

Dealing with the aftermath of COVID-19

Adjustments and Adaptation Efforts of the Apparel Workers in Bangladesh

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Citizen's Platform for SDGs, Bangladesh

এসডিজি বাস্তবায়নে নাগরিক প্ল্যাটফর্ম, বাংলাদেশ



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Study Team

Debapriya Bhattacharya

Towfiqul Islam Khan

Fahim Subhan Chowdhury

Afra Tahsin Chowdhury

The Study Team acknowledges the hard work and dedication of the 20-member survey team, competently coordinated by *Mr Nahid Hasan*. The Team also thanks the participants of the surveys conducted under this study.

Outline

I. Context

II. Survey Methodology

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IV. Adjustments and Coping

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Context

- RMG sector has faced considerable challenges in the face of the COVID-19 pandemic in the forms of disruption in production and value chain, postponed/cancellation of payments, lower global demand, and increased price competition globally and within the country
- This study seeks to establish the COVID-19 pandemic induced consequences on the RMG workers and their households in Bangladesh as the past studies in Bangladesh largely focused on the enterprise level
- The study draws attention to the adjustments and adaptations the RMG workers had to cope with

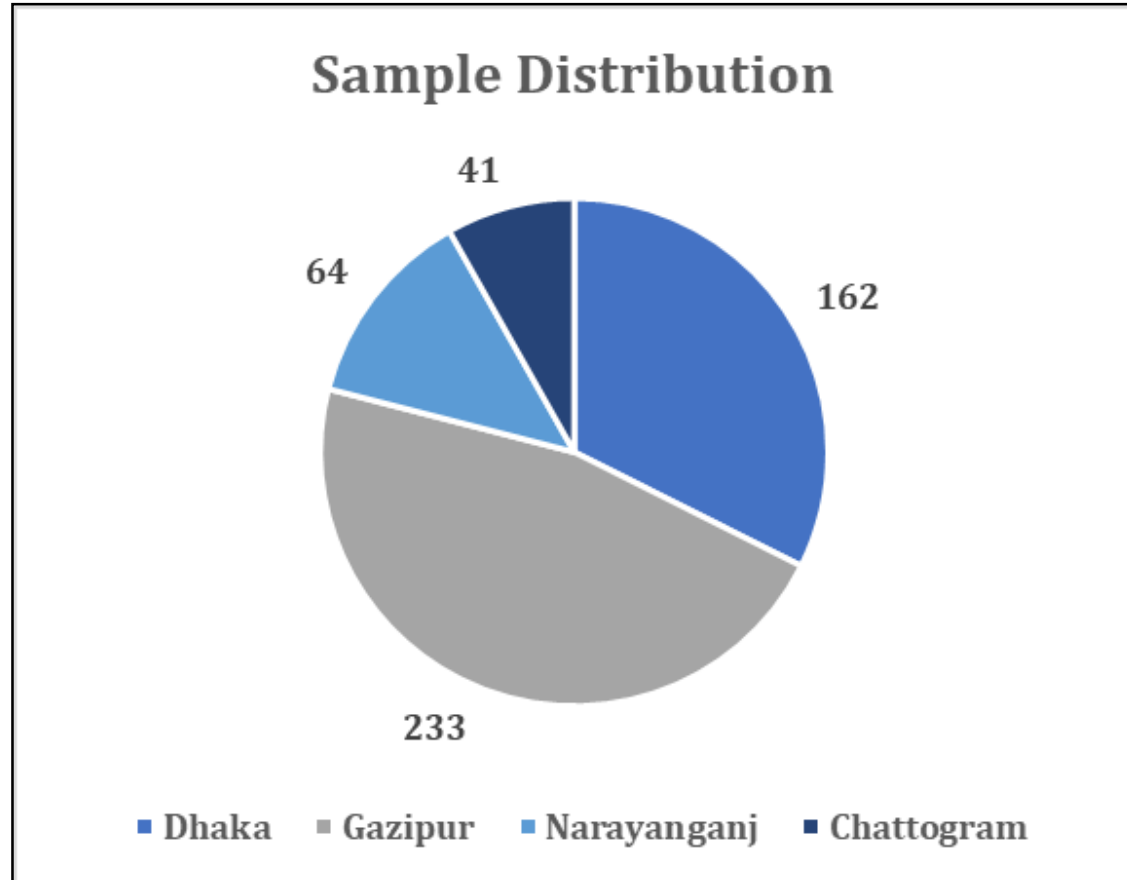
Survey Methodology

- 500 RMG workers' households
- Four districts: Dhaka, Chittagong, Gazipur, and Narayanganj
- Carried out during the first half of June 2021

- Made an attempt to capture the implications of both first wave (March/April 2020) and second wave (April/May 2021)

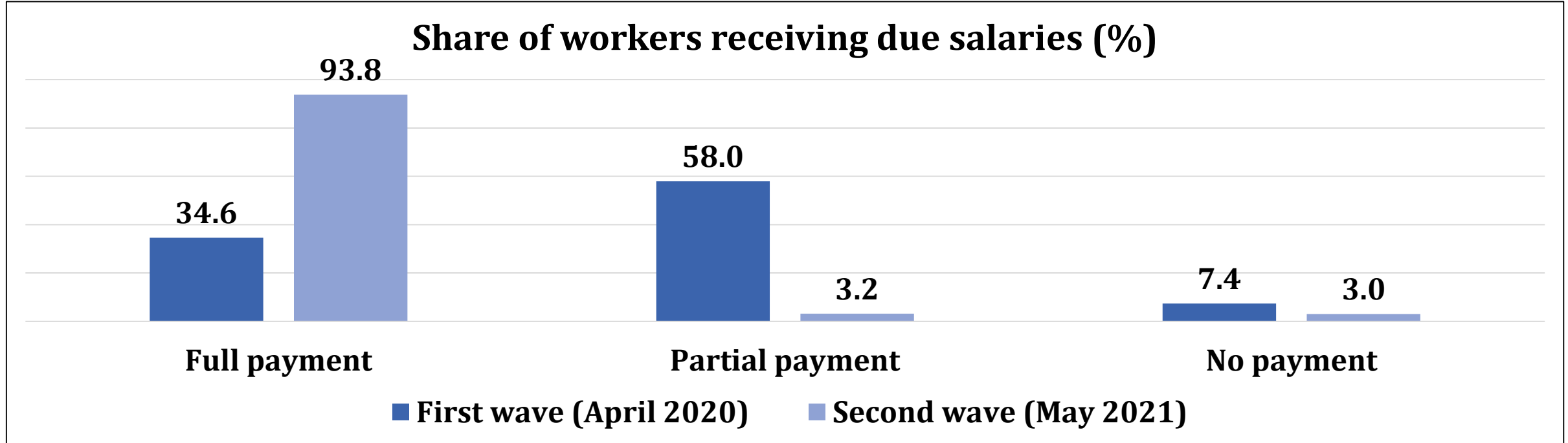
- The framework of Mapped in Bangladesh was considered for survey design
- Two variables were taken into cognisance: location and gender of the workers

Survey Methodology



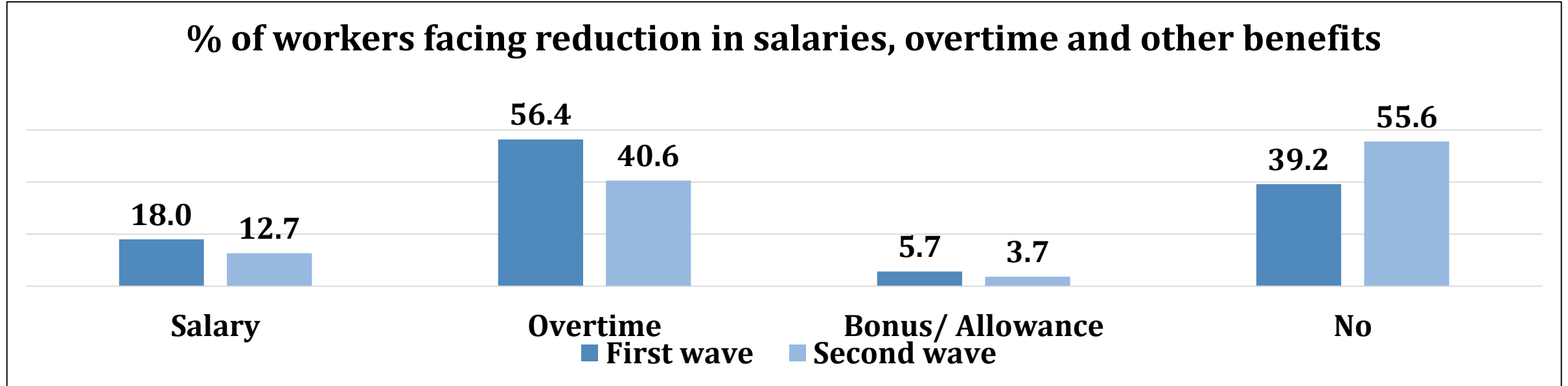
- 401 current RMG workers and 99 retrenched workers (due to COVID-19)
- About 58% are women
- About 85% of the workers surveyed belonged to the youth group (18-35 years)
- A total of 1,379 household members

Impact of COVID-19



- During the first wave, two-third of the workers did not receive salaries on time
- Woven and sweater factories struggled more in paying dues to workers

Impact of COVID-19

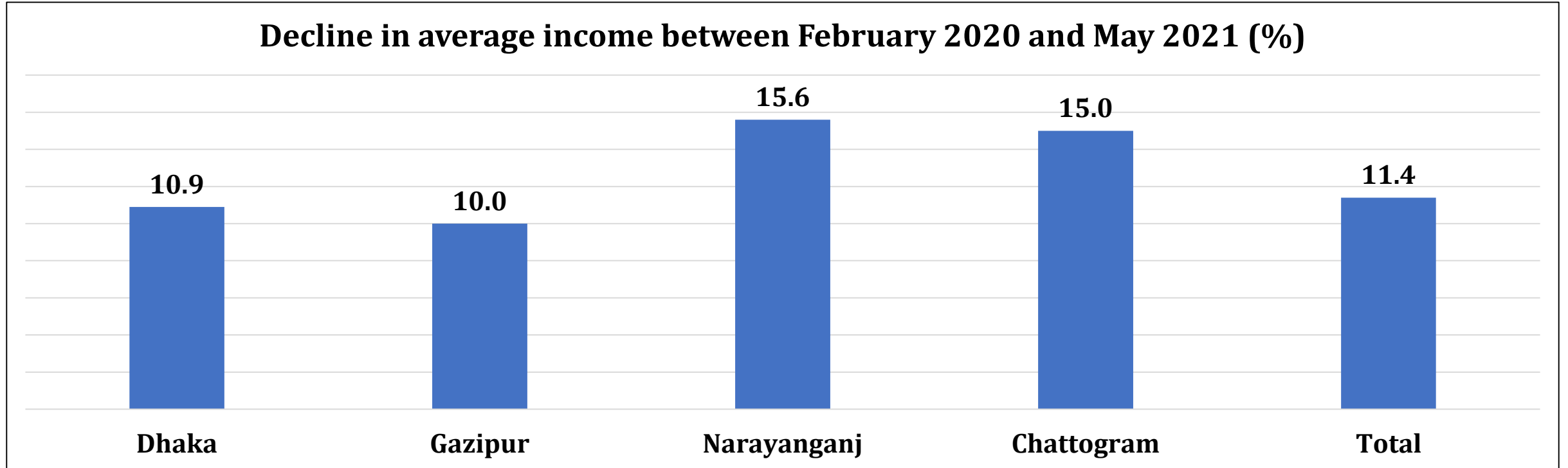


- More than half of the RMG workers experienced reduction in overtime during the first wave compared to pre-COVID period - this was relatively lower during the second wave
- The reduction was higher outside EPZ compared to EPZ

Impact of COVID-19

- About 70% of retrenched workers remained unemployed during the survey period
 - 71% of them are actively looking for jobs
- The households of RMG workers also struggled -
- Prior to COVID-19, 63.5% of the RMG workers' household members were earning members
 - During the survey period the figure declined to 59.4%

Impact of COVID-19

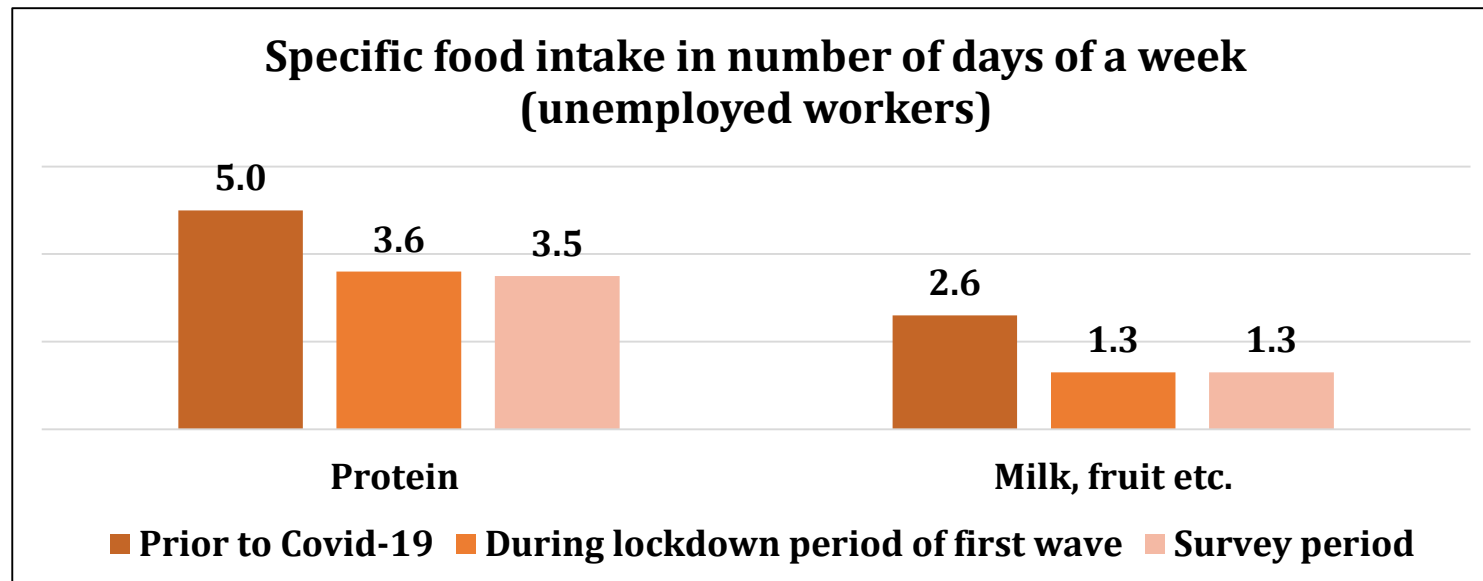
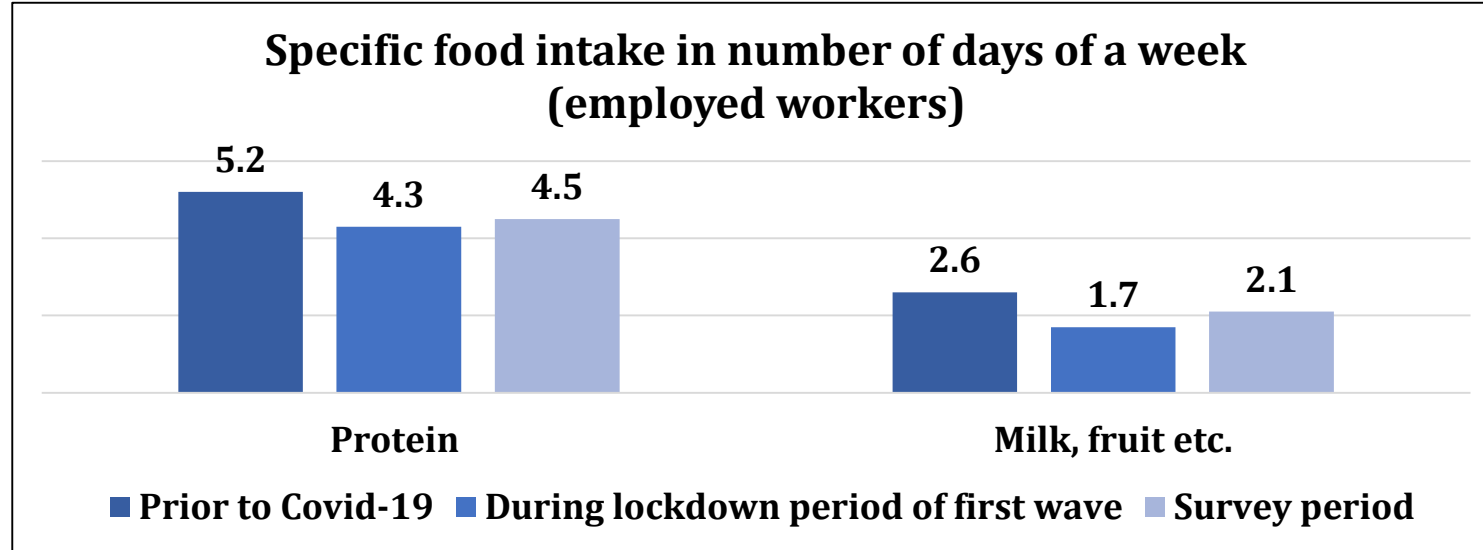


- Average income of RMG workers' households was 11.4% lower during the survey period compared to pre-COVID period

Impact of COVID-19

- 52.1% of RMG workers' households faced financial hardship (i.e. finding it difficult to run households) while 35.2% of the workers living by themselves faced a similar situation
 - For the unemployed workers, the corresponding figures are 80.0% and 55.5% respectively
- However, about 90% of the retrenched workers did not relocate due to job loss
- The second wave brought additional hardship -
 - 32.8% workers living with family faced further decline in household income while 22.5% faced additional hardship
 - The corresponding figures for workers living by themselves are 24.2% and 15.4% respectively

Impact of COVID-19



- The households of RMG workers found it difficult to maintain nutritional intake due to loss income!
- This is particularly true for unemployed workers.

Impact of COVID-19

- About 43% of household members has some symptoms of COVID-19, but only 2.7% tested
- About two-third of the households stop recreational activities such as visiting parks, going to cinema, going to theatre, visiting leisure and tourist spots, and, visiting friends and relatives etc.
- 7.2% workers reported that there was increase in harassment in the workplace during COVID-19 period – for female workers, the figure is 9.6%
- When asked whether the respondent faced any violence or harassment in workplace 3.9% women reported violence and 10% women reported harassment while 6.5% women reported both

Adjustments and Coping

Share of household with reduction in food consumption during Covid-19 (%)

Category	Reduced number of meals	Reduced number of items in a meal	Reduced the quantity of protein
Employed workers living on their own	3.8	48.6	53.3
Employed workers living with family	9.8	39.0	45.1
Unemployed workers living on their own	12.2	75.6	77.8
Unemployed workers living with family	11.1	55.6	66.7

- The households had to adjust their food consumption pattern

Adjustments and Coping

Share of household with coping mechanism (%)

Coping mechanism	First wave	Second wave
Took loan	65.7	67.0
Withdrew savings	24.1	37.7
Sold labour in advance	3.7	7.5
Mortgaged gold	1.6	3.8
Mortgaged land	0.8	2.8
Sold gold	0.8	1.9
Sold livestock	1.2	0.9
Sold harvest in advance	0.8	0.0

- Most of the households either had to take loan or withdraw savings!
- This was intensified during the second wave.

Adjustments and Coping

Levels of savings withdrawal and loans (Equivalent to number of Months' Household Income)

Worker category	Amount of Savings Withdrawn (Equivalent to Months' Income)	Loan Amount (Equivalent to Months' Income)
Employed Worker	1.5	2.1
Unemployed Worker	3.6	2.5
Average	2.3	2.2

- It will take time for to repay the loans or recover the lost savings for these households

Adjustments and Coping

- About 43.2% of the households reported that they required support
- Only 14.8% of households received some assistance during the COVID-19 period
- Among these assistance receiving households, most of them found support from “friends, neighbours, family”, followed by “charity”

Share of households who received assistance according to source (%)

Source	% of Households
Government	20.3
NGO	13.5
Friends, neighbours, family	35.1
Charity (individual/ institutional/ religious institutes)	29.7
From employer	6.8

Adjustments and Coping

Share of workers satisfaction with the role of the labour union (%)

Response	Employed			Unemployed		
	In EPZ	Outside EPZ	Total	In EPZ	Outside EPZ	Total
Yes	45.1	40.6	41.4	25.0	25.3	25.3
Yes but they could do more	12.7	10.6	11.0	12.5	16.0	15.2
No	22.5	22.4	22.4	45.8	30.7	34.3
Don't know	19.7	24.2	23.4	12.5	21.3	19.2
No labour union	0.0	2.1	1.7	4.2	6.7	6.1

- Unemployed workers were less satisfied with roles of labour union

Recommendations

- It is critical to understand whether the revealed reduction in earnings primarily originated from the decline in overtime payments is a short-term coping strategy for the firms or a mechanism to be applied over the medium term. In this context, it is vital to ensure that the apparel workers have collective bargaining power.
- Public support should be dedicated to the RMG workers by disseminating essential food commodities at subsidised prices through the ongoing 'open market sales (OMS)' programme. This can be done by arranging such OMS centres at apparel industrial zones during the evening hours.

Recommendations

- The workers who have lost jobs could not receive the needed support due to information failure. The EU support for retrenched workers in the apparel sector (EUR 113 million) could not be utilised. The labour leaders, entrepreneurs, government and independent CSOs may develop a joint action plan to utilise this fund for the retrenched workers.
- An independent mechanism needs to be developed to continuously monitor the impact of COVID-19 on and support provided to the apparel sector workers. This will contribute to their bargaining power with the entrepreneurs and government.

Thank you for your attention!

Please keep track through programme webpage

www.bdplatform4sdgs.net/covid-19-research-programme