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Legal Aspects of Contractual and Casual Employment in Bangladesh

In recent years, Bangladesh's labor market has undergone a notable transformation, with a steady move away from permanent employment toward contractual and casual work.

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Introduction

- Background

In recent years, Bangladesh's labor market has undergone a notable transformation, with a steady move away from permanent employment toward contractual and casual work. This trend is largely driven by globalization, the demand for cost-efficient hiring practices, and the need for greater flexibility in an increasingly competitive economy. While such arrangements allow businesses to respond quickly to changing market conditions, they also come at a cost to workers, who face declining job security, irregular income, and limited access to benefits or protections. This shift is reshaping not only individual livelihoods but also the broader nature of work in Bangladesh, raising critical questions about workers' rights, economic stability, and the future of decent employment opportunities.

1.2 Objectives of the Study

To examine existing legal provisions governing contractual and casual employment in Bangladesh.

To identify key challenges these workers, face, including gaps in enforcement and protections.

To propose recommendations and reforms aimed at enhancing fairness, job security, and adherence to legal standards.

1.3 Definition of Employment Types

Casual employment: Work done on an irregular, often daily or hourly, basis—no fixed hours or continuity.

Contractual employment: Jobs governed by a specific written or verbal contract for a defined period or project scope.

Temporary employment: Paid work with a defined term; it may cover seasonal or project-based assignments with a clear end date.

Permanent employment: Ongoing, indefinite employment, typically full-time, with full statutory benefits and duties.

1.4 Characteristics and Duration of Work

Time-bound nature: Casual and temporary roles are inherently short-term, ending when the work or season concludes.

Irregularity: Working hours, job security, and income can vary drastically, making it hard for workers to plan financially or socially.

Absence of continuity: These jobs usually don't guarantee future work or seamless transition between assignments.

1.5 Common Sectors and Examples

Contractual and casual employment is especially prevalent in:

Ready-made garment (RMG) sector, where sub-contracting and flexible contracts dominate, with vast numbers of predominantly female workers employed intermittently.

Construction: Project-based labor; workers are often hired for specific tasks or building phases.

NGOs and development projects: Employment is often tied to grant cycles and project durations.

Informal markets, such as day-laborers (e.g., "Minti" in Dhaka's Karwan Bazar), who are paid daily and lack formal contracts

Legal Provisions in Bangladesh

2.1 Overview of Labour Law

The Bangladesh Labour Act of 2006 was enacted to consolidate and replace around 25 prior laws, establishing a unified legal framework that addresses wages, working conditions, industrial relations, trade unions, health and safety, and workers' welfare.

Several chapters of the Act, notably those covering working hours, leave, wages, safety, union rights, courts, provident funds, and apprenticeships, highlight its wide-ranging scope. Building on the Act's authority, the Bangladesh Labour Rules, 2015 were issued under Section 351 to clarify procedural elements, define key terms like “outsourcing company” and “supervising officer,” and set forms for filing labour complaints and appeals.

2.2 Rights and Protections for Contractual and Casual Workers

Under the Labour Act, the term “worker” includes anyone whether employed directly or through a contractor, verbally or in writing engaged in manual or clerical work, excluding managers or administrative staff. Key protections guaranteed for workers include:

Wages and working hours: Clearly defined hours, overtime limits, and pay timing rules.

Leave entitlements: Annual, casual, and sick leaves are legally mandated (e.g., casual leave of 10 days per year, sick leave of 14 days, annual leave under Section 117).

Maternity benefits, safety, and health: Covered under specific chapters of the Act and implemented via the Rules.

Grievance redressal: Workers can seek justice at Labour Courts, then the Labour Appellate Tribunal, and if needed, the High Court.

2.3 Legal Limitations and Gaps

Despite these provisions, significant gaps remain:

Dominance of informality: Over 85% of workers operate in the informal sector such as domestic workers, home-based workers, plantation laborers, and day laborers who fall largely outside the purview of formal regulations.

Weak enforcement: Labour inspection mechanisms are under-resourced. As a result, even in formal sectors like garment factories, violations persist due to a lack of credible oversight.

Legal exclusions and ambiguity: The Act's definition of "worker" leaves out many informal producers (like domestic helpers), and complex definitions hinder union formation, especially in EPZs.

Unsafe working conditions: Workers commonly face long hours and risky environments, particularly in the RMG sector, despite existing laws.

Calls for reform: Advocacy groups such as Oxfam and civil society organizations urge the government to ratify more ILO conventions (e.g., C188, C189, C190) to expand protection to informal workers.

Employment Contracts and Key Clauses

3.1 Why Written Contracts?

In Bangladesh, it is all too common for short-term or casual jobs to begin with nothing more than a handshake or a verbal promise. Putting those promises into a clear, written contract changes everything: it spells out who does what, ensures everyone gets what they're owed, and gives both employer and employee a solid reference point if disagreements ever rise up.

Key advantages of a written agreement include:

Legal Certainty It verifies that a work relationship exists and defines its exact terms, minimizing the capacity for later conflict. The adoption of written work agreements fosters a sense of certainty and assurance among both employers and employees concerning their rights and duties. A composed contract is a transparent record that safeguards both parties by marking the precise terms of the agreement, consequently lowering the probability of misconceptions. This transparency develops legal certainty, which helps with dispute resolution and guarantees that all parties remain in agreement from the start.

Evidence of Entitlements It records wage rates, leave entitlements and termination treatments, guaranteeing employees can assert lawful claims.

Risk Mitigation Companies gain protection against unproven accusations of misclassification or wrongful dismissal. It is vital to have written employment contracts to mitigate threats by explicitly specifying the responsibilities and expectations of both employers and staff members. This transparency mitigates the probability of misconceptions that may lead to pricey legal actions, regulatory fines, or disputes. The efficacy of risk mitigation is contingent upon the meticulous drafting of agreements to attend to potential concerns and integrate safeguards that secure both parties from unpredicted obstacles, therefore guaranteeing operational stability and compliance.

Assistance of Enforcement Courts and tribunals deal with composed contract terms as primary evidence, improving dispute resolution. A composed agreement strengthens the enforcement of labor rights by offering clear, documented evidence of the arrangements that were mutually concurred upon between the employer and employee. The enforcement of the contract is contingent upon the determination and capability of both parties to adhere to it.

3.2 Common Pitfalls and Unconscionable Terms

Even well-intentioned agreements can consist of troublesome language that weakens statutory securities. Practitioners and companies ought to identify and prevent these pitfalls to ensure fairness.

Overbroad Duties Clauses General language, such as "perform any tasks as directed", can permit unassociated work projects and mask unreasonable termination. A frequent hazard is the addition of responsibili-

ties that are excessively broad and lack a clear definition, which forces workers to complete tasks that are beyond the scope of their responsibilities. These stipulations can result in conflicts over task expectations, increase the danger of exploitation, and create confusion. To avoid unneeded problems for staff members and maintain responsibility, companies need to clearly specify functions.

Unbalanced Termination RightsClauses allowing termination "at will" without cause breach principles of procedural fairness and may be unenforceable. Significant legal and ethical threats are produced by contracts that approve employers' disproportionate termination rights, such as the capability to terminate employees without cause or notice while limiting their ability to resign. This variation has the potential to lead to allegations of noncompliance with labor securities and inequitable treatment. In order to keep workplace justice and decrease litigation risk, it is crucial to carry out equitable and mutual termination stipulations.

Silent on Statutory BenefitsFailure to record overtime, leave or maternity entitlements produces room for non-compliance and disagreements. The absence of specific statutory advantages, such as provident funds, paid leave, or overtime compensation, in contracts creates the potential for noncompliance and disagreements. Silence regarding these privileges might be perceived as a sign of neglect or waiver, which could lead to charges for employers and deteriorate staff member confidence. In order to ensure legal certainty and preserve the spirits of the workforce, it is crucial that the agreement clearly articulates the statutory benefits.

Attempted Waivers of RightsAny effort to contract out of minimum statutory securities, such as overtime or maternity leave, is void. The tried waiver of fundamental labor rights by staff members is one of the most troublesome risks in work agreements. Companies might include provisions that demand employees to relinquish their statutory rights or authorization to conditions that restrict their legal remedies.

Monolingual ContractsEnglish-only arrangements run the risk of misunderstanding among employees; multilingual contracts foster authentic approval and clarity. Considerable legal and ethical dangers are generated by agreements that grant companies disproportionate termination rights, such as the ability to terminate employees without cause or notification, while restricting their capability to resign. Agreements that are specifically written in a single language, particularly when English is not the worker's primary language, present substantial dangers. Companies need to either make sure that contracts are offered in a language that is understandable to the staff member or that a comprehensive description and consent are acquired in order to guarantee openness and enforceability.

3.3 Essential Contractual Clauses

A complete agreement ought to include the following core arrangements to satisfy legal requirements and commercial vigilance. Including these stipulations helps to avoid ambiguities that can hinder the employment relationship and expose both parties to risk.

Designation and DutiesThe employee's title consists of a short, clear description of duties. This prevents arbitrary reassignment of responsibilities and guarantees accountability. The work contract should explicitly define the employee's job title and offer a comprehensive explanation of their duties and tasks. This

clearness guarantees that employer expectations and employee performance are in accordance, thereby lessening scope creep and role confusion. Efficiency examinations and legal compliance are also assisted by distinct obligations, which establish the agreed-upon scope of work.

Term of Engagement Clearly state the start and end dates for fixed-term roles. Without specified terms, prolonged casual engagement might be interpreted as long-term hire, activating extra commitments. This clause specifies whether the employment is for a set term, probationary duration, or indefinite duration. It develops explicit guidelines for the automated termination, extension, or renewal of the agreement, thereby helping with the preparation of both parties' commitments. The term is explicitly specified to reduce disputes concerning work status and guarantee adherence to statutory regulations concerning agreement limits and renewals.

Reimbursement Detail the fundamental salary, any allowances, the method and schedule of payment. Consists of an arrangement for legal deductions and defines overtime rates where suitable. Companies must establish the process and scope for reimbursing expenditures that employees incur while performing occupational tasks, such as travel, accommodation, or materials. This safeguards staff members from monetary loss and establishes a transparent structure for cost claims, thus preventing misconceptions or payment delays.

Working Hours and Leave Define regular working hours and overtime eligibility. Document leave entitlements, consisting of casual, sick, yearly and maternity leave, to avoid conflicts over entitlement estimations. The contract must specify the basic working hours, which need to include the start and end times, breaks, and provisions for overtime work. It needs to likewise reference the appropriate labor laws. In addition, it is important to plainly record leave entitlements, including annual leave, medical leave, public holidays, and maternity/paternity leave, in order to guarantee statutory compliance and improve staff member well-being.

Termination and Notice Mention legitimate premises for termination and set out notice periods or payment in lieu. Clear treatments promote fairness and openness in ending the work relationship. This section specifies the circumstances under which either party might terminate the employment contract, such as the notification duration, the grounds for instant termination, and severance pay, if relevant. It also attends to the disposition of accrued leave upon termination in order to avoid uncertainty. Companies are secured from sheer resignations by termination stipulations that are appropriately structured, while employee rights are preserved.

Dispute Resolution Outline steps for raising grievances, consisting of internal evaluation, conciliation and, if desired, an arbitration provision. This structure typically leads to much faster, less adversarial results. A unique mechanism for fixing disputes that emerge from the employment relationship should be agreed upon by both employees and companies. This clause makes it possible for the expeditious and affordable resolution of conflicts, therefore minimizing the threat of functional disruptions, whether through internal grievance procedures, arbitration, or mediation.

Confidentiality and Conduct Require protection of delicate company details and adherence to office conduct requirements. Such clauses can maintain trust and a business track record. This provision ensures

the confidentiality of sensitive business information by requiring employees to maintain it both throughout and after their employment. This often encompasses intellectual property, customer information, trade secrets, and proprietary information, thus guaranteeing the employer's one-upmanship. The addition of these provisions legally obligates employees to safeguard and appreciate crucial information.

Health and SafetyAcknowledge the company's statutory responsibility to keep safe working conditions and recommend relevant policies or treatments. Companies are lawfully required to ensure a protected work environment. This ought to be shown in the contract by marking the health and safety obligations of both parties, which include the reporting of threats and the adherence to work environment safety protocols. This clause promotes a culture of safety and duty, reduces office accidents, and promotes legal compliance.

In sum, a clear, well-crafted employment agreement lays the structure for a transparent and fair working relationship. By spelling out roles, pay, hours, leave, and leave procedures in uncomplicated language, both employer and worker gain self-confidence in their mutual obligations. Thoughtful dispute-resolution and safety stipulations even enhance trust and lower the risk of conflict. When agreements are succinct, bilingual, and balanced, they not only satisfy legal requirements but also show regard for every single employee's rights and dignity. Writing contracts in this way changes them from mere paperwork into trusted tools for developing efficient, accountable offices.

Disputes and Remedies

4.1 Common Workplace Issues

Even well-intentioned employers sometimes violate basic labour rights, leaving casual and contractual workers vulnerable. In Bangladesh, four problems recur across sectors:

Unpaid or delayed wages - Workers cannot enforce their right to timely payment if no contract or pay slip exists; thus, many workers receive no wages or face significant payment delays. Without a written agreement, they lack proof when seeking redress.

Arbitrary dismissal - Dismissals by word of mouth or text message breach notice and cause-requirements. Employees are often dismissed without warning or explanation, depriving them of severance and the opportunity to respond.

Hazardous conditions - Failure to provide safety gear and medical support violates health and safety standards. Unsafe workplaces abound. Inadequate ventilation, lack of protective equipment and absence of first-aid facilities put lives at risk.

Denial of statutory benefits - Overtime, leave and maternity entitlements are routinely withheld from uncontracted staff. Employers frequently deny entitlements such as overtime pay, annual leave and maternity benefits by classifying long-term workers as “daily” or “temporary.”

4.2 Worker’s Legal Right

A clear process exists for enforcing labour rights, though practical barriers often slow progress. Workers can pursue remedies in stages:

Submit a complaint to the labor office Provide a written statement of grievances to the local labour inspector under section 33. When workers come across infractions of their work rights, they are legally entitled to send problems to their regional labour workplace. This treatment begins a government-led review and establishes a main record of grievances, including but not restricted to overdue incomes, unlawful termination, and harmful working conditions. The labor workplace is the primary regulator, accountable for investigating allegations, facilitating initial dialogue, and ensuring compliance with labor standards. This makes sure that employees have access to legal recourse without the need for instant court intervention.

Request conciliation The inspector may mediate between parties and issue binding directives under section 210. Employees have the alternative to request conciliation through the labor office or designated conciliation officers prior to the escalation of disagreements to formal lawsuits. This procedure requires a neutral 3rd party to moderate between the company and employee in order to work out an equally acceptable resolution. Conciliation is a prompt and cost-efficient alternative to protracted court procedures, with

the goal of maintaining working relationships and reducing commercial discontent while ensuring that statutory rights are promoted.

File a case in the Labour Court If conciliation fails, initiate proceedings within six months under section 231. Workers have the alternative to send an official case to the Labour Court, a specialised judicial forum established under the Labour Act to fix work conflicts, if conciliation is unsuccessful or bypassed. Claims worrying wrongful termination, wage arrears, discrimination, and breach of contract are chosen by the court. This is a critical stage for workers looking for formal redress and settlement under the law, as labor courts supply a structured legal process with enforceable judgments.

Appeal to the Appellate Tribunal Challenge unfavourable decisions within the period allowed under section 218. Employees who are dissatisfied with Labour Court decisions deserve to interest the Appellate Tribunal, which examines subordinate court rulings for procedural and legal accuracy. This appellate system provides an extra layer of judicial guidance, protecting the interests of employees from erroneous or unfair decisions. The Tribunal's function serves to strengthen the integrity of the labor justice system and offers workers a practical course to pursue extra legal challenges.

Consider alternative dispute resolution Agree to arbitration or NGO-facilitated mediation for a faster, less formal outcome. Workers are significantly encouraged to consider Alternative Dispute Resolution methods, such as arbitration or mediation, in accordance with modern labor practices. ADR provides a less adversarial, confidential, and versatile technique of resolving disagreements outside of standard tribunals. Bangladesh's labor framework promotes ADR to help with amicable settlements and ease judicial problems, which benefits both companies and employees by maintaining office harmony and accelerating resolutions.

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4.3 Role of Legal Aid and Trade Unions

Navigating legal procedures is intimidating without support. Two forms of collective assistance are vital for the worker:

Legal aid organisations provide free advice, draft petitions, offer workshops on rights and one-to-one legal counselling and represent workers in court under the Legal Aid Act 2000.

Trade unions negotiate collective agreements, support grievance committees, secure back pay and reinstatement through collective bargaining and organise lawful industrial action under sections 176 to 179.

NGOs and community groups like Bangladesh Institute of Labour Studies (BILS) & Bangladesh Labour Foundation (BLF) monitor compliance, publish reports and lobby for stronger enforcement.

Workplace disagreements are an unavoidable reality when rights are ignored or dedications go unmet. For legal and casual staff members in Bangladesh, comprehending the common problems, comprehending the official steps for redress, and having access to cumulative assistance can make the difference between silence and justice. Prompt complaints, clear paperwork, and strategic use of legal help or union assistance not only resolve private cases but also strengthen the culture of accountability throughout industries. When employees are empowered to assert their rights, and employers dedicate themselves to fair practice, the workplace ends up being not simply a site of production but an area of self-respect and mutual regard.

Reform and the Way Forward

5.1 Challenges in Implementation

Bangladesh's labour legislation sets out strong rights for workers, but there is a relentless gap between what is written in law and what is experienced in workplaces. Labour evaluations are typically short and focus on procedural checks, rather than the actual conditions of employment. This is partly due to the restricted number of inspectors and the logistical difficulties of covering a large number of establishments and factories.

The size of the informal economy intensifies the issue. The International Labour Organization (ILO) has reported that more than four-fifths of Bangladesh's labor force is engaged in informal employment, frequently without contracts, payslips, or formal registration.

In such circumstances, employees face considerable problems in proving their claims before inspectors or courts.

Another barrier is the sluggish pace of enforcement. Examination data is gathered, and some actions have been taken to digitise records; however, the stockpile of cases weakens the deterrent impact of the law. Postponed resolution encourages some companies to overlook guidelines, knowing that charges might be years away.

5.2 Policy Recommendations

Enhancing examination capacity is essential. This indicates recruiting more inspectors, supplying targeted training on emerging labour problems, and providing the resources needed for thorough, unannounced assessments. The Labour Inspection Management Application (LIMA), developed with ILO assistance, reveals how digital tools can enhance oversight and ensure follow-up on infractions.

Introducing basic document requirements for any employment going beyond a set minimum duration would likewise help bridge the space between official and casual work. Standardised, brief consultation letters in Bangla would make it easier for employees to prove employment relationships and claim privileges.

Regional language projects on radio, television, and in communities can inform employees of their rights under the Bangladesh Labour Act 2006. Evidence from ILO programs recommends that such outreach improves reporting and compliance.

Producing incentives for compliance can match enforcement. Openly identifying compliant firms, connecting procurement chances to labour standards, and publishing assessment outcomes would place reputational pressure on employers to preserve good practices.

5.3 Encouraging a Rights-Based Work Culture

Long-lasting changes require more than modifications to the law. A workplace culture that values rights as part of a great organization should be encouraged.

Youth and civic groups can play an essential role in spreading awareness and monitoring conditions. University legal help clinics and advocacy networks can link employees to legal treatments. It is vital to include students and civic companies in the development of a work culture that is rooted in human rights. These groups often function as drivers for awareness, informing young employees and prospective employees about their essential labor rights and obligations. Teaming up with these organizations can assist employers in the implementation of neighborhood outreach initiatives, awareness campaigns, and training programs that motivate ethical workplace practices. By utilizing their influence, a pipeline of informed employees is developed who focus on legal compliance and equity, therefore facilitating systemic modification in labor standards.

Media coverage is another key driver. Balanced reporting that highlights both infractions and examples of good practice can hold companies responsible while motivating those who adhere to the law. Public perception and accountability relating to labor rights are significantly affected by strategic media engagement. By making use of the media as a platform, the discourse on reasonable labor practices is elevated, and the market is compelled to show greater compliance and respect for worker rights.

Worker organisation remains essential. Where trade unions are difficult to establish, workplace committees or grievance cells can provide a practical platform for raising concerns. Training these groups in negotiation skills and basic labour law will give workers a stronger collective voice. Employee companies, such as trade unions and employee associations, are important partners in the establishment of a culture that focuses on rights in the office. These organizations offer a structured platform for staff members to reveal their issues, work out terms, and take part in decision-making procedures. Employers who actively work together and engage with worker organizations experience improved interaction, reduced dispute, and increased work environment spirits. Cultivating an environment of shared respect and shared responsibility that promotes sustainable business success is not the only benefit of recognizing and supporting such companies; it also aligns with legal commitments.

Weak enforcement, the frequency of casual work, and sluggish case resolution continue to damage the effectiveness of labour rights. They can transform labour rights from aspirational concepts into everyday realities for workers across the nation if these steps are executed together.

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