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Employment and working conditions in Bangladesh's leather industry

Evidence from a survey of tannery workers September 2022



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This paper was created with the financial support of the European Union and various other funders, including the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland) and Mondiaal FNV. Its contents are the sole responsibility of the authors of the Decent Leather consortium and do not necessarily reflect the views of the European Union or the other funders.



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BLF is a non-government, non-profit, non-partisan organisation representing the interests of working people in Bangladesh. For more information, see www.blfbd.com



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Together for Decent Leather

Together for Decent Leather is a three-year programme, carried out by a European-Asian consortium of seven civil society organisations. The goal is to improve working conditions and to reduce labour rights abuses, focusing on production hubs for leather products in South Asia – in particular in the Vellore and Chennai districts in Tamil Nadu, India; in greater Karachi in Pakistan; and in the greater Dhaka region in Bangladesh.

Together for Decent Leather works to secure increased commitment from companies to fulfil their human rights due diligence obligations and governments to put in place safeguards and regulations to improve adherence to international labour standards. For more information, see www.togetherfordecentleather.org

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Executive summary

Bangladesh's leather sector makes up about 3 per cent of the world's market for leather and leather goods. The sector is the country's third largest source of export earnings, after readymade garments and jute and jute products. According to a study by EBL Securities, Bangladesh produces 350 million square feet of leather each year, of which 20 to 25 per cent is used locally while the rest is exported. The *World Footwear Yearbook 2020* lists Bangladesh as the eighth largest producer and 18th largest exporter of footwear, with an annual production volume of more than 400 million pairs of shoes.

The country's export of leather and leather goods was worth \$941.7 million in FY 2021, representing 2.4 per cent of the country's total export earnings (\$38.8 billion). However, Bangladesh's export earnings from the leather industry have been on the decline over the last few years. The industry's export value was worth \$1.2 billion in FY 2017, which declined to \$1.1 billion in FY 2018, \$1 billion in FY 2019, and \$797.6 million in FY 2020. This fall in the export of leather is generally attributed to the declining global demand for crust¹ and processed leather, rising use of artificial leather, poor safety and compliance practices in Bangladesh, and a lack of investment and diversification of products.

Hazaribagh, a small administrative unit (sub-district or *Thana*) within Dhaka city, was home to more than 90 per cent of Bangladesh's tanneries, with an estimated land size of just 70 acres. With the gradual expansion of the city and the unplanned nature of the Hazaribagh tannery estate – which had no effluent treatment plants – environmental and health hazards due to the pollution from the tanneries intensified. As a result, the government of Bangladesh decided to relocate the tanneries from Hazaribagh to a newly developed tannery estate in Savar, a suburb of the Dhaka district. However, the new estate in Savar has yet to achieve environmental compliance. This is in part due to fact that the central effluent treatment plant (CETP) – the centrepiece of the whole relocation endeavour – proved to be unsuitable for the tanneries.

In terms of labour standards and workplace safety, the leather tanning industry in Bangladesh is no exception from the country's other labour-intensive industries, where sweatshop conditions are commonplace. Even after the relocation from Hazaribagh, which promised better living and working conditions for the tannery workers, the industry is still struggling to ensure minimum wages, basic labour rights, and occupational health and safety. The leather tanning industry in Bangladesh is failing to deal with the challenges of weak environmental compliance on the one hand and poor labour standards and occupational safety on the other hand, which is impacting on production.

This study aims to assess the employment and working conditions in Bangladesh's leather industry. It focuses on the demographic and socio-economic characteristics of tannery workers, their rights to association and collective bargaining rights, occupational health and safety, and labour and employment practices at tanneries. The study draws on both quantitative and qualitative data collection instruments to gather detailed information about the tannery workers.

¹ Crust leather is leather that has been tanned but not yet dyed.

The key findings suggest that workers in the new tannery estate in Savar face various challenges, including accommodation and transportation crises, inadequate medical and schooling facilities, and little or no improvement in workers' safety and rights. This is in addition to relocation-induced separation from families. Employment in the tannery industry also remains highly gender-insensitive, as employers are reluctant to hire female workers. Wage growth and employment benefits are minimal in the industry with more than half of the surveyed workers earning less than the legal minimum wage. Workers toil for long hours, sometimes with forced overtime, and are subject to the whims of their employers because of scant union activism, weak workers' representation, and the lack of formal employment arrangements such as written contracts.

In view of the key findings, we suggest the following policy recommendations to help improve working conditions and contribute to a healthy leather industry in Bangladesh.

Recommendations directed towards employers

- Employers must respect the rights of workers. They must provide a safe and healthy workplace. In addition, employers need to train new workers if the job involves working with toxic chemicals or other materials such as machinery that might potentially cause workplace hazards.
- It is important that employers refrain from harassing, intimidating, assaulting, or bullying workers and create a positive working environment. Workers' that [are allowed to] enjoy their fundamental labour rights can genuinely contribute to productivity and positive developments in the leather industry. Employers must not violate workers' rights to association and collective bargaining, and they must also refrain from interfering in union organising.
- Finally, employers should put in place in-factory grievance mechanism and allow workers to make use of external judicial and non-judicial grievance mechanisms. This may include procedures such as arbitration and mediation.

Recommendations directed towards the Bangladesh government

- Employment in the tanneries must be formalised by requiring employers to offer workers a written and signed contract enshrining their duties and responsibilities, as well as compensation and employment benefits. Formalisation of employment is central to eliminating the current sweatshop conditions and ensuring decent pay with improved labour standards in the tannery industry.
- It is imperative that the occupational health and safety inspection by the Department of Inspection for Tanneries and Establishments – an autonomous government agency responsible for ensuring the welfare, health and safety of workers in tanneries – should be regularised, ensuring accountability and transparency in the process. Enforcement of a stricter penalty system for non-compliant tanneries is necessary since the current penalty system, which has no minimum penalty for labour violations, virtually borders on encouragement of further violations.

- Access to public services – especially transportation, medical and schooling facilities, gender-sensitive public toilets, and industrial policing – must be made available near the Savar tannery estate to help improve workers’ wellbeing and increase the sustainability of the industry. In addition, the physical infrastructure within the tannery estate needs to be upgraded with modern facilities in order to attract both local entrepreneurs and global buyers.

Recommendations directed towards trade unions and labour rights organisations

- Workers need to be aware of their rights and need to be able to protest against incidents of labour violations through legitimate collective actions, i.e. union activism. Democratic practices in union organising are critical to the effective functioning of trade unions on the one hand and preventing the politicisation of union activism on the other. Large-scale campaigns and awareness-building programmes may be arranged with the involvement of international labour rights and union organisations to foster union democracy.



Worker is removing unnecessary substances (meat, fat etc.) from skin.

1 Introduction

Bangladesh's leather sector makes up about 3 per cent of the world's market for leather and leather goods.¹ The sector is the country's third largest source of export earnings, after readymade garments and jute and jute products.² According to a study by EBL Securities,³ Bangladesh produces 350 million square feet of leather each year, of which only 20 to 25 per cent is used locally and the rest is exported. The main export destinations for leather are China, Hong Kong, and Italy. The United States, Germany, and the Netherlands are the main export destinations for leather footwear.⁴



Female tannery workers are processing leather.

According to the Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh, the leather sector employs over 850,000 people in about 200 tanneries across the country.⁵ The *World Footwear Yearbook 2020* lists Bangladesh as the eighth largest producer and 18th largest exporter of footwear, with a production volume of 407 million pairs of shoes.⁶ Customers of leather goods and footwear from Bangladesh include renowned global retailers.⁷ The country's export of leather and leather goods was worth \$941.7 million in FY 2021, representing 2.4 per cent of the country's total export earnings (\$38.8 billion).⁸ However, Bangladesh's export earnings from the leather industry have been on the decline over the last few years. The industry's export value was worth \$1.2 billion in FY 2017, which declined to \$1.1 billion in FY 2018, \$1 billion in FY 2019, and \$797.6 million in FY 2020. This fall in the export of leather and leather goods is generally attributed to the declining global demand for crust and processed leather, rising use of artificial leather, poor safety and compliance practices, and a lack of investment and diversification of products.⁹

Hazaribagh, a small administrative unit (sub-district or **Thana**) within Dhaka city, was home to over 90 per cent of tanneries, with an estimated land size of just 70 acres. With the gradual expansion of the city and the unplanned nature of the Hazaribagh tannery estate – which had no effluent treatment plants – environmental and health concerns due to the pollution from the tanneries intensified. As a result, the government of Bangladesh decided to relocate the tanneries from Hazaribagh to a newly developed tannery estate in Savar, a suburb of the Dhaka district.

The new site was to be equipped with the facilities of a central effluent treatment plant (CETP), a central dumping yard, a water treatment plant, a sludge power generation system, and a common chrome recovery unit.

Although the relocation project officially began in 2003, under the jurisdiction of the Bangladesh Small and Cottage Industries Corporation (BSCIC), the corporation was not able to make noticeable progress with the implementation of the project until 2012 due to the unwillingness of the tannery owners to move out of Hazaribagh. Since 2012, the tanneries have slowly begun to relocate to the Savar tannery estate. The government extended the deadline for complete relocation several times during this period with the final deadline set for December 2020.¹⁰ Even after the final deadline passed, there are still dozens of small rawhide processing units operating unlawfully in Hazaribagh.¹¹ At the time of writing, a total of 135 tanneries were in operation in Savar. Despite the grand promises made around the planned relocation project, the tannery estate in Savar has yet to achieve its major relocation objectives, e.g. environmental compliance. This is in part due to the CETP – the centerpiece of the whole relocation endeavour – proving to be unsuitable for the tanning facilities.¹² Without a functional CETP, all the tanneries are polluting the environment simply by operating.

In terms of labour standards and workplace safety, the leather tanning industry in Bangladesh is no exception from the country's other labour-intensive industries, where sweatshop conditions are commonplace. Even after the relocation from Hazaribagh, which promised better lives and improved working conditions for the tannery workers, the industry is still struggling to ensure the minimum wage, basic labour rights, and occupational health and safety for workers. The leather tanning industry in Bangladesh is failing to deal with the challenges of weak environmental compliance on the one hand and poor labour standards and occupational safety on the other hand, which is impacting on production.



Local transport to the tanneries.

2 Objectives

This study aims to assess the employment and working conditions in Bangladesh's leather industry with the aim of helping to improve working conditions for workers in the tannery sector. The study focuses on the demographic and socio-economic characteristics of tannery workers, their associational and collective bargaining rights, occupational health and safety, and labour and employment practices at leather tanning establishments.

More specifically, the study presents data-driven analyses of:

- the characteristics of workers and working conditions in tanneries in Bangladesh;
- problems and challenges associated with the practices of fair labour standards, e.g. minimum wages, collective bargaining rights, and occupational health and safety; and
- the impact of the recent relocation of the tanneries from Hazaribagh to Savar on the lives and wellbeing of workers.



Female worker cooking dinner at her house.

3 Methods

This study used both quantitative and qualitative data collection instruments to gather detailed information about the tannery workers. In terms of the collection of quantitative data, a questionnaire survey through in-person interviews was administered to 120 workers from 26 tanneries at the Savar tannery estate, of which seven were unionised and 19 were non-unionised. Of the 120 worker respondents, 101 were male and 19 were female. A total of 10 enumerators, of which three were male and seven were female, were employed to conduct the questionnaire survey. The questionnaire was designed to collect various information from the tannery workers which can be categorised into five broad themes – (a) demographic characteristics, (b) employment and wages, (c) workplace conditions and occupational health and safety, (d) collective bargaining and rights to association, and (e) the future of tannery work.

To collect qualitative data, the researchers conducted six key informant interviews (KIIs) and two focus group discussions (FGDs). The KIIs were conducted with tannery workers, machine operators, managers, and supervisors while the FGDs were conducted with small groups of tannery workers of both sexes. Although the analysis of findings is mainly based on the data collected through the survey of workers, the researchers used qualitative information to supplement the survey findings where necessary.



Workers carry processed leather to another factory where it will be turned into an end product.

4 International labour standards and Bangladesh labour laws

The International Labour Organization (ILO) – as the only tripartite United Nations (UN) agency with government, employer, and worker representatives – sets out the basic principles and rights at work by drawing up numerous conventions. Eight of these conventions have been qualified as fundamental, meaning that all ILO member states are expected to respect and promote the rights promoted in them, regardless of whether or not they have ratified them. The eight fundamental ILO conventions cover the following topics: freedom of association and the right to collective bargaining; the abolition of forced labour and child labour and; non-discrimination.

Bangladesh has been an active member of the ILO since 22 June 1972, and ratified seven of the eight fundamental ILO conventions, except for the one concerning the minimum age of workers.¹¹ Rooted in the labour laws introduced during British rule in India, Bangladesh's labour laws represented the legacy from the colonial periods until the government of Bangladesh enacted the Bangladesh Labour Act (BLA) 2006 as the nation's first labour laws after its independence in 1971. The BLA was regarded as a piece of modern legislation, as it removed certain ambiguities of earlier labour laws and enshrined the principles of ILO Conventions.¹³ Following its enactment in 2006, the BLA was amended multiple times during subsequent years, with the most recent amendment taking place in 2018, mainly to address various ILO-mandated labour rights issues, including freedom of association, and better occupational health and safety conditions. Despite these developments, there remain various legal barriers to the institutionalisation of workers' rights in Bangladesh, especially those related to freedom of association and collective bargaining. For instance, the International Trade Union Confederation (ITUC) identifies the following major barriers: restrictions on workers' rights to form and join organisations of their own choosing; restrictions on trade union rights to organise their administration; restrictions on the principle of free and voluntary bargaining; and limitation on the right to strike.

As per the BLA, workers are allowed to work for eight hours a day, six days a week, with two hours allowed for overtime work. The overtime pay must equal twice the hourly remuneration of regular work. Thus, the regular working hours can be up to 48 hours per week. On any given week, the total working hours, including overtime hours, should not exceed 60 hours. All workers are entitled to one day off every week. In addition, workers are entitled to 10 days of casual leave, 14 days of sick leave, and 11 days of festival holidays. All of these should be paid. Female workers cannot be forced to work between the hours of 10pm and 6am. As stipulated in the law, wages are fixed by the Minimum Wages Board, which consists of a chairman who is a government official, independent members, representatives of the employers, and representatives of the workers. Employers can make deductions from wages for housing or accommodation supplied by the employer, as well as for subscriptions to, and repayment of, advances from any provident fund to which the Provident Funds Act 1925 (XIX of 1925) applies.

As mandated by the law, all employers are required to provide letters of appointment and an identity card with a photograph to their employees. All establishments with a workforce of more than 100 workers are required to have an adequate number of canteens for use by the workers.

11 According to the BLA, the minimum age for work is 14 years, although the minimum age for hazardous work is 18 years. The ILO minimum age convention, however, sets the general minimum age for work at 15 years and the minimum age for hazardous work at 18 years.

5 Findings from the tannery worker survey

5.1 Demographic and household characteristics of the tannery workers

The demographic characteristics of the surveyed tannery workers suggest that a large portion of the workers are young men with little formal education. As the survey findings show, 66 per cent of the total respondents are 18–35 years old while 20 per cent of the workers are aged between 36 and 45 years (Figure 1). Although none of the surveyed workers were aged below 18 – the minimum age for hazardous work in Bangladesh, as mentioned above – a recent study¹⁴ found “children aged 7 to 17 working 12 to 14 hours, six days a week in almost all processes along the leather supply chain – from animal slaughter and skinning to dyeing, waste disposal, and manufacturing of leather products and by-products such as glue and meat”.

In terms of the gender composition of the workers, 84 per cent were male and 16 per cent were female. One possible reason for the prevalence of male workers in tanneries is the employers’ reluctance to hire female workers. As noted during an FGD with a group of workers, many employers do not want to hire female workers as they believe they are less likely than male workers to be able to endure the long hours of manual labour required in tannery work. Moreover, as the FGD suggests, tannery owners often tend to disapprove of maternity leave, considering that it disrupts production in the tanneries. As a result, the ratio of female to male workers is negligible in the tannery sector compared to other industries such as readymade garments. In terms of educational qualifications, 98 per cent of the surveyed workers reported that they had never been to high school. Only 1 of the 120 workers belonged to the Hindu religion while the rest of the workers were Muslim.

Figure 1 Age of surveyed workers

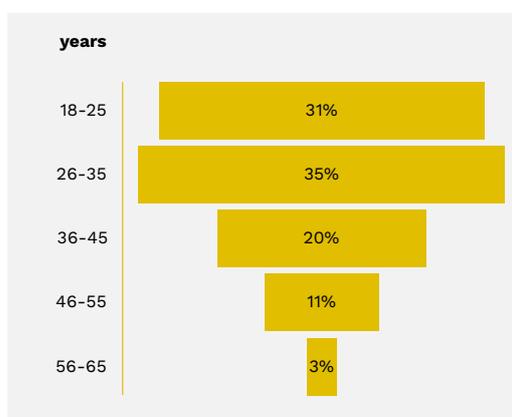
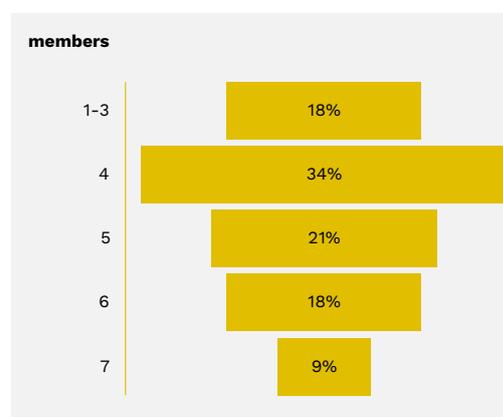


Figure 2 Workers’ household size



Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

The urban labour market in Bangladesh is heavily characterised by internal migration. Workers migrate to cities from different parts of the country in search of jobs since industrialisation is concentrated in urban areas, especially in the capital Dhaka and in the port city of Chattagram.

As mentioned above, the tanneries were previously concentrated in Hazaribagh in Dhaka, and they were crowded by migrant workers. The migration status of workers has remained mostly unchanged, even after the relocation of the tanneries to Savar, which is a sub-district of the Dhaka district and located about 24 kilometers to the northwest of the capital city. Of the interviewed tannery workers, 93 per cent

migrated to Dhaka from different districts.^{III} Among the interviewees, 70 per cent were previously employed in the Hazaribagh tanneries and moved to Savar after the relocation.

A vast majority of the interviewed tannery workers (79 per cent) live in rented houses, while 14 per cent of the workers, of whom all were male, reported that they lived in tannery residences. Only seven per cent of the surveyed workers owned a house. Almost half (46 per cent) of the surveyed workers stated that they shared accommodation with co-workers or other people as they migrated to Savar leaving their family at home. However, no female worker respondents reported such living arrangements. Instead, all of them reported that they lived with their family near the Savar tannery estate. In terms of family size, half of the surveyed workers had a family of four or fewer members while 21 per cent of the workers had a family of five, and 27 per cent of the workers had a family of six or more (Figure 2). About one third (38 per cent) of the workers reported that they were the sole earners in their families. Almost one third (30 per cent) of the workers had female earners in their households. A tiny portion of the workers (6 per cent) reported the existence of child wage earners in the family.



Female worker removes unnecessary substances (meat, fat etc.) from skin.

5.2 Employment and wages

Employment in the tannery industry in Bangladesh is characterised by non-standard work arrangements. As our survey of the Savar tannery workers shows, 111 of the 120 workers were employed on a non-permanent basis, e.g. temporary, piece rate, and daily labour (Figure 3). The tannery owners tend to maintain a small pool of permanent workers and employ non-standard or temporary workers only when there is an excessive workload in the tannery. Such an approach to employment, as argued by a key informant, helps to increase the profitability of the tanneries by reducing human resource costs. In terms of the size of the tannery workforce, half of the surveyed workers work in tanneries with a workforce of 21-50, while

III Barisal, Bogura, Brahmanbaria, Chandpur, Cumilla, Dhaka, Dinajpur, Faridpur, Feni, Gaibandha, Jamalpur, Jinaidaha, Khulna, Kishoreganj, Lakshmipur, Manikganj, Mymensingh, Nilphamari, Noakhali, Patuakhali, Rangpur, Satkhira, Sylhet and Tangail.

30 per cent of the workers work in tanneries that employ 20 or fewer workers, and 14 per cent of the workers work in tanneries that employ 51-100 workers. Only 6 per cent of the interviewed workers reported working in tanneries with a workforce of more than 100 (Figure 4).

Figure 3 Types of workers

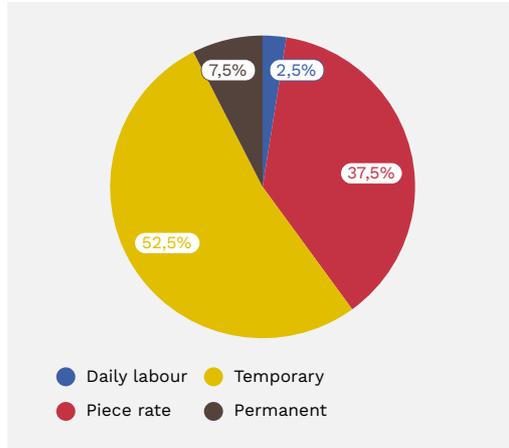


Figure 4 Size of the workforce



Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

In terms of job tenure, 62 per cent of the workers reported that they had been working at the same tanneries for five or fewer years while 18 per cent of the workers had a tenure of six to ten years, and one-fifth of the workers had been working for more than 10 years (Figure 5). It is interesting to note, as stated by one of the key informants, that many workers had been working in the tanneries for even more than 20 years on a non-permanent basis as temporary or day labourers. This picture is also reflected in the distribution of the surveyed workers across the categories of experience in the tannery industry. For instance, when asked about the total experience in the tannery industry, 43 per cent of the workers reported that they had been involved in tannery work for more than 10 years while 25 per cent of workers had experience of six to ten years, and one third of the workers were working in the tannery industry for five or fewer years (Figure 6). Based on the total experience of workers in the tannery industry and their age as reported during the survey, it was found that about one third of the interviewed workers started to work in the tannery industry before they were 18 years old.

Figure 5 Tenure at the same tannery

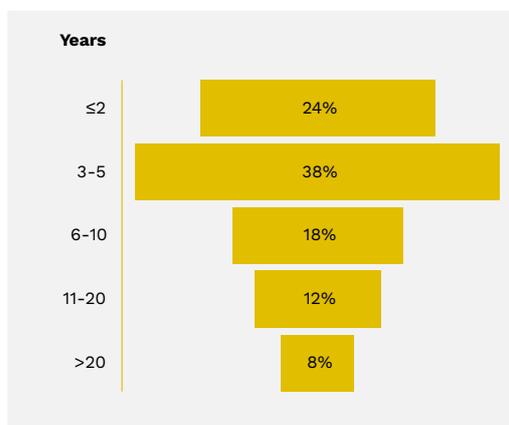
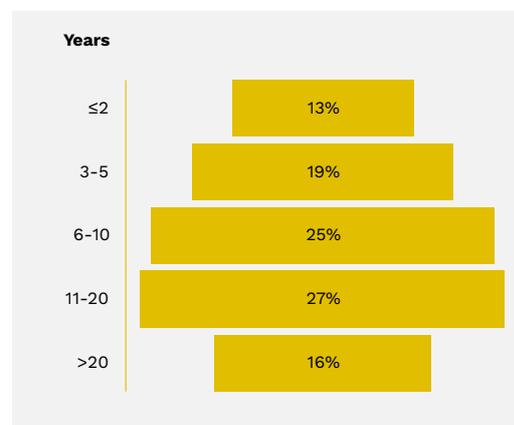


Figure 6 Experience in the tannery industry



Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

A large portion of the tannery workers found employment at a tannery through informal channels, i.e. reference from a relative, neighbour, or friend. As noted during an FGD with a group of tannery workers, when there are vacancies in a tannery, the current workers bring their acquaintances and appoint them to work with permission from the owners or managers. This practice of appointing workers is often encouraged by the tannery owners, as it reduces their hiring costs. Our survey findings suggest that 47 per cent of the tannery workers were hired through such informal channels while the rest of the workers were hired either by the tannery owners or managers (47 per cent), or labour contractors (6 per cent). In terms of the contract of employment, 95 per cent of the surveyed workers were appointed without a signed contract. No workers were provided with an appointment letter, and less than half (40 per cent) of the workers were given an employee identity card. Without contracts or appointment letters, workers have no information about their terms of employment. Moreover, they have no written proof of employment, no pay slips, and no knowledge of any deductions from their wages. Such informalities in the process of worker recruitment partly explain why the employment relationship is so weak in Bangladesh's leather tanning industry.

The vast majority of tannery workers acquire their work skills from previous experience of working at a tannery or through learning by doing at the current workplace, since they receive virtually no formal training. As our survey results demonstrate, 96 per cent of the Savar tannery workers did not receive any training at all. When asked how they acquired work skills without training, 93 per cent of the workers referred to previous experience or on-the-job learning.

The tannery workers generally work throughout the week for long hours. For instance, half of the surveyed workers stated that they worked seven days a week while the other half had a weekly holiday. More than a quarter of the respondents (27 per cent) reported weekly work of more than 80 hours while 23 per cent worked 61-80 hours, and half of the workers worked 60 hours or fewer per week (Figure 8). These statistics suggest that 16 of the 26 tanneries where workers who participated in the survey were based had violated the legal maximum number of working hours per week as specified in the Bangladesh Labour Act. Despite these long weekly



Shocking works by the tannery workers.

hours of work, a large portion of the tannery workers said that they do not earn enough to cover basic daily needs. More than half of the surveyed workers (56 per cent, see Figure 7) received a monthly wage, excluding overtime, of less than Tk. 13,500 (\$158), which is the national minimum wage set by the government for tannery workers (see Appendix A). Two thirds of the workers did not know about the national minimum wage.

Figure 7 Wages of tannery workers

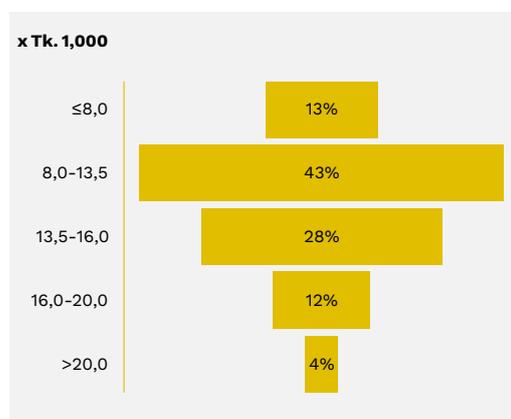


Figure 8 Weekly hours of work



Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

In terms of overtime work and pay, one third of the surveyed workers (41 of 120) reported that they worked an additional 10-26 hours a week at an average overtime pay of Tk. 42 per hour (50 cents). Some workers worked more than 48 hours per week but were not paid for the extra hours. Of the workers who worked overtime, 28 stated that they did so involuntarily.

The average wages of the surveyed female workers for both regular hours and overtime were substantially lower than those of the male workers. The average monthly wages and hourly overtime pay of the female workers came to Tk. 8,600 (\$101) and Tk. 36 (42 cents) respectively compared to Tk. 12,800 (\$150) and Tk. 47 (55 cents) for male workers, representing gender wage and overtime pay differentials of Tk. 4,200 (\$49) and Tk. 7 (8 cents) respectively. Almost all the workers (93 per cent) received their wages in cash, and no workers were provided any documentation of salary payment, e.g. pay slips.

The tannery workers received few employment benefits. Of the 120 surveyed workers, only 22 had provident fund facilities, two had pension funds, and none had insurance. Two thirds of the workers (67 per cent) were allowed less than 20 days of annual leave while nine workers reported that their leave of absence was unpaid. Only a few workers had access to employer-provided canteen facilities (8) and transport (9). Eighty per cent of the workers reported that they received some festival bonuses while 57 per cent of the workers had an annual salary increment of 2-8 per cent. When asked about whether any of their employment benefits were withdrawn over the last four years, 14 of the 120 workers responded positively with nine reporting Covid-19 and four reporting relocation to Savar as the cause.

In terms of the differences in working conditions, employment conditions and wages between unionised and non-unionised tanneries, our survey results revealed some union effects. For instance, none of the non-unionised tanneries had permanent workers. All of the nine permanent workers who participated in the survey were employed in unionised tanneries. This finding implies that non-standard work arrangements were more prevalent in non-unionised tanneries than in unionised ones.

Workers in the non-unionised tanneries worked longer hours than those in the unionised tanneries. The average weekly hours of regular work at the non-unionised tanneries were 72 compared to 51 at the unionised tanneries. All the workers (half of the total surveyed workers) who reported that they worked seven days a week were employed in non-unionised tanneries while all the unionised tannery workers had a weekly holiday.

Table 1 Labour, employment, and wage differentials between unionised and non-unionised workers

Indicators	Unionised Tanneries	Non-Unionised Tanneries
Average weekly hours of regular work	51	72
Average weekly overtime hours	14.2	15.3
Average hourly overtime wages	Tk. 43	Tk. 40.5
Average monthly total wages	Tk. 12,600	Tk. 12,200
Workers with a permanent job	9 of 33	0 of 87
Female workers	12 of 19	7 of 19

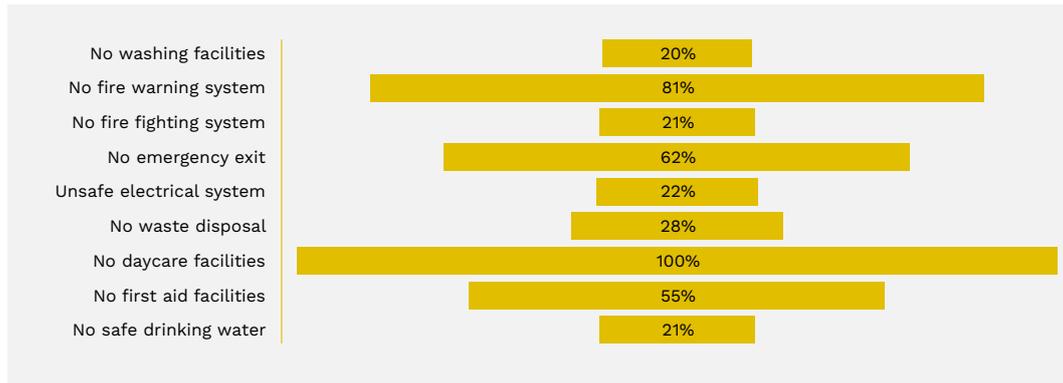
Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

In terms of overtime, unionised tannery workers work, on average, 14.2 hours a week at an hourly pay of Tk. 43 (50 cents), whereas the average weekly overtime hours and pay for the non-unionised tannery workers were 15.3 and Tk. 40.5 (47 cents). The monthly total wages of unionised tannery workers (Tk. 12,600 or \$148) were, on average, Tk. 400 (\$5) more than those of the non-unionised tannery workers (Tk. 12,200 or \$143). Besides offering relatively better wage and employment conditions, unionised tanneries were more likely to employ female workers than non-unionised tanneries: 12 of the 19 female participants of our tannery worker survey were employed at unionised tanneries. Although the sample size for the female workers is too small to make such a claim, given the tiny population of female workers in the leather tanning sector, the current distribution of the samples of female workers between unionised and non-unionised tanneries provides strong support for the hypothesis of a positive relationship between unionisation and female employment in the sector.

5.3 Workplace conditions and occupational health and safety

The working conditions in the Savar tannery estate can often be precarious, with many tanneries lacking sufficient safety systems. As the survey results show, 80 per cent of the workers reported that their tanneries did not have a fire alarm system while 62 per cent of the workers reported the absence of an emergency exit (Figure 9). Two thirds of the surveyed workers did not have any first aid facilities in their workplace, and no workers reported the presence of a daycare facility. However, a significant portion of the workers stated that their workplaces had adequate lighting systems (93 per cent), sufficient ventilation (96 per cent), sources of safe drinking water (79 per cent), washing facilities (80 per cent), and waste disposal systems (72 per cent). When asked about the frequency of tannery inspections by the Department of Inspection for Tanneries and Establishments – a government agency under the Ministry of Labour and Employment responsible for worker safety inspections – 43 per cent of the workers reported that the inspections took place at least once a month while 22 per cent of the workers had never experienced such an inspection.

Figure 9 State of worker health and safety measures



Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

In terms of occupational health, the tannery workers are exposed to considerable risk, as most of them are unaware of how to deal safely with various chemicals used in the leather tanning processes. Our survey shows that 79 per cent of the workers had never received any training in how to use chemicals safely during tanning work while 68 per cent of the workers were uninformed about the possible health effects of chemicals used in tanneries. In terms of direct exposure to chemicals, 39 per cent of the workers responded positively. Only 25 per cent of the surveyed workers had access to protective gear such as gloves, aprons, boots, masks, etc. Prevalent health problems suffered by the surveyed workers included skin diseases (28 per cent), shortness of breath (13 per cent), stomach ailments (32 per cent), and headaches (63 per cent). In the event of illness or accident at the workplace, a quarter of the workers reported no treatment support from the employers while half of the workers reported partial support. However, almost half of the surveyed workers (48 per cent) stated that their sick leave was unpaid.

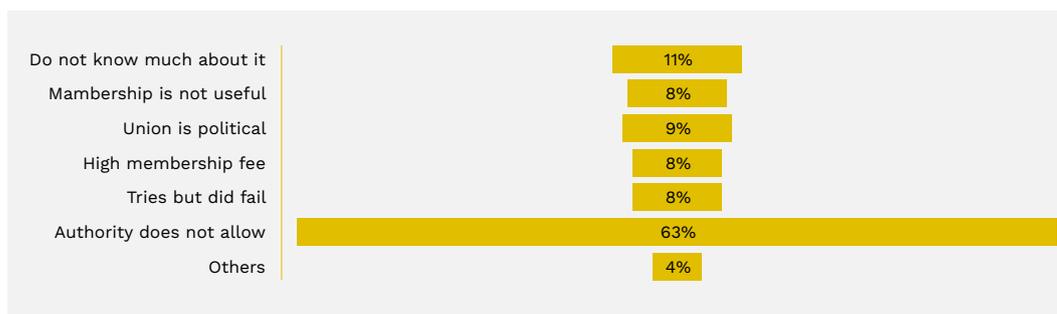


Dumping yard for waste dumping.

5.4 Collective bargaining and rights to association

The right to collective bargaining is central to the promotion of workers' wellbeing. This is particularly true for Bangladesh where labour violations are commonplace, especially in labour-intensive industries. Despite the rampant violation of workers' rights across different industries, union organising has remained weak in the country, resulting in poor worker representation. The tannery industry is no exception. As our survey results indicate, only 27 per cent of the workers had a membership in the Tannery Workers' Union (TWU) – the trade union of tannery workers in Bangladesh.

Figure 10 Causes of low trade union membership (multiple answers possible)



Source: RAPID-BLF Survey of Savar Tannery Workers (2022)

The primary reason for the low rate of union membership, as identified by the surveyed workers, was the restrictions imposed by their employer on workers' participation in a trade union (Figure 10). Almost two thirds (63 per cent) of the surveyed workers mentioned this reason for their non-participation in a union. Other reasons for low union membership included lack of knowledge about union activism (11 per cent), the politicisation of union activism (9 per cent), high membership fees (8 per cent), and failure to obtain a membership (8 per cent). When asked about the types of support that members received from the trade union, the surveyed union members mostly identified wage-related support (78 per cent) and awareness building about workers' rights (72 per cent).

A large portion of the surveyed workers did not intend to become a trade union member mainly because of their employers' disapproval of union activism. For instance, as our survey findings suggest, 57 per cent of the workers were not interested in obtaining trade union membership. In the absence of strong union activism in the tannery industry, workers have limited alternatives for dispute resolution mechanisms other than compromising with the management. As a result, workers remain indifferent to lodging any complaints about the violations of labour rights at their workplace. For instance, our survey results show that 82 per cent of the workers had never filed a workplace complaint. Workers mostly reached out to their supervisor (61 per cent) or the management (38 per cent) when they had a workplace issue. Only a few workers mentioned workers' committee (11 per cent) and trade union (18 per cent) as their sources of support during a complaint.

5.5 The future of tannery work

With low labour standards and poor occupational health and safety, the tannery industry in Bangladesh is losing its competitiveness in a global market where buyers are increasingly valuing working conditions in their supply chains. In addition to raising wages and reducing work hours – the two most cited recommendations from the workers – certain aspects of working conditions at the Savar tannery estate must be improved in order to increase the sustainability of the sector. Among the working conditions that need immediate improvement, in the opinion of workers,

were: weekly holidays and annual paid sick and maternity leave; supply of protective gear; canteen facilities; medical support; and transport.

Although no workers reported an incident of caste- or religion-based discrimination at their workplaces, a small portion of the workers referred to employers' ill treatment of workers, which often included physical abuse, and recommended that management's attitude towards workers should be improved.

Given the current labour standards and working conditions in the Savar tannery estate, half of the surveyed workers (53 per cent) were dissatisfied with their jobs. However, most of them (73 per cent) did not plan to switch jobs since they lacked the skills required to secure a better-paid job in a different industry. For instance, 60 per cent of the surveyed workers believed that they would not be able to find a better job with their experience of tannery work.



Female worker plays with her child at home.

6 Effects of relocation on tannery workers

Following the relocation of the tannery estate from Hazaribagh to Savar, thousands of tannery workers experienced accommodation crises and a living costs. More than two thirds (70 per cent) of the surveyed workers in Savar tannery estate were previously employed in Hazaribagh. As noted by the workers during FGDs, the living cost near the Savar tannery estate was higher than that in Hazaribagh. Moreover, the transportation costs were also higher in Savar. As a result, workers' monthly expenditure had increased, causing many of them to be no longer able to afford the educational expenses of their children.

Although 60 per cent of the surveyed workers believed that the working conditions in Savar in terms of occupational health and safety as well as tannery infrastructure was better than that in Hazaribagh, there was little benefit for the workers. For instance, when asked about whether the relocation of the tannery estate to Savar had any positive impact on workers' lives, 82 per cent responded negatively. Among the other problems facing the tannery workers following the relocation to Savar, as FGDs with the workers suggest, were the lack of nearby medical and schooling facilities, living away from family, increase of contractual workers, no canteen inside the estate (which forces them to buy food from outside at high costs), and the lack of separate toilet facilities for female workers. In addition, safety committees and anti-sexual harassment committees were completely absent in the tanneries.



Tannery workers transporting leather.

7 Summary and policy recommendations

Characterised by weak labour standards and poor occupational health and safety, the leather tanning industry in the country has not been able realise the promises of high growth that its relocation from Hazaribagh to Savar pledged. Instead, as our survey of the tannery workers suggests, workers in the new tannery estate in Savar have suffered from crises in accommodation and transportation, inadequate medical and schooling facilities, and little or no improvement in worker safety and rights in addition to relocation-induced separation from families. In addition, employment in the tannery industry remains highly gender-insensitive due to employers' reluctance to hire female workers. Wage growth and employment benefits are minimal in the industry, with more than half of the surveyed workers earning less than the national minimum wage. Workers toil for long hours, sometimes with forced overtime, and are subject to the whims of employers because of scant union activism, weak workers' voices and representation, and lack of formal employment contracts.

In view of the key findings from our assessment of employment and working conditions in the tannery sector, we suggest the following policy recommendations to help improve working conditions and rights and contribute to a healthy leather industry in Bangladesh.

Recommendations directed towards employers

- Employers must respect the rights of workers. They must provide a safe and healthy workplace. In addition, employers need to train new workers if the job involves working with toxic chemicals or other materials such as machinery that might potentially cause workplace hazards.
- It is important that employers refrain from harassing, intimidating, assaulting, or bullying workers and create a positive working environment. Workers that (are allowed to) enjoy their fundamental labour rights can genuinely contribute to productivity and positive developments in the leather industry. Employers must not violate workers' rights to association and collective bargaining, and they must also refrain from interfering in union organising.
- Finally, employers should put in place in-factory grievance mechanism and allow workers to make use of external judicial and non-judicial grievance mechanisms. This may include procedures such as arbitration and mediation.

Recommendations directed towards the Bangladesh government

- Employment in the tanneries must be formalised by requiring employers to offer workers a written and signed contract enshrining their duties and responsibilities, as well as compensation and employment benefits. Formalisation of employment is central to eliminating the current sweatshop conditions and ensuring decent pay with improved labour standards in the tannery industry.
- It is imperative that the occupational health and safety inspection by the Department of Inspection for Tanneries and Establishments – an autonomous government agency responsible for ensuring the welfare, health, and safety of workers in tanneries and industries – should be regularised, ensuring accountability and transparency in the process. Enforcement of a stricter penalty system for non-compliant tanneries is necessary since the current penalty system, which has no minimum penalty for labour violations, virtually borders on encouragement of further violations.

- Access to public services – especially transportation, medical and schooling facilities, gender-sensitive public toilets, and industrial policing – must be made available near the Savar tannery estate to help improve workers’ wellbeing and increase the sustainability of the industry. In addition, the physical infrastructure within the tannery estate needs to be upgraded with modern facilities in order to attract both local entrepreneurs and global buyers.

Recommendations directed towards trade unions and labour rights organisations

- Workers need to be aware of their rights and need to be able to protest against incidents of labour violations through legitimate collective actions, i.e. union activism. Democratic practices in union organising are critical to the effective functioning of trade unions on the one hand and preventing the politicisation of union activism on the other. Large-scale campaigns and awareness-building programmes may be arranged with the involvement of international labour rights and union organisations to foster union democracy.



Female tannery worker stands in her workplace.

Appendix A.

The National Minimum Wage for the Tannery Workers

The Minimum Wage Board under the Ministry of Labour and Employment circulated the Gazette setting the minimum wage for the workers of tanneries at divisional and subdivisinal levels. The minimum wage ranges from Tk. 13,500 (\$ 158) to Tk. 25,400 (\$ 298) for workers of tanneries located at the divisional level and from Tk. 12,800 (\$ 150) to Tk. 24,000 (\$ 282) for workers of tanneries located at the subdivisinal level.

Table 2 Monthly minimum wage for the Savar tannery workers at different grades

	Basic	House rent	Medical allowance	Transport allowance	Gross
Grade-1	14,000	9,800	1,000	600	25,400
Grade-2	11,500	8,050	1,000	600	21,150
Grade-3	9,600	6,720	1,000	600	17,920
Grade-4	8,300	5,810	1,000	600	15,710
Grade-5	7,000	4,900	1,000	600	13,500

The wage structure includes four components: (i) basic, (ii) house rent, (iii) medical allowance, and (iv) transport allowance. The house rent is about 70 per cent of the basic wage. The medical and transport allowances are Tk. 1,000 (\$ 11) and Tk. 600 (\$ 7) respectively for all grades. Grade-5 includes the workers who are unskilled, and start as apprentices.

Source: The Minimum Wage Board, Ministry of Labour and Employment

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