



# POLICY BRIEF 11

## Internal Migrant Workers and the Construction Sector in Bangladesh: Tackling informality and exploitative labour practices

### Summary

*According to new research conducted by the Migrating out of Poverty Research Programme Consortium, internal migrant construction workers in Bangladesh face unduly harsh conditions of work. This brief identifies a number of problems that all construction workers face, but they are particularly pertinent to migrants because the latter are so numerous and have so few other options. Migration continues despite these problems and helps to alleviate poverty among the workers' families, so this brief argues that the appropriate policy response is not to reduce migration but to improve living and working conditions for migrants at destination.*



Panel at the Stakeholders' Consultation on 'Migrant Construction Workers in Bangladesh: Policy Gaps and Challenges' organised by RMMRU. From left are researcher C R Abrar, Israfil Alam MP, Chair, Parliamentary Standing Committee on Labour, Engineer F R Khan, member REHAB, Dr. Mahfuzur Rahman, ex-Secretary Labour and Prof. ATM Nurul Amin, North South University.

## INTRODUCTION

After agricultural workers, construction workers constitute the second most important flow of internal migrants in Bangladesh. The sector is considered an important driving force of development in the country. It contributed 8.3 per cent and 9.3 per cent to the GDP in FY2009-2010 and FY2011-2012, respectively. Its 6.5 per cent growth rate in 2010 is projected to increase to 8.6 per cent in 2015, according to the Bangladesh Bureau of Statistics. The 2010 growth rate is higher than that of agriculture sector (5.3 per cent) and very close to other two major sectors: manufacturing (6.5 per cent) and service (6.5 per cent). The 6th Five Year Plan for Bangladesh projects that in 2015 the total number of people employed in construction will be around 2.9 million. The Report on Monitoring of Employment Survey (2009) by the Bangladesh Bureau of Statistics shows that this sector employs 3.9 per cent of the labour force (above 15 years old) and the Labour Force Survey (2010) finds this figure to be 4.8 per cent of the workforce.

This brief is mainly based on a survey conducted in 2012, as part of a three-country study on migrant construction workers carried out in Bangladesh, India and Nepal. The research project in Bangladesh included 150 migrant construction workers in Dhaka city and 160 migrant and non-migrant households in two districts of origin of construction workers – one in north Bengal and the other in the south. Two villages in each of the source districts were covered. Of the 150 construction workers, 30 worked for big companies, 51 for medium-sized companies and 69 for private contractors or small companies. In order to gain in-depth insights about impact of migration in origin communities, comparison with migrants and their families.

40 persons with similar characteristics but not participating in migration were also interviewed in those areas for purposes of comparison with migrants and their families.

## RECRUITMENT PRACTICES

Along with social networks, tiers of intermediaries are involved in the recruitment of migrant construction workers. Even large developers and construction companies do little direct recruitment. Fifty-eight per cent of the respondents reported that they were employed via these intermediaries, known as ‘sardars’ (who function as sub-contractors). Indirect recruitment has important ramifications for wages, workers’ entitlements, working conditions, and redress mechanisms available to migrant workers, because it allows construction companies to evade responsibility for such workers. Rather their terms and conditions are determined by the sardars, who are often small, informal operators with little commitment to legal niceties. This contributes to the poor conditions faced by migrant construction workers.

Around 69 per cent of workers surveyed have casual (non-regular) employment with no written contract – meaning that their access to paid work is variable. Among the remainder, 24 per cent have regular employment with no written contract, and 7 per cent have some form of contract. In most cases, the developers pay sardars based on progress of work and are not concerned about the rate at which contractors pay the workers. Workers are often paid khorak (subsistence allowances) rather than proper wages. The promise that the shortfall will be paid at the end of the contract helps the sardars to retain control over workers. However, the promise to settle the shortfall is often broken, and because they are not



no recourse to compensation from the main developer. Moreover, workers' ability to earn income is also limited by the physical toll of labour in the construction sector and by weather-related disruptions to work. One worker commented:

As construction work requires vigorous labour, it is impossible for us to work for the whole month. Despite the need for money, we cannot work. The body does not permit us. If we remain absent for a long period because of illness or any other reason, we cannot come back to the same job. Sometimes our work remains suspended for inclement weather and we do not get paid for those days. (Arzu Munshi, 47)

Workers report that they often remain out of work for 2-3 months a year, and in some cases up to 4-5 months. When they are working, they log around 15-25 days a month.

## MAJOR PROBLEMS ENCOUNTERED

**Wages and Work Conditions:** The workers interviewed identified low wages, irregular payment, long working hours and strenuous work conditions as their major problems. Discrimination against female workers is also rampant in the construction sector. Ninety per cent of women workers interviewed reported that they were paid less than their male counterparts for the same type and amount of work. No separate toilet facilities were provided to them at the worksites, and contractors were unwilling to arrange their accommodation.

**Leave, Healthcare and Other Entitlements:** Despite being recognised as a formal sector, the workers in the construction sector generally do not enjoy paid leave for any reason. No work no pay' is the golden rule followed in the sector and hence the workers have little option but to accept contractors' demands. Trade union sources claim that the average working lifespan of construction workers is shorter than for workers in other sectors. The strenuous nature of work, poor food intake and unhealthy living conditions take a toll on workers' health. Unsafe work conditions,

unhygienic living conditions and poor sanitation result in workers suffering a range of health problems that include fever, allergy, back-pain, cough and eyestrain. As neither employers nor contractors are willing to bear the cost of treatment, workers have little option but to cover these costs when they fall ill. The lack of provision of sick leave also results in the loss of income for the days they are sick. The absence of access to healthcare compels the workers to resort to self-medication. To this end, 80 per cent of the respondents stated that secured medicines from nearby pharmacies.

**Awareness Levels and Grievance Redress Mechanisms:** Widespread unfair and exploitative practices in the sector have been further compounded by the lack of awareness of labour rights among workers. The study noted that 95 per cent of workers had no knowledge of national labour laws. When any dispute arose at construction sites, workers took up the matter individually with employers or contractors. Almost all respondents stated that there was no trade union or labour organization functioning at their workplaces and therefore they did not have access to collective bargaining. Only 3 per cent stated that they were members of an association of workers, and even in these cases employers did not recognize such associations. For many workers, collective bargaining meant the mechanism to register a complaint with the employer as a group. Around 73 per cent of workers favoured forming a trade union, while 9 per cent were against it. The rest were not sure whether forming unions would help their cause or not. Sixty-four per cent of respondents cited that they approached the contractor when they had a grievance and 22 per cent of workers approached their employers. In 2 per cent of cases were labour officers approached.

**Inspection:** Proper and regular inspection is an important mechanism for improving working conditions, including safety of workers.



Despite having provisions for inspection in the national labour law, its application in the construction sector has been limited, according to the findings of the study. Only 7 per cent of workers reported that they were aware that some form of inspection had taken place at their worksite. However, they were typically unsure who the inspecting authority was. Follow up discussion on the issue revealed that there was very rudimentary understanding about what worksite inspection entailed. As one contractor noted, “I have been working for about 40 years in this sector and worked at numerous construction sites in my life. But I have never found any one those sites being inspected.”

**Occupational safety:** The study noted that frequent accidents occur at construction sites due to a lack of safety equipment and proper safety training and practices. In the best instances, workers were given some general understanding of the risks involved but no detailed training. As reported by the Bangladesh Occupation Safety Health and Environment Foundation (OSHE), electrocution and falling from heights were the two most common accidents, causing around 60 per cent of the deaths in the construction sector, with a total 66 construction workers dying because of electrocution and 63 others from falling between 2007-2008.

According to the findings of our study, workers are not provided with any protective gear like dust masks, helmets, safety belts and special shoes unless they are engaged in high-rise construction projects with reputed companies. Other dangers include exposure to harmful chemicals and hazardous conditions, noisy work environments, dust, poor lighting, and carrying heavy loads. An overwhelming 80 per cent of the respondents reported that they had never seen safety signs at their work places.

## CONSTRUCTION WORKERS AND BANGLADESH LABOUR LAW

The Bangladesh Labour Law (2006) is the main instrument for the protection of workers. The law states that every employer is obliged to provide compensation to workers in the case of injury, disability or death, due to workplace accidents. The law states that the family of a deceased worker resulting from a workplace accident will receive taka 100,000 as compensation, and will receive taka 125,000 for a permanently disabled worker. Unfortunately, according to the findings of the study, workers and their family members rarely get such compensation. In a few cases where compensation was secured the amount was not equal to the amount required by law. Other important entitlements that workers are



deprived of are social security benefits, such as pension funds, insurance and maternity benefits.

## MIGRATION AND POVERTY REDUCTION

Despite the difficult working conditions in the construction sector, and the fact that 71 per cent of migrants reported that their housing conditions were worse at destination, an overwhelming 80 per cent of workers nevertheless said their present location was better than their native village in terms of securing employment. Moreover, 88 per cent reported that they were able to save and remit money to their families back home. More than 40 per cent of migrants remitted between taka 10,000 and taka 50,000 a year, while about a third of migrants surveyed were able to remit more than taka 50,000 per year. Significantly, this latter group was mainly employed by big firms more likely to comply with labour laws – illustrating the importance of this for migration’s potential impact on poverty reduction.

A generally positive picture of migration’s impact on poverty reduction was also revealed in the study’s survey of origin communities. Migrant households had higher overall levels of expenditure than non-migrant households

(taka 9,816 compared to taka 8,243), and also had higher spending levels in important sub-categories such as food and children’s education. While levels of indebtedness were extremely high for all households in the sending communities surveyed, these were significantly lower among migrant households (73 per cent reported indebtedness compared to 91 per cent of non-migrant households), and servicing such debts was revealed to be one of the primary motivations for undertaking migration. Remittances were also the primary funds for purchasing farming equipment among more than half (53 per cent) of migrant households surveyed. These findings help to illustrate why so many migrant workers pursue employment in the difficult and dangerous conditions prevalent in the Bangladeshi construction sector

## POLICY RECOMMENDATIONS

The construction sector workers in Bangladesh are mired in a plethora of problems and exploitative practices. Their vulnerability is aggravated by the absence of effective legal and institutional support and collective bargaining arrangements.

1. Efforts must be directed to formalise and institutionalize labour recruitment processes through issuance of identity cards and letters of appointment and through making the sub-contractors accountable.



Israfaail Alam, MP, Chair, Parliamentary Standing Committee on Labour speaking at the RMMRU Stakeholders’ Consultation



2. Implementation of the existing labour law should be ensured. The capacity of Directorate of Inspector of Factories and Establishments should be enhanced through committing additional human and financial resources to it. Exemplary punishment should be ensured against violators of labour laws and rules.

3. In addition, the government in collaboration with trade unions and civil society institutions should launch awareness campaigns for construction workers, including migrants.

4. As an overwhelming section of the construction workers gets work through social networks, potential migrants are to be encouraged to scrutinize the personal profile of the recruiters at origin i.e. sub-contractors, before accepting the offer to migrate. The local government offices and grassroots level NGOs may include this issue in their public awareness programmes.

## FURTHER RESOURCES

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Comments on this Policy Brief are welcome.

Those may be sent to:

Refugee and Migratory Movements Research Unit  
Sattar Bhaban (4<sup>th</sup> Floor), 179, Shahid Nazrul Islam  
Shoroni, Dhaka-1000, Bangladesh

Tel: 880-2-9360338

Email: [info@rmmru.org](mailto:info@rmmru.org) Fax: 880-2-8362441

Web: [www.rmmru.org](http://www.rmmru.org)

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