

RMG SECTOR DURING COVID PANDEMIC

CORPORATE ACCOUNTABILITY ON LABOUR AND HUMAN RIGHTS

**CASE OF FINANCIAL STIMULUS
PACKAGE FUNDS**

**KHONDAKER GOLAM MOAZZEM
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Abstract

Corporate accountability of the apparel sector enterprises of Bangladesh can be scrutinised based on their actions/inactions during COVID-19. The export-oriented apparel sector of Bangladesh has received various fiscal and monetary policy supports from the government to address the liquidity shortfall during the pandemic period. A number of relevant issues which could be examined in this regard include workers' jobs, wage payments, entitled benefits, workplace safety and security and workers' rights. One crucial policy support from the government has been the availability of a BDT 10,500 crore stimulus package for export-oriented sectors as subsidised credit to pay their workers' wages. According to the latest available information, the package is almost utilised for providing credit to the apparel enterprises during April–July 2020. From the corporate accountability perspective, this stimulus package can be examined from a number of angles: (a) Has the credit support been fully utilised for workers' wages? (b) Did the eligible and deserving enterprises avail the package support? (c) Did the credit support ensure workers' wages as per the labour law? (d) Did enterprises availing the credit support adhere to the policy of not laying off workers? (e) Did the companies comply with the labour laws and rules in case of laying off or retrenchment of workers? (f) How did workers survive during COVID-19 with or without work, and what was the pandemic's impact on workers' livelihoods? (g) How did the female workers cope with the livelihoods challenges during the pandemic? and (h) Has there been any example of apparel enterprises initiating to address workers' livelihood related challenges? Against this backdrop, the study examines the practice of accountability of the apparel enterprises of Bangladesh from the perspective of ensuring labour and human rights during this critical time. This research is the first of its kind which examines the crisis considering a rights-based approach in the context of the global apparel value chain operating in Bangladesh.

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Acronyms

ACT	Action, Collaboration and Transformation (Alliance)
AVF	Average Score of Freedom
AVG	Average Score of Governance
BDT	Bangladeshi Taka
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
CMC	Crisis Management Committee
COVID-19	Coronavirus Disease
DIFE	Department of Inspection for Factories and Establishments
DoL	Department of Labour
EU	European Union
GAA	Girls Advocacy Alliance
ILO	International Labour Organization
LC	Letter of Credit
MFS	Mobile Financial Service
MoLE	Ministry of Labour and Employment
NGO	Non-Government Organisation
OECD	Organization for Economic Co-operation and Development
PPE	Personal Protective Equipment
RBP	Responsible Business Practice
RMG	Readymade Garment
SKOP	Sramik Karmachari Oikya Parishad
UN	The United Nations
USD	United States Dollar
WPC	Workers Participation Committee

1. Introduction

In view of the unprecedented impacts of the COVID-19 pandemic on the global job market and associated workforce, there is a global urge to examine the exacerbation of the existing problems involving human and labour rights issues worldwide. Since Bangladesh's export-oriented readymade garments (RMG) sector is the most important manufacturing sector with over 2.5 million workers, mostly female, it is important to examine the impact of the crisis on the rights of the workers during this pandemic. This research is the first of its kind which examines the crisis considering a rights-based approach in the context of the global apparel value chain operating in Bangladesh.

Corporate accountability usually refers to the responsibility of the companies in terms of the impact of their programmes and actions on society, economy and environment covering their employees, stakeholders and communities. This refers to companies' deference to appropriate scrutiny of their activities. The management of a company obliges itself to be answerable to the controlling interest of the organisation, to the concerned legal authorities with regard to laws and regulations, and those affected by their decisions and activities. More broadly, corporate accountability encompasses accepting responsibility for any wrongdoing occurred, taking appropriate measures to remedy the same, and taking required action to prevent its repetition (Jalal, 2012). Overall, this implies responsibility and responsiveness, meaningful stakeholder-related processes, including access to grievance and compliance mechanisms and transparency. Such a process is expected to bring necessary changes in business-society interactions, which would help overcome poverty, promote development, and ensure social justice (Oxfam, 2014).

Corporate accountability of the apparel sector enterprises of Bangladesh can be scrutinised based on their actions/inactions during COVID-19. The export-oriented apparel sector of Bangladesh has received various fiscal and monetary policy supports from the government to address the liquidity shortfall during the pandemic period. A number of relevant issues which could be examined in this regard include workers' jobs, wage payments, entitled benefits, workplace safety and security and workers' rights. One crucial policy support by the government has been the availability of a BDT 10,500 crore stimulus package for export-oriented sectors as subsidised credit to pay their workers' wages. According to the latest available information, the package is almost utilised for providing credit to the apparel enterprises during April–July 2020. From the corporate accountability perspective, this stimulus package can be examined from a number of angles: (a) Whether or not the credit support has been fully utilised for workers' wages; (b) Whether eligible and deserving enterprises availed the package support; (c) Whether the credit support ensured workers' wages as per labour law; (d) Whether enterprises availing the credit support adhered to the policy of not laying off workers; (e) Whether companies complied with the labour laws and rules in case of laying off or retrenchment of workers; (f) How workers survived during COVID-19 with or without work, and what the pandemic's impact was on workers' livelihoods; (g) How the female workers coped with the livelihood related challenges during the pandemic; and (h) If there has been any example of apparel enterprises initiating to address workers' livelihood related challenges.

Against this backdrop, the study examines the practice of accountability of the apparel enterprises of Bangladesh from the perspective of ensuring labour and human rights during this critical time.

2. Conceptual Framework

Different authors define corporate accountability in several ways; however, the main components of corporate accountability are almost the same. According to the business dictionary, as cited by Tripathi (2016), corporate accountability is the act of being accountable to the organisation’s stakeholders, including customers, local community, shareholders, employees, employers as well as the country where the corporation operates. The main focus of corporate accountability is to establish institutional mechanisms by which enterprises could be held accountable instead of encouraging companies to ensure social desirability voluntarily.¹ Carroll and Olegario (2020) identified three different perspectives to define corporate accountability. These three perspectives are: a) communicative view—which considers an organisation more corporately accountable if it is primarily disclosed or engage with its stakeholders [Roberts (2009) and Greenwood (2007), as cited in in Carrol and Olegario (2020)], b) phenomenological view—which sees corporate accountability as the fulfilment of stakeholder expectations or efforts to hold corporate reputation, and c) consequentialist view—which considers an enterprise corporately accountable if it punishes itself for not meeting the standards.

Global guidelines formulated to ensure enterprises’ responsibility for the social, environmental and economic consequences could be a basis for implementing corporate accountability (MVO Platform, 2015). In this regard, the Organization for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises (revised in 2011) (OECD, 2011), the United Nations Guiding Principles on Business and Human Rights (UN, 2011) and the International Labour Organization (ILO) Declaration (ILO, 1977) could be valuable in determining corporate accountability (MVO Platform, 2015). Some of the key areas that these guidelines focus on are mentioned in Table 1.

Table 1: Key Areas of International Guidelines on Labour and Human Rights

OECD (2011)	UN (2011)	ILO (1977)
• General policy	• Foundational principle	• Employment
• Disclosure	• Policy commitment	• Training
• Human rights	• Human rights due diligence	• Conditions of work and life
• Employment and industrial relations	• Remediation	• Industrial relations
• Combating bribery, bribe solicitation and extortion	• State-based non-judicial grievance mechanism	
• Taxation		
• Environment		

Source: Authors’ Compilation Based on different documents (OECD, 2011; UN, 2011; ILO, 1977).

Note: UN = The United Nations.

Role of the Government: Along with the enterprises, the government has a role to play in ensuring corporate accountability. UN (2011) and ILO (1977) specify some roles of government which can contribute to ensuring corporate accountability. Government must protect human rights abuse by taking appropriate steps to investigate, punish, redress and thus prevent such abuse through effective policies, legislation,

¹Friends of the earth (2005) defines corporate accountability as the ability by which a corporation could be held accountable for its operation.

regulations and adjudication (UN, 2011). Government should also encourage enterprises to respect human rights (UN, 2011). In this regard, the government should enforce the prevailing laws expected to compel business enterprises to respect human rights, and occasionally evaluate the adequacy of such laws and address any gaps (UN, 2011).

Measuring Corporate Accountability: Based on the developed 'STING Corporate Accountability Model', STING Consultants (2014) assesses the corporate accountability status in Sri Lanka biennially. While developing the model, they focus on six key areas, viz., (i) Corporate values, (ii) Stakeholder engagement, (iii) Identifying impacts, risks and opportunities, (iv) Policy coverage, (v) Management and governance, and (vi) Measurement and disclosure.

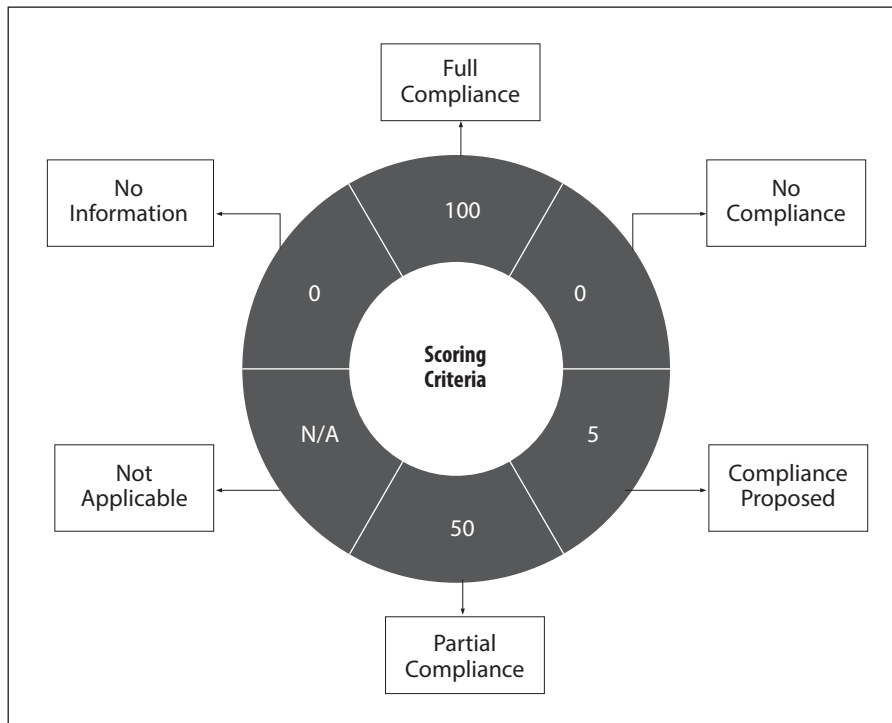
Corporate Accountability during the Crisis Period: No specific criterion is determined to differentiate corporate accountability in normal times from that during the crisis period. During the 2008 economic crisis, a number of attempts to violate guidelines regarding human rights, tax, employment, among others were reported. During the ongoing economic crisis owing to COVID-19, a number of amendments/new rules have been undertaken, or certain rules have been suspended as regards issues—including labour rights and business practice and so forth—by the government of several countries including Bangladesh. The maintenance of these revised laws/rules during the COVID crisis would contribute to the practice of corporate accountability to the same extent. The criteria based on a legal framework could evaluate corporate accountability during the crisis. The guidelines of OECD (2011), UN (2011) and ILO (1977) also mention a number of imperatives during the crisis of an enterprise. These could also be utilised in evaluating corporate accountability during the crisis period.

3. Objectives and Methodology

This study has been undertaken with a view to fathoming the accountability of the corporate actors in the apparel sector with regard to their actions on the labour and human rights of workers impacted by COVID-19-driven economic crises. The study—foregrounding the perspective of corporate accountability from different stakeholders—aims to highlight the implications and impact of various public policy measures and private sector initiatives undertaken, including stimulus package, on the lives and livelihoods of workers.

The study examines the status of corporate accountability of RMG enterprises on two counts: first, general practices, and second, special interventions in the wake of the stimulus package. Both of these activities are intertwined as the firm's general practice leads to its specific action. This study evaluates the status of corporate accountability of Bangladeshi RMG enterprises in terms of general practices based on the framework of the aforementioned STING Corporate Accountability Model of STING Consultants. It investigates the general practice focusing on five key areas, which are: a) corporate values, b) corporate governance, c) identifying impacts and risks, d) role of stakeholders, and e) transparency and disclosure. In addition, to generate a quantitative measure of the level of performance of corporate accountability in general, the study has developed a corporate accountability index based on the methodology used by Ranking Digital Rights (2019). On the other hand, the performance of the stimulus package-based measures has been examined by reviewing whether the measures are undertaken or not by the enterprises.

Figure 1: Scoring Criteria for Measuring Corporate Accountability Index



Source: Authors' Illustration Based on Ranking Digital Rights (2019).

The corporate accountability index for the RMG enterprises has been measured focusing on three broad areas, including (a) governance, (b) freedom of expression, and (c) disclosure. Questionnaires were developed based on three global guidelines, viz., the OECD Guidelines for multinational enterprises (revised in 2011), the UN Guiding Principles on Business and Human Rights (2011) and the ILO Declaration (1977). The scoring mechanism of the indexing has been illustrated in Figure 1.

The higher score of the index will indicate a more corporately accountable enterprise. The equation used for measuring the index is:

$$\text{Corporate Accountability Index} = \frac{1}{3} \text{AVG} + \frac{1}{3} \text{AVF} + \frac{1}{3} \text{AVD}$$

Where, AVG is Average score of Governance; AVF means Average score of Freedom of Expression; and AVD stands for Average score of Disclosure

The analysis of this study is mainly based on the primary data collected through conducting on-hand surveys. The participants of the surveys include: (i) 102 RMG factories, (ii) 300 employed RMG workers, and (iii) 100 unemployed² RMG workers. It is to be noted that surveyed workers were not necessarily from the surveyed factories. Hence, generated figures from the survey on workers and factories were not comparable on individual issues. Overall, the survey structure might not be nationally representative entirely. A detailed overview of the surveyed factories and workers has been provided in the following section.

In addition to the survey, several stakeholders, including one representative of brands, one government official, two workers' representatives and one RMG employer, were interviewed to complement the analysis.

²RMG workers who lost their jobs during COVID-19.

4. Overview of Sample Factories and Workers

The survey was conducted on large and small factories located only in Dhaka and Gazipur (Table 2). Since the survey did not cover two other RMG factory clustered districts—Chattogram and Narayanganj, the findings of the study may not capture the entire scenario in terms of corporate accountability practice of the Bangladeshi RMG industry. However, given that the factories in Dhaka and Gazipur are found to be comparatively more compliant than the remaining³, the findings of the study should reflect the maximum compliance standard in terms of corporate accountability practice of the Bangladeshi RMG industry. In an attempt to understand whether respective business associations' membership status plays any role in practising corporate accountability, the conducted survey covered member-factories of both Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) as well as the non-member ones.

Of the surveyed factories, 76.5 per cent are small, employing less than 500 workers, and 23.5 per cent are large-scale factories with over 2,500 workers. In terms of the type of factories, 57.9 per cent were knit, and 42.1 per cent were woven factories. In terms of membership, 66.7 per cent were BGMEA member-factories, and 13.7 per cent belong to BKMEA; about 14.7 per cent of factories are non-member factories, aligned to neither (Table 2).

Table 2: Feature-wise Distribution of Surveyed Factories

(in per cent)

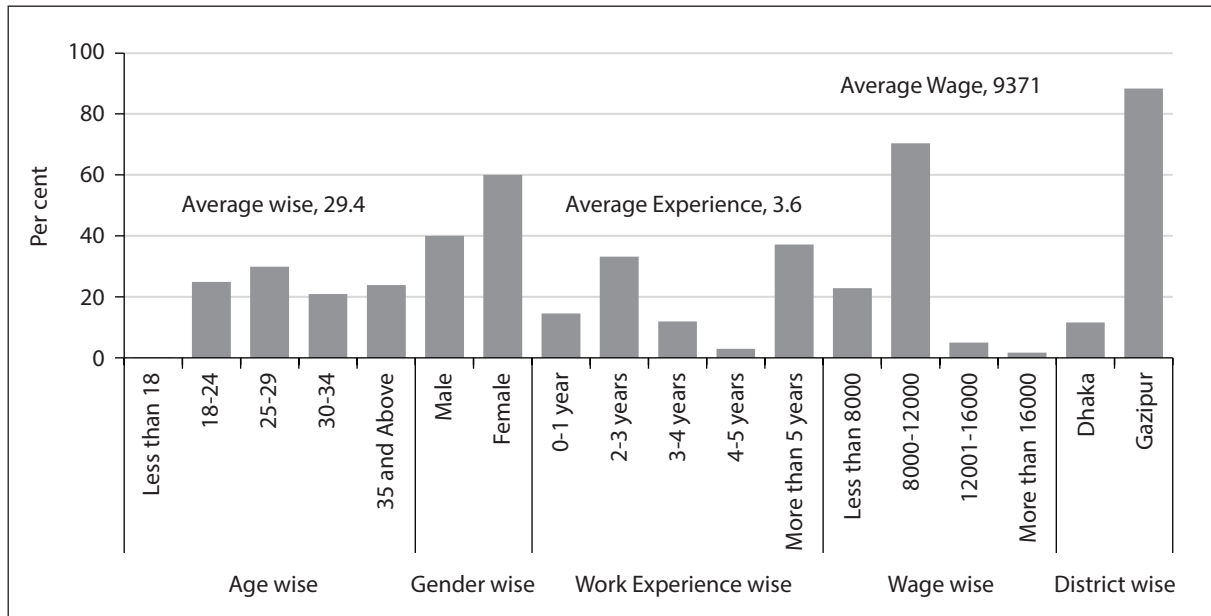
<i>Size and type</i>	
Large	23.5
Small	76.5
Knit	57.9
Woven	42.1
Total	100.0
<i>Membership</i>	
Both	4.9
Non-member	14.7
Only BGMEA	66.7
Only BKMEA	13.7
Total	100.0
<i>District</i>	
Dhaka	46.1
Gazipur	53.9
Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

A total of 400 RMG workers—300 employed and 100 unemployed—were surveyed for the study. Similar to the factory respondents, all the surveyed workers were from Gazipur and Dhaka districts. The average age of employed and unemployed workers was 29.4 (Figures 2 and 3), which is higher than the average age of workers reported in other nationally representative surveys—23.4 years in (CPD, 2018).

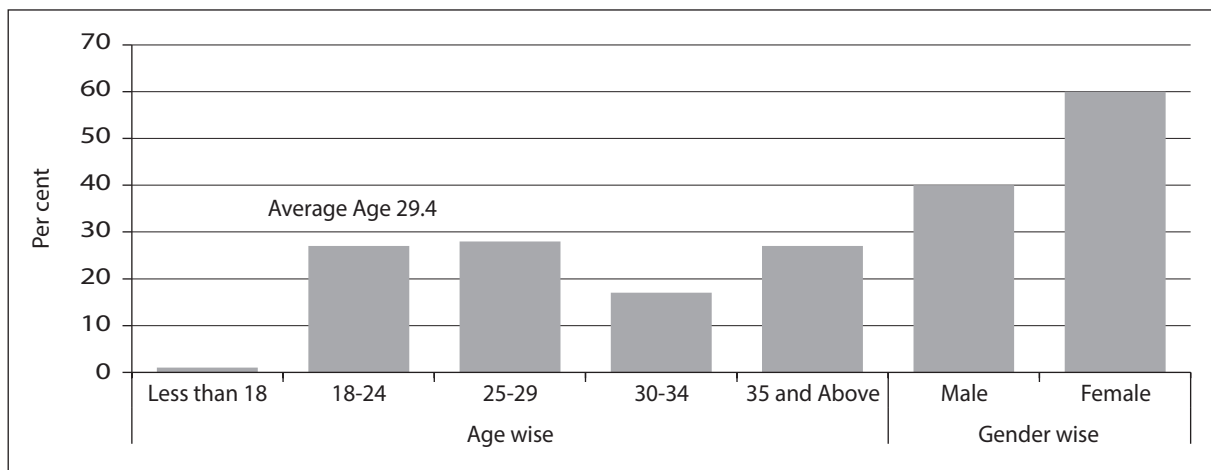
³As indicated in some earlier studies, such as (CPD-MiB, 2021).

Figure 2: Distribution of Surveyed Employed Workers



Source: CPD-Shojag Coalition Survey, 2021.

Figure 3: Distribution of Surveyed Unemployed Workers



Source: CPD-Shojag Coalition Survey, 2021.

In order to make the data representative of the national population to some extent, the male-female ratio of RMG workers (40:60) was maintained in the survey, both in case of employed and unemployed workers. The average work experience of the surveyed workers was 3.6 years, which is related to a higher average age of workers. Workers' average monthly take-home pay is about BDT 9,371 which is a little less than those observed in other surveys (BDT 9,677 in CPD, 2018). The limited scope of overtime work partly influenced this decline in wages during the pandemic. The distribution of unemployed workers is almost similar to those of the employed workers.

5. Evaluation of RMG Industry regarding Corporate Accountability

This section focuses on the corporate accountability practice of the sampled RMG enterprises. The five issues mentioned in the methodology section have been evaluated to understand corporate accountability. These five sections are: (i) corporate values, (ii) corporate governance, (iii) identifying risks and measures, (iv) role of stakeholders, and (v) transparency and disclosure.

5.1 Corporate values

Corporate values, a set of guiding principles, assist a group in approaching a common business goal by working together (Darmanin, n.d). It can be considered as one of the key indicators in understanding the willingness of a business entity to maintain corporate accountability per se. The high-level values or guiding principles of a business entity should cover the corporate accountability aspect. It also requires to be aligned with the country's business and labour laws and should largely reflect different global guidelines relating to corporate accountabilities. This section evaluates the status of corporate values of the Bangladeshi RMG industry in the light of corporate accountability.

The conducted survey on Bangladeshi RMG factories shows that a large section of the respondents has their own set of guiding principles in operating their business. Overall, 82.4 per cent (Table 3) of the surveyed RMG factories have claimed to have a set of guiding principles in operating their business. However, according to the interviewed worker representatives, these guiding principles are not made publicly available by the factories. Without public reporting, it is difficult to assess not only the availability of the principles but also the commitments of the enterprises based on those principles. Similarly, without evaluating the operational practices, it is difficult to assess not only the availability of the principles, but also the commitments of the enterprises based on the principles. In comparison, around 76.9 per cent of the small factories have claimed the same. The survey result also shows that

Table 3: Different Indicators Relating to Corporate Values

(in per cent)

Category		Factories have Guiding Principles in operating business		Workers contribute to formulating/ revising the Guiding Principles		Workers are informed of any change effected in the Guiding Principles		Workers are provided training/brief regarding the Guiding Principles	
		To a large extent	To some extent or none	To a large extent	To some extent or none	To a large extent	To some extent or none	To a large extent	To some extent or none
Overall		82.4	17.6	25.5	74.5	46.1	53.9	37.3	62.7
Type	Knit	78.0	22.0	23.7	76.3	42.4	57.6	33.9	66.1
	Woven	88.4	11.6	27.9	72.1	51.2	48.8	41.9	58.1
Actual Size	Large	100.0	0.0	37.5	62.5	62.5	37.5	50.0	50.0
	Small	76.9	23.1	21.8	78.2	41.0	59.0	33.3	66.7
Membership	Both	100.0	0.0	20.0	80.0	40.0	60.0	40.0	60.0
	Non-member	60.0	40.0	20.0	80.0	20.0	80.0	13.3	86.7
	Only BGMEA	86.8	13.2	26.5	73.5	55.9	44.1	45.6	54.4
	Only BKMEA	78.6	21.4	28.6	71.4	28.6	71.4	21.4	78.6

Source: CPD-Shojag Coalition Survey, 2021.

the availability and application of the guiding principles are comparatively inadequate in the case of the factories that are not members of either of the business associations—BGMEA or BKMEA. While the large factories and the member factories mostly possess guiding principles compared to small and non-member factories, the unavailability of these guiding principles for the public remains a major concern for all of them.

Although the survey found that most RMG factories have a complete set of guiding principles to operate their business, workers’ participation in formulating or modifying these guiding principles remains ignored. As shown in Table 3, according to the survey, workers of only 25.5 per cent of the RMG factories could ventilate their opinion extensively in formulating and/or revising those guiding principles. The extent of this entire workers’ contribution is relatively lower in the case of small factories compared to their large counterparts. This amply indicates that Bangladeshi RMG workers still have a limited scope in opining for or against the guiding principles of their workplace based on their interests. The RMG workers of overall 53.9 per cent surveyed factories also remained either entirely or partially uninformed/ignored in case of any modification of the guiding principles. On a disaggregated basis, it can be observed that the workers of a significant portion—80 per cent—of non-member factories, remain entirely or partially unaware of such developments. The reason behind this unawareness/ignorance reflects in the figure that suggests only 37.3 per cent of surveyed workers are provided sufficient training or brief regarding the guiding principles of their factories. Among all, non-member factories are least bothered about such training for their workers, as the survey shows only 13.3 per cent of them provide such training to their workers.

The conducted survey raises questions regarding the coverage of corporate accountability aspect by the existing guiding principles of RMG factories. As shown in Table 4, according to the survey, 29.4 per cent of the factories have partial or no guiding principle to ensure the prevention of discrimination in their business activities based on gender, race, religion, and etc. The absence of discrimination-related principles is relatively higher in case of smaller and non-member factories. Moreover, the survey result

Table 4: Different Indicators Relating to the Practice of Corporate Values

(in per cent)

Category		Factories having guiding principles that prevent workers raising voice against malpractice		Factories following their guiding principles		Factories having principles to prevent discrimination		Factories following the government rules	
		To a large extent	To some extent or none	To a large extent	To some extent or none	To a large extent	To some extent or none	To a large extent	To some extent or none
Overall		68.6	31.4	71.6	28.4	70.6	29.4	81.4	18.6
Type	Knit	66.1	33.9	67.8	32.2	67.8	32.2	76.3	23.7
	Woven	72.1	27.9	76.7	23.3	74.4	25.6	88.4	11.6
Actual Size	Large	79.2	20.8	87.5	12.5	83.3	16.7	100	0.0
	Small	65.4	34.6	66.7	33.3	66.7	33.3	75.6	24.4
Membership	Both	80.0	20.0	100.0	0.0	80.0	20.0	100.0	0.0
	Non-member	60.0	40.0	46.7	53.3	46.7	53.3	66.7	33.3
	Only BGMEA	75.0	25.0	77.9	22.1	76.5	23.5	83.8	16.2
	Only BKMEA	42.9	57.1	57.1	42.9	64.3	35.7	78.6	21.4

Source: CPD-Shojag Coalition Survey, 2021.

shows that 31.4 per cent of the surveyed factories have guiding principles that directly or indirectly prevent their workers from raising voice against any malpractice. According to the interviewed trade union representatives, a common database of workers is maintained, which is accessible by all factories. The factories blacklist the workers once expelled for participating in any protest, and those expelled workers are hardly recruited by other factories. This, overall, indicates a vulnerability in the corporate accountability mechanism of these factories.

A set of guiding principles covering most of the aspects of corporate accountability will eventually fall short of any positive outcomes if they are not followed entirely by the business entity. There is no real mechanism to measure the exact extent of the guiding principles for a business entity. Nevertheless, based on the self-opinion of the factories, the survey finds that around 72.71.6 per cent of Bangladeshi RMG factories conduct their business by fully following their guiding principles, as shown in Table 4. On the contrary, around 28.4 per cent follow it partially. On the other hand, 81.4 per cent of the surveyed factories claimed that they follow the government rule and laws at their best. Most of these factories prefer to abide by the government's rules and regulations rather than self-guiding principles. This is probably because non-compliance with government's rules would result in punitive actions while following the latter mostly depends on self-interest. It should be noted that all these figures regarding fulfilment of laws and self-guidelines are inflated to some extent, given that these are generated out of the perception of the factories and not by any figures.

5.2 Corporate governance

Corporate governance denotes the rules, practice, and process governing the business entity (You Matter, 2020). Good corporate governance ensures a uniform decision-making process based on the interest of all stakeholders (You Matter, 2020). Therefore, transparent, and effective corporate governance can be considered as one of the vital components in ensuring corporate accountability. The section assesses various aspects of the corporate governance structure of Bangladeshi RMG factories.

Deficit of good governance has always been a vital issue in the RMG industry of Bangladesh. Although, after the Rana Plaza incident, a number of initiatives were undertaken in pursuit of good governance, several issues such as lack of coordination among relevant stakeholders, negligence of duties by the duty bearers, political influence and collusive nature of corruption, remain as core challenges in the process (TIB, 2018). The ongoing pandemic has amplified the importance of practising good governance as good governance can always contribute to the growth of the business entities (Rathod, 2018), even in times of crisis.

The survey showed that the Bangladesh RMG industry ensures good governance in some respects, whereas some remain as issues of concern. Some of the eight characteristics of good governance as identified by Biswas (2020)—participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and compliant with the rule of law—found to be absent to many extents, particularly in case of smaller and non-member RMG factories in Bangladesh. However, in some areas, progress is noticeable. These areas include: (a) ensuring no suffering for workers in providing wages and compensation, (b) ensuring no pressure on workers to complete the work, (c) timely payment of wages, (d) ensuring no discrimination in case of recruitment and release of workers, (e) providing sufficient equipment for accidental emergency, (f) maintaining occupational safety, (g)

Table 5: Factories' Perception Regarding Different Governance-related Indicators*(in per cent)*

Indicator	Category	Valid
Factories take remedial action against malpractices	To a large extent	78.6
	Occasionally or never	21.4
Time taken by the factories to resolve complaints made by workers	Within a week	79.8
	Within a month or more	20.2
Ensure workers do not suffer in receiving due wages /compensation/ overtime	To a large extent	90.2
	Occasionally or never	9.8
Workers are provided with their dues during lay-off period or retrenchment	To a large extent	40.9
	Occasionally or never	59.1
Workers are pressurised to complete the work	To a large extent	0.0
	Occasionally or never	100.0
Factories ensure no discrimination in case of recruitment and release of workers	To a large extent	79.2
	Occasionally or never	20.8
Factories regularly sit with workers' representatives regarding any inconvenience	To a large extent	63.0
	Occasionally or never	37.0
Wages are paid timely	To a large extent	88.2
	Occasionally or never	11.8
Factories offer training on gender-related issues	To a large extent	41.4
	Occasionally or never	58.6
Factories offer training on labour rights	To a large extent	29.7
	Occasionally or never	70.3
Retrenched/laid-off workers can challenge the decision	To a large extent	33.3
	Occasionally or never	66.7
Workers can challenge any decision that impacts them negatively	To a large extent	73.4
	Occasionally or never	26.6
Factories provide sick/maternal leave as per workers' requirement	To a large extent	92.8
	Occasionally or never	7.2
Factories maintain occupational and health-related safety	To a large extent	81.4
	Occasionally or never	18.6
Factories provide daycare facilities for the children	To a large extent	41.2
	Occasionally or never	58.8
Factories provide sufficient equipment to manage accidental emergency	To a large extent	85.3
	Occasionally or never	14.7
Workers are compensated by factories in case of any accident	To a large extent	60.6
	Occasionally or never	39.4
Factories offer training on improving their work skills	To a large extent	48.0
	Occasionally or never	52.0
Factories maintain a database for workers' information	To a large extent	97.1
	Occasionally or never	2.9

(Table 5 contd.)

(Table 5 contd.)

Indicator	Category	Valid
Factories provide training to workers regarding how to complain against any malpractice officially	To a large extent	16.2
	Occasionally or never	83.8
WPC can play its role	To a large extent	75.8
	Occasionally or never	24.2
Trade Union can play their role	To a large extent	66.7
	Occasionally or never	33.3
Factories notify workers well before in case of firing or lay-off	To a large extent	68.8
	Occasionally or never	31.2
Factories notify the WPC/Trade Union in advance of firing/laying off any worker	To a large extent	69.2
	Occasionally or never	30.8
Factories notify the DIFE well before firing or laying off any worker	To a large extent	38.9
	Occasionally or never	61.1
Factories clearly explain the reason to workers/Trade Union/WPC/PC behind firing or laying off a worker	To a large extent	61.5
	Occasionally or never	38.5

Source: CPD-Shojag Coalition Survey, 2021.

Note: WPC = Workers Participation Committee; DIFE = Department of Inspection for Factories and Establishments.

providing sick leave and maternity leave to workers, and (h) maintaining a database of workers. However, compared to the overall success in these areas, the smaller factories and those not affiliated with BGMEA and BKMEA are found to lag behind almost in all the cases. On the other hand, the workers' perception of these characteristics of good governance is not entirely similar to the factories' perception.

While the factories and workers both share a common perception with regard to progress, some of the other perceptions are heterogenic. Around 79.1 per cent of the surveyed workers opined that they are provided wages in time to a large extent by their factories (Annex Table 1), which was also claimed by 88.2 per cent of the surveyed factories (Table 5). Furthermore, almost 67.4 per cent of the surveyed workers stated that their workplace is equipped with sufficient material to face and combat accidental emergencies (Annex Table 4). This was also corroborated by 85.3 per cent of the surveyed factories as illustrated in Table 5. However, while none of the surveyed factories (0 per cent) admitted any excessive work pressure on their workers from their side, 30 per cent of the workers felt an increase in their work hours and 22.3 per cent of the workers felt an increase in work-related harassment (Annex Table 3). According to the trade union representatives, the recent postponement of some of the sections of the Bangladesh Labour Act 2018 by the government (sections 324, 100, 102 and 105) could be responsible for a higher degree of work pressure and work-related harassments.

Although 79.2 per cent of the factories opined to have ensured no discrimination during the recruitment and retrenchment of their workers, other relevant surveyed data in subsequent sections reflect otherwise. Again, even though the maintenance of full occupational safety by 81.4 per cent of the surveyed factories seems to represent the reality given the extensive initiatives implemented after the harrowing Rana Plaza catastrophe 2013, the compensation issue (dues of workers) still remains a major concern. As much as 60.6 per cent of the factories provide their workers compensation in case of any accidental hazard, the survey dictates. The claim of 92.8 per cent of factories providing regular sick

and maternity leave indicates good governance practice. However, it loses significance to some extent as only 41.2 per cent of factories provide childcare facilities.

The factories' perception depicts a lack of compliance and non-conformity in a number of areas regarding good governance as well. Almost 37.0 per cent of the surveyed factories admitted that they sit either occasionally or never with their workers or workers' representatives regarding any matter of dispute or inconvenience as in Table 5. However, according to the factories' perception, dispute settlement practice involving the workers, or their representatives is present to a great extent in case of small and non-member factories. During such a crisis as COVID-19, a regular discussion between workers and factories over a number of key issues could significantly ease the tension between them. Another major area with loopholes that have been reflected in factories' perceptions is the training of workers on different issues. Even though education on gender-related issues is significantly crucial for workers, only 41.4 per cent of the RMG factories arrange regular training on these issues. However, the training on other issues shows almost identical figures as well: 48.0 per cent of factories arrange regular training on improving the skill of the workers, and 29.7 per cent arranges training on labour rights. Overall, it indicates that putting a special focus on gender-related issues and labour rights through extensive training is still due in the Bangladeshi RMG sector.

The scope for RMG workers to practice their rights without any obstacles are still limited. The interviewed workers' representatives alleged that the workers do not always feel free to raise voice against any of their factories' malpractices. They feel insecure to participate in any protest or trade union activity that goes against the business interest of the factories. As mentioned in the earlier section, factories blacklist the workers who were fired for taking part in protests. The blacklisted workers are then hardly recruited by any other factories. Because of this uncertainty, workers mostly depend on their factories to take remedial actions for them in case of any inconvenience. However, the perception of factories reflects that those remedial actions are not regularly taken by some of the factories (21.4 per cent).

While a substantial section of RMG factories does not have any trade union or WPC as discussed in detail in subsequent sections, the role of these workers' associations (where they exist) is found to be still limited. The survey findings indicate that WPC can play a more active role in the RMG industry compared to the trade unions. In 75.8 per cent of surveyed factories, WPC could play their due role, while trade union could play their role in case of 66.7 per cent of surveyed factories.

In the case of laying off and recruitment, the workers are mostly found deprived of their basic rights. This reflects both on the perception of workers and factories. According to the survey, only 40.9 per cent of the factories clear all worker dues during the lay-off period or retrenchment. However, non-payment of the dues by the factories in case of firing and lay-off is not the only suffering meted out to the workers; additionally, the workers can hardly challenge any unfair or illegal decision regarding their removal or retrenchment. The factories' perception also corroborates this scenario. The survey found that only 33.3 per cent of surveyed factories allow their laid-off/retrenched workers to challenge the decision or ask for an explanation. On top of that, the fact that only 16.2 per cent of the factories provide regular training for their workers on handling such issues formally might make the process even more difficult for them. Although workers of 33.3 per cent of surveyed factories can ask for an explanation through any formal process, around 61.5 per cent of factories provide them with a clear explanation. Given that the decision to lay off or retrenchment always brings some negative and damaging impact on the workers' livelihoods, the ILO guidelines (1977) encourage the business enterprises to inform

the decision well before it is implemented to minimise the extent of the suffering of the workers. This practice is found still to be realised to a larger extent. The survey on factories found that 68.8 per cent of them notify workers about such decisions well before it is implemented, whereas 69.2 per cent and 38.9 per cent of them inform WPC or trade union and DIFE respectively. Such a perception does not match the official data of lay-off/retrenchment issues announced by DIFE with that in different survey-based studies. This is quite indicative of the lack of corporate accountability in this particular area.

5.3 Identifying impacts and risks

Identifying impacts of any business decisions on its stakeholders, consumers, and above all, on the society, and responding accordingly to adjust the impact positively, is a key component for a business entity to be corporately accountable as indicated in the guidelines of the OECD, UN and ILO. Given the high connectivity among the actors, any stakeholder's business decision could affect the boom and slump of the global apparel value chain. The ongoing pandemic led to the adoption of a number of business decisions by the Bangladeshi RMG factories, which had a number of impacts on its stakeholders, particularly the workers, as cited in different literature (Moazzem et al., 2020; Moazzem et al., 2021). This sub-section investigates the impact of the business decisions of Bangladeshi RMG factories during the ongoing pandemic in light of corporate accountability. It also examines the probable risks and opportunities associated with those business decisions.

Table 6: Overview of the Change in the Share of RMG Workers in Pre- and Post-COVID Period

(in per cent)

	Change in Jun 20 compared to Dec 19	Change in Jan 21 compared to Dec 19
Overall	-9.6	-0.8
<i>Gender wise</i>		
Male	-11.4	-1.4
Female	-8.7	-0.5
<i>Type wise</i>		
Knit	-8.8	-2.7
Woven	-9.9	0.1
<i>Size wise</i>		
Large	-7.7	2.1
Small	-16.3	-11.5
<i>Membership wise</i>		
Both	-2.6	-0.2
Non-member	-16.4	-24.8
Only BGMEA	-10.2	0.1
Only BKMEA	-6.4	-3.4

Source: CPD-Shojag Coalition Survey, 2021.

COVID-19 has exposed many loopholes of Bangladeshi RMG factories in terms of corporate accountability. The lack of accountability practices since the pre-COVID period has led to a number of irresponsible and questionable business decisions during the pandemic. Being the most vulnerable, the RMG workers have been experiencing its impact heavily both on their lives and livelihoods.

Immediately after the outbreak of COVID-19 in March 2020, the factories of Bangladesh had to face huge export order cancellation and/or deferment. However, a part of those cancelled orders has been reinstated after a combined effort of factories and Bangladeshi government and a few sourcing countries' governments. The rate of capacity utilisation during the pandemic period could indicate how many workers were employed in the factories. Figure 4 presents the rate of utilised capacity in the factories and the percentage of workers losing their jobs. According to the figure, there is an inverse relationship between the rate of capacity utilisation and percentage of job losses in the factories. The highest rate of job loss was observed in April and May 2020 when the capacity utilisation rate was the lowest. The rate of job losses has gradually declined with the rise in capacity utilisation in the following months.

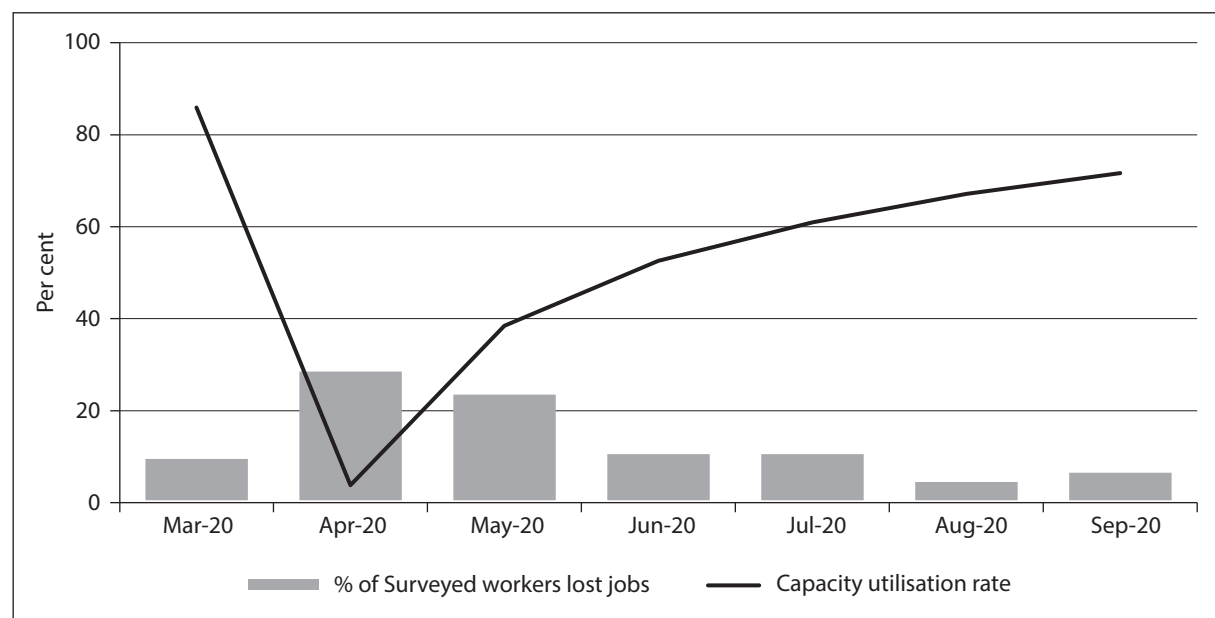
Table 7: Type-, Size- and Membership-wise Overview of the Change in Number of Staff

(in per cent)

		Change in June 20 compared to Dec 19	Change in Jan. 21 compared to Dec. 19
Overall		-3.3	2.5
Type	Knit	-5.6	0.0
	Woven	-2.7	3.7
Actual Size	Large	-3.2	4.5
	Small	-7.1	-4.8
Membership	Both	-8.7	-1.7
	Non-member	-5.3	-5.3
	Only BGMEA	-3.4	2.7
	Only BKMEA	0.0	1.8

Source: CPD-Shojag Coalition Survey, 2021.

Figure 4: Comparison Between Capacity Non-Utilisation Rate and Workers' Job Loss



Source: CPD-Shojag Coalition Survey, 2021.

Amid the huge uncertainty, 0.36 million workers were laid off/retrenched in Bangladesh (Moazzem et al., 2021; CPD and MiB, 2021). Although the factories denied this huge number of job losses during the interview, the conducted survey shows an almost identical scenario. Compared to December 2019, the average number of total workers serving in surveyed factories was 9.6 per cent lower in June 2020 due to lay-off and retrenchment (Table 6). This percentage of these vanished jobs in June 2020 was almost two times higher in smaller factories compared to larger ones. Of the total disappeared jobs, 11.3 per cent of jobs were of male workers, and 8.7 per cent were of female workers. Thus, the disproportionate job loss of female workers was not so strongly evident in the surveyed factories.

Factories have rebounded later, though not yet reached the pre-COVID level: the average number of workers decreased by 0.8 per cent in January 2021 compared to that in December 2019. Unlike the higher job loss rate among the workers, the job loss of managerial staff was rather low. In June 2020, the number of managerial jobs decreased by 3.3 per cent compared to December 2019 (Table 7). Given that the managerial positions need better skilled workforce, the factories were reluctant to release them.

All the job loss during the pandemic was influenced mainly by the cancellation of orders, deferment of payment and fall in the product price. The factories had to release their workers to minimise their operational costs and survive the crisis. However, the stimulus package support by the government to pay workers' wages reduced the pressure on factories as well as minimised job losses to some extent. The job cut in factories that did not receive support from the stimulus package was disproportionately higher than those which received the support. The second factor that influenced the mammoth 0.36 million job loss was the permanent closure of a section of factories, being unable to rescue their business during the crisis. As a result, workers of these factories lost their jobs permanently. The third and final factor that might have caused job loss is the fact that the workers are not returning to their jobs after the factories were closed during the lockdown period. The uncertainty due to the closure of factories and the inability to maintain the higher cost of living in the city drove the workers to migrate to their own hometowns and villages.

While it is true that the lay-off and retrenchment of workers could not be put off entirely due to the magnitude of the crisis, the extent and load of job loss and its negative impact would not be such severe

Table 8: Overview of the Status of Due Receivable by Workers

(in per cent)

Term	According to Factories		According to Workers
	Laid Off	Retrenched	Laid off and Retrenched
Paid salary + outstanding + compensation	0.0	0.0	0.0
Paid salary + outstanding	77.8	75.3	0.0
Paid salary + compensation	0.0	8.3	0.0
Paid salary only	11.1	16.7	42.9
Partial payment of salary	11.1	0.0	35.7
Could not pay anything	0.0	0.0	21.4
Encouraged/ forced to take leave/furloughed	0.0	0.0	0.0
Others	0.0	0.0	0.0

Source: CPD-Shojag Coalition Survey, 2021.

had the factories been accountable for their action. The workers were released from their jobs without following the formal procedure in most of the cases, even after the instruction from the government not to lay off as the credit support for the factories was already there. The majority of workers were laid off during the early months of the COVID-19 onslaught (April–May 2020) when enterprises received policy support to pay workers’ wages with the condition of no lay-off and retrenchment of workers. The workers were not paid their due wages and compensation during their release from the job. About 21.4 per cent of the surveyed laid-off workers who were re-hired did not receive anything from their employer on account of lay-off, whereas 35.7 per cent of them received partial wage only (Table 8). This, however, does not reflect in the survey conducted on the factories. According to them, 77.8 per cent and 75.3 per cent of the factories paid their workers’ salaries and outstanding dues on account of lay-off and retrenchment, respectively (Table 8). Despite receiving stimulus support from the government, some of the factories still failed to abide by the government’s rule of not laying off workers. Both the DIFE and Bangladesh Bank could not comply in monitoring the irregularities.

Table 9: Characteristics of Retrenched and Laid-Off Workers (At Least Once) According to Workers’ Survey

(in per cent)

Group	Category	Valid
All	General	4.7
Age	Less than 18	0.0
	18-24	57.1
	25-29	7.1
	30-34	14.3
	35 and above	21.4
	Total	100.0
Gender	Male	21.4
	Female	78.6
	Total	100.0
Work Experience	0-1 year	13.2
	2-3 years	32.4
	3-4 years	12.5
	4-5 years	3.1
	More than 5 years	38.7
	Total	100.0
Wage	Less than 8000	21.4
	8000-12000	71.4
	12001-16000	0.0
	More than 16000	7.1
	Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

The survey on workers reveals that around 4.7 per cent of the laid-off workers were re-employed by their factories with a gradual let-up during the first wave of the pandemic. Retrenched workers include both early entrants as well as experienced ones (Table 9). The majority of them have a monthly income amounting to BDT 8,000–12,000. During the interview with the workers’ representatives, it was alleged

that older workers were the most hard-hit victim of the lay-off and retrenchment process owing to the pandemic; given that they are responsible for a higher cost bracket of the factory. However, the survey on the workers shows that most of them (57.1 per cent)—who were recruited after being laid off—are aged between 18-24. Thus, retrenchment by the factories does not necessarily target any specific gender (as showed earlier), age, or experience.

The re-employment of these workers came in exchange for the decrease in their wages or under unchanged contractual arrangements. About 28.6 per cent of the surveyed workers reported that their factories re-hired them at a lower wage than the pre-pandemic phase (Annex Table 10). According to the interviewed workers' representatives, the factories mostly preferred contractual job arrangements for the workers during the crisis, given the uncertainty of the market. The survey shows that the majority of workers joined under the same grades or same contractual arrangements. Despite that, about 9 per cent of workers claimed that their contract changed to contractual mode (Table 10). Interestingly, there were upgradation in the contracts (being permanent: 3 per cent) and upgradation in grades/positions (upgrading the positions: 14 per cent of workers) resulted. A number of incidences of violation of contracts while re-recruiting workers at lower grades were observed.

Table 10: Overview of Contractual Arrangement

(in per cent)

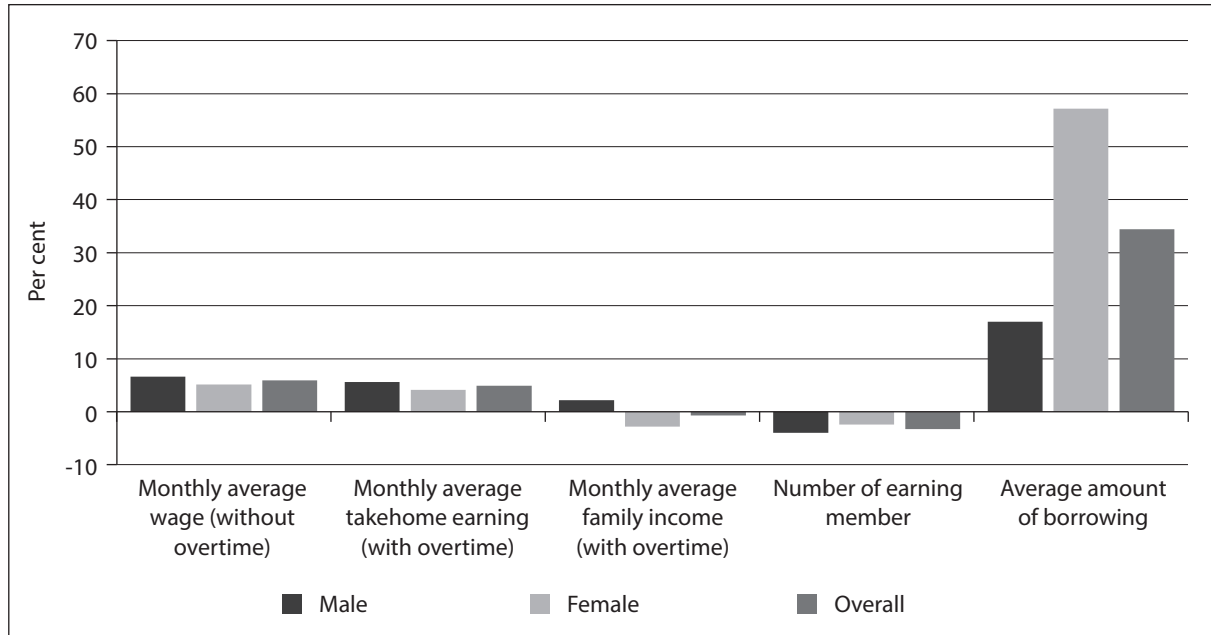
<i>Contractual arrangement changing status during March 2020–January 2021</i>	
Status	Valid
Changed as contractual	9.0
Changed as permanent	3.0
Unchanged as contractual	6.3
Unchanged as permanent	77.7
Others	4.0
Total	100.0
<i>Grade/position changing status during March 2020–January, 2021</i>	
Downward adjustment	0.3
Unchanged	85.7
Upward adjustment	14.0
Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

Both of the workers' groups—those who did not lose their job and those who regained their job after losing them initially during the pandemic—had to go through an additional crisis due to a number of business decisions adopted by their factories. According to the interviewed workers' representative, the factories denied a number of basic rights of their workers in order to survive by cutting the cost of production. Plan International, Girls Advocacy Alliance (GAA) and Awaj Foundation (2020)⁴ found that wages of the one-third surveyed RMG workers had gone down by 53 per cent within the first six months of the pandemic. However, the survey conducted for this study shows that the workers' wage—on average and without overtime—increased by around 5 per cent with a gradual improvement of the pandemic scenario during its first wave in December 2020 (Figure 5). Furthermore, the wage, including

⁴As cited in <https://www.dhakatribune.com/business/2020/10/20/study-income-of-one-third-rmg-worker-respondents-drop-53>

Figure 5: Changed Earning Pattern (Per Cent) in 2020 Compared to 2019



Source: CPD-Shojag Coalition Survey, 2021.

overtime, increased by around 4.9 per cent. This increase resulted possibly because of workers’ yearly wage increment practice by the factories.

Unlike the workers’ individual earning, the family earning of the workers has been still on a decrease. The survey on the workers shows, compared to December 2019, the overall family earning of the workers was still 0.7 per cent lower in December 2020. This fall in family earning was mainly influenced by the decrease in the number of earning members in a family by 3.3 per cent in the same period. Uncertain and inadequate employment opportunities in major industrial clusters rendered a section of workers and their family members unemployed.

Hardship and suffering of the RMG workers were exacerbated further due to the price-hike of necessary commodities. The outbreak of COVID-19 and the occurrence of two natural disasters in the same year contributed to inflationary pressure on food items by creating supply shock (CPD, 2020). Besides, the outbreak of COVID-19 involved additional expenditure (buying personal protective equipment or PPE like face masks, hand gloves, surgical caps, for safety in the face of COVID) on the healthcare of workers’ families. Consequently, the workers had to adopt several measures to cope with the overall crisis. The most common strategy that workers applied was reducing their family expenses, 82.1 per cent of workers opined (Table 11). The reduction in domestic expenditure had a ripple effect leading to a deteriorating food intake in case of 74.4 per cent of surveyed workers (Annex Table 5). Borrowing from others has been another familiar strategy resorted by 39.9 per cent of the surveyed workers (Table 11). As a result of this, compared to December 2019, the workers’ borrowing amount increased by 34.4 per cent. On the other hand, a significant section (41.2 per cent) of the workers had to sell their assets to survive the ongoing crisis. This led them to fall under immense pressure in managing their future livelihoods. Among all these challenges, the workers’ job uncertainty has improved significantly compared to the initial period of the pandemic. The percentage of workers with uncertainty as regards

Table 11: Types of Coping Strategy Adopted by the Family*(in per cent)*

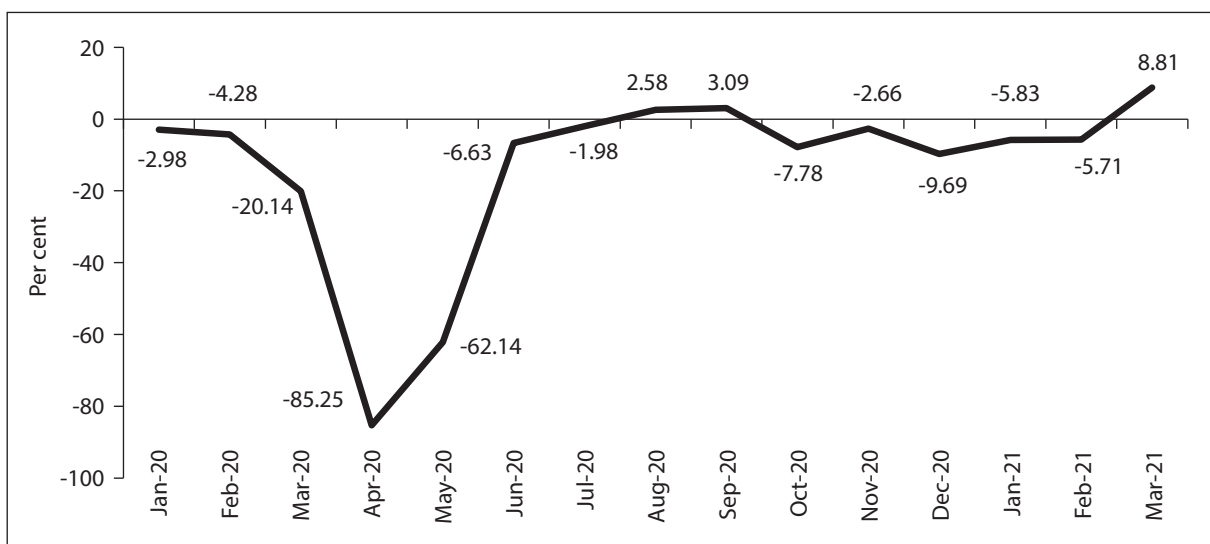
Challenges	Validity
Sold Asset/Savings	41.2
Moved to village	5.3
Shifted to other works	0.7
Borrowed from others	39.9
Reduced family expenses	82.1
Additional family members took to work	3.7
Did not face any challenge	9.3

Source: CPD-Shojag Coalition Survey, 2021.

the future of their job has dropped to 8.6 per cent from 33.6 per cent in December 2020 compared to April 2020 (Annex Table 6).

The impact of COVID-19 on the physical health of workers remains an area of concern too. On the one hand, the number of workers affected by COVID-19 could not be identified due to the lower number of tests; on the other hand, the workers were not reluctant to go for the COVID test even if they had all the symptoms. Factories, in most cases, did not encourage workers to take leave despite having the symptoms of COVID. In some of the cases, workers took leave over a short period due to the risk of losing their jobs. In fact, according to the interviewed workers' representatives, the factories did tend to conceal the issue of COVID-19 positive workers in an attempt to avoid the possible threat of export order cancellation by their buyers.

With the gradual decline of the first wave of the pandemic, the business risks had been waning out. After a substantial negative growth rate in consecutive months in the RMG export since October 2020, the RMG export growth increased to 8.81 per cent in March 2021 (Figure 6). This is also reflected in

Figure 6: Month on Month RMG Export Growth

Source: EPB (2021).

Table 12: Condition of Export Orders for Next Six Months Based on Type, Size and Membership*(in per cent)*

Category		Condition of Export Orders for the Next Six Months (March 2021-August 2021) by Category		
		Highly Uncertain	Moderately Uncertain	Certain
		Valid	Valid	Valid
Overall		5.9	36.3	57.8
Type	Knit	6.8	42.4	50.8
	Woven	4.7	27.9	67.4
Actual Size	Large	0.0	20.8	79.2
	Small	7.7	41.0	51.3
Membership	Both	0.0	60.0	40.0
	Non-member	6.7	40.0	53.3
	Only BGMEA	5.9	33.8	60.3
	Only BKMEA	7.1	35.7	57.1

Source: CPD-Shojag Coalition Survey, 2021.

the survey conducted on the factories, which shows a decline in uncertainty regarding export orders for upcoming months, from 11.9 per cent in October 2020 (as found in CPD-MiB, 2021) to 5.9 per cent in February 2021 (Table 12). The uncertainty level is relatively high in the case of small scale and non-member factories. The overall decline in uncertainty may positively contribute to improving the working environment. On the other hand, factories' capacity utilisation also increased to 81 per cent in December 2020 from 69 per cent in June 2020 (Table 13). Again, small and non-member enterprises are still behind in this regard. The overall increase in capacity utilisation indicates that factories are in a better situation to ensure workers wellbeing. Despite that, associations' demand for avoiding payment of 5 per cent yearly increment indicated a lack of regard for workers' wellbeing. However, the increment was provided as per law. Better corporate governance by the enterprises as well as better monitoring could improve the situation.

Table 13: Overview of Capacity Utilisation Based on Type, Size and Membership*(in per cent)*

Category		Capacity Utilisation in December 2019	Capacity Utilisation in June 2020	Capacity Utilisation in January 2021
		Valid	Valid	Valid
Overall		89	64	81
Type	Knit	87	66	79
	Woven	91	62	84
Actual Size	Large	92	70	90
	Small	88	62	78
Membership	Both	93	66	85
	Non-member	88	54	70
	Only BGMEA	88	65	82
	Only BKMEA	90	70	84

Source: CPD-Shojag Coalition Survey, 2021.

The average income-expenditure ratio above one during the pandemic period indicates that Bangladeshi RMG factories met all the expenses and made some profit (Table 14). However, the same ratio for the small and non-member factories was the lowest. Although the overall ratio indicates that factories are being able to make some profits, the situation is yet to reach the pre-COVID level. By and large, the enterprises can meet essential expenses, including workers' wages and other entitlements. Hence, there is no scope as such to making excuses not to pay workers' wages and festival bonuses as per timeline and law. The ongoing second wave is also likely to have a little adverse impact on the production and export of RMG enterprises as all the garments factories remained out of lockdown criteria. Hence, firms are better positioned to handle their financial matters, particularly what is related to workers' wages.

Table 14: Overview of Income and Expenditure Based on Type, Size and Membership (Dec 2019–Jan 2021)

(in per cent)

Category		Income-expenditure ratio Dec 2019	Income-expenditure ratio Jan 2021
Type	Knit	1.17	1.07
	Woven	1.19	1.08
Actual Size	Large	1.17	1.09
	Small	1.18	1.07
Membership	Both	1.26	1.21
	Non-member	1.13	1.05
	Only BGMEA	1.19	1.09
	Only BKMEA	1.14	1.15

Source: CPD-Shojag Coalition Survey, 2021.

5.4 Role of stakeholders

As every business decision of an actor affects the whole value chain, it is crucial for all the actors to assess the impact of their decision on all other stakeholders and accordingly play their role to uphold corporate accountability.

Being perhaps the most dominant stakeholder in the global apparel value chain, buyers/brands have the most significant role in ensuring corporate accountability in the industry. The brands in the past played a meaningful role, particularly in the case of the Bangladeshi RMG industry, to hold the factories responsible for the wellbeing of the workers. These included paying workers' wages in time, ensuring a safe workplace, reducing gender disparity, etc. However, the value chain stakeholders have played an unprecedented role during this unprecedented crisis. While their positive role could assist the whole apparel value chain, including the factories to fight the crisis better, the negative role or even voluntary inaction on their part during the pandemic was sufficient to put millions of workers' lives and livelihoods into massive uncertainty. It is to be noted that all the brands did not play an equal role. While some of the brands handled the crisis most inappropriately, many others came forward to mitigate the adverse impact.

Initially, after the outbreak of the pandemic, most brands operating in Bangladesh started to cancel or defer their export orders mainly to close their shops across major apparel markets. According to BGMEA,

Table 15: Overview of Export Orders’ Pricing Status Based on Type, Size and Membership

(in per cent)

Category		Share of topmost buyer/brand/retailer in case of total orders shipped in 2019	Percentage of orders buyers cancelled and said they would not take and pay	Percentage of orders have been settled with deferred payment	Percentage of orders have been settled for a reduced price compared to same orders shipped before March 2020
Overall		56	4	8	9
Type	Knit	55	4	8	11
	Woven	57	3	9	6
Actual Size	Large	54	2	8	6
	Small	56	4	8	10
Membership	Both	60	6	12	26
	Non-member	61	1	5	1
	Only BGMEA	53	5	9	10
	Only BKMEA	62	3	8	5

Source: CPD-Shojag Coalition Survey, 2021.

as of April 2020, export orders worth around USD 3.7 billion were cancelled by brands. The export orders were cancelled using the clause ‘force majeure’ without considering the possible consequences. This cancellation of orders, irrespective of their sizes, had affected both Bangladeshi factories and workers. The deferment and cancellation of their orders and payment made the wage payment of workers challenging for the Bangladeshi factories. Besides, due to this sudden cancellation of orders, factories had to lay off a huge number of workers. Although the commitment of 14 brands⁵ to take their export orders (USD 1 billion) eased factories’ initial burden, the announcement had little significance compared to the magnitude of the crisis.

After the initial crisis, the cancelled orders were placed again by the brands in most of the cases. Yet, the survey shows that each supplier had 4 per cent of their orders cancelled, and the concerned RMG factories were never paid during this period (Table 15). Some brands wanted to pay a lower price for the cancelled orders than the initial price stipulated in the contract. According to the survey, on average, 9 per cent of orders of each supplier had to be settled at a reduced price. In addition, some brands placed orders in exchange for deferred payment: on average, 8 per cent of each surveyed factories’ orders were settled at a deferred payment. Due to this fall in price and deferment of payments, the factories had to keep their workforce reduced as a measure for cost adjustment. Consequently, even after several months of the outbreak of the pandemic, the workers lost their jobs. Only in September 2020, according to the DIFE inspection report, more than 20,000 workers were laid off and another 20,000 were fired from their job on average (Moazzem et al., 2021).

Against all odds, a few brands came forward with some initiatives to limit the extent of COVID-19 impact on the factory owners. However, most of these initiatives were either of little impact or out of reach of most of the factories. The brands’ most common measure had been the arrangement of training to the workers to avoid getting infected by COVID, providing health safety equipment (e.g., hand gloves, face

⁵They include H&M, INDITEX, PVH Corp, TARGET, KIABI, KappAhl, Benetton, Decathlon, M&S, C&A, Puma, Kontoor, Primark, and Tesco.

Table 16: Overview of the Types of Support Provided by the Brands According to Factories*(in per cent)*

Category	Validity
Brands paid for the medical expenses related to COVID-19	1.0
Provided health safety equipment for the workers (sanitiser, gloves, masks, face shields, etc.)	2.9
Provided training on ways to avoid getting infected	3.9
Not applicable (e.g., subcontract factory)	5.9
Others	0.0
Brands did not help	88.2

Source: CPD-Shojag Coalition Survey, 2021.

mask, etc.) and paying for the medical expenses relating to COVID-19. Yet, the conducted survey on factories depicts a gloomy picture of the support-related status of brands. 88.2 per cent of the surveyed factories did not receive any support from brands, while only 7.8 per cent of them received support towards prevention from COVID infection (Table 16). The brands supported the factories through some other indirect measures as well, although to some insignificant extent. As in Table 17, the brands agreed to accommodate the additional costs for not laying off workers through export orders in case of 1 per cent of surveyed factories. On average, around 38.7 per cent of the brands for each supplier provided higher or at least the same level of orders during 2020. Furthermore, on average, in the case of 0.8 per cent of orders, brands agreed to pay a higher price compared to the level of 2019. Other initiatives of brands to support the factories include forming an alliance called Action, Collaboration and Transformation (ACT), an alliance of brands committed to ensuring a fair wage for RMG workers; being an informal guarantor for factories in accessing credit from the bank. Moreover, 14.7 per cent of the surveyed factories received a request from the brands/buyers not to lay off the workers.

Table 17: Overview of the Role of the Brands According to Factories*(in per cent)*

Category	Valid
Received any request from brands and buyers not to lay off/retrenchment of workers	14.7
Brands agree to accommodate the additional costs for not laying off workers through the orders	1.0
Average percentage of brands/buyers provided higher or at least the same level of orders during 2020 compared to that in 2019	38.7
Average percentage of work with any brands/buyers during 2020 was offered higher prices for products than what they offered in 2019 for similar products	0.8
Average percentage of work took in 2020 set a price by buyers/brands for which cannot avoid over-targeting (increasing the work hours of the workers to fulfil the order target while the wage is still the same) to workers in 2020 vis-à-vis 2019	3.7

Source: CPD-Shojag Coalition Survey, 2021.

In some cases, measures taken by brands had put pressure on the factories and had a consequent impact on workers. On average, for 3.7 per cent of the export orders of each surveyed, factories had to accept a price that led to over targeting. As a result, the workers had to accept the excessive pressure of work to meet the target of those orders. Besides, to survive the ongoing crisis, the factories had to accept orders that even did not cover their production cost. On average, each surveyed supplier had to accept 14.4 per cent of such orders (Table 18).

Table 18: Overview of Export Orders' Status Based on Type, Size and Membership*(in per cent)*

Category		Received orders for new types of products (other than what is usually ordered) from the brands/buyers during COVID-19 period	Accepted orders where production cost (per unit) was not covered during April-December 2020	Need to scale down/contract your factory operation in next one year (from now till December 2021)	Average per cent of order did not cover production cost (For those of who accepted)
Overall		19.6	14.4	6.9	12.3
Type	Knit	20.3	13.6	8.5	14.0
	Woven	18.6	16.3	4.7	11.0
Actual Size	Large	12.5	4.2	0.0	5.0
	Small	21.8	17.9	9.0	13.0
Membership	Both	0.0	0.0	0.0	0.0
	Non-member	26.7	13.3	6.7	8.0
	Only BGMEA	16.2	16.2	7.4	13.0
	Only BKMEA	35.7	14.3	7.1	15.0

Source: CPD-Shojag Coalition Survey, 2021.

If the crisis continues, 6.9 per cent of the surveyed factories might have to scale down their operation within the next year, which could cause another huge job loss of workers. To survive the crisis, the most common strategies adopted by factories was to apply for a loan under stimulus packages (63.7 per cent of the cases), encashing bank deposit (64 per cent of the cases), taking loans from informal sources (39.2 per cent of cases), etc. (Table 19). Some of the surveyed factories (19.6 per cent) also produced irregular products to make up for their loss.

Table 19: Overall Overview of Coping Strategy*(in per cent)*

Category	Valid
Applied for loan under stimulus package	63.7
Took loan from banks/other financial institutions	12.7
Took loan from informal sources (loan from relatives, friends, etc.)	39.2
Sold assets (land, building, etc.)	2.9
Encashed bank deposits (such as fixed deposits, savings certificates, etc.)	63.7
Fund from buyers (brand)	2.0
Fund from local buyers (factory)	1.0
Others	1.0

Source: CPD-Shojag Coalition Survey, 2021.

The government has a key role to play in ensuring corporate accountability as stipulated in the OECD, ILO and UN guidelines. During a crisis, the government can play a more significant role, given that during a crisis, self-driven accountability mechanism might become vulnerable.

The government has been found to play different roles during the crisis period. After the initial outbreak of the pandemic, the government announced the closure of factories to prevent the likely spread of coronavirus. The issuance of the stimulus package worth BDT 5,000 crore (followed by another BDT

5,500 crore) to pay workers' wages of export-oriented factories, particularly RMG factories, was much-needed timely support.⁶ The package was disbursed completely, and workers received their wages without much hassle. However, one of the biggest failures of this support was not being able to stop laying off and retrenching workers. Even though no lay-off and retrenchment of the workers was the pre-condition for accessing credit under the package, it couldn't be ensured due to a lack of proper monitoring capacity. Another weakness of this credit support was that it was applicable to the RMG enterprises which export more than 80 per cent of their production and are members of relevant business association (BGMEA or BKMEA). As a result, non-member factories and those exporting less than 80 per cent remained out of any support.

Apart from the subsidised credit, the government had extended other supports to all business entities, including RMG factories, such as an extension of the letter of credit (LC) usance, decrease in the repo rate, raising the transaction limit of credit and debit cards and mobile financial services, the waiving of charges for credit and debit transactions, a decrease in the liquidity ratio requirement, a decrease in the cash reserve requirement, a discount of interest on loans, increasing the export development fund, and the provisional deferment of the loan payments and so on (Moazzem et al., 2021). These supports had smoothed the businesses operation for a short period of time.

Targeting the workers, particularly the marginally poor, the government took initiatives to provide direct cash and food support. However, corruption, mismanagement, and lack of data availability prevented the workers from availing significant government support. According to the survey on workers, only about 9.9 per cent of female and 6.5 per cent male workers received support from the government (Table 20). In comparison, 12.3 per cent of female and 12.9 per cent male workers received

Table 20: Overview of Monetary or Non-Monetary Support to Employed Workers

(in per cent)

Year	Status		
	Gender		Overall
	Male	Female	
Government	6.5	9.9	8.3
NGOs/Private Entity	12.9	12.3	12.6
Employer	7.9	9.3	8.6

Source: CPD-Shojag Coalition Survey, 2021.

Note: NGO = Non-Government Organisation.

support from the NGOs. In addition, around 8.6 per cent of the surveyed workers received support from their factories. The most common type of support received from the government, NGOs, and factories was one-time food support (Table 21). However, considering the severity of the crisis and the scale of its impact on the workers' livelihoods, one would treat 'one-time food support' for the workers as insignificant and no support at all.

⁶The detail analysis of this stimulus package has been discussed in section 8.

Table 21: Types of Support to Employed Workers*(in per cent)*

Year	Status		
	Government	NGOs/Private Entity	Employer
Ration	0.0	0.0	0.0
One-time food support	75.0	68.4	84.6
Several times food support	16.7	18.4	0.0
One-time financial support	4.2	5.3	7.7
Several times financial support	4.2	2.6	0.0
Food and Financial support	4.2	0.0	3.8
Others	0.0	7.9	7.4

Source: CPD-Shojag Coalition Survey, 2021.

The role of the public monitoring and inspecting authorities (DIFE, DoL) were twofold, (a) providing a guideline on workplace safety during the COVID-19 pandemic period and (b) settling factory level disputes by 23 crisis management committees (CMCs) (Table 22). The DIFE issued a health-related guideline to be followed by all the factory authorities. DIFE, along with the ILO, arranged training programmes on conformity and compliance to these guidelines. The DIFE modified their regular inspection criteria and included a number of new ones relating to COVID-19. After all these efforts, the surveyed factories were found fulfilling most of the health-related guidelines during the initial phase of the pandemic.

Table 22: Overview of the Role of DIFE*(in per cent)*

Category	Valid	
	Received proper guidelines/instructions from the DIFE/DoL to ensure the workers' rights during the COVID period	All
Partial		32.4
Received proper guidelines/instructions from the DIFE to ensure the workers' health safety during the COVID period	All	44.1
	Partial	37.3
DIFE/DOL arranged any training/workshop for factory workers regarding health-related safety during the pandemic	All	5.9
	Partial	9.7
In case of retrenchment/lay off, received any warning from the DIFE		3.9

Source: CPD-Shojag Coalition Survey, 2021.**Note:** DoL = Department of Labour.

However, along with a gradual decrease in the spread of the virus, the rate of compliance to these guidelines declined; most of the factories at present are concerned only about the use of face-mask by the workers, caring the least about other important health-related guidelines. The non-compliance of health-related guidelines has an association with a decreasing number of inspections by DIFE. Compared to 2019, the inspection of DIFE decreased nearly by 35 per cent in 2020 (Table 23). Two causes can explain this decline in the inspection process. First, the capacity of DIFE, in terms of human resources, has never been adequate to oversee such a big industry. Second, the DIFE Inspectors did not have adequate incentives, which could encourage them to inspect more factories during COVID-19. The doctors, police personnel, bankers were announced as frontline fighters by the government and

provided with factories, whereas no such initiatives were taken for DIFE inspectors who inspected the factoring during the pandemic risking their lives.

Table 23: Overview of Inspection by Brands and Government

(in per cent)

Category	Average
Number of times Inspected by DIFE in 2019	3.23
Number of times Inspected by DIFE in 2020	2.09
Number of times Inspected by Brands/Buyers in 2019	43.77
Number of times Inspected by Brands/Buyers in 2020	25.01

Source: CPD-Shojag Coalition Survey, 2021.

It is also to be noted that DIFE does not have the authority to enforce any action against any malpractice. It can only file cases against the accused factories. The labour court that is the competent authority to handle such cases is already overburdened with many cases. As a result, most of the cases filed in the labour court take longer to resolve. This demotivates the workers to file any case against their factories. In this regard, providing magistracy authority to DIFE on specific issues could be considered by the government.

Table 24: Health Safety Measures by Factories

(in per cent)

Category	During April 2020	Observed during the survey conducted
Checking body temperature of workers and staff while entering the factory premises	99.0	26.5
Disinfect all workers and employees through disinfectant chamber/tunnel	77.5	2.9
Disinfect all visitors through disinfectant chamber/tunnel	67.6	2.9
Disinfect workers and employees' shoes using disinfectant tray (tray filled with bleaching powder or Savlon-mixed water)	82.4	3.9
Disinfect all visitors' shoes using disinfectant tray (tray filled with bleaching powder or Savlon-mixed Water)	68.6	2.9
Sanitise workers' hands using hand sanitizer or wash hands with soap before entering the factory premises	96.1	26.5
Disinfect workstations and frequently used equipment	55.9	3.9
Ensure that the workers wear face masks	99.0	77.5
Maintain at least 1m or 3 ft. distance between workers	82.4	2.0
Providing isolation unit for COVID-19 suspected workers	14.7	18.6

Source: CPD-Shojag Coalition Survey, 2021.

Although workers and their associations had a little scope to play a role in the pre- and during the crisis period, such role bears significant importance in identifying and assessing the "accountability of factories to the workers". The survey on factories shows 64.7 per cent of them have WPC, 62.7 per cent meet regularly with WPC and discuss workers-related issues (Table 25). During the ongoing pandemic, 90.9 per cent of these factories cared to discuss relevant issues with WPC. On the other

hand, according to 73.9 per cent of the surveyed workers, WPC played a similar role during the pandemic period compared to the normal time, while 26.1 per cent of them stated that WPC rather played a more active role during the pandemic (Table 26). This indicates a lack of pro-activeness on the part of WPCs in handling special situations during COVID. WPCs sometimes could not take a solid stance in accordance with the government circular discouraging and/or disfavoured retrenchment of factory workers. According to the surveyed factories, in 15.2 per cent of the cases, WPC agreed to retrench workers, and in 1.5 per cent of the cases, they agreed to allow the factories to recruit workers at a lower wage (Table 25).

Table 25: Overview of Trade Union and WPC Activities According to Factories

(in per cent)

Category	Valid
WPC operational in the factory	64.7
WPC meet regularly and discuss workers related issues	62.7
Discussed workers related issues during COVID period	90.9
Discussion detail reflected in Meeting Minutes	93.3
Workers retrenched in accordance with WPC consent to the factory authority	15.2
Availability of documents to substantiate such claim	90.0
WPC agreed to workers' recruitment at lower wages	1.5
Number of Months elapsed since last WPC Meeting	
Minimum	Maximum
0	12
Average	
1.76	

Source: CPD-Shojag Coalition Survey, 2021.

Most of the trade unions operating in the RMG industry adopted a number of initiatives to help the workers during the ongoing crisis. Throughout the pandemic period, they have adopted a number of measures to make the workers aware of the importance of compliance with health-related guidelines. A 9-point Charter of Undertakings had been put forward by the Sramik Karmachari Oikko Parishad (SKOP) in October 2020. These included ensuring vaccine for all workers, providing treatment facilities for the infected workers, setting up hospitals, supplying face masks and hand wash sanitisers free of cost and providing rationing facilities for the workers, particularly in major industrial clusters. They attempted to present the pandemic-induced challenges facing workers to the factories, government and brands through different tripartite meetings and Webinars. Moreover, trade unions, in some cases, assisted the workers unable to clear their house rent by way of a request to the house-owners/landlords to extend the time of paying the rent. Trade unions had also supported some workers financially out of their own funds during the pandemic.

Table 26: Overview of WPC Activities According to Workers

(in per cent)

Role WPC Played during March-December 2020	
More active role	26.1
More inactive role	0.0
Same role	73.9

Source: CPD-Shojag Coalition Survey, 2021.

5.5 Transparency and disclosure

Lack of transparency and disclosure has been one of the key issues for the Bangladeshi RMG industry. The need for enhanced transparency and wider disclosure have been felt more deeply by all the stakeholders, particularly during the ongoing crisis. Inadequate and misleading information regarding the impact of COVID-19 on both workers and factories impeded the effective implementation of the supportive measures.

Table 27: Overview of Disclosure Related Issues

(in per cent)

Category		Factories disclose and update information regularly for various indicators		Factories reveal the amount received and spent (in case of subsidy from the government in form of a Stimulus Package, financial aid etc.)		Factories prepare any yearly report on its overall progress (About its production, income, number of workers, yearly plan, workers' benefit etc.)	
		To a large extent	To some extent or none	To a large extent	To some extent or none	To a large extent	To some extent or none
Overall		40.2	59.8	21.6	78.4	41.2	58.8
Type	Knit	42.4	57.6	22.0	78.0	32.2	67.8
	Woven	37.2	62.8	20.9	79.1	53.5	46.5
Actual Size	Large	45.8	54.2	33.3	66.7	58.3	41.7
	Small	38.5	61.5	17.9	82.1	35.9	64.1
Membership	Both	0.0	100.0	40.0	60.0	20.0	80.0
	Non-member	26.7	73.3	0.0	100.0	33.3	66.7
	Only BGMEA	41.2	58.8	25.0	75.0	44.1	55.9
	Only BKMEA	64.3	35.7	21.4	78.6	42.9	57.1

Source: CPD-Shojag Coalition Survey, 2021.

Amongst all the aspects of 'corporate accountability', what the RMG industry lacks the most is the issue involving 'transparency and disclosure'. This has been exposed critically during the ongoing pandemic. Most of the significant information of the ongoing pandemic is well-nigh subject to debate. The interviewed workers' representatives alleged that the factories hardly share any business information with their workers. As a result, most of the workers remain in the dark about the business's progress and scope to accommodate their demands. They also alleged that factories have a tendency not to share relevant information with workers. This tendency had prevailed within their mindset even before the pandemic. The pandemic has rather accentuated the implications. The mismatch of perception between workers and factories in most of the survey findings indicates a gap in terms of disclosure of information by factories. Moreover, the survey on factories shows that many common practices regarding transparency and disclosure have been quite limited. According to the survey result, only 40.2 per cent of the factories are found disclosing their full information regarding different aspects of their business as shown in Table 27. Such disclosure is relatively lower in the case of smaller factories compared to the large ones. The workers alleged that they were hardly made aware of the financial support received by their employer. As a result, they do not know whether the support has been properly utilised or not. The factories' survey suggests that only around 21.6 per cent of the factories reveal the spent amount in case of any monetary support received from the government.

The number of 'laid-off and retrenched workers' during the ongoing pandemic has been one of the most debatable issues between workers and factories. While evidence suggests 0.36 million workers lost their job due to the outbreak of COVID-19 (CPD and MiB, 2021), the factories and their associations do not corroborate this data. As indicated in the previous sections of this report, most of the laid-off workers were not paid due compensation as per the law, mainly because the acceptance of the increased number of lay-off could cost the factories a higher financial burden in the form of compensation to workers.

The disclosure of other country's apparel companies is comparatively lenient. In Turkey, according to Saygili, Saygili and Yargi (2019), the largest section of the companies discloses their economic performance at a rate of 74 per cent, anti-competition at a rate of 65 per cent, training and education at a rate of 88 per cent, employment at a rate of 85 per cent, occupational health and safety, diversity and equal opportunity, marketing and labelling at a rate of 74 per cent. However, only 29 per cent of them disclose anti-corruption. Also, 0 per cent of them disclose the social assessment and socioeconomic compliance.

6. Corporate Accountability from the Perspective of Unemployed Workers

The impact of COVID-19 on the workers who lost their jobs and had been unemployed has been comparatively higher. This group of workers could be considered as the worst sufferer in terms of livelihoods. This section analyses the impact of COVID-19 on unemployed workers in view of corporate accountability.

Table 28: Overview of Monetary or Non-Monetary Relief to Unemployed Workers

Category	Male	Female	Overall
Percentage of Workers receiving support from Government	27.5	16.7	21.0
Percentage of Workers receiving support from NGO/Private Sector	22.5	18.3	20.0

Source: CPD-Shojag Coalition Survey, 2021.

Table 29: Types of Monetary or Non-Monetary Relief to Unemployed Workers

(in per cent)

Types of Support	NGO/ Private Sector	Government
Ration	0.0	4.8
One-time food support	85.0	66.7
Several times food support	10.	23.8
One-time financial support	10.0	0.0
Several times financial support	0.0	9.5
Food and Financial support	5.0	4.8
Others	0.0	0.0

Source: CPD-Shojag Coalition Survey, 2021.

The conducted survey on the unemployed workers confirms that most of them lost their jobs during the initial months of the pandemic. Twenty-eight per cent of the workers had lost their job in April 2020, whereas 23 per cent of them lost their job in May 2020 (as already shown in Figure 4). Although these two months record the highest job loss, workers lost their job in all other months of 2020 as well. Along with the job loss, the least cooperation from their factories pushed them further into a

severe crisis. The survey further reveals that 59 per cent of workers were paid only the salary during the job loss, while 14 per cent of them received nothing from their factories (Table 30). In addition, they have received limited support from the government and the NGOs as well. About 21 per cent of the surveyed workers received support from the government, while 20 per cent of them received support from NGOs (Table 28). Although the survey finds a section of unemployed workers getting support from Government and NGOs, this support from both consisted mostly of one-time food, whereas they needed, and should have been provided, long-time aid and assistance to survive during the crisis (Table 29). Although in the absence of 'unemployment insurance', such cash and food support marginally helped the unemployed workers to survive, these were mostly inadequate to survive for a longer period. Moreover, unemployed male workers received more support from the NGOs and the government than unemployed female workers. Lack of proper planning in the disbursement deprived unemployed female workers of substantial support. If the workers were not retrenched or were paid as per law, the livelihoods challenges would not prove that distressful. The factory management should not ignore this responsibility.

Table 30: Retrenchment/Lay-Off Terms*(in per cent)*

Category	Male	Female	Overall
No Payment at all	15.0	13.3	14.0
Payment of salary + compensation	2.5	5.0	4.0
Payment of salary + outstanding	5.0	16.7	12.0
Payment of salary only	65.0	55.0	59.0
Partial payment of salary	12.5	10.0	11.0
Total	100.0	100.0	100.0

Source: CPD-Shojag Coalition Survey, 2021.

Table 31: Coping Strategy of Unemployed Workers*(in per cent)*

Challenges	Valid
Sold Asset/Savings	60.0
Moved to village	11.0
Shifted to other works	19.0
Borrowed from others	69.0
Reduced family cost	88.0
Sent other family members to work	6.0
Others	0.0

Source: CPD-Shojag Coalition Survey, 2021.

As expected, the loss of jobs impacted the livelihoods of the unemployed workers by affecting their individual and family earnings. Compared to December 2019, the overall monthly income of these unemployed workers decreased by 37.1 per cent (Table 32). The unemployed workers experienced a fall in their family earnings as well; after losing their job, their overall family earnings decreased by 37 per cent, along with a 25.6 per cent decrease in the number of earning members. In addition, their borrowing did also shoot up as high as 53 per cent, whereas the increase of borrowing for the employed

workers was 37 per cent (Table 32 and Figure 5). To survive even a more challenging crisis than their employed counterpart, 88 per cent of the unemployed workers mostly cut their family cost, 69 per cent of them borrowed from others, and 60 per cent sold out their assets and savings (Table 31). The cut in in the regular family expenses led to food intake deterioration amongst as much as 92 per cent unemployed workers' (Table 32). This deterioration in the food intake has been way higher for them than the employed workers.

The crisis of livelihood was more severe for unemployed female workers than their male counterparts. Along with receiving lower support—as mentioned earlier—the fall in earning was comparatively higher for unemployed female workers. This is perhaps because other than the RMG job, these unemployed female workers had very few other alternative earning sources. Moreover, they had higher borrowing, higher food intake deteriorated compared to the male workers due to the crisis.

Table 32: Overview of Monthly Income, Borrowing and Food Intake

Category	Male	Female	Overall
Average monthly Income in Dec 2019 (in BDT)	21320.0	22658.3	22123.0
Average monthly Income in Dec 2020 (in BDT)	14317.5	13618.3	13898.0
% Change	-32.9	-39.9	-37.1
Average Family Income before job loss	19695	23068	21719.02
Average Family Income after job loss	13980	13613	13760.00
% Change	-29.0	-41.0	-36.4
Average earning member in Dec 2019 (in BDT)	1.92	2.17	2.07
Average earning member in Dec 2020 (in BDT)	1.55	1.53	1.54
% Change	-19.3	-29.5	-25.6
Average Amount of Borrowing in Dec 2019 (in BDT)	16637.5	9158.3	12150.0
Average Amount of Borrowing in Dec 2020 (in BDT)	25412.5	14083.3	18615.0
% Change	52.8	53.8	53.2
Had to sell assets for maintaining day by day expenses	72.5	73.3	73.0
% of Workers Food Intake deteriorated	90.0	93.3	92.0

Source: CPD-Shojag Coalition Survey, 2021.

After losing the job, unemployed workers tried to get jobs in their earlier workplaces. Sixty-three per cent of them approached the management of former factories. Even though those factories recruited new workers, either they were not offered the job, or the factories sought to recruit them at a reduced wage rate. Out of 63 per cent of the workers seeking a job from their previous factories, 16 per cent declined to accept the offer at a reduced wage as shown in Table 34. Not being able to manage their earlier job, the unemployed workers opted for jobs from other sectors. Fifteen per cent of them managed some other part-time or contractual jobs. Some 37.5 per cent of unemployed male workers had to become day labourers, 25 per cent became self-employed, and 25 per cent got themselves contractually employed in non-RMG factories as in Table 33. In comparison, 28.6 per cent of unemployed female workers got employed in the informal sector, and another 28.6 per cent managed to become self-employed. Their overall average monthly income from these jobs dropped to BDT 6900 plus only.

Table 33: Status of Workers' Employment after Job Loss*(in per cent)*

Category	Male	Female	Overall
Got jobs after losing their job	11.70	20.00	15.00
Types of job got			
Contractual Job in non-RMG factory	25.00	14.30	20.00
Contractual Job in RMG factory	0.00	14.30	6.70
Daily Labourer	37.50	0.00	20.00
Informal Sector	12.50	28.60	20.00
Self-employed	25.00	28.60	26.70
Others	0.00	14.30	6.70
Average monthly income from those jobs (in BDT)			
Average Monthly Income	7750.00	5942.86	6906.67
Average employment months around those jobs			
Average Employment Months	3.50	2.90	3.20

Source: CPD-Shojag Coalition Survey, 2021.

Even though all these surveyed workers used to work in the RMG sector and became unemployed following job loss, getting back to a job in the RMG sector was still their first priority. Around 88 per cent of them still prefer the RMG sector job. Preference for RMG jobs was relatively higher for unemployed female workers (95 per cent) compared to their male counterparts (77.5 per cent) as shown in Table 34. However, they were quite uncertain about managing a job in the RMG sector soon. Only about 7 per cent of them thought they could get a job within the next three months, March-May 2021. Failing to manage a job, as much as 64.80 per cent of the unemployed workers opined that they would like to pursue self-employment within nearby areas. And 12.50 per cent of them considered better returning to their village and try to manage some earning options.

Table 34: Status of Workers Seeking Job in Former Workplace/Factory*(in per cent)*

Category	Male	Female	Overall
Approached former Factory for Job	57.5	66.7	63
Factory Recruitment of new workers			
Yes	55.0	48.3	51.0
Decline Job offer due to low wage offered			
Yes	13.3	20.0	16.0
Looking for job right now			
Yes	80.0	93.3	88.0
Expected Job Sector			
Non RMG	10.0	5.0	7.0
RMG	77.5	95.0	88.0
Others	12.5	0.0	5.0
Total	100.0	100.0	100.0
Prospect of getting a job in the next three months (March-May)			
Certain	3.1	8.9	6.8

(Table 34 contd.)

(Table 34 contd.)

Category	Male	Female	Overall
Highly uncertain	68.8	57.1	61.4
Partly uncertain	28.1	33.9	31.8
Total	100.0	100.0	100.0
Backup plan if cannot manage a job			
Will not return to job anymore	12.5	7.1	9.1
Others	12.5	1.8	5.7
Return to village and do something	15.6	10.7	12.5
Self-employment in the nearby area	56.3	69.6	64.8
Work as household help	3.1	10.7	8.0
Total	100.0	100.0	100.0

Source: CPD-Shojag Coalition Survey, 2021.

The crisis of the unemployed workers could be mitigated to some extent if the workers had been included in any unemployment insurance scheme. However, all the despairing figures based on unemployed workers' livelihood suggest that the unemployment insurance scheme for six export-oriented sectors could not reach these workers. This happened mainly due to constraints/policy failure in identifying unemployed workers by any authority, as in most cases, the jobs loss of RMG workers was denied by the factories. Since the RMG sector is gradually doing better, a safeguard for their livelihoods would help workers to stay a longer period in the factories in the locality. These would increase the possibility to get a job.

7. Implication of Stimulus Packages for Corporate Accountability

Given that the RMG industry has been one of the primed growth engines for Bangladesh economy and is responsible for the employment of more than 3 million people, the industry was duly given utmost priority by the government to provide support during the ongoing crisis. Most of these were credit-based support under the different stimulus packages. It was expected that this support through stimulus packages would positively impact the corporate accountability mechanism of the RMG industry during the crisis. However, a number of allegations made by the factory workers and their associations indicate otherwise. Therefore, questions remain—whether corporate accountability practised by the factories receiving government support makes any significant difference compared to those receiving no support. This section explores the implication of the government-provided support for the RMG industry and its relevance to corporate accountability practised by the sector during the crisis.

The only dedicated stimulus package of the government targeting RMG industry worth BDT 5,000 crore was provided to the factory-owners to pay the workers' wages. Subsequently, at the behest of the RMG enterprises, the amount of the package was increased to BDT 10,500 crore. The conducted survey on RMG enterprises confirms that 67.6 per cent of the RMG factories applied for credit support under this stimulus package as in Table 35. A sizeable number of them, 62.7 per cent, received credit support under the package. Besides, 42 per cent of the surveyed factories received the benefit of deferred payment of utility bills. Again, 21.6 per cent of factories gained the scope of a delayed payment of bank

Table 35: Overview of the Stimulus Package and Other Facilities Related Issues*(in per cent)*

Category	Valid	
Availed of the facility of a delayed payment of different Utility Bills	42.2	
Availed of the facility of a delayed repayment of Bank Loan	21.6	
Received Credit for workers' wages under the government Stimulus Package	62.7	
Regarding Application for Credit for Workers' Wages under the government Stimulus Package		
Applied for more than two months	67.6	
Not eligible and so could not apply	17.6	
Eligible but did not apply	12.7	
Others	2.0	
Similar Issues		
Started paying the Bank Instalments under the Stimulus Package	75.0	
Other Issues		
Received any other Loan under Stimulus Package	Received	2.0
	Eligible but did not apply	27.5

Source: CPD-Shojag Coalition Survey, 2021.

loans. Nevertheless, a large section of the surveyed workers, as much as 57.8 per cent informed to have been unaware of the governments' support received by their factories (Annex Table 7).

According to the information obtained from BGMEA and BKMEA, 62 per cent of the BGMEA member factories and 29 per cent of BKMEA member factories received credit under the Stimulus Package (Table 36). The credit support for BGMEA member factories was more than three times higher than that of BKMEA member factories. This is partly explained by the relatively larger size of workers employed in BGMEA factories (1,720 in December 2019) compared to that in BKMEA factories (600). Besides, it can be observed from the table that the stimulus package has disproportionately supported large scale enterprises. Although large factories are only 7 per cent of total factories which employ 35 per cent of total workers (CPD-RMG study, 2018), the share of support received by large factories was as high as 52 per cent in case of BGMEA member factories and 35 per cent in case of BKMEA member factories (Table 36). Small factories comprising 48 per cent of total factories received only a meagre share of 4 per cent of the total stimulus package in BGMEA member factories and 15 per cent in the case of BKMEA member factories (Table 36). Moreover, there have been questions regarding the fair and reasonable

Table 36: Loan Distribution Status for BGMEA and BKMEA Factories

Size	BGMEA		BKMEA	
	Number of Factories	% of Total Amount Received	Number of Factories	% of Total Amount Received
Small	305	4.4	15	15
Medium	783	43.6	92	50
Large	246	52.0	116	35
Total	1334	100	223	100
Credit support Received by Per Factory	53.04 million		17.25 million	
% of Members Received the support	62		29	

Source: BGMEA and BKMEA.

distribution of the overall credit support. There are cases of duplication of loan disbursement to the same factories from different bank branches. Proper scrutiny would identify the factories that did not receive the credit due to shortages of the fund. Ministry of Labour and Employment (MoLE), Bangladesh Bank and the Associations (BGMEA and BKMEA) responsible for verifying the factories and scrutinising the list of workers were partly responsible for the problem of ‘inclusion-exclusion’ issues.

The survey suggests that a section of RMG factories could not access credit support even after they needed it. Out of 32.4 per cent of the surveyed factories that did not receive the support, 17.6 per cent were non-eligible for receiving the support, and 12.7 per cent did not apply for the credit even after being eligible (Table 35). Both, who were not eligible and could not apply and who were eligible but did not apply, needed credit support. The group of eligible factories did not apply, mainly because ‘they had enough funds to provide salary to their workers’. However, a larger section of them (38.5 per cent of them who did not receive credit) did not apply for the credit even after being eligible ‘because of the complicated application procedure’ (Table 37). A small portion of them, 7.7 per cent, were uncertain regarding their capability of paying instalments and hence did not apply for the support (Table 37).

Table 37: Reasons Preventing the Eligible Factories from Applying for Credit under Stimulus Package

<i>(in per cent)</i>	
Category	Valid
Did not need fund/ Had enough fund of their own to pay Salary and other Expenses	92.3
Application procedure was complicated	38.5
Not capable to pay back instalment amount	7.7
Others	0.0

Source: CPD-Shojag Coalition Survey, 2021.

The expectation of positive contribution by way of the Stimulus Package support to the corporate accountability of RMG factories during the crisis proved to be elusive. According to the interviewed trade union representatives, the workers were treated almost identically by both the factories receiving support as above or those with no such support. The factories that received credit support under the stimulus package fared better in providing wages than the factories with no such support. However, the credit support to the RMG industry failed to prevent either lay-off or retrenchment of workers, ensure full clearance of workers’ due, avoid low work pressure and timely payment of workers’ wages. It was agreed in a tripartite meeting involving government, factories, and workers’ representatives that factories would not lay off or retrench their workers. Bangladesh Bank announced that factories laying off and/or retrenching their workers would not be entitled to receive support under the stimulus package. In addition, DIFE issued a circular requesting the factories not to release their workers amid the crisis. Despite all these initiatives, there were instances of factories receiving support on the one hand and releasing their workers on the other. According to the survey, 25 per cent of surveyed factories that received credit support from the stimulus package undertook lay-off and retrenchment measures at the same time (Table 38). A major violation that was not addressed by the DIFE, MoLE, Bangladesh Bank and BGMEA/BKMEA involved scrutinisation and finalisation of the list of workers. None of them cared for such scrutiny to fetch a real-time list of workers. Furthermore, 15.6 per cent of the surveyed factories that received the support admitted a partial increase in the work pressure (Annex Table 8). About 28.5 per cent of the surveyed workers employed at the support-benefited factories alleged receiving late wage payments in the last 10 months (March–December 2020) (Annex Table 9).

Table 38: Lay-Off /Retrenchment Status of Factories Receiving Credit for Workers' Wages

Status	Frequency	Percentage
Did Not Practise Lay off/Retrenchment	48	75.0
Practised Lay-off/Retrenchment	16	25.0
Total	64	100.0

Source: CPD-Shojag Coalition Survey, 2021.

The requirement of being a member of BGMEA and/or BKMEA had deprived a good number of factories of applying for this subsidised credit. Such a decision was likely to have a detrimental effect on the factories' overall operation, which did not receive the benefit of the stimulus package. Yet, a small section of non-member factories (4.7 per cent) received credit (Table 39). This seems to be a deviation in the conditionality. Such deviation allowed a section of factories to disburse credit among their workers.

Table 39: Membership-wise Status of Factories Received Credit for Workers' Wages

Membership Status	Frequency	Percentage
Both	5	7.8
Non-member	3	4.7
Only BGMEA	49	76.6
Only BKMEA	7	10.9
Total	64	10

Source: CPD-Shojag Coalition Survey, 2021.

A good practice was introduced along with the payment of workers' wages under the stimulus package. Use of Mobile Financial Services (MFS) or online-based banking payment to workers' accounts was made mandatory to receive the benefit. Because of this conditionality, as many as 70.6 per cent of factories introduced that facility (Table 40). But factories did not continue the MFS mode after the end of package support; as a result, the ratio declined to 43.1 per cent in December 2020 (Table 40). A number of reasons have been identified for this declining trend. First, factories considered the transfer cost of fund to workers' bank account as an additional financial burden. Second, Factories were less interested in being transparent with regard to financial transactions with workers. Third, workers themselves found it difficult to withdraw money by way of MFS due to a limited number of bank booths in the locality and they needed to spend additional time and energy to withdraw their money from distant places where bank booths were available.

Table 40: Payment Status of Factories through MFS

Period	Number of Factories	% of Total Surveyed Factories
December 2019	33	32.4
June 2020	72	70.6
December 2020	44	43.1

Source: CPD-Shojag Coalition Survey, 2021.

8. Estimating Corporate Accountability Index

In order to evaluate the status of the RMG industry's corporate accountability empirically, the study intends to produce a corporate accountability index. The result of the index shows corporate accountability practice of the Bangladeshi RMG industry as very limited at a mediocre level as it overall scores only 62.7 out of 100 as in Table 41. The index values show that there is a wide difference in corporate accountability among the RMG enterprises. The minimum and maximum scores per RMG factory were 21.6 and 92.3, respectively, as illustrated in the table. This indicates a huge gap between the best and the worst performing enterprises.

Table 41: Overview of Corporate Accountability Index Score

Period	Number of Factories
Minimum Score	21.6
Maximum Score	92.3
Average Score	62.7

Source: CPD-Shojag Coalition Survey, 2021.

On the other hand, large RMG enterprises have been found to exercise higher corporate accountability compared to the smaller ones. The index score is 75.8 higher in large enterprises compared to small scale enterprises (Table 42). However, no significant difference could be observed in the average index score of enterprises based on their types—knit and woven. In terms of individual categories, large enterprises scored significantly higher in governance and transparency, while smaller ones lagged behind in ensuring these. Based on types, freedom of expression has scored the least for both knit and woven enterprises. On the whole, the scoring pattern indicates that freedom of expression bears a severe lacuna in terms of corporate accountability for the RMG industry of Bangladesh and needs to be duly addressed.

Table 42: Corporate Accountability Index Score Based on Type and Size

(in per cent)

Category	Factory Size		Factory Type	
	Large	Small	Knit	Woven
	Average	Average	Average	Average
Index Score	75.8	58.6	62.0	63.3
Indicator 1 - Governance	80.2	64.6	67.3	69.6
Indicator 2 - Freedom of Expression	69.0	50.9	56.2	52.7
Indicator 3 - Disclosure/Transparency	78.2	60.4	62.5	67.6

Source: CPD-Shojag Coalition Survey, 2021.

9. Conclusion and Recommendations

The study findings suggest that the practice of corporate accountability in the RMG industry is still limited. The outbreak of COVID-19 pandemic has deteriorated it further. Without coordinated effort of factories, brands, government and workers' organisations, ensuring a proper corporate accountability

mechanism could be difficult. A special emphasis should be given to the small and non-member factories, as they are found to be in the most vulnerable state in terms of practising corporate accountability.

The majority of enterprises are struggling to reach the elementary level of corporate accountability in the RMG sector. Large enterprises might be considered hovering around the 'basic' level, while small and non-member enterprises may be languishing at a 'negligible' level. Freedom of expression is the weakest part of the corporate accountability of RMG Enterprises.

A large section of enterprises that are small and non-member but engaged in the RMG value chain needs to be on board with having the important guiding principles of corporate accountability. Moreover, a broad consultative process involving the workers is missing at the enterprise level in formulating and revising their principles, which need improvement. It should be made compulsory for the factories and firms to have their official websites where these principles should appear.

The study has assessed gender-based impact of COVID-19 on RMG workers. It finds that the release of workers during the ongoing crisis through lay off and retrenchment was not disproportionately higher for female. Also, the reemployment ratio after being laid off was higher for female workers compared to their male counterpart. However, the livelihood challenges found to be more severe in case of female workers. They lag behind compared to male workers in terms of receiving higher wages and earning. The female workers borrowed more than male workers during this ongoing crisis. Besides, the food intake has also deteriorated mostly for female workers. Although employed female workers received higher support compared to the male workers, an opposite was observed in case of unemployed female workers. Not being able to manage a job in the RMG sector, most of the female workers - who lost their job- shifted to either self-employment or informal job. Yet, a majority of them still prefer working in the RMG sector. Female workers should be given a special emphasis in providing support during on the ongoing crisis.

On corporate governance, workers complained about rising pressure of work- and work-related harassment mainly due to withholding several sections of BLA 2018. The sections of the labour act currently being withheld (sections 324, 100, 102 and 105) need to be lifted immediately. Operationalization of anti-harassment committees, effective functioning of workers' participation committees (WPCs), and trade unions regarding workers' target setting need to be prioritised.

Workers do not feel free in raising voices against any malpractices. They feel threatened to be 'blacklisted' in the database maintained by associations that would stop getting a job in the RMG sector in the future. Setting up a Tri-partite Committee to maintain a transparent database of RMG workers, replacing the one maintained by BGMEA and BKMEA management, is the need of the hour.

Workers' wages, overtime payment, entitled financial benefits and payment for laid-off and retrenched workers are always issues of concern. Majority of workers can hardly challenge the decision of their removal even it seems unfair or illegal to them. Factories should be mandated to follow a financial management guideline reflecting principles of income-expenditure, cash flow, debit-credit situation, financial reporting, and audit practices, etc. It should be made mandatory on the part of the factory management to discuss inter alia 'retrenchment or lay-off related plans' of the management with

concerned WPCs and trade unions. WPCs and trade unions should play an effective mediating role with regard to workers' grievances and should discuss those with the management.

Factories have not only failed to comply with their due responsibility to pay workers entitled benefits but also received government support violating the conditionality of the Stimulus Package. In this context, re-recruiting workers helped them survive, but that in no way justifies withholding due payment of the retrenched workers. What is more, DIFE, Bangladesh Bank (the central bank) and Associations could not play their respective role to monitor the irregularities. The oversight functions of the authorities need to ensure that factories do not benefit through depriving their workers. Factories should commit forthwith to clear up all the dues of the workers (both re-recruited and retrenched) relevant to the first year of the COVID pandemic and gradually follow up the same in a time-bound manner. In this context, factories could take support of the fund created for unemployed RMG workers to identify and to pay the dues. Government should take immediate steps to make the unemployment insurance scheme operational.

Improvement of workers' livelihoods demands better employment opportunities both in RMG and non-RMG sectors. Brands and buyers could facilitate the process by raising the export orders in Bangladesh, targeting to reinstate the market share at the pre-COVID level, creating more employment opportunities in export-oriented enterprises.

Higher production and export orders (even during the second COVID wave) enhance firms' ability to pay workers' wages and other entitled benefits in full. There is no reason for firms being unable to pay workers' wages as per rules. DIFE and Department of Labour (DoL) should enhance their monitoring role to ensure the process in letter and spirit leading to workers payment properly.

Brands and buyers by and large failed to comply with their due role amidst the pandemic: neglectful of economic, social and humanitarian issues. They need to ensure their 'responsible business practices' (RBPs) that would broaden the area to accommodate workers' demands. Sourcing countries should put pressure on their brands/buyers to comply with RBPs.

Role of the public monitoring and inspecting authorities like DIFE and DoL were largely confined to providing guidelines on workplace safety during the COVID pandemic period, and partly providing training on health-related safety during this period. Factory inspections have been few and far between, and consequently, monitoring health and safety protocol was relaxed. In the absence of adequate monitoring exercises, factories had been reluctant and negligent to duly apply the health protocol, largely confining the process to the use of facemasks only. The activities of the CMCs need to be widened covering all factories and focusing on ensuring workplace safety, providing treatment facilities to infected workers, maintaining safety protocol, and raising awareness among workers and management on safety-related issues. Besides, factory inspection and monitoring by DIFE needs to be strengthened to ensure maintenance of health protocol at the factory premises, which is essential for workers' health and safety. Factory management should additionally ensure treatment facilities for workers infected by the coronavirus.

Workers' organisations, particularly WPCs, were not proactive in handling the COVID pandemic situation and management. WPCs sometimes could not take bold steps towards compliance of the factory owners with the government circular forbidding and/or discouraging retrenchment of factory

workers. Facilitating social dialogue and promoting accountable management through the effective functioning of WPCs and trade unions is of critical importance in this respect. Effective trade union activities need to be undertaken in the factories to ensure better interaction with workers about their requirements, to be better informed about management decisions on worker-related issues and to hold effective negotiation with the management on workers-focused concerns.

Factories, on their part, need to attach required importance to transparency and disclosure principles regarding information that is sensitive to workers and factories' overall performance as well as safety and security-related issues. All this information should be made public through official websites and office orders should be displayed for workers on office notice boards.

Distribution of subsidised credit under stimulus package to RMG enterprises has been carried out disproportionately. On the one hand, it has favoured large enterprises more against small enterprises; again, it has excluded non-member enterprises. A section of enterprises did not apply as they could not afford the burden. Moreover, there were incidences of double loan episodes which deprived others. Such discriminatory measures deprived a large section of workers of the due wage support benefit. Instead, the government should make the necessary arrangement to provide subsidised loans to all factories, both member and non-member involved in export-oriented business operations. Bangladesh bank should offer necessary directives to commercial banks not to consider a factory/enterprise more than once while allocating loan under stimulus package so that no firm gets the scope of taking loan from more than one bank.

A good practice introduced along with the payment of workers' wages under the Stimulus Package was using MFS or online-based banking payment to workers' accounts. However, this did not continue at that level. In consultation with the Ministry of Commerce and MoLE, Bangladesh Bank might well make it a mandatory requirement for 'access to loan' to pay workers' wages through MFS services. In order to make it operational, more bank booths and agent banking facilities need to be introduced in the industrial clusters.

Unemployed workers have been confronting severe livelihoods challenges. In this regard, the role of factories, brands/buyers, business associations and the government is not beyond question. It is important to clear the dues of unemployed workers in a phased manner immediately. Furthermore, the unemployment insurance scheme, which is introduced with the support of the development partners (e.g. the European Union or EU, and Germany) needs to be made functional immediately through broadening the scope of entitled benefits and areas of coverage.

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Annex

Annex Table 1: Workers' View on Proper and Timely Payment of Wages by the Factory

(in per cent)

Category	Valid
Not at all	6.6
To large extent	79.1
To some extent	14.3
Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 2: Change in Workhours According to Workers

(in per cent)

Year	Status		
	Increased	Same	Decreased
2020 (June)	9	32.6	58.5
2020 (December)	29.6	51.5	18.9
% of Change	228.9	57.9	-67.7

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 3: Status of Harassment during March-December 2020

(in per cent)

Year	Status			
	Increased	Same	Decreased	No Incidence
Work Harassment	22.3	33.2	18.6	25.9
Sexual Harassment	3.3	13.3	17.6	65.8

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 4: Adequate Preparation in the Factory to Face Any Accidental Emergency

(in per cent)

Category	Valid
No counter measure for such Emergency	1.0
Sufficient Preparation on the Issue	67.4
Some Preparation	31.6
Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 5: Food Intake Deterioration: December 2020 Compared to December 2019

(in per cent)

Category	Valid
Negative	25.6
Affirmative	74.4
Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 6: Job Uncertainty*(in per cent)*

Year	Status		
	Highly Uncertain	Moderately Uncertain	No Uncertainty at all
2020 (April)	33.6	48.2	18.3
2020 (December)	8.6	33.9	57.5
% of Change	-74.4	-29.7	214.2

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 7: Overview of Stimulus Package Support According to Workers*(in per cent)*

Received Credit under Stimulus Package	Affirmative	32.6
	Negative	9.6
	No Idea	57.8
Types of Packages Received	No Idea	48.0
	Under BDT 5,000 crore for four months	12.2
	Under BDT 5,000 crore for two months	39.8

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 8: Pressure on the Workers to Complete Work: Factories View*(in per cent)*

Category	Valid
Partial	15.6
No Pressure	84.4
Total	100.0

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 9: Status on Timely Wage Payment by the Factories Receiving Stimulus Package*(Mar–Dec 2020)*

Category	Valid (%)
Payment in less than 5 Months	28.5
Payment in more than 5 months	71.5

Source: CPD-Shojag Coalition Survey, 2021.

Annex Table 10: Change in Wage for the Re-Recruited Workers Compared to December 2019*(in per cent)*

Status	Validity
Decreased	28.6
Increased	14.3
Same	57.1
Total	100

Source: CPD-Shojag Coalition Survey, 2021.

Corporate accountability of the apparel sector enterprises of Bangladesh can be scrutinised based on their actions/inactions during COVID-19. The export-oriented apparel sector of Bangladesh has received various fiscal and monetary policy supports from the government to address the liquidity shortfall during the pandemic period. A number of relevant issues which could be examined in this regard include workers' jobs, wage payments, entitled benefits, workplace safety and security and workers' rights. One crucial policy support from the government has been the availability of a BDT 10,500 crore stimulus package for export-oriented sectors as subsidised credit to pay their workers' wages. According to the latest available information, the package is almost utilised for providing credit to the apparel enterprises during April-July 2020. From the corporate accountability perspective, this stimulus package can be examined from a number of angles: (a) Has the credit support been fully utilised for workers' wages? (b) Did the eligible and deserving enterprises avail the package support? (c) Did the credit support ensure workers' wages as per the labour law? (d) Did enterprises availing the credit support adhere to the policy of not laying off workers? (e) Did the companies comply with the labour laws and rules in case of laying off or retrenchment of workers? (f) How did workers survive during COVID-19 with or without work, and what was the pandemic's impact on workers' livelihoods? (g) How did the female workers cope with the livelihoods challenges during the pandemic? and (h) Has there been any example of apparel enterprises initiating to address workers' livelihood related challenges? Against this backdrop, the study examines the practice of accountability of the apparel enterprises of Bangladesh from the perspective of ensuring labour and human rights during this critical time. This research is the first of its kind which examines the crisis considering a rights-based approach in the context of the global apparel value chain operating in Bangladesh.



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House 40/C, Road 11 (new), Dhanmondi, Dhaka-1209, Bangladesh
Telephone: (+88 02) 48118090, 55001185, 58156979 | E-mail: info@cpd.org.bd
Website: www.cpd.org.bd