



7th Anniversary of the Rana Plaza Tragedy

Virtual Discussion Meeting

COVID 19

Workers and Employers of the RMG Sector Facing Crises:
Government Initiatives and Way Forward

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1. Introduction

1. Introduction

- The 7th Anniversary of Rana Plaza tragedy will be held on 24 April, 2020. It has approached Bangladesh with a completely different context in the state of the world of work
 - The global health emergency caused by the COVID 19 pandemic has forced Bangladesh to shut down all kinds of economic activities since late March, 2020
 - This has severely affected employers' businesses, workers' employment, wages and earnings, occupational safety and health (OSH) and workers' rights
- The grim outlook on Bangladesh economy for the year 2020 and partly on 2021 particularly in international trade, production in agriculture, manufacturing and service sectors and employment in major sectors have been projected by different international organizations
 - World Bank (2020) has projected a drastic fall in the GDP growth during FY2020 (a meagre 2.0-3.0 per cent against official projection 6.0 per cent), which would continue in the next fiscal year.
 - In an earlier estimate, ADB (2020) projected a contraction of business, trade, personal, and public services would be 0.05 and 0.11 per cent of GDP.
 - In the case of employment, the manufacturing sector would be most affected with a loss of employment by about 0.38 per cent to 0.95 per cent of total sectoral employment
 - These indicate a severe adverse impact on the world of work in Bangladesh during 2020 and 2021

1. Introduction

- The 7th Anniversary of Rana Plaza tragedy would be a test case to review the partnership that has been built across the RMG value chain among the major players including employers, workers, brands/buyers, government and development partners
 - The core spirit of partnership during the post-Rana Plaza period was collectively handling major crisis, maintaining industrial safety, safeguarding workers' entitlements and rights and sharing good practices
- The overall objective of this media briefing is to report current state of partnership of workers, employers, brands/buyers and government in the RMG sector in the context of COVID 19 that has been built during the Post-Rana Plaza period
 - To report about progress of the government's plan of action during post-Rana Plaza period and
 - To report the state of world of work in RMG during COVID 19 which include challenges in the operation of businesses, maintaining decent employment particularly workers' wages, employment and occupational safety and health (OSH), raising workers' voices about their entitlements and rights and addressing workers' health hazards
 - To inform about public policy interventions in addressing the above-mentioned challenges and required supportive measures in meeting policy-gaps
- The briefing is prepared based on published reports in print and electronic media both at national and global levels during March-April, 2020)

1. Introduction

Sources of Information

Print & Electronic Media	Date (2020)	Print & Electronic Media	Date (2020)
<i>The Daily Star</i>	Jan: 9.	<i>Prothom Alo</i>	Feb: 20.
	March: 20, 31.		March: 23.
	April: 2,8,18.		April: 1,8,10,12,14, 15,16,17,18.
<i>The Business Standard</i>	March: 25.	<i>Dhaka Tribune</i>	March: 20, 31.
	April: 2, 7,10,13,16.		April: 7, 10, 16.
<i>The Financial Express</i>	April: 2,14,17,19.	<i>Amader Somoy</i>	April: 17
<i>The Independent</i>	March: 24.	<i>Sangbad</i>	April: 17
<i>Bangladesh Pratidin</i>	April: 3.	<i>Bhorer Kagoj</i>	April: 7,18,
<i>The Daily Industry</i>	March: 21.	<i>Ittefaq</i>	March: 1,
<i>Somoy News</i>	April: 1.	<i>UNB</i>	April: 9, 16, 18.
<i>Reuters</i>	April: 1.	<i>DBC</i>	April: 18.
<i>Odhikar.com</i>	April: 19, 20.	<i>Press Narayanganj</i>	March: 18.
<i>Kaler Kontho</i>	March: 11, 15, 26.	<i>Bangla News 24</i>	Feb: 9.
	April: 3,4,5,8,11 12,13,15.		March: 31.
<i>Dhaka Times</i>	April: 20.		April: 12, 16.
<i>One News bd</i>	April: 18.	<i>RMG times</i>	April: 4, 9, 13, 18.
<i>Bdnews24.com</i>	April: 13.	<i>Sarabangla</i>	April: 2.
<i>National Public Radio (NPR)</i>	April: 3.	<i>Rising BD</i>	April: 15.

Other Sources of Information: ILO, NBR, EPB, DIFE, CPD, BGMEA

2. Progress and Follow-up Initiatives of the Government's Plan of Action during the Post Rana-Plaza Period

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- This section is based on a CPD-ILO study on review of government's plan of action which will be made public soon.
- Over the last seven years various activities have been undertaken by the government in collaboration with the key players of the value chain such as employers, workers, brand/buyers, development partners and international organisations including ILO
 - These activities could be categorised into four broad areas: a) regulatory reforms and policy measures; b) upgrading the public administration, c) ensuring industrial safety and d) rehabilitating workers and their injury insurances
- **Regulatory reforms and policy measures:** Despite considerable progress on related issues such as amendment of labour act, formation of labour rules, formulation of national occupational health and safety policy, a number of areas need further amendment and reforms. These include -
 - Ratification of ILO conventions related to workplace safety, harassment etc, and further revisions in labour laws and rules in order to align those with ILO conventions
 - Harmonisation of labour laws in EPZs and DTAs
 - Revision of the Bangladesh National Building Code (BNBC) needs to be completed
 - Need to update the rules for firefighting and fire prevention, and boiler safety
- **Upgrading public institutions:** While public safety organizations such as MoLE, FSCD made considerable progress, the progress is still limited considering the capacity required to cover industrial safety in major industrial units
 - Legal authority of the labour inspectors and safety inspectors need to be increased

2. Progress and Follow-up Initiatives of the Government's Plan of Action during the Post-Rana Plaza Period

- **Ensuring industrial safety:** There has been notable progress in improving the workplace safety of all garments factories: over 90% of factories inspected under the Accord and Alliance initiative have completed remediation
 - This progress is about 32% for factories inspected under the NI
 - The ongoing remediation measures through Remediation Coordination Cell (RCC) could not show its momentum; slow progress of workplace safety under it is an important concern
 - There are lots of discussions ongoing regarding the newly formed RMG Sustainability Council (RSC) with regard to its scope of work, relationship with public authorities such as DIFE, DoL and other public authorities etc
 - The activities of Nirapon is in limbo due to directives of the court
- **Workers' Injury Insurance:** Setting up 'The Rana Plaza Donors Trust Fund' and compensating the victims are major achievements
 - A national protocol for employee injury insurance is yet to be developed
 - National Employment Injury Insurance Scheme has yet to be materialized

2. Progress and Future Initiatives of the Government's Plan of Action during the Post-Rana Plaza Period

- **Future Outlook:** After seven years of intensive work on the NTPA, it is time to initiate the industrial safety from a broader perspective taking into account industrial safety in all sectors
- A new plan of action needs to be formulated for industrial safety
- The future industrial safety should cover amendments of ILO conventions on violence and harassment, minimum age, harmonization of labour laws, safety issues in other industries and implementation employment injury scheme
- The sectoral initiatives should be monitored and operated by the proposed industrial safety unit. The newly formed RSC and other private sector led initiatives should work under the authority of the industrial safety unit. A fairer solution needs to be put in place with regard to the operation of Nirapon
- It is important to consider future work plan on industry and workers by taking into account the emergency related preparedness such as those for COVID19

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

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- **Shortage of raw materials:** During January-February, 2020 domestic supply of raw materials for the industry was partially affected when corona out broke in China which forced shut down all economic activities there
 - About 60% woven fabrics, 15-20% knit fabrics and 80-85% dyeing chemicals are imported from China; Additional import from alternative sources such as India was not so easy as the country was affected
 - Since early April, 2020, China's economic activity has started to get normal which would be a relief for Bangladesh's import point of view
- **Cancellation of orders:** During March-April, 2020, brands and retailers of major apparel importing countries have cancelled/deferred under the 'force majeure' clause
 - As of 16 April, about US\$3.16 billion worth of orders have been cancelled/deferred (BGMEA, 2020)
- 14 brands have indicated that they will take their export orders (US\$1.0 billion) which include H&M, INDITEX, PVH Corp, TARGET, KIABI, KappAhl, Benetton, Decathlon, M&S, C&A, Puma, Kontoor, Primark, and Tesco

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

- **Pressure of discounting selling price:** Some buyers asked for discounts on previously placed orders (up to 30% of the contracted price)
- **Late payment from buyers:** Most of the buyers are currently asking for additional 30-40 days to complete the payment. Usually these buyers complete their payment in 45-70 days
- **Lowest export growth:** *Growth in export in April, 2020 would be one of the lowest in the last one decade*
 - ✓ *During 1-15 April, 2020, average p-t-p export growth was - 83.74% (BGMEA, 2020)*
- **Apply 'force majeure' clause by buyers:** *Applying the 'force majeure' clause by the buyers/brands without making payment for orders where suppliers have spent partially/fully, requires justification from the buyers/brands*
 - ✓ *Those measures undertaken by brands/buyers demand clarification from the ICC and respective authorities of importing countries*

Growth in Export of RMG during April, 2020

Day	2019	2020	Growth
1-Apr	120.63	17.33	-85.63%
2-Apr	91.43	23.11	-74.73%
3-Apr	89.14	12.34	-86.16%
4-Apr	94.35	19.98	-78.82%
5-Apr	61.91	14.53	-76.53%
6-Apr	66.1	18.22	-72.43%
7-Apr	58.37	23.89	-59.08%
8-Apr	79.74	19.03	-76.13%
9-Apr	93.78	13.15	-85.98%
10-Apr	80.05	4.38	-94.53%
11-Apr	113.66	3.41	-97.00%
12-Apr	45.57	6.83	-85.01%
13-Apr	75.71	9.23	-87.81%
14-Apr	41.69	3.82	-90.84%
15-Apr	80.86	4.77	-94.10%
Total (1-15 April)	1192.99	194	-83.74%

Source: Official data of NBR collected by BGMEA

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

- **Responsible Business Practices (RBP):** On 8 April, 2020 nine associations of Asia's leading apparels manufacturers jointly raised the voice for RBP in the RMG value chains during this time of emergency
 - ✓ *MNEs in the RMG sector are committed to ensure decent employment in the value chains under the RBP*
 - ✓ *It is expected that brands/buyers will come forward to share the burden of the suppliers (in the form of cost sharing, advance payment and support under CSR etc.)*
 - ✓ *Concerned authorities of importing countries should remind the MNEs to maintain their commitments for RBP*
- A welcome development in this case is: German, Dutch Textiles Alliance, Fair Wear, ETI and others formed an alliance and have issued a statement titled '*Responding Responsibly to the COVID 19 Crisis*'
 - Two priorities have been identified which include- a) protecting workers' income and health; and b) future-proofing supply chains
 - A joint call to action to the garments sector focusing on crisis and early recovery seeks to- a) call upon governments and multilateral institutions for actions; and b) provide practical guidance on how brands can protect the rights and livelihoods of workers

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

- Alliance members agree to implement key RBPs during the crisis and initial recovery phase
 - Maintain frequent and transparent dialogue with all supply chain partners on sourcing decisions and look for collaborative solutions
 - Completed or in progress orders should be paid on time and in full according to the original terms;
 - Collaborate with suppliers on orders for upcoming months to identify alternatives to cancelling orders;
 - If orders cannot be completed, members should prioritize covering labour costs, as well as material costs that have already incurred within a reasonable amount of time;
 - Anticipate changes or delays in production and be flexible about delivery dates, payment terms, and financial liability;
 - Do not terminate the business relationship with your suppliers without first having discussed scenarios and solutions with your supplier, and if exit is unavoidable ensure that workers are protected and paid;
 - Make sure safety measures to contain the risk of infection are implemented at the work floor and workers are informed about their right and provided correct information on preventive safety measures
 - Factories should have a mechanism in place to address questions from workers and involve them in decision making. Workers must have access to a trade union or worker representation collectively
 - Workers should have access to safe transportation to the factory

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

- ***Shutdown of factories:*** To prevent further outbreak of Coronavirus, all the garment factories (except for emergency orders and PPE, mask producers) are instructed to be shut down (5 May, 2020)
 - ✓ *There is a lack of coordination between Ministry of Health and Ministry of Labour & Employment and Ministry of Commerce with regard to health emergency directives*
 - ✓ *Workers and their community-level health-related concerns were not properly addressed in case of directives/guidance provided by MoC & MoLE and the notices issued by the associations*
 - ✓ *A section of entrepreneurs are not fully in consensus with the official directives and notices of trade bodies on the requirement of shutting down of factories for reducing the health risks in view of ensuring occupational safety*
 - ✓ *Employers/suppliers and trade bodies should renegotiate with brands/buyers about the timeline for delivery of products*

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

- **Government Support Measures:** Bangladesh Bank has undertaken a number of measures to ensure adequate liquidity in the financial system to support the operations of financial institutions
 - Raised the Export Development Fund to USD 5 billion (from US\$3.5 billion) with the interest rate fixed at 2%
 - Taken measures to delay non-performing loan classification, relieve late fees for credit cards, extend tenures of trade instruments, and ensure access to financial services
 - Usance period of back to back LCs opened under supplier's/buyer's credit was extended to 360 days from existing 180 days
 - Authorised dealers may seek refinancing facilities from Export Development Fund (EDF) for settlement of import payments against back to back LCs under supplier's/buyer's credit
 - Raise cash flow in banks by buying treasury bonds and bills from banks; cut policy rates (from 6% to 5.25% effective from 12th April 2020); reduced Cash Reserve Ratio (CRR) from 5% to 4.5% (daily-basis) and from 5.5% to 5 % (bi-weekly basis). These rates will be reduced to 3.5% and 4%, respectively from 15th April 2020

3. Challenges in Business Operations during COVID 19: Government Measures and Way Forward

- **CPD's Proposed Fiscal Measures:** CPD (2020) proposed a number of fiscal measures for FY2021 in order to address the challenges of business operations:
 - ✓ *Increased depreciation of assets for two years: FY2020 and FY2021*
 - ✓ *Special reduced rate of VAT for the domestic purchase of goods and services for six months; relief from penalties and interest for tax-related payments till December, 2020 and deferred payment of quarterly AITs till June, 2020*
 - ✓ *Relief of VAT during the period of January-June, 2020 for travel and tourism sectors/related activities*
 - ✓ *Payment of corporate taxes for FY20 by instalments till Mar., 2021*
 - ✓ *The NBR should consider allowing companies to 'carry back losses' that are in a loss-making position in 2020 against the taxable profits for the two previous years (FY 2018 and FY2019)*
 - ✓ *NBR may consider introduction of tax credits for amounts paid by businesses to sanitise work premises for FY2020*

4. Challenges in Working Conditions during COVID 19: Government Measures and Way Forward

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- ***Delay in wage payment:*** The garments workers are struggling to get their due wages. According to BGMEA, as of 19 April 2020, 95.8% of workers got their wages, which covered 91% of member factories has paid the wages. As of 16 April, 2020, BKMEA cleared wages of 91% of workers of its 90% member factories
 - DIFE found 370 factories, which failed to pay the wages within the deadline 16 April. Among these factories, 122 are situated in Dhaka, 120 in Gazipur and 58 in Chattogram
 - National Garment Workers Federation (NGWF) alleged that the real number of unpaid workers are higher than the stated one from BGMEA
 - ✓ *Difficulty in opening bank accounts/MBFS by workers owing to long holidays, lack of necessary documents in hand and restrictions of human movement and closure of MBFS facilities (initially)*
 - ✓ *We think that the rest of the workers bank/MBFS accounts could be opened in the scheduled timeline*

4. Challenges in Working Conditions during COVID 19: Government Measures and Way Forward

- ***Cut in the wages:*** NGWF alleged that most of the factories which paid the wages, did not make the full payment
 - Instead, a section of employers cut the wages for the last 5 days of March, 2020 with the argument of government announced holidays
 - ✓ *Employers should pay workers' wages in full since those days have been officially announced holidays and associations have circulated notices in favour of those holidays*
 - ***Factories forcefully operated during lockdown:*** It was reported that some garment factories forcefully operated and did not properly maintain official instructions. On April 8, 6 garments in Savar, 10 in Chittagong, 21 in Gazipur, and 4 in Dhaka Metropolitan area were open
 - ✓ *As per ILO's emergency guideline, no factories can force workers to work during the time of emergencies.*

4. Challenges in Working Conditions during COVID 19: Government Measures and Way Forward

- ***Layoff, retrenchment and termination:*** According to Garment Workers Trade Union Centre, in the first four weeks of the shutdown, at least 30,000 workers have been laid off
 - Penn State Center for Global Workers' Rights has found that more than a million Bangladeshi apparel workers were laid off in the period mid of March- start of April
 - Workers are being retrenched; in some cases, provisions of the labour law are not properly followed
 - ✓ *Government's stimulus package for payment of workers' wages should not be used for laying off and subsequent retrenchment of workers. Similarly, fiscal support to be announced in the upcoming budget should not be allocated for factories announced laying off/retrenched workers*
 - ✓ *It is expected that brands and buyers should come forward so that workers are not being retrenched*
 - ✓ *Brands/buyers should come forward with predictability in future work orders as quickly as possible as business environment is gradually progressing in major apparel- importing countries (e.g. Germany, UK and other countries)*

4. Challenges in Working Conditions during COVID 19: Government Measures and Way Forward

- ***Lack of Corona safety measures:*** As per instruction of the MoLE, factories with emergency export orders, produce mask and PPE, can be remained open in the lockdown by maintaining certain health safety measures
 - It is alleged by the workers that the safety measures taken by these factories, in most of the cases are not sufficient
 - Given the vulnerability caused by the spread of coronavirus, maintaining social distance is the suggested measures by the MoH; use of masks, sanitizer, temperature controls would not alone help to contain the spread of virus now
 - ✓ *Workers should not be allowed in the workplace until the situation improves. Directives of the MoH need to be given adequate importance with regard to work place safety*
- ***Corona affected workers:*** The most hotspot for corona outbreak so far are Dhaka, Narayanganj and Gazipur which are the most crowded cities of the country and most importantly those are major RMG clusters
 - ✓ *It is apprehended that a section of RMG workers and those involved in RMG related businesses may get affected because of living in those congested areas*
 - ✓ *IEDCR and MoH may consider updating regularly about corona patients along with their professions/work engagement with a view to better targeting and undertaking better controlling measures*

4. Challenges in Working Conditions during COVID 19: Government Measures and Way Forward

- ***Government announced measures:*** In order to ensure payment of worker wages under Tk. 5000 crore credit line (at 2% interest rate p.a.) Bangladesh Bank announced the guideline on 6 April 2020
 - Those institution which wants to use the government loan package to pay wages to its workers, must open mobile bank account for all its workers within 20 April, 2020
 - NID or Birth Identification will be required to open the account where no charges will be taken
 - According to BGMEA/BKMEA, about 19,20,000 MBFS accounts have been opened by RMG workers as of April, 18, 2020 (9.7 lac: Bkash; 5.5 lakh: Rocket & 4.0 lakh: Nagad)
- ✓ *After initial debate over technical difficulties for opening MFS account, the progress made so far in opening accounts is impressive which indicate that opening an MFS account by workers is not so difficult and factories could submit the related information to the banks within the extended deadline for availing credit (at 2% rate of interest)*

4. Challenges in Working Conditions during COVID 19: Government Measures and Way Forward

- **Formed crisis management committees:** DIFE formed 23 crisis management committee on 12 April, 2020
 - Responsibilities include: timely wage payment, joint inspection/investigation, tripartite arbitration, ensuring strict compliance of Corona hygiene standards, coordination with local administration and industrial police; creating a database of beneficiary workers
 - ✓ *DIFE, in cooperation with the crisis management committee, trade bodies and trade unions should ensure payment of due wages of workers for the month of March, 2020*
 - ✓ *The DIFE should regularly inform about the situation of workers and working conditions in garment factories during the period of COVID 19 by providing information on payment of wages, payment dues to workers, measures taken against factories having workers' dues, factories gone for layoffs (partial/full) and actions take against illegal layoff activities*
 - ✓ *Necessary safety protocol and measures needs to be developed taking into account the ILO emergency safety protocol. The guideline of the Ministry of Health needs to be followed*
 - ✓ *ILO protocol should be distributed and necessary training at the factory level need to be ensured*

5. Challenges in Workers' Livelihood during COVID 19: Government Measures and Way Forward

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- ***Workers without sufficient money in hand:*** Delayed/non-payment of wages for March, 2020, unwanted transfer to Dhaka during restriction of people's movement in early April bearing high expenses– put the workers in trouble in managing household expenses in April and coming months
 - ✓ *It is important to ensure timely payment of workers' wages for March, 2020 and April, 2020 and subsequent months during this crisis period*
- ***Uncertainty over future:*** Factories with no/limited work, shutting down operation due to health emergencies, and consequent laying off and firing of workers have thrown millions of workers in uncertainty
- ***Shortage of Food:*** Workers are facing shortage of food which has been becoming acute day by day due to the lockdown. Many workers amid lock down leaving their living place due to the fear of food crisis

5. Challenges in Workers' Livelihood during COVID 19: Government Measures and Way Forward

- **Nutrition Problem:** Malnutrition is a common concern for garment workers - about 43% of the workers were already suffering from chronic malnutrition
 - With the spread of Corona, the nutrition problem is likely to increase further and will get acute in the coming months with the fall in the earning
- ✓ *Workers uncertainty in income needs to be lessened through a joint effort of employers, brands, buyers and government.*
 - ✓ *Major apparel importing countries should come forward with supportive measures for workers (e.g. minimum income support at least for six months)*

5. Challenges in Workers' Livelihood during COVID 19: Government Measures and Way Forward

- ***Government announced measures:*** GoB had launched special open market sale (OMS) of rice at Tk.10 per kg in all cities and district towns from 5 April, 2020; due to mismanagement and allegations of corruption, it was annulled on 13 April. However, government has decided to reinstate it on 15 April, 2020
 - Under the OMS program, rice is being sold from 10am to 3pm on Sunday, Tuesday and Thursday every week. Each person is allowed to buy maximum five kg of rice once in a week showing the national identity card
 - ✓ *Government needs to introduce ration cards for RMG workers in the coming months in major industrial clusters*
 - ✓ *Strong monitoring and oversight in the distribution of food is required by forming local level committees with representatives of local administration, NGOs/CSOs, social organizations etc*
 - ✓ *Distribution of food needs to be carried out, maintaining the health safety instructions*

6. Challenges in Ensuring Workers' Rights during COVID 19: Government Measures and Way Forward

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- ***Garment Workers Trade Union Centre:*** It is claimed that over the past four weeks (21st March-17th April), at least 30,000 workers had been laid off
- ***National Garment Workers Federation:*** It is accused that about 30% factory has not paid the wages yet (as of 18/04/2020). Most of those factories provide wages to workers, cut the money for five days, which is unfair. More than 40% factories announced laid off after providing the wages
- ***Socialist Workers Front:*** RMG owners are trying to deprive workers of full pay by announcing lay-off by applying Section 12 and 16 of the Labor Act
 - According to them, the owners are completely illegally firing workers when they should take extra responsibility; they demanded that workers who had been working for the last three months had to be paid full wages for the next three months

6. Challenges in Ensuring Workers' Rights during COVID 19: Government Measures and Way Forward

- ***Sramik Karmachari Oikya Parishad:*** It is accused that employers are laying off workers by misusing sections 12 and 16 of the labour law. The layoff can not be applicable in any way during public holidays
- ***IndustriAll Bangladesh Limited:*** According to the organization, workers had to work with fear as they couldn't avoid going to factories despite knowing the risks of contamination. Moreover the safety measures undertaken in the workplace were not adequate
- ***Bangladesh Centre for Workers Solidarity (BCWS):*** The organization raised concerns about laying off workers as well as inadequate support provided by the government under the stimulus package
- ***Sommilito Garments Sramik Federation:*** It raised concern about laying off in RMG factories

7. Concluding Remarks

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- The 7th Anniversary of the Rana Plaza Tragedy has come at a time when Bangladesh has been confronting one of the most difficult socio-economic challenges since its independence due to COVID 19 pandemic
 - The world of work in Bangladesh has been observing adversities in every aspects – production, businesses, employment, wages, OSH, workers’ rights and workers’ livelihood
 - The achievements over the last seven years in the world work since the Rana Plaza collapse would be under threat particularly in case of decent employment and industrial safety if the corona related health risks prolong in the country
- From the spirit of partnership shown during the post-Rana Plaza period, the present study reviews of how key market players in the apparels value chains such as suppliers/employers, workers/trade unions, brands/buyers and governments responded to the crisis particularly in sharing the responsibilities
 - The partnership of the market players in the apparel value chain is under threat; and there are strong indications of downgraded adjustments and risks
- Some indications of second level of risks in the world of work are being exposed which may downgrade overall situation and is a concern in the context of future adjustment process of households and businesses
 - Few incidences of laying off factories; retrenchment of workers; shutting down of businesses (SMEs); leaving the urban areas for fear of shortages of food

7. Concluding Remarks

- ***Progress in Implementation of the Action Plan:*** According to CPD-ILO (2020) a major progress in the industrial safety observed during the post-Rana Plaza period is implementation of a plan of action to a large extent particularly targeting the RMG sector
 - This initiative needs to be broadened addressing the safety concerns of all industrial units and commercial activities, most importantly in textiles, accessories, plastic, chemical, leather, leather goods, boiler based activities, high-rise commercial buildings etc.
- Government should consider developing its future plan of action covering further regulatory reforms, policy formulations, adoption of ILO conventions, implementation of employment injury scheme and addressing the environmental concerns etc.
- The monitoring and remediation related activities in the RCC monitored factories need to be strengthened
 - The operation of the RSC should be conducted under the direct authority of the DIFE
 - There needs to have an amicable solution with regard to the operation of the Nirapon
- The future activities related to industrial safety needs to take into cognizance about the necessary activities to address the emergencies of COVID 19
 - This would require enterprise level preparation, data collection of workplace hazards, training of management and workers, safety measures need to be taken by the workers etc.
 - Necessary safety protocol and measures taking into account the ILO emergency safety protocol needs to be developed. The guideline of the Ministry of Health needs to be followed

7. Concluding Remarks

- The DIFE should regularly inform about the situation of workers and working conditions in garment factories during the period of COVID 19 by providing information on payment of wages, payment due to workers, measures taken against factories regarding due payments, factories gone for layoffs (partial/full), actions take against illegal layoff activities
- ***Addressing the challenges in business operations during COVID 19:*** Majority of enterprises in the RMG sector have been confronting multiple challenges and risks and have explored multiple ways of adjustments
 - As discussed the RMG sector is likely to confront further deterioration in export during April, 2020 and subsequent months
 - In this connection, government's credit support and monetary policy support would help them to accommodate their major operating costs particularly workers' wages for next three months. CPD proposed a number of fiscal policy support for the sector for the upcoming national budget FY2021
- Government support measures for credit under EDF would facilitate activities of the export sectors once business resumes during the post-corona period
 - Resumption of the economic activities in China would be a relief for Bangladesh's businesses once they could commence economic activities in the future
- In this backdrop laying off workers in garment factories contradict with the spirit of partnership of the post-Rana Plaza period
 - Government's decision not to allow those factories in availing the subsidized credit line seems logical. Moreover, it is expected that the possible fiscal stimulus which would be announced in the upcoming national budget (FY2021) should not allow those factories in availing fiscal support

7. Concluding Remarks

- The spirit of shared responsibilities among the brands/buyers were found to be in questionable form during COVID 19
 - The cancellation/deferment of orders under the ‘force majeure’ clause put the garment manufacturers and workers in the value chain in severe trouble
 - In this connection, buyers’ application of ‘force majeure’ clause needs to be cross-examined through International Chamber of Commerce (ICC); it is expected that local body, ICC,B could facilitate that process
- A positive development in this regard is – issuing a press note by an EU based alliance of brands/buyers, right based groups based in undertaking activities as per the responsible business practices
 - It is expected that brands/buyers of other countries will join with this alliance and sign and follow the guideline in case of supporting the workers and supporting the suppliers/employers
- Trade bodies such as BGMEA and BKMEA should further enhance their cooperation with other regional trade bodies in building cooperation on ensuring responsible business practices (RBP) in buyers’ purchasing practices
- It is expected that major importing countries will make aware their MNEs in undertaking a part of this shared responsibility under the RBP

7. Concluding Remarks

- ***Addressing the challenges in working condition during COVID 19:*** Given the health emergency currently in place, factories need to continue ongoing 'holidays' as per the instructions of the government
- It is expected that factories will facilitate opening of bank accounts/MBFS accounts of remaining workers as part of availing the credit support. Since most of the MBFS/local level banks are in operation, factories would complete the process as per the scheduled timeline
 - The crisis management committees formed by DIFE need to be proactive in ensuring payment of wages for March, 2020 and earlier dues as a section of factories still did not pay workers' wages.

7. Concluding Remarks

- ***Addressing the livelihood related challenges:*** Workers passing days in starvation and chronic malnutrition is not the spirit of shared responsibilities in the value chains. Workers' upward mobility that was obtained during the post-Rana Plaza period would get reverse in the absence of proper long term support
 - Workers should receive minimum income support till the business situation improves
 - The stimulus package announced by the government to ensure workers wages for three months is the first step towards this direction
 - Workers need to be included in the food rationing system and OMS services which will be initiated soon
 - It is expected that development partners who are the main apparels importing countries will come forward with long term support for workers; brands/buyers should contribute in such initiative
 - Delay in providing regular support would push a section of workers to engage in low/downgraded activities
- ***Health related Challenges:*** Given the limited level of awareness about health related issues particularly those of COVID 19, a number of activities at the workers level are urgently required
 - These include awareness raising, distribution of medical kits for use and maintaining social distancing

7. Concluding Remarks

- The health alert provided by the Ministry of Health should provide more information such as corona patient's professional affiliation and work experience in last one week etc., in order to undertake more targeted measures to address the corona spread
- The health related directives (those related to MoC, MoLE) should be properly coordinated with Ministry of Health (MoH). In such cases, the directives of the MoH should get priority in taking decisions
- **Workers' rights related challenges:** The appearance and functionality of workers' organisations during the time of COVID 19 outbreak should be more visible and effective. The spirit of the post Rana Plaza period in ensuring workers' rights is somewhat absent in ongoing initiatives
 - Unfortunately, there is limited role played by these organisations as reported in the media
 - Few initiatives were observed in the RMG sector from trade unions and other organisations when factories have gone for laid off and retrenched workers
- Although workers organisations working in affiliation with international trade unions and workers' rights organisations have raised their voices at limited scale, however, those initiatives have given priorities to local level initiatives
 - It is expected that these organisations will raise their voices in case of role of other important players in the value chains such as brands, buyers for RBPs and major importing countries on their social commitment
- The social dialogue mechanism seems not so used during the time of challenges in businesses, working conditions, workers wages and their livelihood issues

7. Concluding Remarks

- **An Exceptional Example:** The path for making recovery for the businesses/enterprises and workers from the current state of health and economic crisis would be very difficult
 - An exceptional and positive example could be referred. i.e. how the economies recovered after the global financial crisis in 2008-09
 - It is found that Bangladesh's export (both RMG and non-RMG)) jumped immediately after the GFC was over (see figure 1 in next slide). Such incidence may happen after the COVID 19 will be over
 - However, the growth trajectory for export in 2020 would not be the same like wise in 2008-09. Export growth of RMG and non-RMG had been struggling event before the outbreak of corona here (See figure 2); those reasons would persist during post-corona period
 - Despite that, we can expect a positive return of growth in export during the post-corona period
- A major test case would be how Bangladesh will find the 8th Anniversary of Rana Plaza tragedy during 2021 (50th Anniversary of the Bangladesh's Independence)?
 - Will that be in better form in the world of work with more engagement of stakeholders in addressing the challenges of workers and employers? or
 - Will that be in a downgraded format of the world of work with further distress on workers and employers in the value chain?
- We would like to follow up through out the year: a) protection of workers; b) protection of employment; c) protection of working condition and d) protection of workers' rights

6. Concluding Remarks

2008-2010

Figure 1A: Export Growth of RMG during GFC and Afterwards

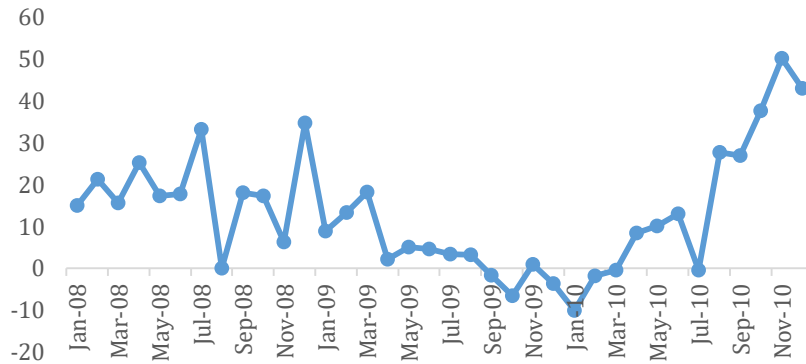
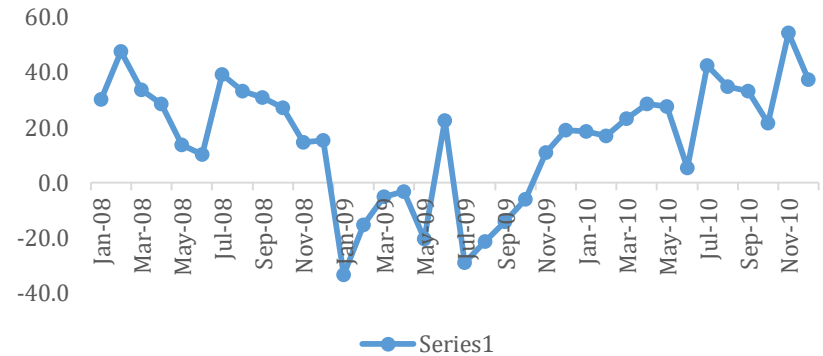


Figure 1B: Export Growth of Non-RMG during GFC and Afterwards



2017- Mar, 2020

Figure 2A: Export Growth of RMG during Pre-COVID and COVID Period

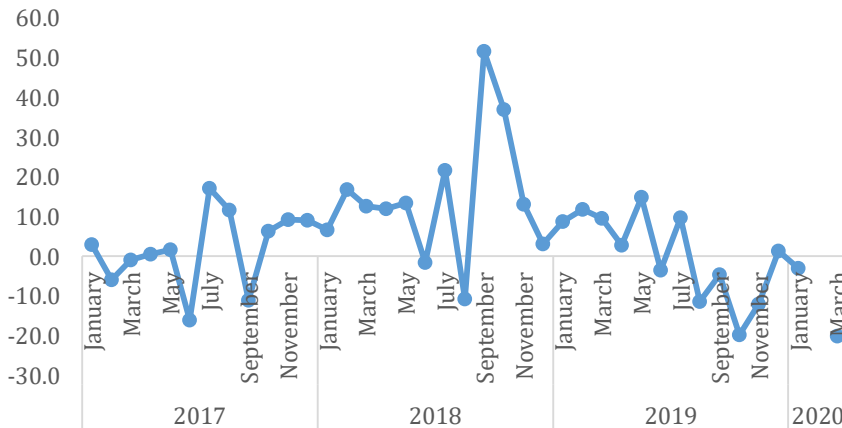
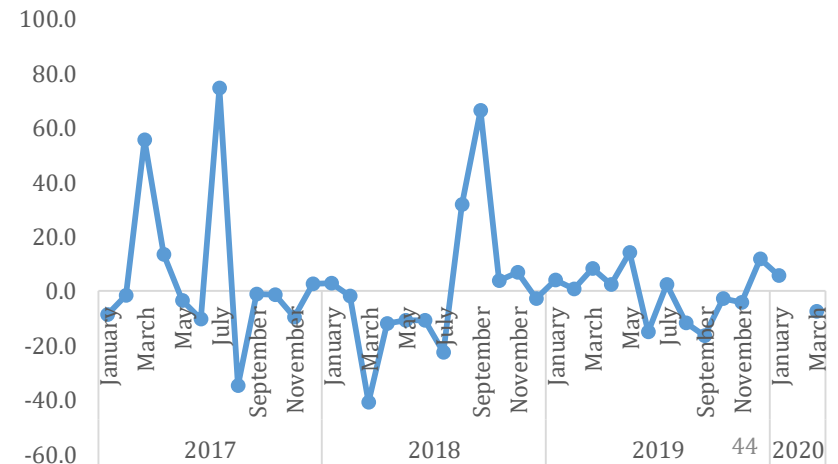


Figure 2B: Non-RMG Export Growth during Pre-COVID and COVID Period



Thank you.