



Presentation on CA-CPD Study on

# **Debate on Recent Export Growth and Decent Employment in RMG Industry: A UNGPs Perspective**

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# Outline of the Presentation

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# 1. Introduction

- Bangladesh RMG industry has been **experiencing unprecedented export growth** since the last quarter of 2021
  - The average monthly export growth in the **last four months of 2021** of the industry as compared to the previous year was **45 per cent** (EPB, 2022)
  - The strong RMG export growth continues in the year 2022 as well
  - As of the first **half of the 2022**, the monthly average increase in export growth compared to the last year was almost **43 per cent** (EPB, 2022)
- A higher export growth is expected to improve **decent employment** in the sector.
  - Higher growth in the industry is expected to improve the practice of **UN Guiding Principles** on Business and Human Rights (UNGPs) in RMG factories
- Despite the higher export growth, the resultant improvement in the decent working environment in the Bangladeshi RMG industry **is uncertain**.
- There was a sudden increase in **workers' resentment** in the workplace
  - According to news reports, in nine months (May 2021 – January 2022), **at least 60 workers'** unrest incidences occurred related to RMG workers at the workplaces.
- It is crucial **to examine** whether such **deteriorating performance** in decent employment in the RMG sector has any relation with higher export of apparel.

# 1. Introduction

- At the moment, there is hardly any **research work** that sheds light on this inverse relationship between this recent RMG export growth and decent employment.
  - There has been a limited understanding regarding the kind of **role played by different stakeholders** during this high growth period
- Taking these under cognisance, this study aims **to review** the **decent employment** practices during the period of high export growth in the RMG sector.
  - Based on the review, the study **assesses** how the practice of **selected UNGPs** at the RMG factory level has been affected by the **extraordinary** export growth.

## 2. Objectives of the study

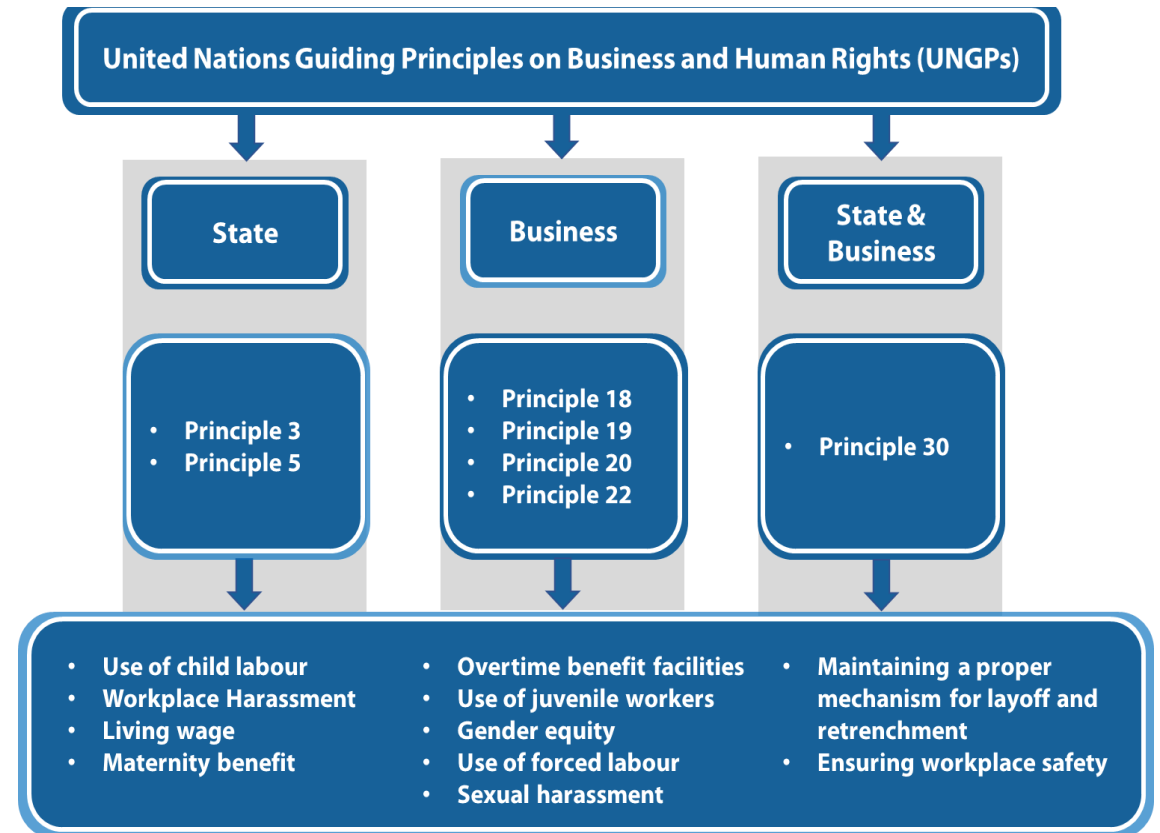
The specific objectives of the study include-

- To **analyse the growth** in RMG export during the post-pandemic period, particularly during 2021 and probable **factors responsible** for the rise in export during this period;
- To examine the **impact and implications** of the rise in export on the **employment** of workers in RMG factories;
- To identify the implications of the rise in export on **human and labour rights** of workers in the workplace;
- To examine the **role of businesses** in addressing the concerns of workers with a view to ensuring human and labour rights;
- To review the **role of the state**, particularly public agencies responsible for monitoring the labour rights issues during the period of surge in export and addressing the concerns raised by workers;
- To put forward a set of **suggestions for businesses** and the state with a view to ensuring improved human and labour rights practices in the RMG industry.

### 3. Analytical frame of the study

- The study has been conducted under the framework of UNGPs: ‘protect, respect and remedy’ with 31 principles directed at state and companies.
- The study is specifically designed to address some of the specific issues related to workplace safety, workers’ entitlements and rights during a period of high growth in export (Figure 1).
- The roles and responsibilities of states and companies are well-specified under the UNGPs.
  - Among those four types of actions, the study has highlighted government’s actions related to ‘adjudication’ and ‘regulation’.
  - The businesses play the role of respecting human rights throughout the value chains through taking actions ‘with due diligence’ and addressing ‘adverse impact’.

Figure 1: Analytical frame of the study

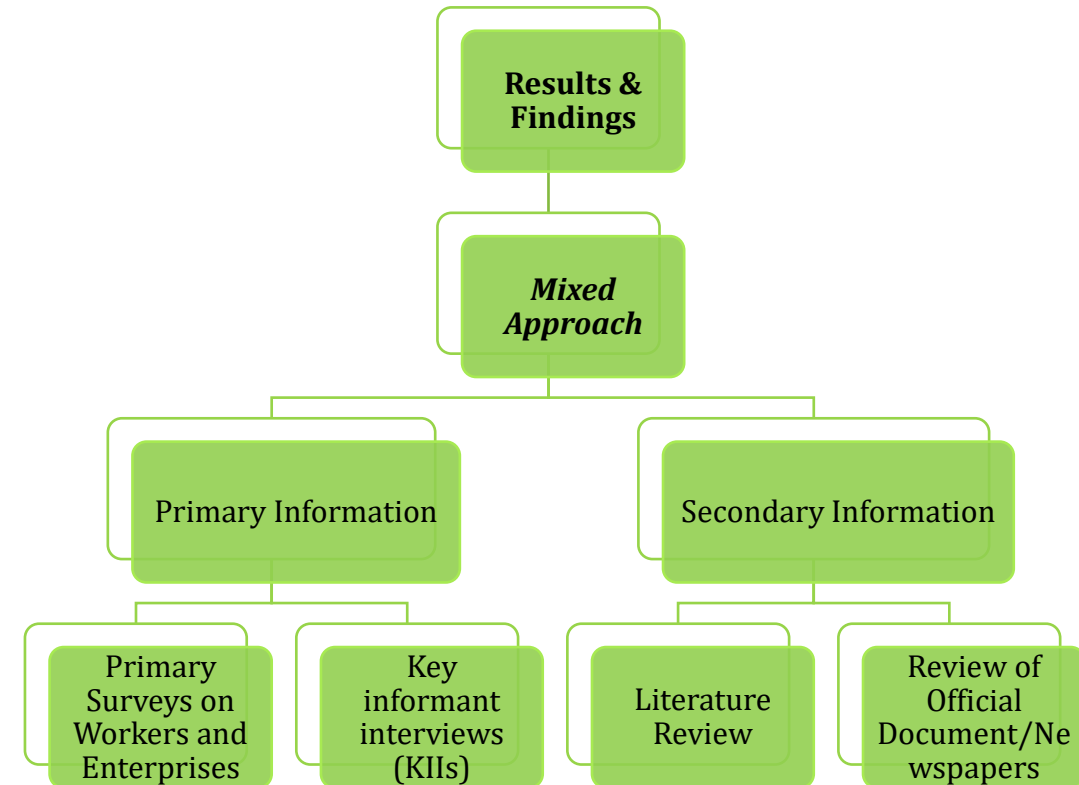


Source: Authors’ illustration

## 4. Methodology

- A mixed analysis has been employed based on the collected **primary and secondary data** (Figure 2).
- A **literature review** has been carried out on how the UNGPs framework has been applied in reviewing the time-specific consequences and concerns.
- A sample survey was conducted both on the RMG workers and enterprises.
  - The **survey** was conducted in **March 2022**. However, the survey is not nationally representative.
- **KIIs** have been conducted on different stakeholders, including workers, BGMEA, BKMEA, government offices, and brand representatives

Figure 2: Method of the study



Source: Authors' illustration

# 5. Features of the surveyed enterprises and workers

## 5.1 Surveyed enterprises

- A total of **51 RMG factories** were surveyed in person under a pre-prepared questionnaire (Table 1).
  - Surveyed factories are located in Dhaka and nearby areas, including Savar, Narayanganj and Gazipur.
- The factories were **purposively sampled**, keeping in mind that all four categories of the RMG factories (Knit, Woven, Sweater, Mix) are covered under the survey.
- It is to be noted that the sampling of this enterprise survey is **not nationally** representative.
  - The survey has not been conducted to understand the nationally representative scenario, but rather, to have a **glimpse of ideas** regarding the existing scenario in the study's area of interest.

Table 1: General Information on the surveyed factories

Items	Frequency (per cent)
Total Number of factories surveyed	51
Mean years of operation of per factory	12 Years
Mean total workers	1244
Mean male workers per factory	493 (39.6%)
Mean female workers per factory	751 (60.4%)
Mean total non-production staff	118
Mean male nonproduction staff	88 (74.6%)
Mean female nonproduction staff	30 (25.4%)

Source: CPD-CA Survey on enterprises



# 5. Features of the surveyed enterprises and workers

## 5.1 Surveyed enterprises

- Sample factories cover a **sizable number** of large, medium, and small RMG factories
  - The share of large, medium and small factories is as follows: 19.6%, 23.5% and 56.9% respectively (Table 2).
- Majority of factories are member of **BGMEA** (45.1%) followed by that on **BKMEA** (15.7%) (Table 2).
  - About 11.8% is member of both BGMEA and BKMEA
  - About **27.5%** is member of **none of these trade bodies**
- Data collected from the surveyed enterprises mainly for **three periods**
  - September 2019- March 2020 (as **'pre COVID' period**)
  - September 2020- March 2021 (as **'during COVID' period**)
  - September 2021- March 2022 (as **'high export growth' period**)

Table 2: Distribution of surveyed factories for major components

Category		Per cent
Size	Large (>2500 workers)	19.6
	Medium (500-2499 workers)	23.5
	Small (<500 workers)	56.9
Membership	Non-Member	27.5
	BGMEA	45.1
	BKMEA	15.7
	BGMEA and BKMEA	11.8
Location	Savar	29.4
	Narayanganj	31.4
	Gazipur	39.2
Type	Knit	45.1
	Woven	25.5
	Sweater	15.7
	Mixed	13.7

# 5. Features of the surveyed enterprises and workers

## 5.1 Surveyed enterprises

- About **88.2%** of the surveyed factories are fully Bangladeshi-owned
  - Almost half of the surveyed factories is a private limited company, whereas 31.4% of them has sole proprietorship (Table 3) – Still **a large section of factories** are yet to be corporatized
  - About **45%** of factories are located in **rented spaces/buildings**, indicating the challenges of maintaining safety compliances
- **BSCI** has been the most common certification standard among the surveyed factories (68.6%), followed by Accord (41.2%) and SEDEX membership (39.2%) (Table 4).
  - More than **25% of factories** do not have any certification from any international agencies

Table 3: Distribution of surveyed factories for ownership components

Category		% of factories
Ownership	Full Foreign	11.8
	Full Bangladeshi	88.2
	Joint	0.0
Type of ownership	Sole Proprietorship	31.4
	Private Limited	49.0
	Joint Venture	0.0
	Publicly listed	0.0
	Partnership	19.6
	Other	0.0
Building type	Self-owned building	54.9
	Rented building	45.1

Source: CPD-CA Survey on enterprises

Table 4: List of certification status of the surveyed factories

Certification of name	% of factories
None	25.5
<b>BSCI</b>	68.6
<b>SEDEX</b>	39.2
LEED	2.0
OEKO-TEX 100 Standard	27.5
OEKO-TEX STEP	9.8
OEKO-TEX Made in Green	5.9
<b>WRAP</b>	17.6
Bluesign	2.0
SAI (SA 800)	2.0
<b>Accord</b>	41.2
<b>Alliance</b>	17.6
<b>Others</b>	17.6

Source: CPD-CA Survey on enterprises

# 5. Features of the surveyed enterprises and workers

## 5.2 Surveyed workers

- A total of **105 workers** have been surveyed for the study
  - Male and female workers are taken in **equal proportion**- 52 were male, and 53 were female workers. The selection of the workers was purely random.
  - All the surveyed workers worked in **those enterprises** which have also been surveyed for this study
  - The survey was conducted **in person** under a pre-prepared questionnaire
- Workers were mainly asked to share their **perceptions** for three periods, as mentioned earlier

## 5. Features of the surveyed enterprises and workers

- As like earlier studies, the **mean age** of sample workers under this study is found **to be high** (29 years). Similarly, **share of married** workers is also high (82.9%)
  - Workers' selection and performance indicators in the RMG industry have been changing where workers' **experience is better valued** in the operation
  - Married workers, particularly female married workers are **not considered** by the factory management as a 'weakness' in evaluating their performance.
- A **gradual rise** in worker composition in the job ladder is observed
  - Relatively **more workers are found in upper grades** such as grade 3 and grade 4 and **less workers in lower grades**, grade 7 and grade 6.
- It is important to note that a **large section of workers claim** themselves **without having any grade (21.9%)** of their jobs.
  - This needs to be investigated how such a large share of workers working in factories without having any formal grade?
  - Firms are increasingly hiring workers on a **contractual basis** (4.8 per cent) – perhaps a part of **non-graded workers** are working on the contractual basis.

# 5. Features of the surveyed enterprises and workers

Table 5: Profile of the RMG workers surveyed under the study

Category	Male	Female	Overall
<b>Total respondents (in %)</b>	49.5	50.5	100
<b>Mean age (in years)</b>	29	29	29
<b>Mean work experience in the RMG industry (in years)</b>	7.8	7.5	7.7
<b>Mean work experience in the current factory (in years)</b>	5.4	5.1	5.3
<b>Marital Status</b>			
<b>Married (in %)</b>	78.8	86.8	82.9
<b>Unmarried (in %)</b>	21.2	9.4	15.2
<b>Others (in %)</b>	0	3.8	1.9
<b>Location</b>			
<b>Dhaka (Savar) (in %)</b>	30.8	26.4	28.6
<b>Gazipur (in %)</b>	61.5	58.5	60.0
<b>Narayanganj (in %)</b>	7.7	15.1	11.4
<b>Working grade</b>			
<b>Unidentified (in %)</b>	21.2	22.6	21.9
<b>Grade 1 (in %)</b>	11.5	1.9	6.7
<b>Grade 2 (in %)</b>	1.9	1.9	1.9
<b>Grade 3 (in %)</b>	28.8	17.0	22.9
<b>Grade 4 (in %)</b>	13.5	17.0	15.2
<b>Grade 5 (in %)</b>	9.6	5.7	7.6
<b>Grade 6 (in %)</b>	9.6	24.5	17.1
<b>Grade 7 (in %)</b>	1.9	1.9	1.9
<b>Others (in %)</b>	0.0	7.5	4.8

Source: CPD-CA Survey on workers

# 5. Features of the surveyed enterprises and workers

- Average level of school attainment has increased.
  - Female workers are still behind in the level of schooling.
- Workers' participation in different worker related committees is very low – only 1.9% workers are members of TU.

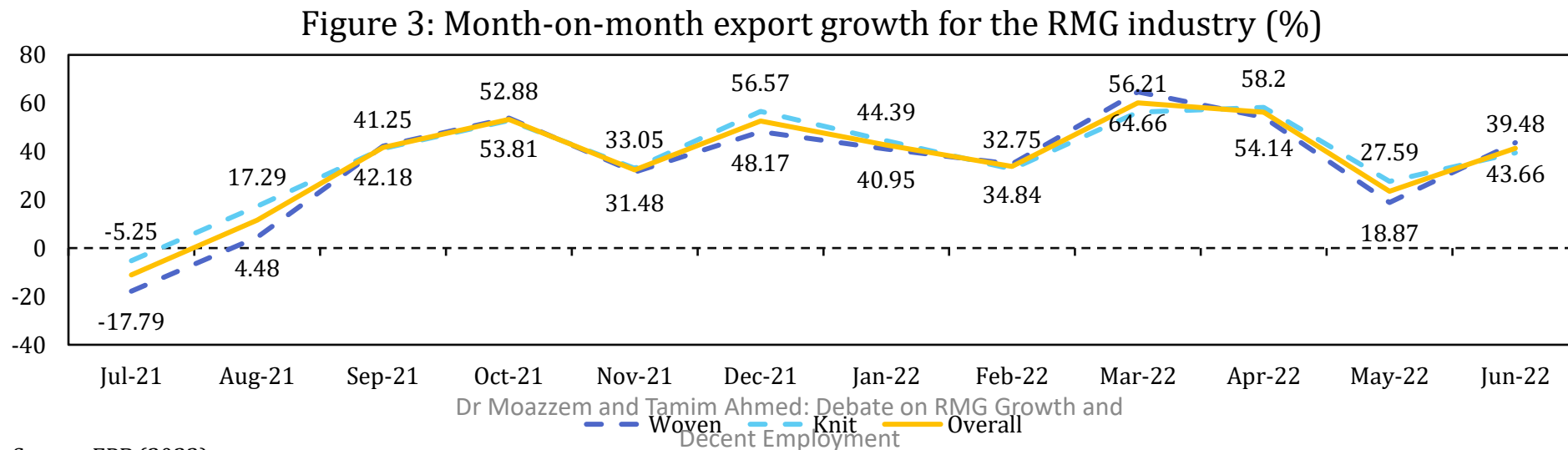
Table 5: Profile of the RMG workers surveyed under the study

Category	Male	Female	Overall
Type of employment			
Contractual (in %)	7.7	1.9	4.8
Permanent (in %)	92.3	98.1	95.2
Educational qualification			
Class 1-5	21.2	39.6	30.5
Class 6-10	51.9	41.5	46.7
SSC	21.2	11.3	16.2
HSC	5.8	5.7	5.7
More than HSC	0.0	1.9	1.0
Membership status			
PC/WPC	3.8	7.5	5.7
WSC	5.8	3.8	4.8
Trade Union	1.9	1.9	1.9

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.1 RMG growth scenario in the post-pandemic period

- In the post-pandemic period, the Bangladesh RMG industry has been demonstrating a strong recovery.
  - The export growth of the RMG industry remains consistently high, particularly during FY2021-2022.
  - Except for July 2021, the month-on-month growth rate in FY 22 compared to FY 21 was **more than 10** per cent throughout the fiscal year (Figure 3).
- In the past, **woven products led** the overall export of the Bangladeshi RMG industry.
  - Gradually, the contribution of both of **woven and knit products** has come closer.
  - Both woven and knit factories have been able to make a **strong recovery** from the COVID crisis.

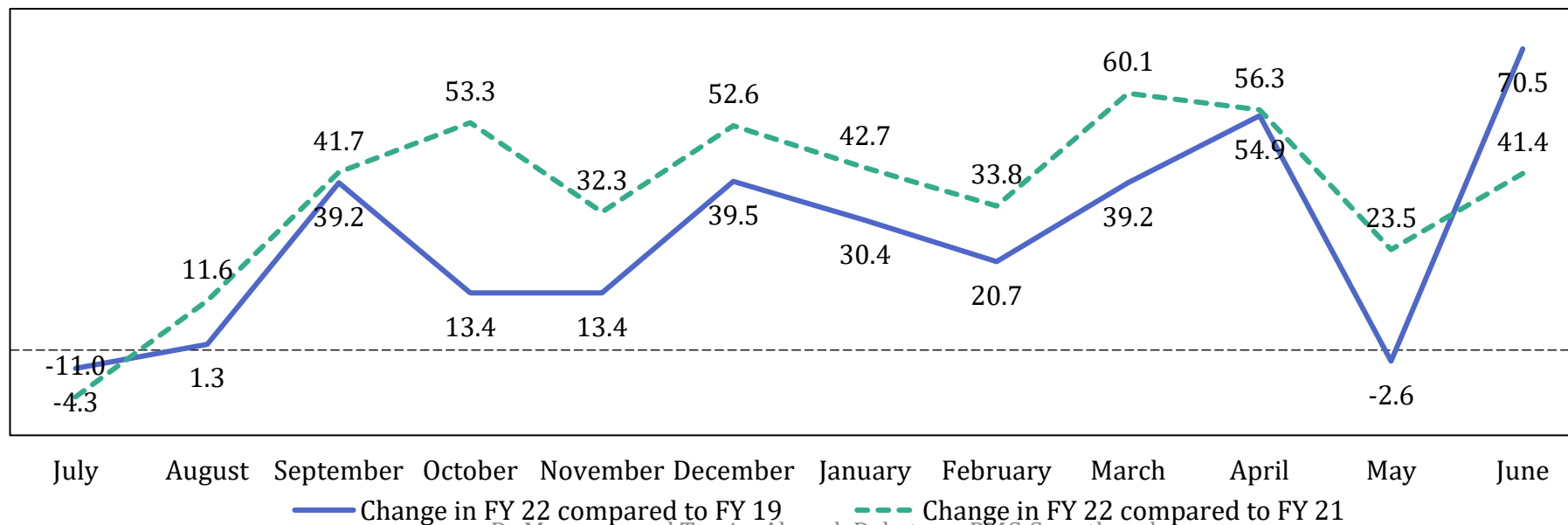


## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.1 RMG growth scenario in the post-pandemic period

- A comparison between RMG export of FY 22 and FY 19 (as a pre-COVID period) confirms that the export of the RMG industry in the post-COVID period **exceeded the pre-COVID period's** export for most of the months (Figure 4).
  - Month-on-month export growth comparison with FY21 **may not be fully suggestive** of real export growth compared to the pre-COVID period.

Figure 4: Comparison of month-on-month export growth in FY 22 and during and pre COVID period



Source: EPB (2022)

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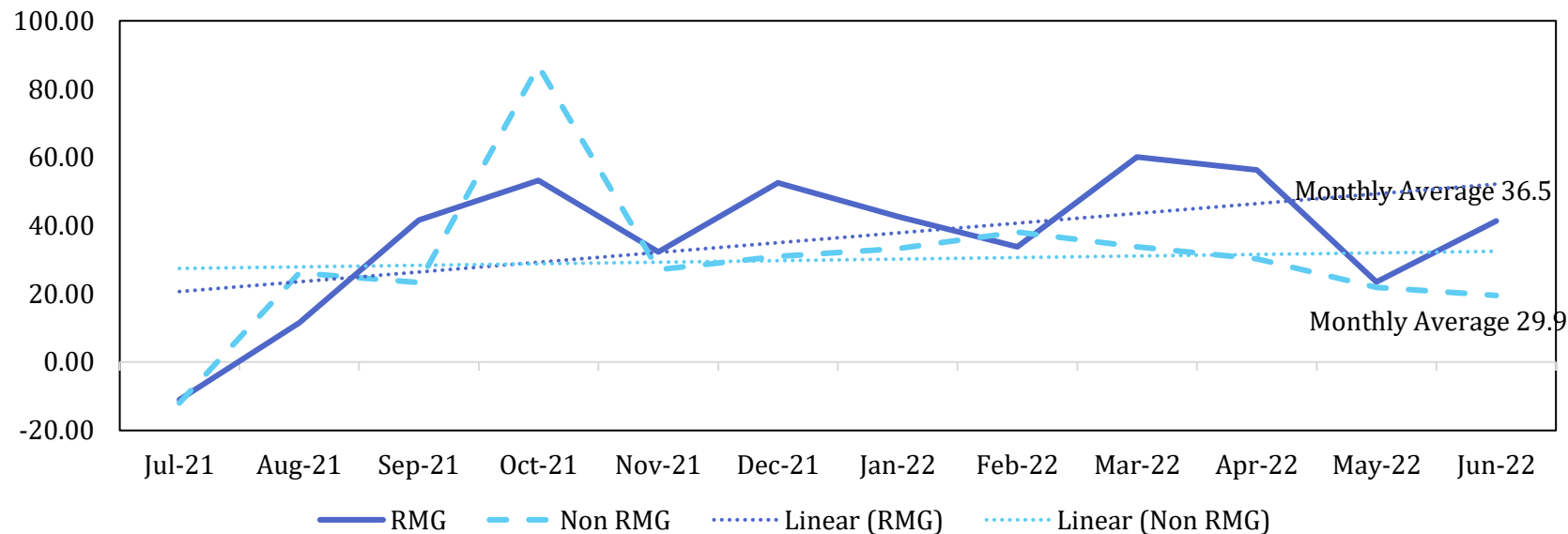


## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.1 RMG growth scenario in the post-pandemic period

- Comparison between **RMG and non-RMG export** growth during FY22 shows that both RMG and non-RMG industries have experienced moderate level of export growth in this fiscal year.
  - In terms of monthly average export growth, the RMG industry was **ahead of the non-RMG** industry.
  - The average month-on-month export growth of the RMG industry **was 36.5%**, while the rate was **29.9 %** for non-RMG industries (Figure 5).

Figure 5: Month on month export growth rate comparison between RMG and Non-RMG industry



Source: EPB (2022)

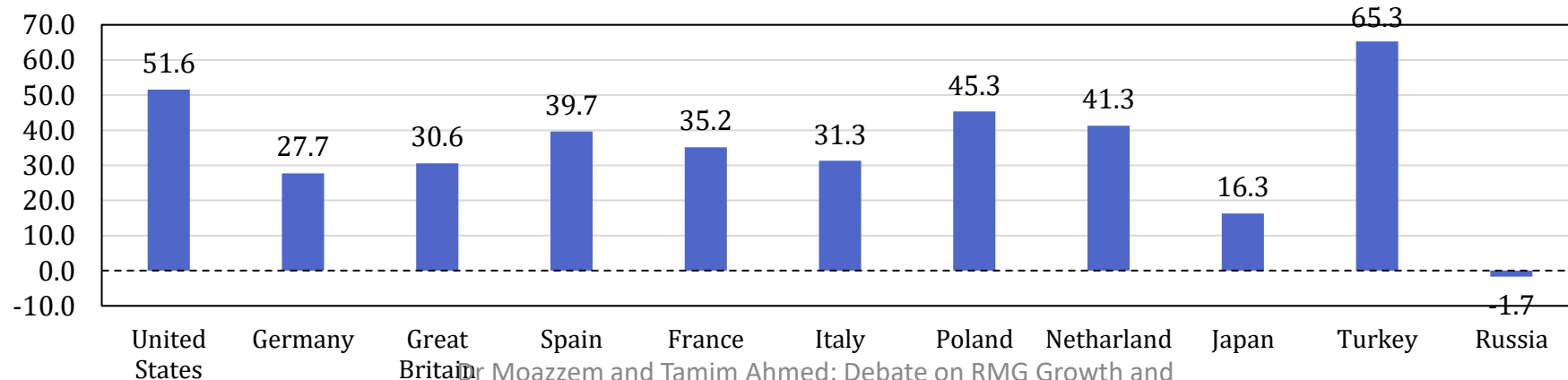
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## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.1 RMG growth scenario in the post-pandemic period

- As expected, export for most of the **major export destinations** for Bangladesh's RMG industry has increased significantly during this high growth period (in FY 2022 compared FY 2021).
- The export to **USA and Turkey** has increased more than **50%** during this period, while for other **EU** countries, the rate of increase is more than **25%** (Figure 6)
  - However, export to Russia has decreased by 1.7% during the same period (Figure 6)
- Bangladesh's RMG products have maintained a **robust** export performance both in traditional and non-traditional markets.
  - It is **expected** that brands and buyers will maintain their due diligence in ensuring compliances at their respective supplier factories

Figure 6: RMG Export growth in FY 22 vis a vis FY 21



Source: EPB (2022)

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.2 Comparison of export with other countries

- As mentioned already, with the ease of the intensity of the COVID crisis, the global demand for apparels increased significantly.
  - According to the data from ITC Trade Map (2022), the global demand for apparels has **increased by 21%** in the year 2021 as compared to 2020 (Table 6).
  - Hence, **most** of the apparel exporting countries has experienced an increase in their export to different extents during this period.
- In **Vietnam**, the export of apparel and textile in the first six months of FY 22 reached a record USD 18.53 billion, which is also **21.0%** higher than the same period of FY 21 (General Statistics Office, 2022).
  - **India** achieved an export amount of USD 44.4 billion in FY 22, which is its highest-ever textiles and apparel exports (Business Standard, 2022). This is a **41%** increase as compared to the previous fiscal year (Business Standard, 2022).
  - In the case of **China**, the export of apparel in FY 22 (August - March) increased by **21%** as compared to FY 21 (August-March) (ITC Trade Map, 2022).
- Overall, majority of apparel exporting countries have performed well during the post-covid recovery period.

Table 6: Changes in global apparel demand in 2021 vis a vis 2020

Type	Changes in the export (%)
Knit	28%
Woven	14%
Overall	21%

Source: ITC Trade Map (2022)

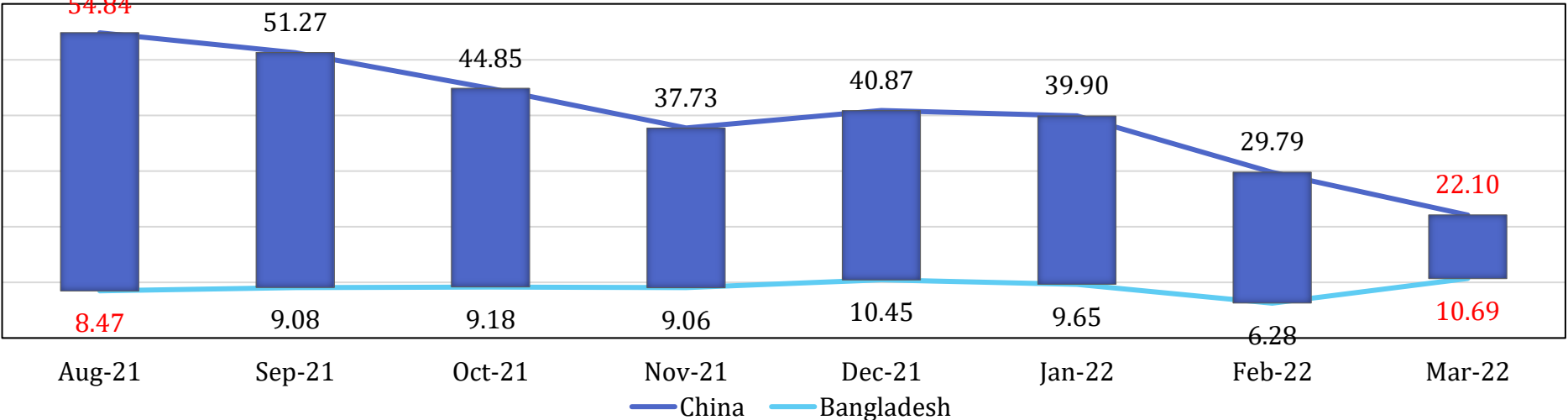
## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- According to conducted interviews, one of the main factors that influenced this high export growth has been the **shifting of a sizeable portion** of orders from other RMG exporting countries to Bangladesh.
  - A significant portion of RMG export orders, mainly from the **USA and EU**, is being claimed to be shifted from **China to Bangladesh** (due to the recent polarization of international diplomatic relationships in view of the Russia-Ukraine war and the trade war between the USA and China).
  - The latest available data somewhat indicates a similar scenario - USA RMG export market share **gap** between Bangladesh and China has been in **gradual decrease** (**Figures 7** in the next slide)
- The decline in China's share in the global apparel market is also attributed to China's **move** from **low-value-added** products to high-value-added production structure
  - **Discouraging** its domestic investors from further rise the production capacities of low-value-added items, including apparels.
- A part of buyers from Europe and the USA has been **shifting their production base** from Asian production hubs to **near-shores** in Europe and North America
  - Considering the easy access and availability of products and services despite their higher production costs.

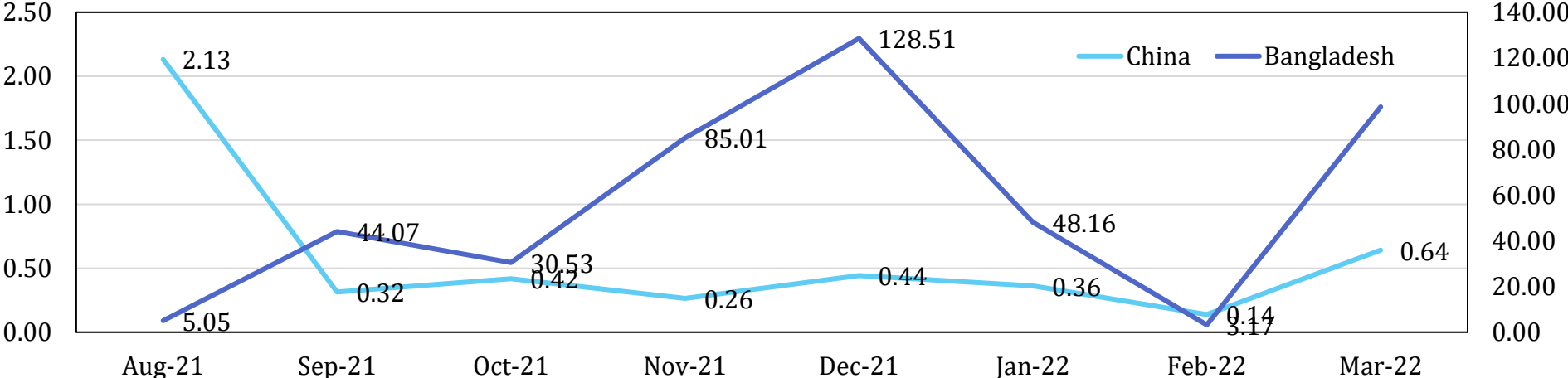
# 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

Figure 7: USA apparel market share of Bangladesh and China (%)



Source: ITC Trade Map (2022)

Figure 8: Month-on-month RMG export growth in USA market for Bangladesh and China (%)



Source: ITC Trade Map (2022)

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- According to conducted interviews, the increase in the amount of export in **non-traditional markets** also played a key role in boosting the export growth lately.
  - In FY 22, along with the growth of export in traditional markets, thanks to market exploration of RMG factories, the growth was rather higher in most of the non-traditional export markets – **except for Russia** due to the ongoing war.
  - RMG export to countries like **India, Mexico, and Chile** has increased more than **70%** during FY 22 (Table 6).
- No significant changes were observed in **number of countries** Bangladesh exported to.
  - In FY 22, Bangladesh exported its RMG **knit** products to **162** countries which was 167 in FY 21
  - Bangladesh exported its RMG **woven** products to **141** countries in FY 22, which was the same in FY 21 (EPB, 2022).

Table 6: Changes (%) in FY 22 RMG export of Bangladesh vis a vis FY 21

Non-Traditional Markets		Traditional Markets	
Turkey	65%	USA	52%
Chile	122%	Canada	33%
Mexico	74%	EU	34%
India	70%	UK	31%
Russia	-2%	Japan	17%

Source: EPB (2022)

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- While the share of export of the non-traditional market has increased during this high growth period, the case of **product diversification** remains as usual.
- This is somewhat reflected in the conducted survey
  - On average, an export-oriented factory exported around **7 kinds of products** in the year 2022, which has been mostly similar to previous years (Table 7).
- Recent higher export growth in the RMG **can not be attributed to any major diversification** of export products except a few non-RMG products manufacturing (PPE, masks etc.).

Table 7: Comparison of the number of export products (per factory)

Category		Mean number of Export product in March 2019	Mean number of Export product in March 2020	Mean number of Export product in March 2021	Mean number of Export product in March 2022
Overall		7	6	7	7
Size	Large	10	9	10	10
	Medium	6	5	5	6
	Small	4	3	4	4
Membership	Non-Member	4	3	3	4
	BGMEA	7	6	6	7
	BKMEA	5	4	5	5
	BGMEA and BKMEA	7	5	6	6
Type	Knit	5	4	4	5
	Woven	7	6	7	8
	Sweater	5	5	5	4
	Mixed	7	6	7	7

Source: CPD-CA Survey on enterprises

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- During this high RMG export growth period, factories received higher orders from their existing buyers as the **number of buyers they work with** remains the same throughout the period.
- The conducted survey shows, on average, a RMG factory received orders from 5 buyers, which has been the same for last few years (Table 8). However, an increased number of buyers can be observed for the BGMEA factories.

Table 8: Mean number of brands that factories worked with (per factory)

Category		March 2019	March 2020	March 2021	March 2022
Overall		5	5	5	5
Size	Large	9	8	9	9
	Medium	5	5	4	5
	Small	4	3	3	4
Membership	Non-Member	4	4	3	4
	BGMEA	6	6	6	7
	BKMEA	3	3	3	4
	BGMEA and BKMEA	5	4	4	4
Type	Knit	3	3	3	3
	Woven	7	7	7	8
	Sweater	6	5	5	6
	Mixed	5	5	5	6

Source: CPD-CA Survey on enterprises



## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- Another factor that has been claimed in the conducted interviews that influenced this higher RMG export growth is the continuation of the **operation of factories throughout** the last fiscal year amid the COVID pandemic
  - While many **other peer countries** (such as Vietnam) had to shut their industry temporarily.
  - This, on the one hand, shifted a portion of the orders of these countries to Bangladesh, on the other hand, provided the **brands with the confidence** to consider Bangladesh a safe source for placing orders in a time of uncertainty regarding the COVID crisis.
- It is claimed in the interviews that the RMG industry's **increased level of compliance**, both in the **area of social and environmental** and workplace safety, has assisted in bringing orders to the Bangladeshi factories.
  - The **government's timely intervention** during the COVID crisis period through the announcement of a stimulus package
  - **Continuation of export incentives** played a part in ensuring higher export growth in the post-pandemic period.

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- Recent higher RMG export has been mainly driven by 'volume effect' instead of 'price effect' (Rahman, 2022)
  - According to the survey, on average, a factory has experienced a 16.2% rise in its export volume in March 2022 as compared to March 2021 (Table 9).
  - However, the increase in price for the same period was only 4.3% (Table 9). However, price for the medium-sized factories rather decreased
- This, to some extent, implies that they have continued to take the orders at a lower-than-normal price, perhaps in order to keep their factories running during this post-pandemic period.

**Table 9: Changes in unit price and unit volume (%)**

Category		Changes in Export Unit Price in March 22 vis-a vis March 21 (%)	Changes in Export Volume in March 22 vis-a vis March 21 (%)
	Overall	4.3	16.2
Size	Large	5.7	3.7
	Medium	-0.5	27.1
	Small	7.8	2.8
Membership	Non-Member	14.5	10.2
	BGMEA	1.9	36.1
	BKMEA	11.8	5.7
	BGMEA and BKMEA	2.2	21.7
Type	Knit	4.0	16.7
	Woven	4.3	23.3
	Sweater	1.1	37.2
	Mixed	16.8	7.7

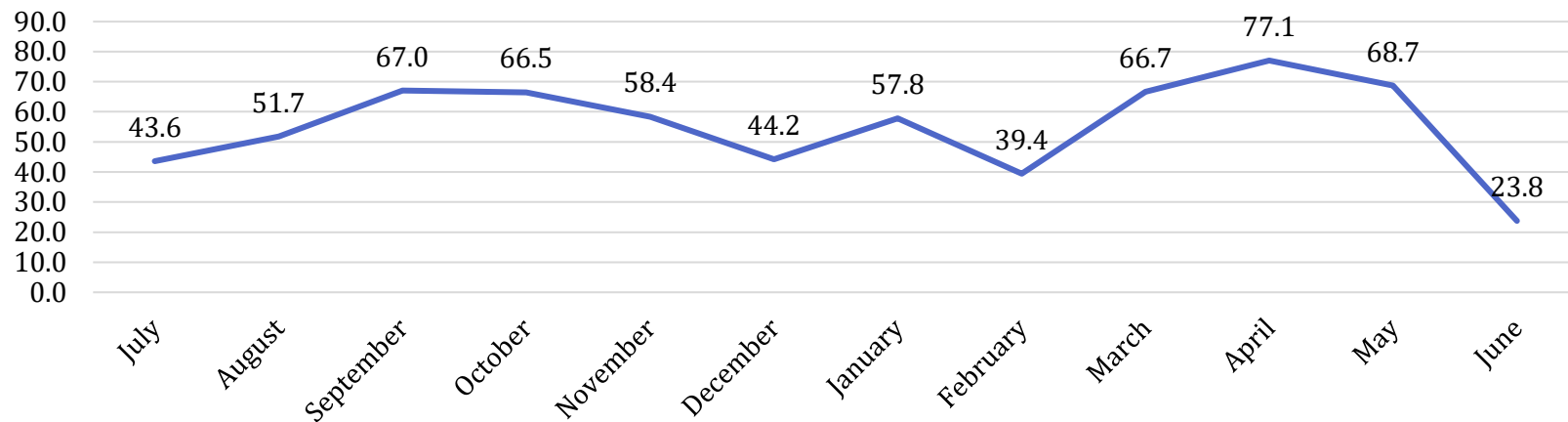
Source: CPD-CA Survey on enterprises

## 6. Overview of Bangladeshi RMG Industry in the Post-Pandemic Period

### 6.3 Factors driving the robust RMG export growth

- **Rise in price of cotton** – one of the key input materials for RMG- has been in continuation increase throughout this period. This has partly contributed to rising in value-wise export during this period.
  - According to international market data, the price of cotton has increased at least **more than 20%** in each month of FY2022 as compared to the fiscal year 2021 (Figure 9).
  - Sudden rise in demand for raw materials such as **yarn and fabric** has caused the rise in prices of cotton.
- Recent excessive rise of the **price of the dollar** (USD) against the Bangladeshi taka (BDT) could partly offset some of the higher production costs for employers.
  - Also, the rise in production **costs could not be fully passed on** to the consumers who have just returned back to their job after a long covid related stress in employment

Figure 9: Month-on-month changes in the unit price of cotton in FY 2022 (%) – International Market



## 7. Findings on the Implication of the Export Growth on Employment

### 7.1 Recruitment of additional workers

- The increase in export orders **has created a mammoth demand** for the recruitment of new RMG workers.
- During the first outbreak of COVID-19 in Bangladesh, around 0.36 million **jobs were lost** in the RMG industry (Moazzem, Shibly and Chowdhury, 2022).
  - With gradual recovery from the crisis, many of these were **retained**, however, a section of these workers did not return to the industry by either shifting to **other jobs** or going back to their native places (Moazzem and Ahmed, 2022).
  - This disappearance of workers already had **created a shortage** of workers' supply.
  - As the factories are now capacitated with new orders, there is a **further rise** in demand for additional workers.
- The conducted survey on enterprises shows that during this high export growth period (Sept 2021 to March 2022), on average, each factory has **recruited 79 workers** (41 new male + 38 new female workers)
  - This is particularly observed in surveyed **large factories** – recruitment was almost doubled their number of male workers - **from 133 to 238** (Table 11)
- Although the number of **female workers'** recruitment has also increased, as compared to their male counterpart, the number of **recruitments is rather low** (Table 12)

# 7. Findings on the Implication of the Export Growth on Employment

## 7.1 Recruitment of additional workers

- In a time when the demand for RMG workers is excessively high, **the job loss** should be at **the minimal** level.
  - According to the enterprises' survey, on average, a factory **releases 6 males and 6 female** workers (Table 13 and 14).
  - Interestingly **release of the female workers** appears to have **increased** during the high growth period compared to the Sep 2019- March 2020 period (Table 14).
  - This, in turn, implies a continuation of a **declining number of women workers' participation** in the RMG sector than their male counterparts.
- During these periods, a good number of **workers resigned** from their work at their will.
  - Rate of resignation from work for the male workers has been almost similar throughout the periods (Table 15)
  - An **increasing trend of resignation** in the high export growth period can be observed in case of **female** RMG workers (Table 16).
- The conducted survey also shows an increased shortage of RMG workers during the month of high export growth period.
  - On average, each RMG employer had a **shortage of 44 workers** in their factory (Table 17).
  - This higher shortage of workers against the higher amount of export orders led to the **formation** of a number of **new subcontracting factories**.
- These subcontracting factories are **mostly not inspected for compliances** both by the brands and the government authorities.
  - It is claimed in interviews with the workers that child and juvenile workers are being hired in these factories to meet up the worker shortage demand.

## 7. Findings on the Implication of the Export Growth on Employment

Table 11: Average Number of New Workers (male) Recruited (per factory)

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		45	27	41
Size	Large	208	133	238
	Medium	45	33	42
	Small	15	8	13
Membership	Non-Member	8	6	8
	BGMEA	48	39	51
	BKMEA	27	12	22
	BGMEA and BKMEA	129	58	113
Type	Knit	43	18	29
	Woven	61	50	73
	Sweater	23	23	23
	Mixed	53	29	72

Source: CPD-CA Survey on enterprises

Table 13: Average Number of Workers (male) released (per factory)

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		9	4	6
Size	Large	59	23	43
	Medium	7	2	2
	Small	2	2	2
Membership	Non-Member	1	1	1
	BGMEA	11	3	4
	BKMEA	2	3	2
	BGMEA and BKMEA	27	11	22
Type	Knit	10	4	6
	Woven	11	5	7
	Sweater	8	0	0
	Mixed	3	4	5

Source: CPD-CA Survey on enterprises

Table 12: Average Number of New Workers (female) Recruited (per factory)

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		39	32	38
Size	Large	95	124	110
	Medium	75	51	68
	Small	14	10	15
Membership	Non-Member	8	7	9
	BGMEA	46	40	46
	BKMEA	16	7	25
	BGMEA and BKMEA	105	92	98
Type	Knit	45	24	37
	Woven	54	53	63
	Sweater	14	16	13
	Mixed	33	51	38

Source: CPD-CA Survey on enterprises

Table 14: Average Number of Workers (female) released (per factory)

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		5	3	6
Size	Large	24	15	50
	Medium	4	4	4
	Small	2	1	1
Membership	Non-Member	1	2	1
	BGMEA	6	4	7
	BKMEA	5	3	2
	BGMEA and BKMEA	11	6	22
Type	Knit	5	2	6
	Woven	10	8	14
	Sweater	0	0	0
	Mixed	5	4	6

Source: CPD-CA Survey on enterprises

# 7. Findings on the Implication of the Export Growth on Employment

Table 15: Number of workers (male) released by themselves

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		17	16	17
Size	Large	35	32	24
	Medium	35	31	33
	Small	9	8	10
Membership	Non-Member	6	5	7
	BGMEA	26	21	23
	BKMEA	18	12	17
	BGMEA and BKMEA	24	32	26
Type	Knit	16	14	17
	Woven	17	13	16
	Sweater	21	21	21
	Mixed	18	18	16

Source: CPD-CA Survey on enterprises

Table 17: Shortage of workers in factories (per factory)

Category		March 2019	March 2020	March 2021	March 2022
Overall		32	32	36	44
Size	Large	111	110	115	134
	Medium	13	15	20	27
	Small	11	11	14	20
Membership	Non-Member	8	8	11	20
	BGMEA	46	49	56	62
	BKMEA	56	53	53	69
	BGMEA and BKMEA	2	0	0	3
Type	Knit	15	11	14	19
	Woven	63	67	79	85
	Sweater	4	9	16	32
	Mixed	62	64	53	71

Source: CPD-CA Survey on enterprises

Table 16: Number of workers (female) released by themselves

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		20	16	23
Size	Large	18	15	27
	Medium	53	35	49
	Small	9	9	11
Membership	Non-Member	5	6	8
	BGMEA	31	24	33
	BKMEA	19	11	20
	BGMEA and BKMEA	33	30	32
Type	Knit	21	16	20
	Woven	29	20	37
	Sweater	13	14	16
	Mixed	14	15	20

Source: CPD-CA Survey on enterprises

Table 18: % contractual workers in a factory

Category		Average number of workers
Overall		7
Size	Large	0.20
	Medium	8.75
	Small	8.53
Membership	Non-Member	17.04
	BGMEA	4.43
	BKMEA	1.13
	BGMEA and BKMEA	0.83
Type	Knit	1.63
	Woven	0.00
	Sweater	37.50
	Mixed	31 2.43

Source: CPD-CA Survey on enterprises



## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.1 State of RMG industry in terms of policy alignment as per UNGPs

- The UNGPs encourage a **business** enterprise **to undertake certain activities** as part of their showing respect to the business human rights (BHR).
  - One of such activities is to conduct **regular assessments** on the impact of their business operation on business human rights.
  - The assessment is to have both **qualitative and quantitative indicators** based on which the impact can be evaluated.
  - In addition, the assessment report should also be made publicly available.
- The conducted survey on RMG enterprises shows that **only 25.5%** of the surveyed factories claimed to conduct assessments on business human rights (Table 19).
  - The per cent of conducting BHR is **higher for large**, BGMEA members and woven factories.
  - Medium and small sized factories as well as **BKMEA** factories, are found to be **poor in the BHR assessment**.
  - Among these factories which claimed to conduct an assessment on business human rights, 92.3% of them included qualitative and quantitative indicators in their assessment (Table 19).
- It was also claimed by all of these surveyed factories that they made the **report publicly available**.
  - However, **none of these reports** could be found by the authors from secondary sources, which creates questions about the claim of the surveyed employers.



## 8. Findings on the Implication of the Export-growth on Business Human Rights

Table 19: Status of conduction of BHR assessment as per UNGP guidelines

Category		Conducted assessment on BHR (% of factories)	Of those having BHR Assessment	
			Assessment has qualitative and quantitative indicators	Days before conducted
Overall		25.5	92.3	147
Size	Large	60.0	83.3	181.00
	Medium	16.7	100.0	120.00
	Small	17.2	100.0	117.20
Membership	Non-Member	7.1	100.0	75.00
	BGMEA	39.1	88.9	155.67
	BKMEA	25.0	100.0	165.00
	BGMEA and BKMEA	16.7	100.0	106.00
Type	Knit	17.4	100.0	143.25
	Woven	53.8	85.7	152.57
	Sweater	0.0	0.0	-.
	Mixed	28.6	100.0	135.50

Source: CPD-CA Survey on enterprises

Table 20: Status of factories having written policies

Category	% of factories
Child Labour Policy	78.4
Maternity Benefit Policy	80.4
Leave Policy	80.4
Anti-Harassment Policy	74.5
Anti- Sexual Harassment Policy	68.6
Environmental Policy	58.8
Wastage Management Policy	47.1
Information Disclosure Policy	41.2

Source: CPD-CA Survey on enterprises

Table 21: Status of factories having written policies

Category	% of factories
Factory Licence	88.2
Trade Licence	100.0
Environmental Clearance Certificate	70.6
Building Construction Approval	70.6
Drinking Water Test Report	70.6
Wastewater Test Report	68.6
Air Emission Test Report	68.6
Noise Level Assessment Report	56.9
Waste Disposal Agreement	37.3

Dr Moazzem and Tamim Ahmed, Debate on BHR Growth and Decent Employment

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.1 State of RMG industry in terms of policy alignment as per UNGPs

- Having documented and effective policies against components of business human rights are one way of expressing respect towards business human rights.
- It can be observed that some of the important policies are least adopted
  - These include **Wastage Management Policy** (adopted by 47.1% factories), **Information Disclosure Policy** (41.2%), and **workers release policy** (49.0%) (Table 20 and 21)
  - **Noise Level Assessment Report** (56.9%), Waste Disposal Agreement (37.3%) are the two documents that are available by the least number of surveyed factories (Table 21).
- Factories are least interested in having policies **on freedom of association** and release-related policies (Table 22)

Table 22: Status of factories having written policies

Category	% of factories
None	11.8
Service rule (Policy)	80.4
Wage Policy	86.3
Recruitment Policy	86.3
Release Policy	49.0
Freedom of Association Policy	54.9
Medical, Health and Safety Policy	80.4

Source: CPD-CA Survey on enterprises

# 8. Findings on the Implication of the Export-growth on Business Human Rights

## 8.2 Living wage and overtime benefit facilities

- Over the years, the RMG industry, to some extent, has **performed well** as compared to other industries in implementing the **minimum wage** set for the industry by the minimum wage board.
  - During this **high growth** period, living wage has become a component which **needed more** than just ensuring payment of minimum wage.
- The conducted survey on the RMG workers under this study shows that, on average, a worker was paid an amount of **BDT 11,993 (excluding overtime)** in March 2022, which was **12.5%** higher than the same month in the previous year (Table 23).
  - This increase in wage payment has been higher for **male RMG workers (14.8%)** than female workers (9.54%).
- In case of wage including overtime, an RMG worker, on average, was paid **BDT 15,633** in March 2022 a **17.3%** rise compared to the previous year (Table 24).
  - Such a rise in wage payment is perhaps related to their **higher number of work hours** and **workdays worked** to meet the commitment of timely shipment of export orders
- Consistency has been observed in terms of maintaining **annual wage increments** for the workers.
  - On average, a worker in March 2022 received a 5% annual increment in the wage, which was higher than the rate of previous years (Table 25).

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.2 Living wage and overtime benefit facilities

Table 23: Changes in Monthly wage (excluding overtime)

	Male	Female	Overall
Mean wage in Dec 2020	10,888	9,579	10,227
Mean wage in Dec 2021 (including % change from last year)	11,377 (4.5%)	9,998 (4.4%)	10,688 (4.5%)
Mean wage in Mar 2022 (including % change from last year)	13,057 (14.8%)	10,949 (9.5%)	11,993 (12.2%)

Source: CPD-CA Survey on workers

Table 24: Change in Monthly wage (including overtime)

	Male	Female	Overall
Mean wage in Dec 2020	13,175	11,294	12216
Mean wage in Dec 2021 (including % change from last year)	14101 (7.0%)	12596 (11.5%)	13326 (9.1%)
Mean wage in Mar 2022 (including % change from last year)	17128 (21.5%)	14194 (12.7%)	15633 (17.3%)

Source: CPD-CA Survey on workers

Table 25: Status of incremental wage increase (annual)

Period	Male	Female	Overall
End of 2020 (in %)	4.2	4.1	4.1
End of 2021 (in %)	5.7	4.1	4.9
End of 2022 (in %)	5.0	5.0	5.0

Source: CPD-CA Survey on workers  
 Dr. Yousef and Dr. Maim Ahmed: Debate on RMG Growth and Decent Employment

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.2 Living wage and overtime benefit facilities

- Individual's **income is not sufficient** to meet the **family expenditure** of a RMG worker.
  - Growth of family income is much lower than growth of family expenditure
  - Although the monthly income of an RMG worker increased by **1.7% in March 2022** period, at the same time, their family expenditure **increased by 9.5%** (Table 26 and 27).
  - Higher wages of workers partly **contributed to some savings** in the family. However, a large part of this money is likely to be spent in meeting the inflationary pressure.
  - According to conducted interviews, the main **challenge** of the RMG workers during this high export growth period was being able to **fulfil daily expenses**.

## 8. Findings on the Implication of the Export-growth on Business Human Rights

Table 26: Change in family income (in BDT)

	Male	Female	Overall
<b>Mean income in Dec 2020</b>	20,827	21,679	21,253
<b>Mean income in Dec 2021</b>	23,296	28,529	25,913
<b>(including % change from last year)</b>	(11.9%)	(31.6%)	(21.9%)
<b>Mean wage in Mar 2022 (including % change from last year)</b>	26,668 (14.5%)	26,014 (-8.8%)	<b>26,341 (1.7%)</b>

Source: CPD-CA Survey on workers

Table 28: Changes in due wages from factories (% of workers with due wage)

	Male	Female	Overall
<b>% of workers with due wages in Dec 2020</b>	2	2	2
<b>% of workers with due wages in Dec 2021</b>	0	2	1
<b>% of workers with due wages in Mar 2022</b>	0	0	0

Source: CPD-CA Survey on workers

Table 30: % of workers received wages and overtime within the first two weeks of the month

Period	Male	Female	Overall
<b>Before COVID 19</b>	75.0	83.0	79.0
<b>During COVID 19</b>	84.6	98.1	<b>91.4</b>
<b>After high workload period</b>	73.1	83.0	<b>78.1</b>

Source: CPD-CA Survey on workers

Table 27: Change in family expenditure (in BDT)

	Male	Female	Overall
<b>Mean expenditure in Dec 2020</b>	18,455	17,892	18,168
<b>Mean expenditure in Dec 2021</b>	19,084	18,779	18,927
<b>(including % change from last year)</b>	(3.4)	(5.0%)	(4.2%)
<b>Mean expenditure in Mar 2022</b>	21,158	20,300	<b>20,721</b>
<b>(including % change from last year)</b>	(10.9)	(8.1%)	<b>(9.5%)</b>

Source: CPD-CA Survey on workers

Table 29: Changes in other dues from factories (% of workers with due wage)

	Male	Female	Overall
<b>Mean other dues in Dec 2020</b>	0	0	0
<b>Mean other dues in Dec 2021</b>	0	0	0
<b>Mean other dues in Mar 2022</b>	0	0	0

Source: CPD-CA Survey on workers

Table 31: % of workers received wages through MFS

Period	Male	Female	Overall
<b>Before COVID 19</b>	15.4	11.3	13.3
<b>During COVID 19</b>	71.2	77.4	<b>74.3</b>
<b>After high workload period</b>	21.2	10.9	<b>17.1</b>
<b>Never</b>	23.1	15.6	<b>21.0</b>

Source: CPD-CA Survey on workers

## 8. Findings on the Implication of the Export-growth on Business Human Rights

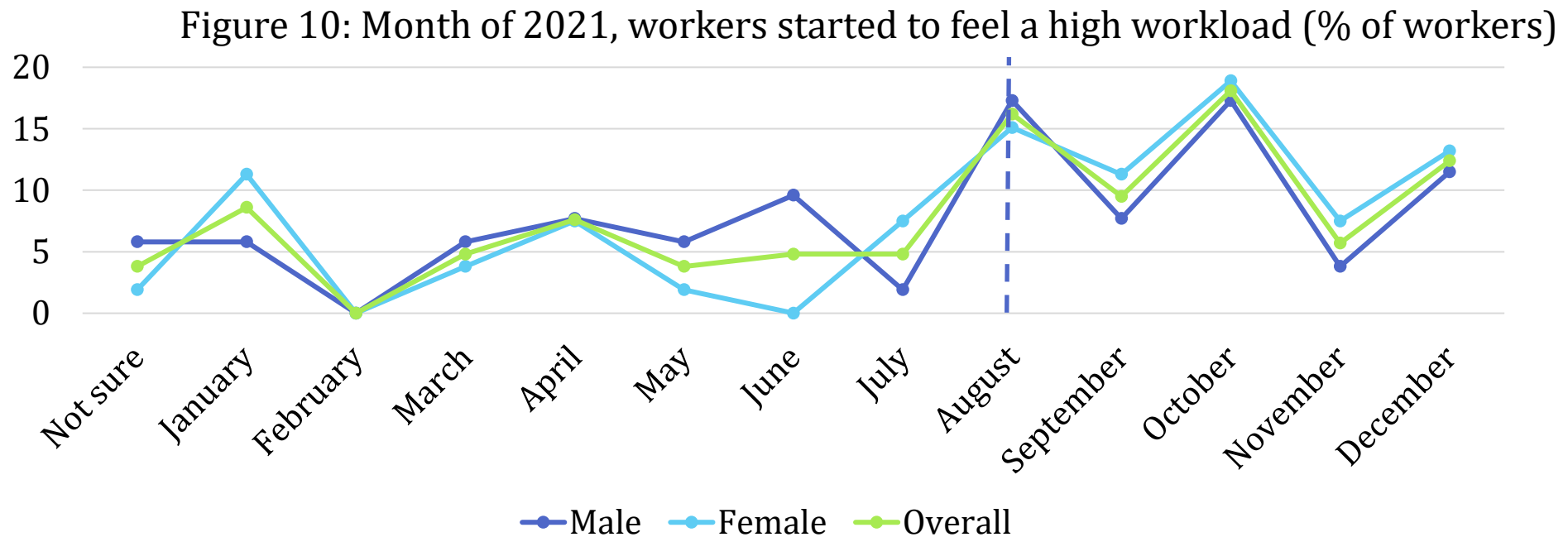
### 8.2 Living wage and overtime benefit facilities

- Bangladeshi RMG factories appeared to have done well in terms of **clearing workers due wage** payment in the high export growth period.
  - None of the surveyed workers were found to have a due wage and other benefits in the month of March 2022 (Table 28 and Table 29).
- However, in terms of timely wage and overtime benefits payment, a deviation can be observed from the conducted survey.
  - According to the conducted survey on the workers, **78.1% of the surveyed workers received** their wages within the first two weeks of the month in the high export growth period (Table 30).
  - This **rate was rather higher in the pre-COVID** and during COVID period, which indicates a deterioration of the performance of the RMG employers in timely wage payment during this extraordinary higher export period (Table 30).
- Despite being capable of **utilising MFS** wage payment, use of MFS has increased slightly as compared to pre-COVID period, the overall use of MFS
  - After a **big spike in MFS wage payment** during the COVID crisis, thanks to the government announcement in making MFS wage payment mandatory during that time, the use of MFS for wage payment **stayed low**.
- This lower trend has continued during this high export growth period as well.

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.3 Workplace harassment, sexual harassment, and forced work

- In meeting the excessive demand for export orders during this high export growth period, workers were overburdened with the workload, according to interviewed workers representatives.
- About **61.7% of the surveyed** workers started to **feel a higher workload** from the last five months of the year 2021, at a time when the industry's export also started to grow robustly (Figure 10).





## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.3 Workplace harassment, sexual harassment, and forced work

- According to surveyed workers, their per day average work hour has increased
  - **Increased 10.46 hours** from 8.84 hours during the COVID crisis and 10.31 hours in the pre-COVID period (Table 32).
  - **Break time of the workers** was also reduced than the pre-COVID period during this high export growth period- from, on average, **1.12 hours a day to 1.08 hours a day** (Table 33).
- According to **interviewed employers**, it was workers who were more **interested in doing overtime** during this high export period in order to recover from their financial crisis in view of COVID-19.
  - According to **interviewed workers representatives**, the workers were with **no choice but to do overtime** to meet their family expenses at a time when the price of all the goods in the country increased severely
- During this high export growth period, enterprises had to keep their factory in operation during non-working hours and during public holidays.
  - This means that many workers were not able to enjoy the leaves entitled to them.
- During this high export growth period, **84.3% of factories included additional work hours** in their operation, **45.1% added night shift works**, and **45.1% included Friday work** (Table 34).

Table 32: Status of the working hour (including overtime)

Period	Per day average (in hour)
Before COVID 19	10.31
During COVID 19	8.84
After high workload period	10.46

Source: CPD-CA Survey on workers

Table 33: Status of break hour

Period	Per day average (in hour)
Before COVID 19	1.12
During COVID 19	1.04
After high workload period	1.08

Source: CPD-CA Survey on workers

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.3 Workplace harassment, sexual harassment, and forced work

- Forced work has increased significantly during this high export growth period, as indicated in the conducted survey.
  - During this high export growth period, **18.1% of the surveyed workers** claimed to have suffered from forced work in their factory (Table 35).
  - Male RMG workers (25.0% per cent) appeared to be largely victims of this increased forced work as compared to their female counterparts (**11.3 per cent**).
- A **downward trend** can be observed from the conducted survey on workers.
  - The number of **average workplace harassment** that surveyed workers experienced or have witnessed was reduced to 8 from pre-COVID period number 12 (Table 36).
  - Among the workplace harassment that took place during the high export growth period is mostly occurred in form of verbal (such as rebuking) and written format (Table 37). **None** of these harassments were found to be **physical** (Table 38).

## 8. Findings on the Implication of the Export-growth on Business Human Rights

Table 34: Status of additional working days during the high export growth period

Category	% of factories
Additional Hours	84.3
Nightshift	45.1
Friday Work	45.1
Saturday Work	74.5

Source: CPD-CA Survey on enterprises

Table 35: % of workers suffered from forced work

Period	Male	Female	Overall
Before COVID 19	7.7	9.4	8.6
During COVID 19	7.7	1.9	4.8
After high workload period	25.0	11.3	18.1
Not in any of these periods	69.2	86.8	78.1

Source: CPD-CA Survey on workers

Table 36: Number of workplace harassment (excluding sexual harassment)

Period	Total
Before COVID 19	12
During COVID 19	11
After high workload period	8

Source: CPD-CA Survey on workers

Table 37: Types of workplace harassment (excluding sexual harassment) in high workload period

Period	Total
Verbal/Written	35.2
Physical	0.0
Visual	8.6
None	62.9

Source: CPD-CA Survey on workers

Table 38: Mean number of workplace harassment excluding sexual harassments (per factory)

Category		Sept 2019- March 2020	Sept 2020- March 2021	Sept 2021- March 2022
Overall		2	2	3
Size	Large	2	2	3
	Medium	2	1	2
	Small	2	2	2
Membership	Non-Member	1	1	1
	BGMEA	1	1	2
	BKMEA	1	2	4
	BGMEA and BKMEA	5	4	6
Type	Knit	3	3	4
	Woven	0	1	1
	Sweater	0	0	0
	Mixed	2	1	2

Source: CPD-CA Survey on enterprises

Table 39: Number of sexual harassments

Period	Total
Before COVID 19	1
During COVID 19	16
After high workload period	0

Source: CPD-CA Survey on workers

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.3 Workplace harassment, sexual harassment, and forced work

- In case of the survey conducted on employers, it shows reduced number of workplace harassment issue faced by the factories during the high growth period.
  - The average number of workplace harassment took place in each factory during September 2021- March 2022 period was 3, which was 2 in previous years' same periods (Table 38).
- None of the surveyed workers claimed to have experienced or **witnessed any sexual harassment** taking place in their workplace during this high export growth period (Table 39).
  - However, this number **may not necessarily indicate** the complete eradication of sexual harassment from the RMG industry during this high growth period.
- It can also be the case of workers not being fully able to understand what sexual harassment is, they may not feel comfortable in talking about these issues (Moazzem and Khan, 2022).

# 8. Findings on the Implication of the Export-growth on Business Human Rights

## 8.3 Use of child and juvenile workers

- A higher demand for production against a shortage of workers can create a tendency among enterprises to **hire child and juvenile workers**.
  - There is a rise in the number of recruitments of child labour and juvenile workers, particularly in small and sub-contracting factories, according to interviewed workers' representatives
  - The number of **juvenile** workers surveyed experienced during the high export growth period was **17 per factory**, which **was 8 per factory** in the pre-COVID period (Table 40).
- In terms of child labour the conducted survey on the workers shows that there is an increase in child labour in the high export growth period as compared to the COVID period (Table 42).
  - However, it also indicates a decrease in the amount of child labour worked in the RMG factories during high export growth period as compared to the pre-COVID-19 period.
- The interviewed workers' representatives claimed **that increasing child labour in the** sub-contracting factories

Table 40: Number of juvenile workers in surveyed factories

Period	Total
Before COVID 19	8
During COVID 19	4
After high workload period	17

Table 41: Number of child workers in surveyed factories

Period	Total
Before COVID 19	12
During COVID 19	1
After high workload period	8

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.4 Gender equity and maternity benefits

- The conducted survey shows 63.8% of surveyed workers mentioned that their factories have childcare facilities on factory premises (Table 42).
  - It can also be seen that, on average, each of these childcare has 8.2 attendees in their factories (Table 43).
  - It indicates despite going through a high export period, investment by factories in creating day-care facilities was not parallelly increased.
  - According to conducted interviews, female workers, who have access to childcare facilities, still do not feel comfortable keeping their children in childcare.
  - The conducted survey on both employers and workers justifies the statement as it shows overall, only 1.23% workers of the surveyed employers avail childcare services (Table 43).
  - It indicates adequate incentives are still not there for female workers so that they could opt for accessing the day-care service

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.4 Gender equity and maternity benefits

- Having access to **menstrual health facilities** can assist the workplace in becoming more women-friendly.
  - About **52.9% of surveyed factories** in Bangladesh provide menstrual health care facilities in their workplace (Table 44). The availability of this facility is rather lower in **small (31.0%) and non-member RMG factories (21.4%)** (Table 44).
- Conducted survey on the workers shows **79.0% of them work in a factory where** there is access to **maternity leave benefits** (Table 45).
  - The number of **maternity leave rejection decreased** in their factory during the high export growth period (Table 45).
  - According to the conducted survey on the employers shows, overall, **there was a decrease in the average number of maternity applications** received by the factory in March 2022 as compared to earlier periods (Table 46).
  - A similar trend can be seen in case of the **average number of maternity leave applications accepted by the surveyed factories** (Table 47).

## 8. Findings on the Implication of the Export-growth on Business Human Rights

Table 42: Childcare facilities status

Period	Overall
Existence of childcare facilities (in %)	63.8
Mean number of childcare attendees in per factory	8.2

Source: CPD-CA Survey on workers

Table 43: Mean of % of workers avail childcare services

Category		% Of workers avail childcare service
Overall		1.23
Size	Large	1.13
	Medium	1.11
	Small	1.41
Membership	Non-Member	1.22
	BGMEA	1.60
	BKMEA	.80
	BGMEA and BKMEA	.55
Type	Knit	1.56
	Woven	1.11
	Sweater	.00
	Mixed	.90

Source: CPD-CA Survey on RMG enterprises

Table 44: % Factories provide menstrual health facilities

Category		% Factories provide menstrual health facilities
Overall		52.9
Size	Large	90.0
	Medium	75.0
	Small	31.0
Membership	Non-Member	21.4
	BGMEA	73.9
	BKMEA	37.5
	BGMEA and BKMEA	66.7
Type	Knit	47.8
	Woven	69.2
	Sweater	25.0
	Mixed	71.4

Source: CPD-CA Survey on RMG enterprises

Table 45: Maternity leave benefits status

Category	Total
Offer maternity leave benefits	79.0
Number of maternity leave rejections even after being eligible	
Before COVID 19	12
During COVID 19	0
After high workload period	2

Source: CPD-CA Survey on workers



## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.5 Grievance and lay off and recruitment mechanism

- The conducted survey shows that **80%** surveyed workers have a **dedicated industrial relations/compliance officer** in their factory whereas **72.4%** workers has a **dedicated complain box** in their factories (Table 48).
  - Often these officers are assigned with industrial relations issue along with other responsibilities including administrative responsibilities, human resource management etc.
- The conducted survey on the workers also shows that there is an **increase in total number of complaints submitted through complain box** during the high export growth period (Table 49).
  - On the other hand, it indicates a higher coping up of workers in submitting their complaints through a formal mechanism that is through complaint box.
  - The kind of complaints where workers could not complaint due to complicacy or absence of the process, has reduced during the high export growth period. (Table 50)
- Unlike previous two periods, there has been an **increased number of complaints reported** to BGMEA and BKMEA as per the conducted survey on the workers (Table 52).
  - According to them, **none of these complaints were** resolved during that period.

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.5 Grievance and lay off and recruitment mechanism

- The conducted survey on the workers shows that 53.3, 67.6 and 70.5 per cent surveyed workers have anti-sexual harassment committee, worker's participation committee, and safety committee respectively (Table 53).
- In case of recruitment of workers by RMG factories the most common practices are providing circular for recruitment (84.3 per cent factories), assessing the previous experiences of the job seekers (92.2 per cent factories) and checking the eligibility in terms of age (78.4 per cent factories) (Table 56).
  - However, only 33.3 per cent of the factories have dedicated HR department and 49.0 per cent offer formal appointment letter to prospective job seekers.

## 8. Findings on the Implication of the Export-growth on Business Human Rights

Table 46: Availability of different facilities in factories

	Overall
Has dedicated industrial relations/compliance officer	80.0
Has dedicated complain box	72.4

Source: CPD-CA Survey on workers

Table 48: Number of complaints could not submit despite having issues (due to complicity or absence of the process)

Period	Total
Before COVID 19	15
During COVID 19	10
After high workload period	5

Source: CPD-CA Survey on workers

Table 47: Number of complaints submitted through different channels

Period	Number of complaints through complaint box	Number of complaints through written format	Number of complaints through informally
Before COVID 19	162	11	29
During COVID 19	165	10	8
After high workload period	166	11	15

Source: CPD-CA Survey on workers

Table 49: Number of complaints/cases submitted to

Period	Labour Courts	BGMEA/BKMEA
Before COVID 19	15	0
During COVID 19	10	0
After high workload period	5	8

Source: CPD-CA Survey on workers

Table 50: Existing facilities in factories

Period	Overall
Anti-Sexual Harassment Committee	53.3
Workers Participation Committee	67.6
Safety Committee	70.5
Trade Union	6.7
None of them exist	28.6

Source: CPD-CA Survey on workers

## 8. Findings on the Implication of the Export-growth on Business Human Rights

### 8.6 Workplace safety

- The **number of industrial accidents witnessed** by surveyed workers has **increased** during the high export growth period (Table 58).
  - It is to be noted that the workers were overburdened with work during this high workload period which partly could be attributed to the increase of industrial accidents during the high export growth period.
- The conducted survey on the workers indicates a significant portion of workers still to be fully vaccinated.
  - Among the surveyed workers, **74.3 per cent had taken one dose of the vaccine**, whereas **20.0 per cent of them** took two doses of the vaccine (Table 59).
  - The rate of vaccination among **male and female workers was not found to be significantly** different. Also, none of the surveyed workers was found to be taken the booster dose of the vaccine (Table 59)
- It was found from the conducted survey on the workers that during the high growth period, **excessive noise of the factories** (for 18.1%), **scolding of their supervisor** (for 15.2%), and absence of emergency exit (9.5%) were three most concerning issues for the surveyed workers (Table 60).
- Some of the facilities in the area of workplace safety were found to be pervasive in most of the surveyed workers' factories.
  - About 95.2% of surveyed workers maintained that their factories have **separate toilets for males and females**, and 94.3% of surveyed workers maintained about having access to pure drinkable water in their factory (Table 61).
  - Significant RMG factories yet **do not provide medical kits** (provided in 61% of surveyed workers' factories), and **occupational safety equipment** (provided in 54.3% of surveyed workers' factories) despite experiencing a higher surge in their export.

# 8. Findings on the Implication of the Export-growth on Business Human Rights

## 8.6 Workplace safety

Table 51: Number of industrial accidents witnessed by Surveyed Factories

Period	Total
Before COVID 19	3
During COVID 19	2
After high workload period	5

Source: CPD-CA Survey on workers

Table 53: Issue that are most concerning for workers during the high growth period

Period	Overall
Excessive Noise	18.1
Narrow Space	3.8
Scolding of supervisor	15.2
Absence of emergency exit	9.5
Use of poor machinery	1.0

Source: CPD-CA Survey on workers

Table 52: Workers' vaccination status

Category	Male	Female	Overall
None (in %)	3.8	7.5	5.7
One doses (in %)	76.9	71.7	74.3
Two doses (in %)	19.2	20.8	20.0
Three doses (in %)	0.0	0.0	0.0

Source: CPD-CA Survey on workers

Table 54: Facilities provided by factories

Period	Overall
Separate Toilet for Male and Female	95.2
Pure Drinkable Water	94.3
Medical Kit	61.0
Menstrual Hygiene Products	49.5
Occupational Safety Equipment	54.3
None	1.9

Source: CPD-CA Survey on workers

## 9. Findings on the role of stakeholders

### 9.1 Role of government agencies

- According to the conducted survey on enterprises, overall, on average, **DIFE conducted two inspections** in each surveyed factory in the year 2021 (Table 62).
  - The mean number of inspections, however, for **small and non-member factories**, where the practice of labour rights is assumed to be relatively weaker, **was 1 in 2021** (Table 62).
- This claim of inspection of **enterprises contradicts** the inspection statistics provided in **LIMA of DIFE**.
  - The latest data available in the LIMA shows that in FY 2022, total number of regular inspections conducted by DIFE in the garments industry **was 216** (Table 63).
  - Although this is an increase in the number of regular inspections as compared to **FY21 (148 inspections)**, the number of inspections in FY22 is still insufficient compared to the size of the whole industry.
  - On top of that, the number of **special and follow-up inspections decreased** drastically during FY 22 compared to FY 21 (Table 63).
- In conducted interviews with government officials, the **shortage of human resources has** been identified as the key reason for the insufficient number of inspections, which would gradually disappear with the ongoing expansion of DIFE.
  - However, the **number of insufficient inspections** has not been the only area of concern.

## 9. Findings on the role of stakeholders

### 9.1 Role of government agencies

- According to the business representative, there is questions regarding the quality and transparency of the inspection.
  - The survey found that, during this high export growth period, overall, **29.3% of the surveyed** factories had to **pay additional money** to the inspector to be eligible as compliant factories, which is illegal (Table 64).
- Despite being in operation for several years, the awareness regarding the **DIFE helpline service** (worker helpline: 16357) is **significantly low**.
  - The conducted survey on workers shows only **25.7% of them are fully aware of the existence** of a **helpline** where workers can directly submit their complaints on labour rights issues (Table 65).
  - Of this portion of surveyed workers, who are fully aware of the DIFE helpline, **7.4% ever** considered calling the DIFE helpline (Table 65).

## 9. Findings on the role of stakeholders

Table 55: Mean number of inspections in 2021

Category		DIFE
Overall		2
Size	Large	2
	Medium	2
	Small	1
Membership	Non-Member	1
	BGMEA	2
	BKMEA	2
	BGMEA and BKMEA	3
Type	Knit	1
	Woven	2
	Sweater	1
	Mixed	1

Source: CPD-CA Survey on enterprises

Table 57: % of factories were asked for additional money from government inspectors

Category		% of Facoties
Overall		29.3
Size	Large	33.3
	Medium	25.0
	Small	41.7
Membership	Non-Member	8.3
	BGMEA	66.7
	BKMEA	16.7
	BGMEA and BKMEA	8.3
Type	Knit	33.3
	Woven	33.3
	Sweater	16.7
	Mixed	16.7

Source: CPD-CA Survey on enterprises

Table 56: Inspection status of DIFE

Type of inspection	FY 22	FY 21
Regular inspection	216	148
Special inspection	63	319
Follow up inspection	1	10

Source: LIMA (2022)

Table 58: Awareness regarding DIFE service

Category	Male	Female	Overall
Fully aware regarding DIFE Helpline	26.6	24.5	25.7
Ever considered calling DIFE helpline	7.1	7.7	7.4

Source: CPD-CA Survey on workers

Table 59: Inspection per factory

Category		DoE	NBR	Rajuk
Overall		1	0	0
Size	Large	1	1	1
	Medium	1	0	0
	Small	1	0	0
Membership	Non-Member	0	0	0
	BGMEA	1	0	0
	BKMEA	1	0	0
	BGMEA and BKMEA	1	1	0
Type	Knit	1	0	0
	Woven	1	0	0
	Sweater	0	0	0
	Mixed	1	1	1

Source: CPD-CA Survey on enterprises



## 9. Findings on the role of stakeholders

### 9.2 Role of brands/buyers

- During this higher export growth period for the Bangladesh RMG industry, the main **role of buyers was limited to placing a bulk amount of orders** and providing **capacity-building and awareness-raising** training.
- According to the enterprise survey, with the existing amount of orders, overall, **31.4% of the surveyed factories** could continue their business operation for **more than 6 months**
  - 33.3% of the surveyed factories could continue **between 4-6 months** (Table 60). This indicates a good prospect from industry's sustainability point of view.
- Given the decent employment and BHR-related non-compliances reported by the workers, it seems that the **buyers/brands did not play their due role in maintaining** compliance in their supplier factories, particularly in subcontracting factories

Table 60: Average month that will present order cover (as of March 2022)

Category		Current Month Only	1-3 Months	4-6 Months	More than 6 months
Overall		7.8	27.5	33.3	31.4
Size	Large	0.0	0.0	17.6	43.8
	Medium	0.0	14.3	35.3	25.0
	Small	100.0	85.7	47.1	31.3
Membership	Non-Member	100.0	50.0	0.0	18.8
	BGMEA	0.0	35.7	52.9	56.3
	BKMEA	0.0	14.3	23.5	12.5
	BGMEA and BKMEA	0.0	0.0	23.5	12.5
Type	Knit	75.0	35.7	58.8	31.3
	Woven	0.0	14.3	23.5	43.8
	Sweater	25.0	35.7	5.9	6.3
	Mixed	0.0	14.3	11.8	18.8

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Decent Employment

Source: CPD-CA Survey on enterprises

## 10. Overall Findings

Table 61: Overall Status

Indicators	Indicative status from the findings in high export growth period
Work hour	Average work hour has increased
Break hour	Average break hour has decreased
Shortage of workers	Shortage of workers has increased
Recruitment of workers	Increased for male workers as decreased for female workers
Recruitment policy	Half of the surveyed factories still to provide formal appointment letter
Price of export	Increased slightly (around 4 per cent)
Volume of export	Increased significantly (around 16 per cent)

## 10. Overall Findings

Table 62: Overall Status

Indicators	Indicative status from the findings in high export growth period
Use of child workers	Claimed to increase in sub-contacting factories
Juvenile workers	Increased in number juvenile workers
Living wage and overtime benefits payment	Nominal wage and overtime increased, but the real wage remained below the living wage
Timely wage payment	Timely payment of wage deteriorated
MFS wage payment	MFS wage payment remained low however has increased slightly than pre COVID period
Due payment	Clearance of due wages and other facilities improved
Use of force work	Increased, particularly for male workers
Workplace harassment	Increased in the workplace harassment
Sexual harassment	Indicative of decreased compared to COVID period
Child care service	Use of childcare services remained significantly low,
Menstrual equipment facilities	Minimal factory offers menstrual equipment facilities,
Maternity benefit	Access to maternity benefits increased
Grievance mechanism	Use of formal grievance mechanisms by workers increased
Workplace safety	Number of workplace accidents increased
Vaccination status	Two dose vaccination remained significantly low
Government agencies monitoring and inspection	Not adequate to address the concerns
Buyers/Brands auditing	Not adequate to address the concerns

## 11. Conclusions and Recommendations

- Bangladeshi RMG industry has been experiencing an **extraordinary increase** in export, particularly since September 2021.
- The sector has experienced a number of **direct impacts** because of high export growth in apparel in the recent period.
  - Firstly, factories have **recruited additional workers**, which is higher than the covid period and almost at the same level that in the pre-covid period.
  - Relatively more male workers were recruited during this high growth period.
  - Female workers were relatively less recruited but more self-released during this period.
  - Such changes in **gender composition in recruitment** have been partly affecting the overall gender composition in the RMG industry.
  - Despite the additional recruitment, factories are **still short of workers** given the high volume of work orders received by factories.

## 11. Conclusions and Recommendations

- **Decent employment in the RMG industry** has been affected in different accounts.
  - A rise in export orders led to rise in workers' wages (both including and excluding overtime payment).
  - Workers were **not benefitted much** because of it as their **monthly expenditure** has substantially increased.
  - In terms of real wage, particularly when the inflation rate is abnormally high, this made it challenging for the workers to maintain their family expenses.
  - No major improvement is discerned **in case of payment time for wages** and overtime allowances, indicating no qualitative improvement in this regard.
- Although **MFS had been widely appreciated** as an easy way to disburse workers' monthly payments digitally, its use is still neglected by the factory management, apprehending the **fear of disclosure and transparency**.
  - None of the stakeholders, either government or brands/buyers, did not put emphasis on enhancing firms' participation in the digital financial system

## 11. Conclusions and Recommendations

- A number of decent employment-related indicators, particularly related to business human rights, have deteriorated to different extents during this period.
  - The increase in export orders has come in the form of **excessive work pressure** for the workers.
  - Both male and female workers claimed to face **forced labour** – this is complained about mainly by male workers.
  - The higher export orders against a limited capacity of the formal factories have resulted in the formation of **several subcontracted factories** during this period.
- In fulfilling the demand of excess work orders, **child and juvenile workers** are said to be recruited in these factories.
  - Working **hours in factories have increased** which is accommodated through working the night shift and two-day weekends (Friday and Saturday).
  - Workplace harassment is almost at **the same level** as that of the covid period – this harassment is mainly of verbal abusing
- Although factories have established **child-care facilities**, majority of workers are less interested in using those facilities.
  - It is important to investigate why workers are not interested in taking the benefit of childcare facilities.

## 11. Conclusions and Recommendations

- Despite having committees in factories such as **WPCs, WSCs**, lack of effective operation of these committees remains a major weakness.
  - Various types of complaints have been lodged by workers through formal processes, which include delays in paying the overtime benefits, demand for rising wages and complaints of harassment.
  - It is important to note that majority of workers are yet to come under the second dose of vaccination, let alone the booster dose of the vaccination.
  - The use of DIFE-introduced helplines such as '**DIFE helpline**' need to be effectively functional.
- **Factory level and association level grievance mechanism** needs to be improved
  - More **labour courts need** to be set up and to be made those operational
- The role of a government agency in ensuring business human rights was not as active as it was required to handle a situation of abnormal export growth
  - The capacity of **DIFE/DoL has not increased as parallelly** as the rapid expansion of the RMG industry during this higher export growth.
- Brands/buyers are **not found with extra-caution** about ensuring compliance level during the time of high export growth

# 11. Conclusions and Recommendations

- The period of high export growth in the RMG sector was **rather short-lived** (September, 2021-March, 2022): **a total of ten months**
  - Seven months during the time of conducting study which extended further three months till June, 2022
  - Within such a period, expecting **major changes** in technological, social and environmental issues related to RMG sector is **over-ambitious**
  - However, it is expected that major decent employment related indicators **would not be deteriorated if not improved** along with higher income of factories
  - Unfortunately, most **of the decent employment related indicators** have **suffered** due to the pressure of high workload
  - Factories performance in **UNGP related indicators** have somewhat deteriorated
- Factories income though increased but that is happened mainly because of **rise in volume of orders and less of value per unit**. Factories need to negotiate with brands/buyers for better price for export orders
  - Factories need to **diversify their production capacity** and avoid creating excessive capacities for small number of products in order to get better deal individually and collectively from brands/buyers
  - **Associations (BGMEA and BKMEA) should create database** of existing capacity of different factories and thereby advise factories regarding potential capacities in different types of products
  - Factories need to diversify **their export base by gradually developing capacities** for different types of **non-cotton based products**



# 11. Conclusions and Recommendations

- Because of high export orders, **new factories have entered** and a large part of these factories are sub-contracting and out of direct monitoring and supervision
  - **Decent employment** related challenges are high in these factories
  - These factories are **neither under RSC, nor NI or DIFE** monitoring process. All these factories need to be listed and to be taken under formal inspection process
  - **BGMEA and BKMEA need to register these** factories initially as associate member. Upon fulfilling the requirement, **full membership should** be provided. None of the RMG factories should operate without having any formal membership and under monitoring process
- **Inspection and monitoring** authorities found with **less stringent in ensuring** compliance in factories which affected workers minimum entitled benefits in the workplace
  - **DIFE should strengthen its monitoring** of non-safety compliances in all RMG factories which include child labour, long work hour, forced labour, failure to pay wages on time, lack of effective operation of safety committee
  - **DoL should ensure effective** operation of WPCs and WWCs
  - Since **RSC or NI is not monitoring these non-safety compliance issues** in its member factories, there is a risk of having a loophole in monitoring and inspection of non-safety concerns of factories

# 11. Conclusions and Recommendations

- **Brands/buyers although extended** export orders which helped suppliers, workers and even the overall economy, however they did not take cognizance of deterioration of decent employment related concerns
  - It is expected that **future auditing of factories to be carried out by brands/buyers** should address the decent employment related concerns
- Majority of the factories are found to **improve some of the important initiatives** introduced in factories.
  - **MFS based payment** system need to be **made mandatory for factories**. Bangladesh Bank under the guidance of Ministry of Finance, Commerce and Labour and employment could introduce it
  - **Daycare facilities in the workplace** is not used by workers. MoLE/DIFE/DoL should review what types of daycare facilities are expected by workers for their children and how that could be developed – even it could be developed at community level with the support of local level NGOs
- Across all types of factories level of **understanding and awareness on UNGPs** as well as their enforcement is highly neglected, which would help factories better prepared on maintaining business and human rights
  - **MoC, MoLE, DIFE, DoL and NHRC should** work on further strengthening the understanding and practices on business and human rights among the enterprises and workers.

**Thank You**