterprise union leaders and the leaders of Bangladesh Jatiyo Sramik League, the apex affiliating Federation of BCSF. On the other hand, BJMC was represented by its top executives directly associated mainly with the personnel department. This would reveal the fact that the representatives of both BJMC and BCSF were sufficiently qualified to pursue negotiations, understand the problems of workers as well as the industry and finally to make an amicable settlement.

Before proceeding to a detailed discussion on the charter of demands, the meeting decided to take up the question of Eid-Advance to be paid to workers before the ensuing Eid-Ul-Fitr festival. The Federation representatives initially demanded an Eid-Advance of Taka 250.00 for each permanent worker and Taka 100.00 for each Badli worker.
After some discussions, it was agreed that the maximum Eid-Advance to any permanent worker would be Taka 175.00. For Badli worker an Eid-Advance could be paid up to a maximum of Taka 75.00 per head, provided that the amount so advanced was guaranteed by a permanent worker.

The meeting then discussed the question of the number of paid holidays that should be allowed for Eid-Ul-Fitr. The Federation leaders wanted six day holiday at a stretch to enable the workers to go home and celebrate the Eid.

In order to accommodate six day closure, without too much loss of production, the following formula was agreed upon:

i) 2 day holiday with pay out of the 11 days Pakistan Jute Mills Organisation list of festival holidays.

ii) 2 day holiday, to be compensated by working on single wages in lieu thereof on two subsequent sundays or other holidays.

iii) 2 day holiday without pay.

After fruitful discussions over the unscheduled demands, the parties took up for discussion the 23 point charter of demands of BCSF. Demand-wise protracted negotiations took place for two days. Each party tried its best to convince the other regarding its stand in support or against the demands. Ultimately, the negotiations concluded yielding consensus only on two issues connected with demand No. 1 and 13. However, according to BCSF leaders, the discussions went on in a very cordial atmosphere.

Regarding demand No. 1, keeping the claim of wage increase aside, it was agreed that an "Expert Committee" would be set up to decide the fixation of norms of production of piece-
rated workers and the fixation of the wage differentials among the different categories of workers. The "Expert Committee" comprised 3 representatives from the BOSS and 3 from the BJMC, under the chairmanship of the Director of Labour (hereinafter to be referred as DL). It was also agreed that the "Expert Committee" would look into item 1(c) of the Agreement dated 25.9.69 which was related to the fixation of wages of piece-rated workers including wage adjustments, if any, either way, with effect from 1st July, 1969.6

Similarly, for demand No. 13, it was agreed that the corporation would fix "Standard Batches" for different construction and would circulate the "Batch Formula" to all the mills. If certain mills found that they would have difficulty in adhering to the "Standard Batches" a suitable "Batch" could be worked out by those mills, in consultation with the corporation and their respective unions.7

Thus, it is evident that the corporation did not concede any of the financial demands of the Federation. According to BJMC executives, the main difficulty in conceding these demands was the financial inadequacy of BJMC. Moreover, the corporation management preferred to find out a suitable base for determining the basic wages of workers as no such attempt had been made for this after its formation. Like the financial demands, no consen-

6Proceedings of the Meetings between Bangladesh Jute Mills Corporation and Bangladesh Chatkal Sramik Federation held on 30th and 31st October, 1972.

7Ibid.
sus was reached on the non-financial demands except for demand No. 13. The reason for this was that most of the demands in the non-financial category involved government decisions.

The formation of "Expert Committee" under the chairmanship of the DL proves that the parties deliberately preferred the presence of a third party in the settlement process. This is a direct indication of the breakdown of collective bargaining between BJMC and BCSF. As regards the reasons for the failure of collective bargaining, it appears from the above discussion that the economic and industrial factors were more dominant than psychological, political and legal factors.

Having failed to settle the dispute on the 23 point charter of demands with the representatives of BJMC, the BCSF leaders requested the DL in writing to take up the matter for conciliation. As such, the DL requested the corporation management to confirm that the corporation had no objection to refering the dispute for conciliation by the DL. After this confirmation, the DL arranged for conciliation, and conciliatory meetings were held in the office of the DL on 1st, 4th, 5th, 8th and 12th December, 1972. Besides the high officials of the Directorate of Labour, the meetings were attended by the representatives of both BJMC and BCSF. The "Expert Committee" submitted its report in the meeting regarding manning scale and job specifications for the jute mills workers and it was accepted by the parties. For demand No. 1, again the Federation put forward a revised wage structure before the conciliation meeting as an interim arrangement for the
solution of the demand.

The new wage structure was:

(a) Unskilled Worker - Take 150.00 per month
(b) Semi-Skilled - Taka 170.00 " "
(c) Skilled - Taka 190.00 " "
(d) Highly Skilled - Taka 210.00 " "

In support of their revised wage structure, the leaders of BCSF expressed the view that if the smooth and regular supply of spare parts, raw materials and power were ensured, and if law and order situation was handled effectively, the workers of Hessian and Sacking Departments would ensure 65 and 75 per cent efficiency respectively on the above rates of wages. But this time, too, BJMC expressed its inability to accept the revised formula of BCSF pleading its heavy financial impact on the industry. In order to assess the total amount of financial involvement as per the BCSF formula, BJMC prepared a statement which revealed the fact that a unit of 250 looms would incur a recurring loss of 15 per cent per month even after the increase in the efficiency rate as proposed by the BCSF. It may be mentioned here that, at that time, in a jute mill of 250 looms there was already a recurring loss of 14 per cent per month with the efficiency of 52 per cent in Hessian and 57.4 per cent in Sacking. Following this, the Federation leaders put forward a new suggestion. According to BCSF, "If this loss of 15% can be given as subsidy by Government on the basis of

8Proceedings of the Conciliatory Meetings held in the Directorate of Labour on 1st, 4th, 5th, 8th and 12th December, 1972.
total export by the individual unit there will be a position of no loss and no gain within a very short time after which the Federation feels, that the position will improve more and this will also lead the workers to higher productivity." In response to this, the representatives of BJMC argued that "if Government agrees to grant the subsidy as proposed by the Federation they can implement the demands for interim wage increase as suggested by the Federation". On getting this consent of BJMC, Abdul Mannan (MCA), General Secretary of BCSF, expressed the view that he would arrange a meeting with the Industries Minister in order to apprise him about the financial implications of the above arrangement, and he requested both the representatives of BJMC and the Labour Directorate to be present at the said meeting. All members present at the said meeting accepted the above proposal and decided to attend such a meeting with the Industries Minister who at that time was also in charge of the jute industry. After having detailed discussions with the Minister and other high government officials, the representatives of both BJMC and BCSF agreed to sign a Memorandum of Settlement comprising 13 points on 15th December, 1972.

From all this it is quite clear that the main bottleneck in the whole negotiation process was the non-availability of funds. Again, BJMC failed on its own to give any consent to the Agreement without the approval of the higher authority, i.e. the government,

9 Ibid.
10 Ibid.
for financial support. Moreover, the easy access of BCSF to the Industries Minister was also a dominant factor behind the settlement of the dispute.

While implementing the terms and conditions of the Agreement, certain difficulties were observed by the mill management. The problems were brought to the notice of BJMC. Later, both BJMC and BCSF again met together on 29th January, 13th February, 13th March, 4th and 9th April, 1973 with a view to resolving the difficulties amicably. At last, they succeeded in resolving the problems and a Memorandum of Supplementary Agreement was signed on 11th April, 1973.

The Agreement

The Memorandum of Settlement and the Memorandum of Supplementary Agreement signed on 15th December, 1972 and 11th April, 1973 respectively had some distinct features. The Memorandum of Supplementary Agreement, as the name signifies, was the supplement but not the substitute of the original Memorandum of Settlement. The demands in them were both financial and non-financial in nature, but a significant difference was noticed as to the number of financial and non-financial demands.

A critical analysis of the Memorandum of Settlement shows that the Agreement covered issues mostly related to the financial benefits of the different categories of workers. Clause 2 of the

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11 For details see part "Implementation of Agreement" of this chapter.
Agreement stated that pending the determination of wages and other fringe benefits, including the workers demands for bonus equivalent to two months wages for different categories of workers of jute mills by the National Wage Board, following rates of wages and ad-hoc relief as announced by the government would be introduced as an interim arrangement for the different categories of workers with effect from the date mentioned hereunder:

<table>
<thead>
<tr>
<th>Category</th>
<th>Wage Rates Per Month Effective from 1st October, 1972</th>
<th>Ad-hoc Relief Per Month Effective from 1st May, 1972 as Declared by the Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Unskilled</td>
<td>Taka 125.00 Per Month</td>
<td>Taka 25.00 Per Month</td>
</tr>
<tr>
<td>B. Semi-Skilled Grade II</td>
<td>140.00</td>
<td>20.00</td>
</tr>
<tr>
<td>C. Grade I</td>
<td>146.00</td>
<td>20.00</td>
</tr>
<tr>
<td>C. Skilled</td>
<td>Grade III: 160.00</td>
<td>20.00</td>
</tr>
<tr>
<td></td>
<td>Grade II: 165.00</td>
<td>20.00</td>
</tr>
<tr>
<td></td>
<td>Grade I: 170.00</td>
<td>20.00</td>
</tr>
<tr>
<td>D. Highly Skilled</td>
<td>Grade II: 180.00</td>
<td>20.00</td>
</tr>
<tr>
<td></td>
<td>Grade I: 190.00</td>
<td>20.00</td>
</tr>
</tbody>
</table>

Other subjects covered under the financial heads were: wage protection in case any existing worker was in receipt of higher wages on the 25th March, 1971 as per previous schedule.

Memorandum of Settlement signed between Bangladesh Jute Mills Corporation and Bangladesh Chatkal Sramik Federation on 15th December, 1972.
than the new rates of wages, deduction of excess wages detected after necessary adjustments, merger of dearness allowance, fixation of manning scales, categorisation of workers, job specification for determination of wages, etc.

The Agreement also laid down important conditions regarding the norms of production for determination of minimum and maximum wages for certain categories of workers, payment of incentives as well as disciplinary action. Clause 5 of the Agreement mentioned that the BCSF guaranteed a minimum weaving efficiency of 65 per cent and 75 per cent for Hessian and Sacking respectively and if any worker would produce below 65 per cent and 75 per cent efficiencies, his wage would be less to the extent of half of the percentage difference between these minimums and his actual production. In other words, if a worker could produce at 63 per cent efficiency, he would be paid at the rate of 62 per cent efficiency. Further, if a worker could produce more than 65 per cent and 75 per cent efficiencies, he would get an added incentive in a similar manner. For instance, if he could produce at 67 per cent efficiency he would be paid wages based on 68 per cent efficiency. The minimum would be based on efficiencies, 52 per cent for Hessian and 57 per cent for Sacking, and any worker producing less than these minimums would make himself liable for disciplinary action including dismissal from service in addition to determination of wages on the basis of actual production. Clause 5 also stated that the above condition would be effective provided the working of any mill was not disturbed for want of spare parts, raw materials, power supply and the machines run on the basis of 100 per cent efficiency keeping the standard picks per minute for both Hessian
and Sacking. Further, the 100 per cent efficiency of the machines and the required efficiency of the worker concerned would be calculated on the basis of hours actually available for work.\footnote{ibid.}

Non-financial issues covered in the Agreement were mainly related to stern disciplinary action in case a worker was found wilfully breaking parts of machines, management assurance to ensure regular supply of spare parts and raw jute, date of enforcement and duration of the Agreement, etc. Of the non-financial issues, the most important one was the Federation's assurance to extend all co-operation for maintaining peace and discipline at the work place in the interest of higher production and labour welfare and desire to achieve the goal of "Socialism".

Another significant characteristic of the Agreement was that it did not cover any of the non-financial demands stated in the charter of demands of BCSF. Clause 11 of the Agreement described, "All other demands of the said 23 point charter of demands excepting those demands which are connected with wages or other fringe benefits including bonus equivalent to two months wages, shall be settled through conciliation and for that purpose the present conciliatory proceedings shall continue."\footnote{ibid.} But it is surprising that no further conciliation session was held to discuss the non-financial demands.

Like the Memorandum of Settlement, the Memorandum of Supplementary Agreement also dealt with both financial and non-
financial matters of workers' interests. The significant feature of this Agreement was that, out of 13 clauses, only two clauses, i.e., clause 13 and 17, were connected with non-financial issues. Clause 13 stated that the corporation would work out a comprehensive scheme for future avenues of promotions in respect of those workers who had reached the top of the grades for a considerable number of years. Head Sardars, Chargehand, etc. needed to be considered for promotion in supervisory position. After working out the scheme it would be forwarded to the "Expert Committee" for study, examination and decision. Clause 17 was related to batch composition for higher productivity of different fabrics.

The rest of the clauses on financial issues covered mainly the terms for fixation of wages for different categories of workers not covered in the previous Agreement, wage adjustments under conditions of wage differentials and excess payment, norms of production for wage fixation, incentive payments for production at the level of minimum guaranteed weaving production or above on an average in a particular week, on the basis of available working hours, etc.

**Implementation of Agreement**

The implementation of the agreement, signed at the industry level, is the prime responsibility of the enterprise management. The mill management has to make all necessary arrangements so as to give effect to the terms and conditions of the agreement as per instruction of the higher authority.
BJMC, after signing Agreement with BCSF, issued a circular on 20th January, 1973 instructing all project heads to implement the terms of the same. The heads of all mills were also advised to observe certain formalities before implementing the Agreement. In this respect the circular read,

You must not under any circumstances implement the terms of the Agreement till such time as it is signed jointly by yourself on behalf of the mills and the Collective Bargaining Agent. Please note that the date of Agreement will vary from mill to mill as it will depend on the date on which each mill signs the Agreement with its respective Collective Bargaining Agent but the operative date will be the same as per terms of the ... Agreement /signed on 15th Dec., 1972/. In cases where the Collective Bargaining Agent is not inclined to sign the Agreement, such case should be referred to us immediately. On the other hand, there may be cases where no CBA exists. These should also be referred to us for our perusal.15

While implementing the terms and conditions of the Agreement as per corporation's instruction, certain difficulties were noticed by the enterprise managements. The workers of many jute mills, as well as many CBA of some mills, expressed their deep concern and resentment regarding the terms and conditions of the said Agreement. The corporation received a series of complaints from different jute mills. To follow up the labour situation in general and to assess and evaluate the reaction and sentiment of the "Project Heads" in particular, a three member "Expert Committee" of BJMC visited Chittagong, Dacca and Khulna zone. The Committee submitted a report to the corporation on 27th January,

There is a general feeling that the implementation of this Agreement would bring about more chaos and confusion than what it exists now. This is for the simple reason that the Agreement itself is not exhaustive and lots of areas have not been covered. The Agreement proposes to alter basic structure of wages for the workers and as such each and every aspect of the problems should have been covered. But this could not be done due to shortage of time. Broadloom plants, cotton bagging plants, twine mills, etc., have not been covered fully. The status quo cannot be maintained without causing disturbances if we are to implement this Agreement. This again is not feasible in the sense that workers doing similar work to those of hessian and sacking mills will not accept the different wages. This will bring about discontentment. Again while stipulating guaranteed efficiency no mention of fabric has been made. This again would bring about lots of discrepancies.16

The report also stated other problems relating to the wages, penalties and incentives.

The imposition of penalty/incentives clause is also defective in the sense that this guaranteed efficiency cannot be achieved overnight and therefore when penalty clause is imposed workers in the weaving department would get a lot less wages and thereby causing ill feeling. However, there is also a general feeling that time rated workers have not been provided with any incentives like that of weavers. This may lead to a general slackness in work and therefore, defeat our purpose and goal of higher productivity.17

Barring the problems cited above, there was another crucial issue which created problems throughout the implementation programme. The problem emerged when a good number of CBA union belonging to some other federations, and not associated with the BCSF completely refused to accept or ratify the terms

17ibid.
and conditions of the Agreement. In this regard the view of the Expert Committee was:

On the question of implementation of this Agreement it must be signed by the individual mills and their basic unions. The basic union in this case must be the bargaining agents. Our study of the various zones reveals that majority of unions will not be inclined to sign the Agreement. In the absence of the majority organisation not able to sign the Agreement, the terms of the Agreement, therefore, would lead to two different wage structure in the industry. In most of the mills in Chittagong zone the unions legally occupying the position of Bargaining Agent belonging to Bangladesh Sramik Federation (Bashar Group)18. In Khulna zone with the exception of a couple of mills the Agreement will not be signed for the simple reasons that the rest of the unions belong to the opposition group though all the mills have Bargaining Agent with a legal coverage. In Dacca zone the position is somewhat better with the exception of about 11 mills all will be in a position to sign the Agreement because of their affiliation to BCSF.19

Taking into consideration the probable untoward consequences regarding the implementation of the Agreement, BJMC did arrange a meeting with the representatives of BCSF on 29th January, 1973. Both the parties had a very cordial discussion over the forthcoming problems in implementing the Agreement. BCSF agreed in principle to sign a supplementary agreement to lay down the guiding principles in order to make the terms of the Agreement applicable to other categories of workers. BJMC suggested postponement of the implementation programme till a supplementary agreement was signed with a view to save the industry as a whole

18Bangladesh Sramik Federation (Bashar Group) presently is called Bangladesh Jatiyo Sramik Federation.

from a serious disaster. But BCSF was unwilling to accept this. On the contrary, it emphasized that the terms of the Agreement need to be implemented before the "National Election" scheduled to be held in March, 1973.

While discussing the problem of implementation of the Agreement in those units where CBA belonged to union other than those affiliated to BCSF, the representatives of the BCSF expressed the views that there should not be any problem on this account. They suggested that the corporation should at the unit level make the agreement only with those unions which were affiliated with BCSF. Further, the Agreement should be kept in abeyance if such action of the unit was not found acceptable to the CBA which was not affiliated to the BCSF till such time a CBA was determined in favour of the unit union affiliated to BCSF. Thus, it is clear that the BCSF somehow wanted a swift and immediate implementation of the terms and conditions of the Agreement before the national election.

Under these circumstances, on 30th January, 1973 BJMC sought immediate decision from the Secretary, Nationalised Industries Division, Ministry of Industries, who suggested further discussion with BCSF to avoid future disagreement on interpretation. As per his statement,

I discussed the matter with the Minister for Industries. He agreed that we may face a very serious situation if only 31 or even 40 mills agreed to sign this contract.

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20 Proceedings of the Meeting held on 29th January, 1973 between Bangladesh Jute Mills Corporation and Bangladesh Chatkal Sramik Federation.
and the rest do not. The resulting labour problem may affect not only the law and order situation in this critical period but also have serious repercussion on jute industry. BCSF who entered into this Agreement may be prevailed upon to get this signed by a substantial majority of the enterprises (say about 65 to 70 mills) before implementing this Agreement to avoid serious trouble.21

As per instructions received from the Secretary, BJMC decided to call upon the representatives of BCSF for further discussion in the light of the problems that might arise in the course of implementation of the Agreement. Accordingly, another meeting was held on 13th February, 1973 where the representatives of BCSF assured BJMC that in all 54 jute mills would be accepting the Agreement. On the other hand, the BCSF leaders on the same date issued a letter to the BJMC bearing memo No. J. Sh.L.11-73/39, dated February 13th, 1973, demanding immediate implementation of the Agreement by 17th February, 1973 and stated further that if any untoward situation arose for making delay in the implementation of the Agreement BJMC would have to shoulder full responsibility for the same.

After receiving this notice, on 13th February, 1973 BJMC instructed all the "Project Heads" to implement the terms of the Agreement after completing all the formalities. The corporation management became extremely worried about the security and safety of the personnel of the mills. It requested the Secretary, Nationalised Industries Division, Ministry of Industries, to apprise the situation to the different law enforcing agencies

for necessary action. The magnitude of corporation's apprehensions would be evident from the statement made by the then Chairman of the corporation. According to him,

We are seriously concerned and apprehensive that the introduction of the Agreement may be resented and resisted by those section of workers as stated earlier. In view of the general pattern of attitude of the workers particularly during the post liberation period, whose patience, tolerance and sense of discipline are now at their lowest ebb, an explosive and dangerous situation may arise. Taking advantage of the situation the subversive forces, together with the discontented and disgruntled trade union leaders opposing the CBA may make concerted effort to forestall our attempt to introduce the Agreement, thereby creating a serious law and order problem.

The directives issued to the enterprise managements for the implementation of the Agreement created a serious law and order situation in different jute mills. In many jute mills, even where the BCSF backed union was the legal CBA, the management failed to implement the Agreement. Several enterprise managements started lodging complaints with the corporation describing the situation along with their attempts to implement the Agreement.


Adamjee Jute Mills Ltd.,
Narayanganj Industrial Area,
Dacca.


The Labour Adviser,
Bangladesh Jute Mills Corporation,
Motijheel, Dacca.


Dear Sir,

On receipt of instruction from the Secretary, BJMC we have been working out and preparing necessary papers for implem-
Observing the tense law and order situation in the Narayanganj Industrial Area, one Afzal Hossain, a member of the National Assembly, wrote a letter on 20th February, 1973 to the Minister for Industries requesting him to persuade the Chairman, BJMC to stop the implementation of the Agreement. He stated in the letter that there was every possibility of the untoward breakage of peaceful law and order position if that Agreement got implemented and thus would disturb the election campaign.

f.n. 23 (Contd.)

entation of the terms of the aforesaid agreement.

But we have to advise you that reactions of those section of workers, who are not according to them benefitted out of this agreement, has been found very adverse against this agreement. In fact, workers of batching, preparing, pickers (production), mechanical, electrical departments and others have been found very resentful and agitating over the issue.

We strongly feel that when the recovery and adjustment clause will be put through and the new rates will be actually worked out in the wage sheet a serious situation involving law and order problems is likely to arise.

In the meantime we understand that a large section of workers had organised demonstrations and processions on Saturday evening (17.2.73) agitating against the implementation of the agreement.

Under the circumstances, we have the reason to apprehend that security and safety of the supervisory personnel including those, who will be actively engaged in the work involved in the implementation of this agreement, will be seriously endangered.

Therefore, we shall request you to take up the matter with the Federation immediately as well as different law enforcing agencies in order to ensure maintenance of peaceful atmosphere in the mills by the members of the Federation as well as to arrange to take deterrent measures to avoid any untoward incident.

Yours faithfully,
Sd/- Illegible, General Manager,
Adamjee Jute Mills Ltd.
BJMC watched the overall situation for sometime. The whole situation was deteriorating instead of showing substantial improvement. In many jute mills the management failed to give effect to the Agreement. The feelings of discontent and strong resentment were prevailing among the workers and trade union leaders throughout the industry.

Under these conditions, BJMC arranged another meeting with BCSF to discuss the problems on 13th March, 1973. Both of them finally decided to stop the implementation of the Agreement. Accordingly, BJMC informed all the enterprise managements about the decision taken vide its circular No. 42, dated 15th March, 1973.

Further negotiations went on between BJMC and BCSF on 4th and 9th April, 1973 and both the parties later signed a Memorandum of Supplementary Agreement on 11th April, 1973. Necessary arrangements, afterwards, were made by the BJMC to communicate the terms of the Agreement to the mill managements for implementation as per the instructions given earlier.

Even after signing the Memorandum of Supplementary Agreement, both the corporation and the mill managements had been facing serious difficulties in implementing the same. The difficulties were related mostly to the calculation of efficiency for the purpose of determining incentive and penalty, and the average shed efficiency for determining incentive to other workers. Like before, this time too, the CBA unions not affiliated with BCSF were not satisfied with most of the terms of the Agreement. However, in majority mills the implementation programme was carried on with success than before.
Consequences of Agreement With Un-Registered Federation

The comprehensive discussion made above reveals that B.JMC, on receiving the charter of demands of BCSF, tried to observe necessary formalities to carry on formal negotiations with the representatives of the Federation. Although the overall negotiations on 23 point charter of demands were apparently carried on in accordance with the legal provisions relating to the settlement of disputes, a number of discrepancies cropped up while implementing the terms and conditions of the Agreement. Besides the improper and arbitrary determination of the terms and conditions of the Agreement, slackness on the part of the government, the corporation management, and the improper execution of the legal provisions had made the implementation task more complex and tedious, the whole collective bargaining seen as a fun. The statutory provision for determination of CBA as a representative union in any establishment or industry was quite distinct and clear. No employer or management was supposed to start negotiations with any union or federation of unions unless it was registered and declared as CBA. In spite of a good deal of standing legal provisions, BCSF being an unregistered body managed to submit the charter of demands, participated in the negotiation process, and got the Agreement signed. It is surprising that neither the corporation management nor the Labour Department of the Govt. of Bangladesh

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24 Refer to chapter IV of this study, pp. 114-120.

raised any question against such happenings. When asked about the reasons for this, the high officials of BJMC and Labour Department said, "We are bound to listen to and obey all orders, no matter whether formal or informal, from the higher authorities; there is every chance of losing our jobs or transfers or show-cause notice if we strictly observe the legal provisions. We are rather compelled to adjust ourselves with the political powers."

As a consequence of this attitude the corporation ultimately failed to implement the terms of the Agreement when so many CBA and non-CBA unions refused to ratify the same at the enterprise level. Moreover, many unions, including some national federations, raised the question about the legal power of BCSF to raise charter of demands and to sign a deed of agreement with BJMC and also the legal enforcement of the Agreement signed. It may be mentioned here that, according to the country's labour laws, any agreement arrived at either through direct negotiations or conciliation proceedings was binding on all workmen who were employed in the industry or enterprise to which the industrial dispute was related, provided the CBA was one of the parties to the dispute.26 But in this case, neither the corporation nor the government took resort to any legal measure while a section of workers and leaders protested against the Agreement and refused to accept the same.

This basic flaw ultimately came to the notice of the government when both the Memorandum of Settlement and Memorandum of Supplementary Agreement had failed to satisfy the workers of

26ibid., pp. 115-119.
many jute mills in any way. The Nationalised Industries Division, Ministry of Industries, wrote a letter to the Chairman, BJMC, seeking certain clarifications about the BCSF. The subjects asked to be clarified were:

"i) Is the BCSF registered and if so when was it registered?

ii) Does the Article of Association authorise the Federation to raise dispute/demand and settle it on behalf of the federating union?

iii) How many of the federating unions were CBA when the demands were raised and settled?

iv) Are the federating unions affiliated to the BCSF as per law?"27

BJMC, in reply to the above letter, explained the position of BCSF. The particulars referred to the Nationalised Industries Division were:

"i) As per our information BCSF was registered after the agreement was signed.

ii) As per our information they applied for registration with 12 federating unions out of which 8 are bargaining agents. As per law any two or more registered unions may, if their respective general bodies so resolve, constitute a federation by execu-

ting an instrument of federation and apply for the registration of federation.28

Thus, it appears that though BCSF later got itself registered, its actions right from the raising of the charter of demands to signing the agreement had not been in conformity with the country's labour laws. Under these conditions, any agreement, if signed, by and large, would not only be an infraction of law but is likely to be opposed by rival groups who are likely to question its legality. Moreover, any law enforcing authority cannot take any legal action against any worker, group of workers or trade union leaders if they refuse to accept the terms of the agreement or commit some other illegal activities.

The practice of determination of CBA was not totally absent in the industrial enterprises of Bangladesh or in the jute mills. Registration of union was a pre-condition for contesting the election for determination of CBA and to exercise trade union activities. The question of submission of charter of demands by an un-registered union would not arise at all at the enterprise level when registered union could not take any lead for such submission if their number was more than one. Moreover, as mentioned, the management was not legally bound to honour them until and unless they were registered and any of the unions declared or determined as CBA. Hence, the question of determination of CBA arose only when there were more than one unions. But if there was only one registered union in an enterprise or industry such union could

28Bangladesh Jute Mills Corporation, Record (LAB/CD/72-73).
legally enjoy the right and power to act as CBA.\textsuperscript{29} Had BCSF been a registered Federation at the time of submission of charter of demands, no question would have been raised against its legal right to act as the CBA of the workers of jute industry as there was no other industry-wide Federation at that time. On the other hand, the government bodies entrusted with the task of administration of the labour matters could have adopted strict measures in this respect.

In conclusion, therefore, it may be mentioned that the first collective bargaining was carried out not in accordance with the basic principles laid down in the labour laws. However, financial paucity of BJMC and the rigid attitude of union leaders hindered the effective operation of the same.

\textsuperscript{29}Refer to chapter IV of this study, p.112.