CHAPTER III

COLLECTIVE BARGAINING CLIMATE IN BANGLADESH

The collective bargaining climate in Bangladesh can not be fully appreciated without taking into consideration the socio-politico-economic environment of the country in which the system has its roots. The socio-economic background of Bangladesh has been discussed briefly earlier in the second part of chapter I, which also reflects the prevailing climate of collective bargaining. The climate in the country has not been congenial for the growth of collective bargaining to the desired extent. Many of the essential conditions which ensure smooth and effective operation of collective bargaining are simply non-existent. The poor state of collective bargaining at present can be attributed to a great extent to the politico-economic environment prevailing in pre-liberation era.

At the time of the partition of India in 1947 the Muslim League, which spearheaded the struggle for Pakistan, was the dominant political group in the country. So after the partition, the Muslim League formed the government in East Bengal (now Bangladesh). But it lost its position to the United Front in 1954 when the results of the provincial election were declared. But the United Front too could not remain in power for long and strong political instability prevailed in the country till October, 1958.

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The causes of such instability were partly political and partly economic. From 1958 to 1971, in different phases, two Martial Law governments were in power. The legal measures taken by the Government of Pakistan from time to time concerning trade unions and collective bargaining will be discussed later in chapter IV.

Between 1947 and 1971, Bangladesh's economy was mainly based on the capitalistic pattern. The Pakistani rulers, who mainly used to nourish and protect the interests of the capitalist class directly through government patronage, paid little attention to the genuine and legitimate demands of the workers. The management of various industrial enterprises owned both by locals and non-locals was also not agreeable to accepting the workers as equal partners in production. Indeed, the entire history of collective bargaining was characterised by prolonged strikes, retaliatory lock-outs and picketing which sometimes led to pitched battles. By and large, trade union activities were viewed with disfavour and no opportunity was afforded for the growth of free and democratic atmosphere in the industrial sphere.

The post-liberation political scene is in no way better than what it was in the past. After the liberation of Bangladesh

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in December, 1971 the Awami League, which took active part in different movements before 1971 and played the leading role during the liberation struggle, formally assumed power. But within four years of its rule the Awami League government was toppled and Martial Law government came to power in August, 1975. The Martial Law government continued upto June, 1978 and since then democratic government has been functioning in the country. Meanwhile, several policy measures were adopted by the government for easing people's social and economic burden.

Bangladesh was declared as a sovereign People's Republic since her inception and a set of fundamental rights and other provisions were incorporated in the new constitution which were of immense importance to the working class. The constitution also incorporated "Socialism" as one of the important state principles. The various constitutional provisions defining some basic features of the envisioned socialist society were:

1) A socialist economic system shall be established with a view to ensuring the attainment of a just and egalitarian society, free from exploitation of man by man.

2) It shall be a fundamental responsibility of the state to emancipate the toiling masses - the peasants and workers - and the backward sections of the people from all forms of exploitation.

3) The state shall adopt effective measures to remove social and economic inequality between man and man and to ensure the equitable distribution of wealth among citizens, and of opportunities in order to attain a uniform level of economic development throughout the Republic.

6 'Socialism' as a state principle was dropped from the Constitution of Bangladesh after the coup of August 15, 1975.
iv) Work is a right, a duty and a matter of honour for every citizen who is capable of working, and every one shall be paid for his work on the basis of the principle "from each according to his abilities, to each according to his work".7

Besides many constitutional commitments, the government adopted planning as an instrument for the country's economic growth and the First Five Year Plan was introduced from 1973. Since then two plans, that is, one Five Year Plan and another Two Year Plan, have already been implemented. Another Five Year Plan is under implementation. As mentioned earlier, the government also declared in 1972 a preliminary industrial policy which included nationalisation of some key industries and enterprises abandoned by the Pakistani owners. Subsequently this industrial policy was revised and adjusted with a view to encouraging private sector investment for rapid industrialisation in the country.8 At present, though the public sector is dominant in Bangladesh's economy, the government has accepted a pattern of mixed economy for the country in which the public sector is expected to play an increasingly important role and to shape and guide the behaviour of the private sector. Thus, both private and public sector enterprises exist side by side in the country's industrial complex. Also there is a constant controversy going on as to the mode of determining wages for both public and private sector employees.9

7Govt. of the People's Republic of Bangladesh, The Constitution of the People's Republic of Bangladesh, Dacca, 1972, Article 10, 14, 19 and 20.
9A.M.A.Rahim, "The Broad Framework of Labour Policy in
Since the independence of the country, dual wage policies for determining the workers' wages are being followed. In the private sector, wages are fixed through the Minimum Wage Board as well as collective bargaining, and in the public sector through the machinery of the various commissions set up by the government from time to time. However, despite these arrangements, various government measures such as prohibition of strikes and lock-outs in all public and private sector undertakings and establishments, a ban on trade union activities by persons employed in government offices or any local authority, corporation or body-deprived the employees of all categories from the free and unrestricted right to participate in the trade union and collective bargaining practices. Although later the government officially made an announcement about the withdrawal of these restrictive measures, in fact the climate is such that while the workers in private enterprises legally retain some of their collective bargaining rights regarding wages, bonus, leave, etc., but collective bargaining in the public enterprises is recognised only to a limited extent. Unfettered legal basis for effective collective bargaining on the terms and conditions of employment, therefore, does not exist in the public sector.

f. n. 9 (Contd.)


10For details see chapter IV and VIII of this study.

However, the procedures of negotiations relating to industrial disputes are common in both the sectors. Figure 3.1 indicates the process of collective bargaining in Bangladesh.\textsuperscript{12}

\textsuperscript{12}Ministry of Law and Parliamentary Affairs, Govt. of Pakistan, The Industrial Relations Ordinance, 1969 (adopted by the Govt. of the People's Republic of Bangladesh in 1972), Section. 26, 29, 31 and 35.
Written Communication of Dispute or Management or Collective Bargaining Agent by any of the Parties

- Successful Collective Negotiations
- Successful Collective Sessions
- Successful Conciliation
- Successful Arbitration
- Successful Conciliation (Award is not appealable)
- Strike or Award
- Lockout
- (If lasts for more than 30 days Govt. may prohibit it 'and refer it to' Labour Court.)

FIGURE 3.1
Collective Bargaining Process in Bangladesh
Collective bargaining is usually conducted at the level of a particular enterprise or the industry as a whole. The latter is more dominant in the case of the public sector. Collective bargaining at the industrial level deals with basic questions of principles, whereas negotiations at the plant level deal with the detailed regulation of the agreements concluded at the industry level or with problems specific to the enterprise concerned. The role of national and industrial trade union federations is not so significant at the plant level bargaining as it was before the promulgation of the Industrial Relations (Regulation) Ordinance, 1975 and the Industrial Relations (Amendment) Act, 1980 which have stopped non-workers participation in the plant level unionism.

The main parties to collective bargaining are trade unions, management, employers' organisations and the government. In private sector enterprises, bargaining generally is held between the representatives of union and employer. The Bangladesh Employers' Association, which represents 90 per cent of the industries in the private sector and a majority of the mills and factories in the public sector which are represented in it through various sector corporations, directly does not take part in collective bargaining. It only renders advisory services to its member organisations. But employers' organisations like the Bus Owners' Association, the Printing Press Owners' Association take direct part in negotiations.\(^3\) As far as public sector enterprise

is concerned, plant management is primarily responsible for settling all disputes with the local CBA union. In industry-wide bargaining mainly corporations and other authorities established by law take active part. The government, being the single largest employer, is also an important party in collective bargaining at the industry or national level. But, normally it does not directly come into the picture. The government, through the Ministry of Labour and Industrial Welfare, also plays a vital role in collective bargaining.

The use of collective bargaining, as a method for an amicable settlement of industrial disputes, has yielded a favourable result. Table 3.1 shows classification and percentage distribution of industrial disputes resulting in work stoppages according to the methods of settlement.
### TABLE 3.1

Classification and Percentage Distribution of Industrial Disputes According to the Method of Settlement in Bangladesh

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<tbody>
<tr>
<td></td>
<td>No. of Disputes</td>
<td>Percentage</td>
<td>No. of Disputes</td>
<td>Percentage</td>
<td>No. of Disputes</td>
</tr>
<tr>
<td>Direct Negotiation</td>
<td>30</td>
<td>51.73</td>
<td>8</td>
<td>25.00</td>
<td>1</td>
</tr>
<tr>
<td>Mediation by Government Conciliation Officer</td>
<td>13</td>
<td>22.41</td>
<td>9</td>
<td>28.12</td>
<td>-</td>
</tr>
<tr>
<td>Unconditional Return to Work</td>
<td>15</td>
<td>25.86</td>
<td>15</td>
<td>46.88</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>100.00</td>
<td>32</td>
<td>100.00</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Department of Labour, Govt. of the People's Republic of Bangladesh, Bangladesh Labour Journal, Dacca, Vol. 1, 2, 3 and 4.
It appears from Table 3.1 that the number of disputes settled through collective bargaining was almost equal to those settled by conciliation. But it may be pointed out here that the method had worked more or less like a post-mortem. Had it been effectively used at the right time, perhaps, there would not have been any work stoppages. But it is true that for effective use of collective bargaining as an institutional process, both the union and the management should be equally interested and tolerant to each other.

Trade unionism is marked by ideological differences. The various trade unions hold conflicting ideologies on such issues as the role of the state in public life, nationalisation, the place of private enterprise, foreign policy, etc. and seek to win over public opinion to their way of thinking on these and other questions. Ideological conflicts among the trade unions are so deeply rooted that there is little possibility of any unity among them. The main forms of unions are enterprise unions, industrial unions and national unions. The line of relationships among the various types of unions is vertical in nature. However, horizontal relationship exists among the enterprise and industrial unions which are directly or indirectly associated with a single national federation. This helps a particular enterprise or industrial union a great deal in achieving its demands by applying the strength of other sister unions as well as the parent federation. Table 3.2 shows the name and number of national federations in Bangladesh.

¹¹For details see chapter V of this study, p.137.
TABLE 3.2
Name and Number of National Federations in Bangladesh

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Federations</th>
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<tbody>
<tr>
<td>1.</td>
<td>Bangladesh Jatiyo Sramik League</td>
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<tr>
<td>2.</td>
<td>Bangladesh Jatiyo Sramik Federation</td>
</tr>
<tr>
<td>3.</td>
<td>Bangladesh Trade Union Kendra</td>
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<tr>
<td>4.</td>
<td>Bangladesh Sramik Federation</td>
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<tr>
<td>5.</td>
<td>Bangladesh Federation of Labour</td>
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<td>6.</td>
<td>Bangla Sramik Federation</td>
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<tr>
<td>7.</td>
<td>Bangladesh Mazdoor Federation</td>
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<tr>
<td>8.</td>
<td>Bangladesh Jatiyotabadi Sramik Dal</td>
</tr>
<tr>
<td>9.</td>
<td>Jatiyo Sramik Parishad</td>
</tr>
<tr>
<td>10.</td>
<td>Jatiyo Sramik Dal</td>
</tr>
<tr>
<td>11.</td>
<td>Sanjukta Sramik Federation</td>
</tr>
<tr>
<td>12.</td>
<td>Bangladesh Sramik Kalyan Federation</td>
</tr>
</tbody>
</table>

Source: Bangladesh Employers' Association, Dacca.

Another distinct feature of trade unions is that they are closely linked with the political parties which share and defend the same ideological beliefs of their respective lines.

It is often said that a strong and stable trade union is an important pre-requisite for effective collective bargaining. But trade unions by and large suffer from a number of drawbacks and difficulties like political unionism, rivalry and multiplicity, outsiders' influence, irregular membership, absence of welfare work, financial weakness, communication gap between workers and leaders, weak and motivated leadership, etc. All these draw-

16(1) S.M.A. Hafiz, "Trade Union Situation in Bangladesh", Paper read at ILO/ARPLA National Seminar on Labour Relations held in Dacca, 7th to 11th April, 1980; (ii) Based on interview with workers, union leaders, managers and high government officials.
backs can be attributed to poor literacy and economic poverty of the workers who form the potential membership of trade unions. However, rank and file workers in the public sector are more organised than in the private sector.

Sharp distinction exists as to the nature of trade unionism in public and private sector enterprises. Though the legal basis for organising union activities is the same in both the sectors, trade-unionism has been more active and tolerant in the public sector. This difference prevails mainly on account of paternalistic and authoritarian attitude of the management towards workers' unionism. Many of the private managements still look upon trade unions as instruments for extortion rather than as institutions through which mutual give and take can lead to peaceful resolution of conflicts. In the public sector, too, such instances are not quite uncommon. By and large, the attitude of the management is not different from that of the pre-liberation industrialists who had also failed to realise the contribution which a genuine trade union could make to productivity and profitability. The conflict between the efforts of the management at profit maximisation and the struggle of workers for better living and working conditions is still ingrained in the country's economic system.

In a country where management has been self-centred and autocratic it is unlikely that it will follow and accept demo-

17Muzaffer Ahmad, op.cit., p. 201.

cratic procedures. Moreover, the employer's attitude towards the unions continues to be that of hostility, intolerance and active opposition. In Bangladesh, this opposition and hostility of the employers and management has taken several forms such as establishment of rival or pocket unions, victimisation of union members, creating situations for division among workers, subsidising agitators, bribing the trade union officials into betraying the workers' trust, creating regional differences among workers in an effort to create division and weaken them. Management/employers' antagonism towards trade unions and their refusal to meet them on a footing of equality militate against collective bargaining and thus prevent it from taking deep roots.

The fault, therefore, obviously does not lie with collective bargaining but with the parties and people who have to implement it. Since collective bargaining is expected to settle differences and resolve conflicts between the contending parties, it can deliver the goods only if the parties have the urge to meet in a mood and temper of mutual understanding and accommodation. However, if the parties merely pay lip service to collective bargaining and regard it as a mere formality, discussions and negotiations will generate more conflict rather than resolve existing differences. Given implicit faith of the parties in the efficacy of this instrument discussions and negotiations are

\[\text{Based on interview with workers, union leaders, managers and high government officials.}\]
likely to become less belligerent and more rational. In that mood and temper, strike and lock-out threats are likely to be used far more sparingly; conciliation and mediation are likely to be pressed into service as necessary adjuncts to resolve differences. The right type of attitude and outlook in the parties towards each other alone can create a setting in which bargaining could have a better chance of functioning.

In Bangladesh the establishment of a fair and free collective bargaining climate is a popular slogan. All actors, especially the trade union leaders and the government, very often talk about the maintenance of a favourable climate for the free and fair exercise of collective bargaining. Though the success of collective bargaining depends largely on the harmonious relationships between managements and unions it is an undeniable fact that the role of the government is very significant in ensuring its overall success. It has often been argued that in a welfare state the government must act as a model employer and should scrupulously implement the precept and policy of participative management and collective bargaining and thereby set an example for employers in the private sector to emulate. The Government of Bangladesh has been repeatedly emphasizing its unswerving allegiance to the goal of collective bargaining and its unflinching faith in the growth of healthy, strong and self-reliant trade unions. Theoretically, "it has remained a cardinal principle of government's labour policy to encourage and promote collective bargaining for resolving issues between labour and management
and for improving the service conditions of workers*.20 But in practice some restrictive laws21 inhibit the free working of trade unions and collective bargaining; there continues to be a yawning gulf between legal provisions on collective bargaining and their implementation, and a wide cleavage among the parties involved in it. This wide gap between theory and practice will be delineated in the subsequent chapters.

To sum up, the climate for collective bargaining in Bangladesh is characterised by an unfavourable political atmosphere, unfair trade union practices, limited scope for collective bargaining in the public sector, weak bargaining machinery and antagonistic attitude among the bargaining parties.

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20Hamiduddin Khan, op.cit., p. 392.
21For details see chapter IV of this study, pp. 125-126.