



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

Khondaker Golam Moazzem
Tamim Ahmed



সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)
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About the Authors

Dr Khondaker Golam Moazzem is the Research Director of the Centre for Policy Dialogue (CPD), and *Mr Tamim Ahmed* is a Research Associate of CPD.

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Abstract

As Bangladesh charts out its recovery path from COVID-19, the country's readymade garments (RMG) industry has been experiencing an unprecedented export growth since the last quarter of 2021. In view of this increase in export, the study aims to understand the impact of this higher export growth on business and human rights practices in the RMG sector based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) framework. Findings of the study are mainly based on a primary survey conducted on RMG management and workers. The study findings show that a number of decent employment related indicators, particularly related to business human rights, have deteriorated to various extents during this high export growth period. These include deterioration of timely wage payment, increase in the use of forced work, workplace harassment, and increase in use of child labour and juvenile workers. These deteriorations are observed both in contracted and sub-contracting factories to various extents. The role of government agencies and brands/buyers in monitoring business human rights practices are also observed to be below par in this period. Although the rise in export orders led to a subsequent rise in workers' earnings, thanks to increased work hours and workdays, workers have not been benefitted much from this as their monthly expenditure have increased parallely during this high export growth period. The study recommends that government agencies should strengthen the understanding and practices of business and human rights among enterprises and workers in accordance with UNPGs. Given the increase in household expenditure, the government may consider revising the existing minimum wage set for garment workers. Brands need to be more proactive in promoting business human rights in garment factories during any such high export growth period.

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Contents

<i>Abstract</i>	<i>iii</i>
<i>Acknowledgements</i>	<i>iv</i>
<i>Abbreviations</i>	<i>viii</i>
1. Introduction	1
2. Objectives of the Study	2
3. Analytical Framework of the Study	2
4. Methodology	3
5. Features of the Surveyed Enterprises and Workers	4
6. An Overview of Bangladeshi RMG Industry in the Post-Pandemic Period	8
7. Findings on the Implication of the Export Growth for Employment	16
8. Findings on the Implication of the Export Growth on Business Human Rights	21
9. Findings on the Role of Stakeholders	40
10. Overall Observations	44
11. Conclusions and Recommendations	45
References	48

List of Tables and Figures

Table 1: General Information on the Surveyed Factories	5
Table 2: Distribution of Surveyed Factories for Major Components	5
Table 3: Distribution of Surveyed Factories for Other Components	6
Table 4: List of Certification Status of the Surveyed Factories	6
Table 5: Profile of the RMG Workers Surveyed under the Study	7
Table 6: Changes in Global Apparel Demand in 2021 Compared to 2020	11
Table 7: Changes of RMG Export of Bangladesh in FY2021–22 Compared to FY2020–21	13

Table 8:	Comparison of the Number of Export Products (per Factory)	14
Table 9:	Mean Number of Brands That Factories Worked with (Number per Factory)	15
Table 10:	Changes in Unit Price and Unit Volume	15
Table 11:	Average Number of New Workers (Male) Recruited (per Factory)	17
Table 12:	Average Number of New Workers (Female) Recruited (per Factory)	17
Table 13:	Correlation between the Number of Worker Recruitments and the Value of Export	18
Table 14:	Number of Workers (Male) Released (per Factory)	18
Table 15:	Number of Workers (Female) Released (per Factory)	19
Table 16:	Number of Workers (Male) Who Left the Job Voluntarily	19
Table 17:	Number of Workers (Female) Who Left the Job Voluntarily	20
Table 18:	Shortage of Workers in Factories (per Factory)	20
Table 19:	Percentage of Workers Working as Contractual Workers (per Factory)	21
Table 20:	Status of UNGP Guidelines	22
Table 21:	Status of Factories Having Written Policies	22
Table 22:	Status of Factories Having Written Policies	23
Table 23:	Status of Factories Having Different Documents/Certification	23
Table 24:	Changes in Monthly Wage (Excluding Overtime)	24
Table 25:	Change in Monthly Wage (Including Overtime)	24
Table 26:	Share of Overtime Earning from Total Earning	24
Table 27:	Status of Incremental Wage Increase (Annual)	25
Table 28:	Change in Family Income	25
Table 29:	Change in Family Expenditure	26
Table 30:	Rest of the Family Income (Excluding Workers' Income)	26
Table 31:	Changes in Due Wages from Factories (% of Workers)	26
Table 32:	Changes in Other Dues from Factories (% of Workers)	26
Table 33:	Workers Received Wages and Overtime within the First Two Weeks of the Month	27
Table 34:	Workers Received Wages through MFS	27
Table 35:	Status of Working Hour (Including Overtime)	27
Table 36:	Status of Break Hour	28
Table 37:	Status of Additional Working Days during the High Export Growth Period	29
Table 38:	Workers Suffered from Forced Work	29
Table 39:	Number of Workplace Harassment (Excluding Sexual Harassment)	30
Table 40:	Workplace Harassment (Excluding Sexual Harassment) during High Workload Period	30
Table 41:	Mean Number of Workplace Harassment Excluding Sexual Harassment	30
Table 42:	Number of Cases of Sexual Harassment	31
Table 43:	Juvenile Workers' Status	31
Table 44:	Child Labour Status	31
Table 45:	Childcare Facilities Status	32
Table 46:	Mean of % of Workers Availing Childcare Services	32
Table 47:	% of Factories Providing Menstrual Health Facilities	33
Table 48:	Maternity Leave Benefits Status	33
Table 49:	Number of Maternity Leave Applications Received by Factory	33
Table 50:	Number of Maternity Applications Accepted by Factory	34
Table 51:	Availability of Different Facilities in Factories	34

Table 52: Number of Complaints Submitted through Various Channels	34
Table 53: Number of Unreported Complaints (Due to Complicacy or Absence of the Process)	35
Table 54: Types of Complaints in High Workload Period	35
Table 55: Number of Reported Complaints/Cases	36
Table 56: Existing Facilities in Factories (% of Workers)	36
Table 57: % of Factories That Have Different Officials, Department and Facilities	37
Table 58: Average Number of Meeting Held in a Month	37
Table 59: Initiatives Taken during Recruitment of Workers	38
Table 60: Initiatives Taken during Release of Workers	38
Table 61: Number of Industrial Accidents Took Place in Surveyed Factories (According to Workers)	39
Table 62: Workers' Vaccination Status	39
Table 63: Most Concerning Issues for Workers during the High Growth Period	39
Table 64: Facilities Provided by Factories (% of Workers)	40
Table 65: Mean Number of Inspections in 2021	41
Table 66: Inspection Status of DIFE	41
Table 67: % of Factories Asked for Additional Money from Government Inspector	42
Table 68: Awareness regarding DIFE Service	42
Table 69: Mean Number of Inspections	43
Table 70: Month-wise Depiction of the Orders Carried out by Factories (as of March 2022)	43
Table 71: An Overall Performance of RMG Industry during the High Export Growth Period	45
Figure 1: Analytical Framework of the Study	3
Figure 2: Methods for Collecting Data and Information from Various Sources	4
Figure 3: Month-on-Month Export Growth for the RMG Industry	9
Figure 4: Comparison of Month-on-Month Export Growth between during- and pre-COVID Period	9
Figure 5: Export Growth Rate: Comparison between RMG and Non-RMG Industry	10
Figure 6: RMG Export Growth in FY2021–22 in Comparison to FY2020–21	11
Figure 7: USA Apparel Market Share of Bangladesh and China	12
Figure 8: Month-on-Month RMG Export Growth in the USA Market for Bangladesh and China	13
Figure 9: Month-on-Month Changes in the Unit Price of Cotton in FY2021–22: International Market	16
Figure 10: Workers Started to Feel a High Workload (% of Workers) in the Months of 2021	28

Abbreviations

BDT	Bangladeshi Taka
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
DIFE	Department of Inspection for Factories and Establishments
DoE	Department of Environment
DoL	Department of Labour
EU	European Union
FY	Fiscal Year
KII	Key Informant Interview
LIMA	Labour Inspection Management Application
MFS	Mobile Financial Service
MoLE	Ministry of Labour and Employment
NGO	Non-Government Organisation
NHRC	National Human Rights Commission
NI	National Initiative
RAJUK	Rajdhani Unnayan Kartripakkha
RMG	Readymade Garments
RSC	RMG Sustainability Council
UNGP	UN Guiding Principle on Business and Human Rights
USA	United States of America
USD	United States Dollar
WPC	Workers Participation Committee

1. Introduction

The export performance of the readymade garments (RMG) industry is usually perceived as a positive indicator of the performance of employers and workers in the industry. Given its high interlinkages, export performance is also a key indicator for other RMG-associated and linkage industries. Higher growth of export is expected to improve decent employment in the sector. Particularly, it is expected that high export growth would foster human and labour rights practices in factories, and contribute to improve working condition and boost workers' income and welfare. Hence, higher industry growth is expected to improve the practice of UN Guiding Principles on Business and Human Rights (UNGPs)¹ in RMG factories.

As Bangladesh charts out its recovery path from COVID-19, the country's 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 2021² of the industry compared to the previous year was 45 per cent (EPB, 2022). The strong RMG export growth continues in 2022 as well. As of the period during the first half of 2022³, the monthly average increase in export growth compared to the last year was almost 43 per cent (EPB, 2022). A number of factors appear to have contributed to such a rise in export, including shifting export orders from important supplying countries such as China, Vietnam and partly from Myanmar. These contributing factors include—an uninterrupted business operation in Bangladesh even during the pandemic period, workers' arduous efforts to comply with timely delivery of export orders, and the government's prompt policy support (Moazzem & Ahmed, 2021).

Despite the higher export growth, the resultant improvement in the decent working environment in the RMG industry of Bangladesh is uncertain. Rather, several worker unrests took place in the industry during this high growth period. According to news reports, in nine months (from May 2021 to January 2022), at least 60 incidents of unrest at workplace occurred. These unrests are mostly associated with compliance related failures at workplace, including excessive overtime work, failure to pay overtime allowances properly and timely, and workplace harassment. The sudden increase in workers' resentment in the workplace somewhat indicates that the recent RMG export boost may not have contributed to improve working environment on all counts. In other words, the UNGPs practices in the RMG industry have not been adequately exercised, hence is the failure.

It is crucial to examine whether higher export of apparel plays any role behind the deteriorating performance of decent employment in the RMG sector. At the moment, there is hardly any research that sheds light on this inverse relationship between the recent RMG export growth and decent employment performance as per UNGPs. Also, it is important to narrow the knowledge gap regarding the roles of various stakeholders (including buyers, government agencies. and workers' organisations) during this high growth period.

¹The UNGPs are the global standard of human and labour rights for states and businesses. The Guiding Principles refer to 31 principles directed at states and companies that clarify their duties and responsibilities to protect and respect human rights in the context of business activities and to ensure access to an effective remedy for individuals and groups affected by such activities.

²September 2021 to December 2021

³January 2022 to June 2022

In the above-mentioned context, 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 will assess how the practice of selected UNGPs at the RMG factory level has been affected by extraordinary export growth. The study will also put forward a set of recommendations for improving the practice of UNGPs while sustaining the momentum of the RMG export growth.

2. Objectives of the Study

The overarching objective of the study is to understand business and human rights practices exercised in the RMG sector during the period of strong recovery after the pandemic, and to examine the extent of human and labour rights degradation at workplace in the RMG sector in view of the UNGPs framework during the time of export surge.

The specific objectives of the study include:

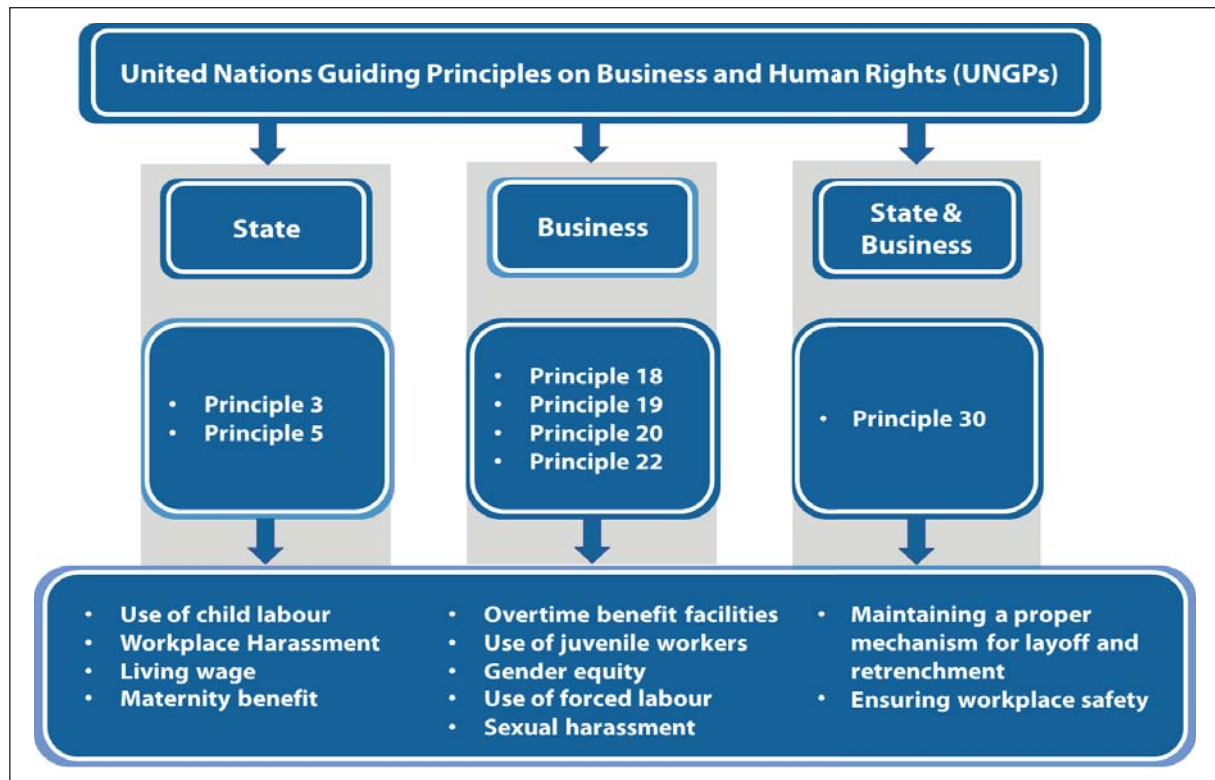
- i) Analyse the export growth in the RMG sector during the post-pandemic period, particularly during 2021, and examine probable factors responsible for the rise in export during this period;
- ii) Examine impacts and implications of export surge on employment of workers in RMG factories;
- iii) Identify implications of export surge on human and labour rights of workers at workplace;
- iv) Examine role of businesses in addressing the concerns of workers with a view to ensuring human and labour rights;
- v) Review 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; and
- vi) 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 Framework of the Study

The study has been conducted under the framework of UNGPs. The UNGPs are designed under the framework of 'protect, respect and remedy' with 31 principles applicable for both States and companies. The study is specifically designed to address some of the specific issues related to workplace safety, and workers' entitlements and rights during a high export growth period (Figure 1). Hence, the study will address timebound issues instead of structural issues related to the UNGPs.

The roles and responsibilities of States and companies are well-specified in the UNGPs. As part of its role, the state is responsible for ensuring 'protection against human rights abuses against actors, including businesses'. As part of the role, it undertakes four kinds of actions: (a) Policies; (b) Adjudication; (c) Regulation; and (d) Legislation. Among these four types of actions, the study highlights the actions related to adjudication and regulation. The government will undertake relevant measures following specific principles—Principle 3 on enforcement of laws and policies and providing effective guidance; Principle 5 on exercising adequate oversight by States in order to meet their international human rights obligations; and Principle 30 on ensuring effective grievance mechanisms in factories.

The businesses, on the other hand, play the role of respecting human rights throughout the value chains by taking actions such as: (a) action with due diligence and (b) addressing adverse impacts.

Figure 1: Analytical Framework of the Study

Source: Authors' illustration.

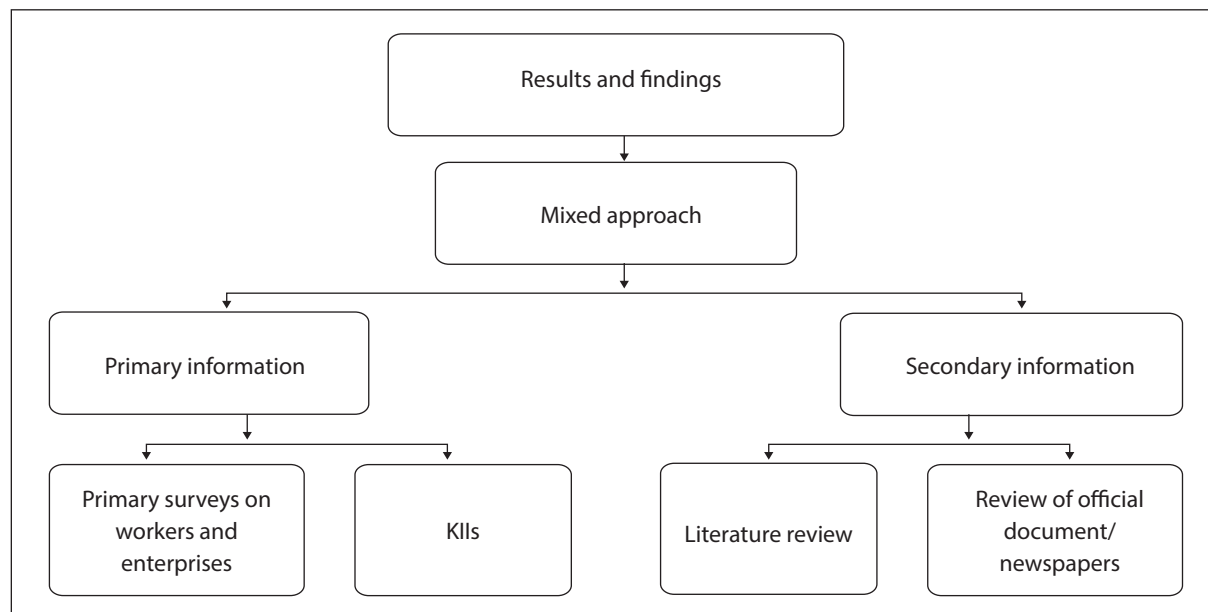
The actions related to addressing adverse impact will be the focus of this study. Hence, the related principles, such as Principle 18 on gauging human risks, Principle 19 on preventing and mitigating adverse human rights impacts, Principle 20 on verification of addressing the adverse impacts on human rights issues, and Principle 22 on identifying the ways of cooperation in the remediation through a legitimate process are highlighted in this study.

The above-mentioned UNGPs-related principles and actions will be examined in selected worker related indicators in the RMG industry. These indicators include: (a) use of child labour; (b) workplace harassment; (c) living wage; (d) maternity benefit; (e) sexual harassment; (f) overtime benefit facilities; (g) use of juvenile workers; (h) gender equity; (i) use of forced labour; (j) maintaining a proper mechanism for layoff and retrenchment; and (k) ensuring workplace safety.

4. Methodology

A mixed analysis has been employed in the study based on the collected primary and secondary data (Figure 2). The main source of primary data has been a sample survey that was conducted both on RMG workers and enterprises. A total of 51 enterprises and 105 workers in these 51 enterprises are surveyed. The survey was conducted in March 2022. The survey is not nationally representative. Another key source of the primary data has been the key informant interviews (KIIs). KIIs have been conducted on a range of stakeholders including workers, representatives from Bangladesh Garment Manufacturers

Figure 2: Methods for Collecting Data and Information from Various Sources



Source: Authors' illustration.

and Exporters Association (BGMEA), representatives from Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), government officials, and brand representatives.

The study has gathered secondary data from various published documents. A literature review has been carried out in order to gather additional information on relevant issues; most importantly, on how the UNGPs framework has been applied in reviewing the time-specific consequences and concerns. Information from official websites of relevant government agencies and business associations have also been collected from respective websites.

5. Features of the Surveyed Enterprises and Workers

5.1 Surveyed enterprises

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

The proportion of the large (2500+ workers), medium (500–2,499 workers), and small (less than 500 workers) RMG factories on which the survey was conducted is 19.6 per cent, 23.5 per cent and 56.9 per cent respectively (Table 2). Also, 45.1 per cent of the surveyed factories are members of BGMEA, 15.7

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 nonproduction staff	118
Mean male nonproduction staff	88 (74.6%)
Mean female nonproduction staff	30 (25.4%)

Source: CPD-CA survey on enterprises, 2022.

per cent are members of BKMEA, 11.8 per cent are members of both BGMEA and BKMEA, and 27.5 per cent are members of none of these trade bodies (Table 2).

Data was collected from the surveyed enterprises on a number of business human rights-related issues mainly for three periods:

- September 2019–March 2020 (considered as the ‘pre-Covid’ period)
- September 2020–March 2021 (considered as ‘during Covid’ period) and
- September 2021–March 2022 (considered as the ‘high export growth’ period).

Table 2: Distribution of Surveyed Factories for Major Components

Category		Percentage
Size	Large	19.6
	Medium	23.5
	Small	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

Source: CPD-CA survey on enterprises, 2022.

It can be observed from Table 3 that 88.2 per cent of the surveyed factories are completely Bangladeshi-owned, while the rest is completely foreign-owned. Also, almost half of the surveyed factories are private limited companies, whereas 31.4 per cent have a sole proprietorship.

Table 3: Distribution of Surveyed Factories for Other Components

Category		Percentage
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, 2022.

In terms of international certification and membership status, BSCI has been found as the most common certification standard among the surveyed factories (68.6 per cent), followed by Accord (41.2 per cent) and SEDEX membership (39.2 per cent) (Table 4). However, more than 25 per cent of surveyed factories do not have any certification from any accredited certification bodies.

Table 4: List of Certification Status of the Surveyed Factories

Certification of Name	Percentage of Factories Certified
None	25.5
BSCI	68.6
SEDEX	39.2
LEED	2.0
OEKO-TEX 100 standard	27.5
OEKO-TEX STEP	9.8
OEKO-TEX made in green	5.9
WRAP	17.6
Bluesign	2.0
SAI (SA 800)	2.0
Accord	41.2
Alliance	17.6
Others	17.6

Source: CPD-CA survey on enterprises, 2022.

5.2 Surveyed workers

A total of 105 workers were surveyed for the study. Of these, 52 were male and 53 were female workers. These workers work in three major RMG clusters, Dhaka (Savar), Gazipur, and Naryanganj (Table 5). The survey was conducted in person under a pre-set questionnaire. The selection of the workers was purely random. However, all of them work in those enterprises which have also been surveyed for this study.

Workers were mainly asked to share their perceptions for three periods:

- Pre-Covid: Mainly from 2019 to 2020 till the outbreak of Covid;
- During Covid period: Mainly from the outbreak of Covid in 2020 to 2021, when their factories started processing an excessive amount of export orders; and
- Higher workload period: From the day when their factories started to process the higher amount of orders till the date of the conduction of the survey.

Table 5: Profile of the RMG Workers Surveyed under the Study

Category	Male	Female	Overall
Total respondents (in %)	49.5	50.5	100
Mean age (in years)	29.0	29.0	29.0
Mean work experience in the RMG industry (in years)	7.8	7.5	7.7
Mean work experience in the current factory (in years)	5.4	5.1	5.3
Marital status			
Married (in %)	78.8	86.8	82.9
Unmarried (in %)	21.2	9.4	15.2
Others (in %)	0.0	3.8	1.9
Location			
Dhaka (Savar) (in %)	30.8	26.4	28.6
Gazipur (in %)	61.5	58.5	60.0
Narayanganj (in %)	7.7	15.1	11.4
Working grade			
Unidentified (in %)	21.2	22.6	21.9
Grade 1 (in %)	11.5	1.9	6.7
Grade 2 (in %)	1.9	1.9	1.9
Grade 3 (in %)	28.8	17.0	22.9
Grade 4 (in %)	13.5	17.0	15.2
Grade 5 (in %)	9.6	5.7	7.6
Grade 6 (in %)	9.6	24.5	17.1
Grade 7 (in %)	1.9	1.9	1.9
Others (in %)	0.0	7.5	4.8
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

(Table 5 contd.)

(Table 5 contd.)

Category	Male	Female	Overall
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

Source: CPD-CA survey on workers, 2022.

Like earlier studies, the mean age of sample workers under this study is high (29 years). Similarly, the share of married workers is also high (82.9 per cent). In other words, workers' selection and performance indicators in the RMG industry have been changing where workers' experience is better valued in operation, and married workers, particularly female married workers, are not considered by the factory management as a 'weakness' while evaluating their performance (Moazzem & Radia, 2018). There is a gradual rise in worker composition on the job ladder where relatively more workers are found in upper grades such as grade 3 and grade 4, and fewer workers in lower grades such as grade 7 and grade 6 (Table 5). It is important to note that a large number of workers claim that they do not belong to any grade (21.9 per cent) in their jobs. This needs to be investigated how such a large number of workers work 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 under a contractual basis. Although the average level of school attainment has increased for workers, female workers are still behind in terms of level of schooling.

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

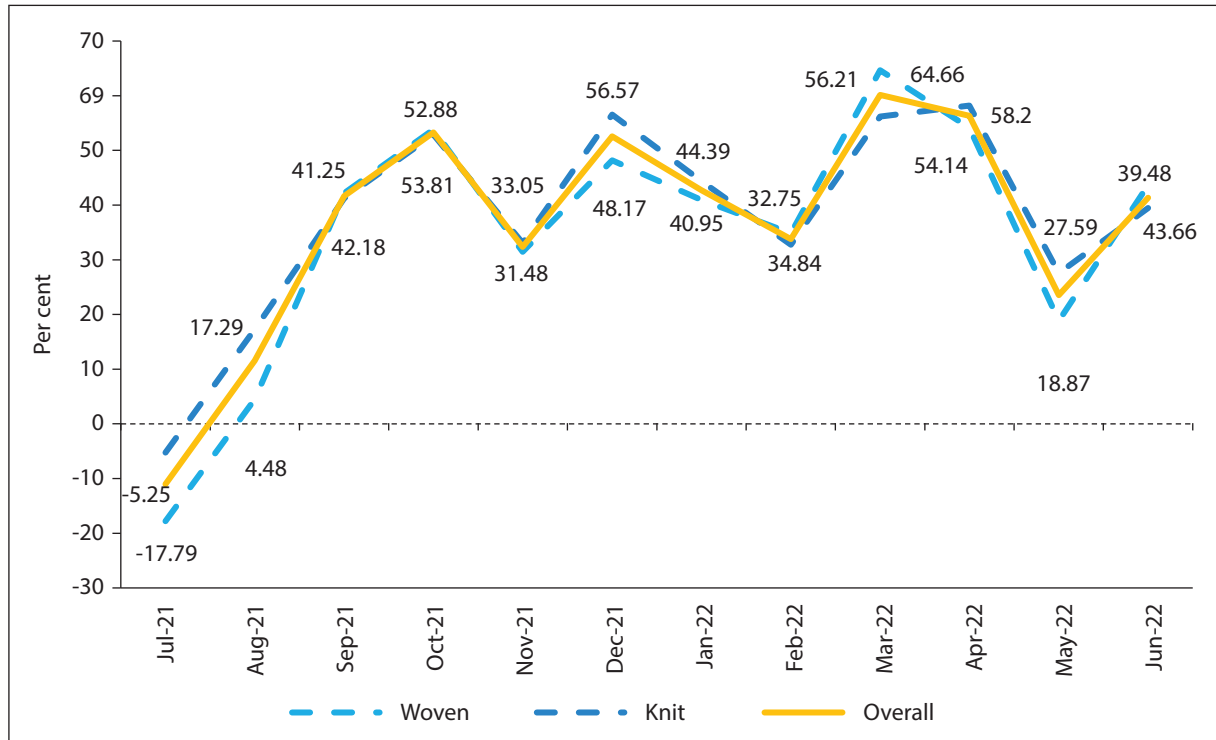
6.1 RMG growth scenario in the post-pandemic period

In the post-pandemic period, the Bangladeshi RMG industry has been demonstrating a strong recovery. The export growth of RMG industry remains consistently high, particularly during the Fiscal Year (FY) 2021–22. Except for July 2021, the month-on-month growth rate in FY2021–22 compared to FY2020–21 was more than 10 per cent throughout the fiscal year (Figure 3). In total, the export of RMG in FY2021–22 reached USD 42,613.15 million, the highest ever in the country's history (EPB, 2022).

In the past, woven products led the overall export of the Bangladeshi RMG industry. However, gradually, the contribution of woven and knit products has come closer. This record RMG export growth period has also been almost equally contributed by woven and knit products. The contributions of woven and knit products in record export amount during FY2021–22 are 45 and 55 per cent, respectively (EPB, 2022). This has been a good sign for the Bangladeshi RMG industry that, in the post-pandemic period, both woven and knit factories have been able to make a strong recovery from Covid-induced crisis.

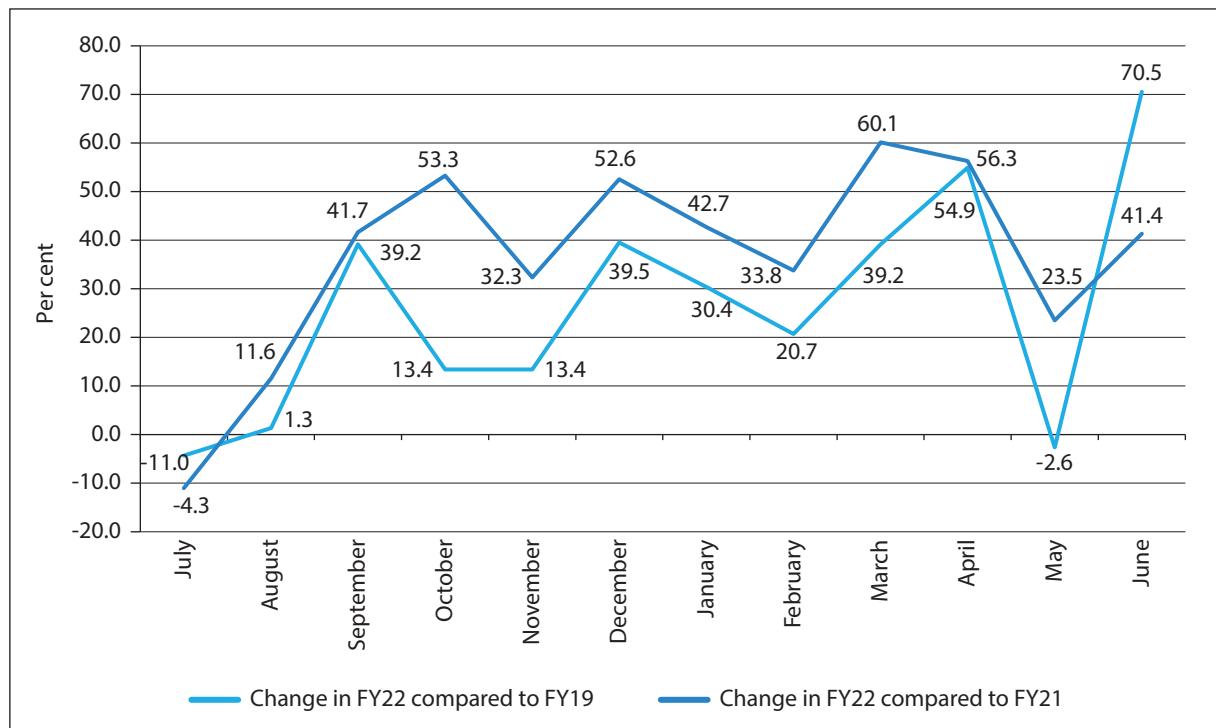
It is to be noted that FY2020–21 was the year when Covid outbreaked in Bangladesh for the very first time, the forceful closure of factories led to an abnormal fall in the RMG export in Bangladesh during this fiscal year. Therefore, the month-on-month export growth in FY2020–21 may not be fully suggestive of real export growth compared to the pre-Covid period. However, a comparison between the RMG export of FY2021–22 and FY2018–19 (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).

Figure 3: Month-on-Month Export Growth for the RMG Industry



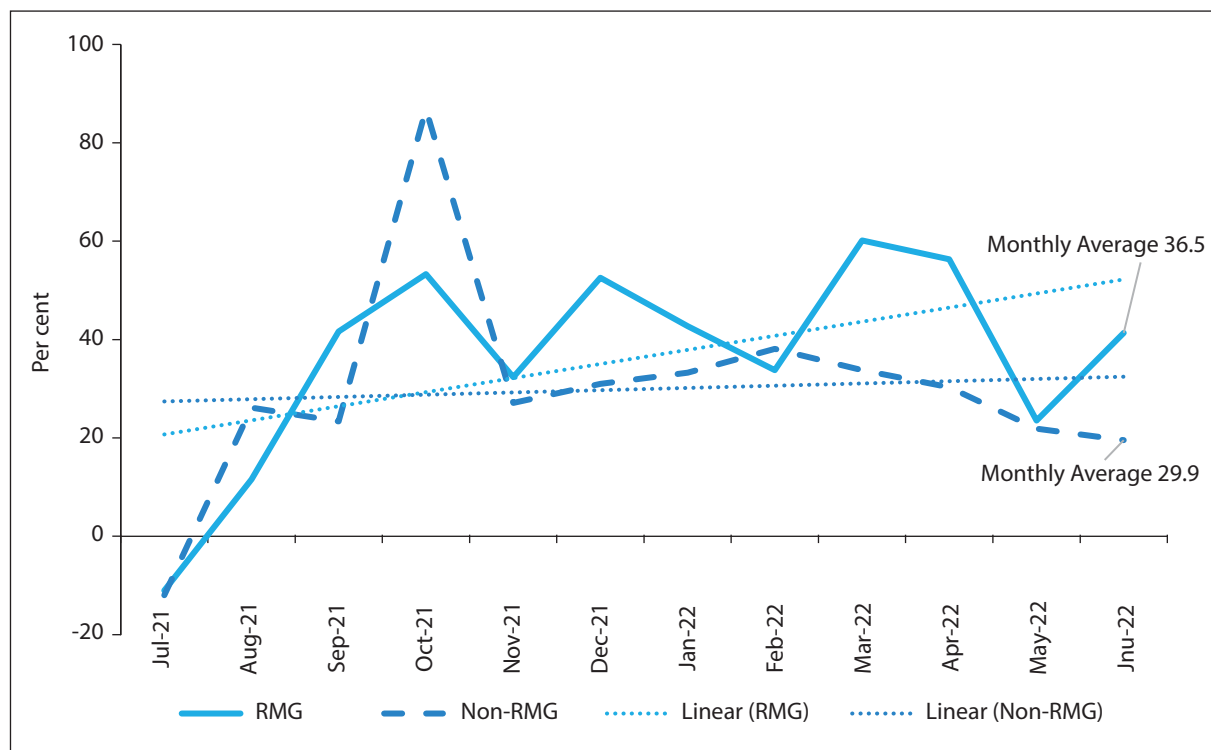
Source: EPB (2022).

Figure 4: Comparison of Month-on-Month Export Growth between during and pre-Covid Period



Source: EPB (2022).

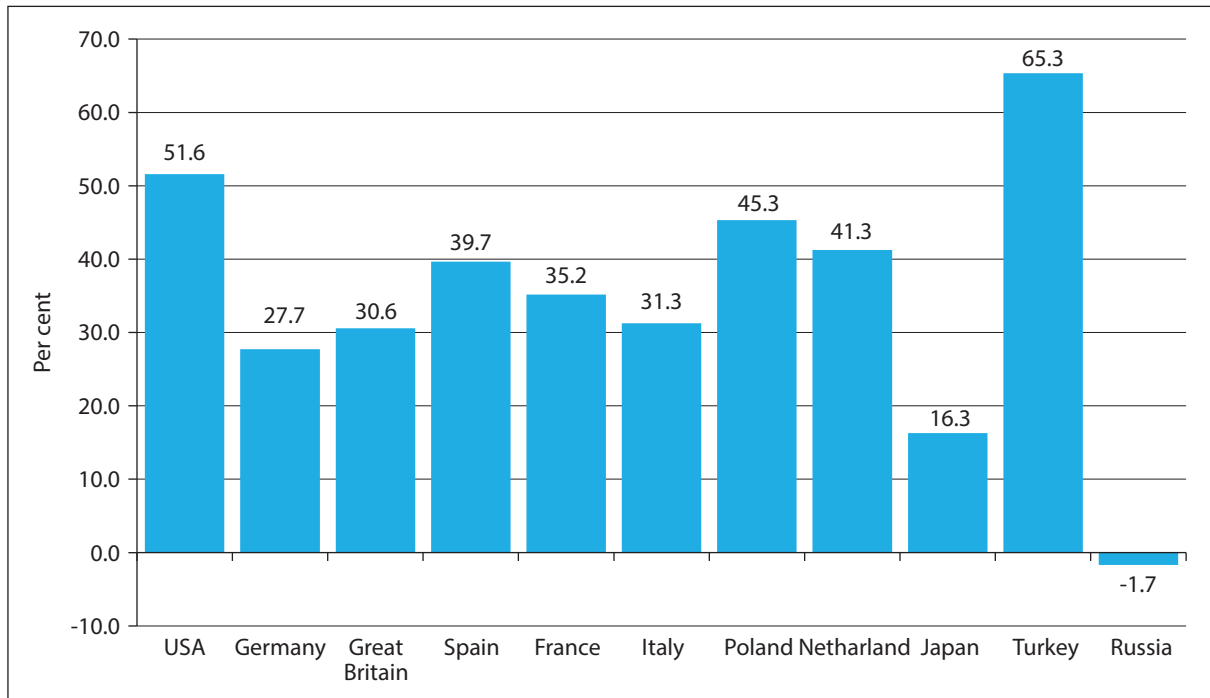
Figure 5: Export Growth Rate: Comparison between RMG and Non-RMG Industry



Source: EPB (2022).

On the other hand, the comparison between RMG and non-RMG export growth during FY2021–22 shows that both RMG and non-RMG industries have experienced decent export growth in this fiscal year. However, in terms of monthly average export growth, the RMG industry was ahead of non-RMG industry. The average month-on-month export growth of the RMG industry was 36.5 per cent, while the rate was 29.9 for non-RMG industries (Figure 5).

As expected, export for most of the major export destinations for Bangladesh’s RMG industry has increased significantly during this high growth period (in FY2021–22 compared to FY2020–21). The export to the United States of America (USA) and Turkey has increased by more than 50 per cent during this period, while for other European Union (EU) countries, the rate of increase is more than 25 per cent (Figure 6). However, export to Russia decreased by 1.7 per cent during the same period (Figure 6). In other words, Bangladesh’s RMG products have maintained a robust export performance both in traditional and non-traditional markets.

Figure 6: RMG Export Growth in FY2021–22 in Comparison to FY2020–21

Source: EPB (2022).

6.2 Comparison of export with other countries

With the easing of the intensity of the Covid crisis, the global demand for apparel increased significantly. According to the data from ITC Trade Map (2022), the global demand for apparel has increased by 21 per cent in 2021 compared to 2020 (Table 6). Hence, most apparel exporting countries have experienced an increase in their export to various extents during this period.

Table 6: Changes in Global Apparel Demand in 2021 Compared to 2020

Type	Changes in the Export (per Cent)
Knit	28
Woven	14
Overall	21

Source: ITC Trade Map (2022).

In Vietnam, the export of apparel and textile in the first six months of FY2021–22 reached a record USD 18.53 billion, which is also 21.0 per cent higher than the same period of FY2020–21 (General Statistics Office, 2022). In FY2021–22, the total apparel export of Vietnam stood at around USD 36 billion. India, on the other hand, achieved an export amount of USD 44.4 billion in FY2021–22, its highest-ever textile and apparel exports (Business Standard, 2022). This is a 41 per cent increase compared to the previous fiscal year (Business Standard, 2022). In case of China, the export of apparel in FY2021–22 (August–March) increased by 21 per cent compared to FY2020–21 (August–March) (ITC Trade Map,

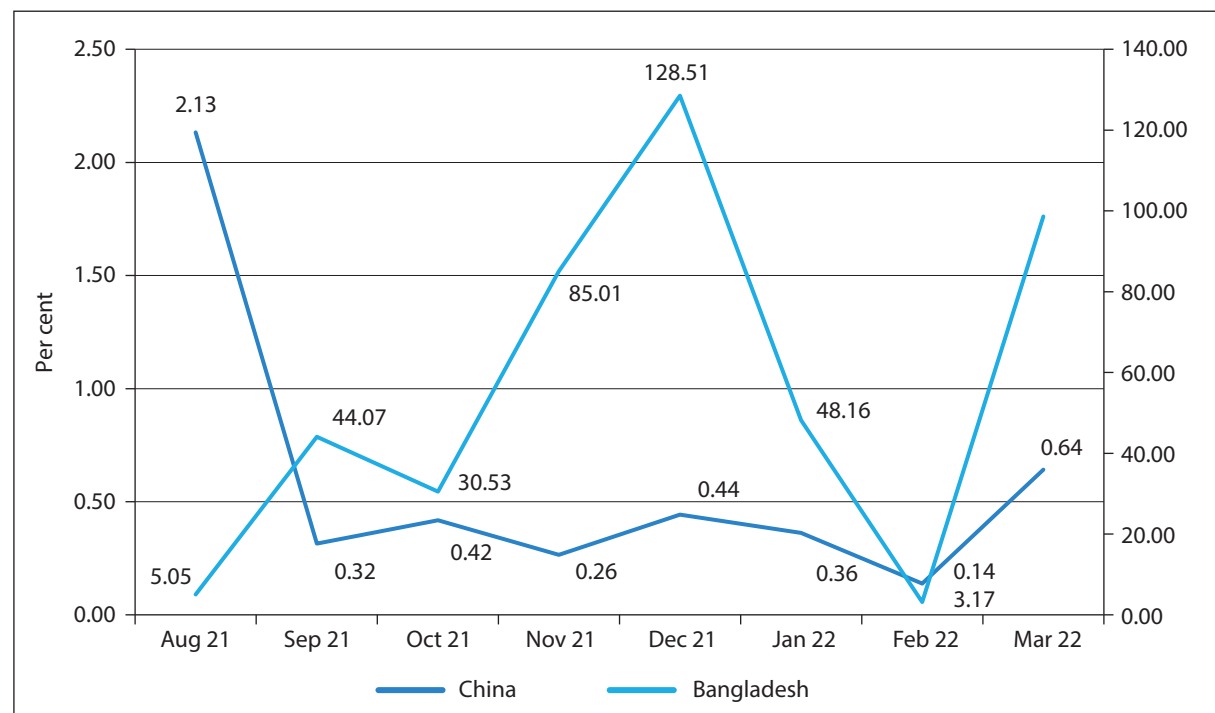
2022). Overall, it indicates that most apparel exporting countries have performed well during the post-Covid recovery period.

6.3 Factors driving the robust RMG export growth

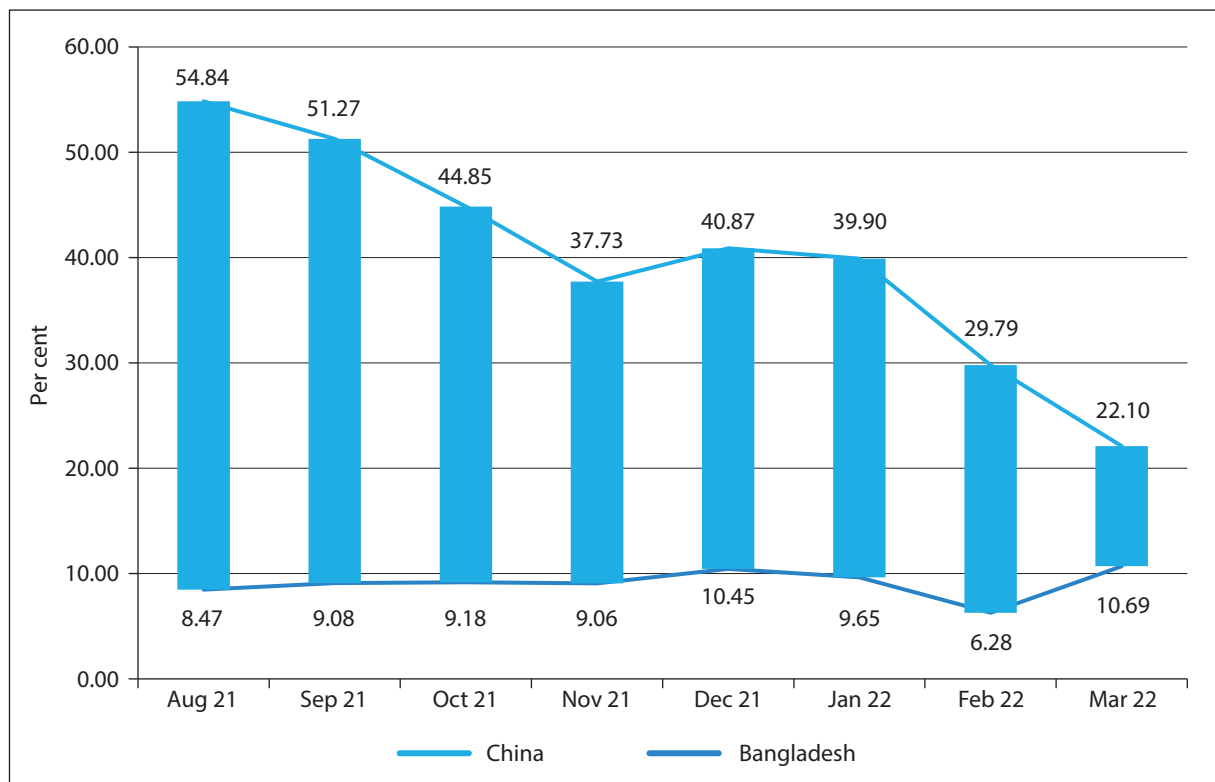
The RMG export of Bangladesh has observed a significant rise since FY2020–21. It can be assumed that, with the easing of COVID restrictions across countries, the global demand for apparel has increased, contributing to the higher export of the Bangladesh RMG industry. However, only an increase in global apparel demand cannot be attributed to the sharp rise in the RMG export of Bangladesh. This higher export growth is expected to be influenced by several other factors.

According to conducted interviews, one of the main factors that has influenced this high export growth is 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 the EU, is being claimed to be shifted from China to Bangladesh (due to the recent polarisation of international diplomatic relationships in view of the Russia-Ukraine war and trade war between the USA and China). The latest available data somewhat indicates a similar scenario. The USA RMG export market share gaps between Bangladesh and China have gradually decreased. In August 2021, the share of the RMG export market in the USA for China was 55 per cent against Bangladesh’s 8 per cent. However, in March 2022, the market share for Bangladesh has increased to almost 11 per cent, while for China, it has declined to 22 per cent (Figure 7). Also, the month-on-month export growth in the USA in FY2021–22 has remained consistently higher for Bangladesh, whereas it has been somewhat declining for China (Figure 8). The decline in China’s share in the global apparel market is also attributed to China’s move from low-value-added products

Figure 7: USA Apparel Market Share of Bangladesh and China



Source: ITC Trade Map (2022).

Figure 8: Month-on-Month RMG Export Growth in the USA Market for Bangladesh and China

Source: ITC Trade Map (2022).

to high-value-added production structures, thereby discouraging domestic investors from further increasing the production capacities of low-value-added items, including apparel. Besides, a part of buyers from Europe and the USA have been shifting their production base from Asian production hubs to near shores in Europe and North America, considering easy access and availability of products and services despite their higher production costs.

According to conducted interviews, an increase in the amount of export in non-traditional markets also played a key role in boosting export growth lately. In FY2021–22, along with the growth of export in traditional markets, owing to market exploration of RMG factories, the growth was higher in most non-traditional export markets as well, except for Russia due to the ongoing war. RMG export to countries like India, Mexico, and Chile has increased by more than 70 per cent during FY2021–22 (Table 7). However, in terms of the number of countries Bangladesh exported to, no significant changes were

Table 7: Changes of RMG Export of Bangladesh in FY2021–22 Compared to FY2020–21

(in per cent)

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).

observed. In FY2021–22, Bangladesh exported its RMG knit products to 162 countries which were 167 in FY2020–21, and it exported RMG woven products to 141 countries in FY2021–22, which was the same in FY2020–21 (EPB, 2022).

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 factory survey; on average, an export-oriented factory exported around seven kinds of products in the year 2022, which has been mostly similar to previous years (Table 8). Therefore, recent higher export growth in the Bangladeshi RMG sector cannot be attributed to any major diversification of export products except for a few non-RMG products manufacturing such as PPE and masks.

Table 8: Comparison of the Number of Export Products (per Factory)

Category		Mean Number of Export Products in March 2019	Mean Number of Export Products in March 2020	Mean Number of Export Products in March 2021	Mean Number of Export Products 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, 2022.

During this high RMG export growth period, factories received higher orders from their existing buyers as the number of buyers they worked with remained the same throughout the period. The conducted survey shows that, on average, an RMG factory received orders from five buyers, which has been the same for the last few years (Table 9). However, an increased number of buyers can be observed for the BGMEA factories (Table 9).

On the other hand, 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 through-out the last fiscal year amid the pandemic. On the contrary, many other peer countries (such as Vietnam) had to shut down their industry temporarily. This, on the one hand, shifted a portion of the orders of these countries to Bangladesh; on the other hand, it provided the brands with the confidence to consider Bangladesh a safe source for placing orders during a time of uncertainty regarding the COVID crisis. Also, it is claimed in the interviews that the RMG industry's increased level of compliance both in the areas of social and environmental and workplace safety is associated with increasing orders in the Bangladeshi factories. Along with these, the government's timely intervention during the Covid crisis

period through announcement of stimulus package and also continuation of export incentives played a role in ensuring higher export growth during the post-pandemic period.

Table 9: Mean Number of Brands That Factories Worked with (Number 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, 2022.

According to Rahman (2022), the recent higher RMG export has been mainly driven by volume effects instead of price effects. That is, compared to the increase in export price, the volume of export has increased significantly, leading to a higher amount of export. The data of the conducted survey somewhat conform to this statement. According to the survey, on average, a factory experienced a 16.2 per cent increase in its export volume in March 2022 compared to March 2021 (Table 10). However, the increase in price for the same period was only 4.3 per cent (Table 10). A critical observation from the

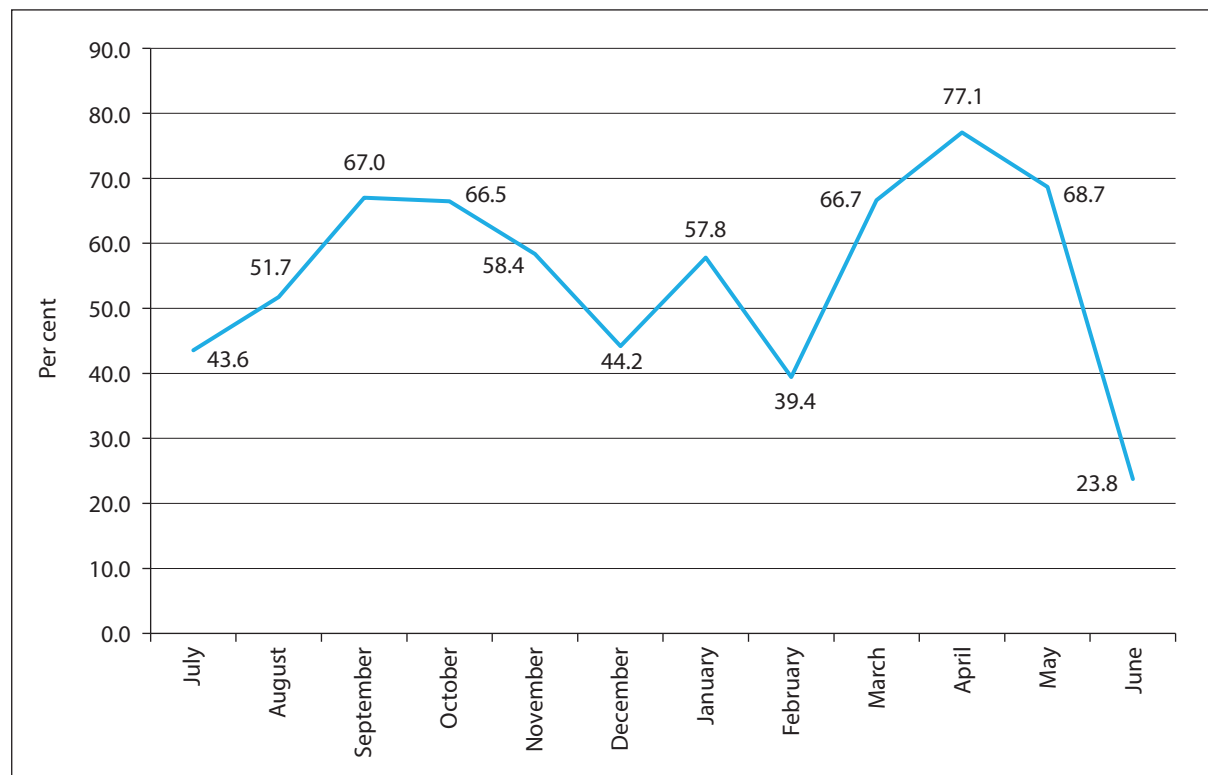
Table 10: Changes in Unit Price and Unit Volume

(in per cent)

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, 2022.

Figure 9: Month-on-Month Changes in the Unit Price of Cotton in FY2021–22: International Market



Source: Trading economics (2022).

survey is that the price for the medium-sized factories decreased compared to the earlier period (Table 10). This, to some extents, implies that they have continued to take the orders at a lower-than-normal price, perhaps to keep their factories functional during this post-pandemic period.

However, increasing the export price for factories does not necessarily mean they could yield significant profit. While it is indicative that the price has increased by 4 per cent on average for each surveyed factory, it also needs to be considered that over time, the price of cotton—one of the key input materials for RMG—has continued to increase throughout this period. According to international market data, the price of cotton has increased at least more than 20 per cent during each month of FY2021–22 compared to FY2020–21 (Figure 9). This sudden rise in demand for raw materials such as yarn and fabric has caused a rise in cotton prices. However, the recent increase in the US Dollar (USD) price against the Bangladeshi Taka (BDT) should 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 to work after a long Covid related stress in employment.

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

The increase in export orders has created a mammoth demand for recruiting new RMG workers. A few other factors have fuelled this increased demand for workers. During the first outbreak of COVID-19 in Bangladesh, around 0.36 million jobs were lost in the RMG industry (Moazzem, Shibly & Chowdhury, 2021). 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 returning to their native places (Moazzem & Ahmed, 2022). This disappearance of workers has already created a shortage of workers. As the factories are now capacitated with new orders, there is a further rise in demand for additional workers.

Factories have already recruited many new workers to meet the demand for additional workers. The survey on enterprises shows that during this high export growth period (from September 2021 to March 2022), each factory has recruited 41 new male workers on average. Large factories have almost doubled their number of male workers recruitment in this period compared to the previous one from 133 to 238 (Table 11). On the other hand, female workers recruitment has also increased, but the number of recruitments is rather low compared to their male counterparts (Table 11 and 12).

Table 11: Average Number of New Workers (Male) Recruited (per Factory)

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

Table 12: Average Number of New Workers (Female) Recruited (per Factory)

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

The higher recruitment of workers during this high export growth period can be apprehended in the calculated correlation as well. A strong and positive (0.502) significant correlation is present between the amount of export value of factories and the total number of workers recruited during the high export growth period (Table 13). This implies that factories had received higher amount of orders, recruited higher number of workers during this high export growth period.

Table 13: Correlation between the Number of Worker Recruitments and the Value of Export

		Variable 2: Value of export in Mar 2022
Variable 1: Number of new workers recruited during September 2021–March 2022	Pearson Correlation	.502*
	Sig. (2-tailed)	.047

Source: CPD-CA survey on enterprises.

Note: *. Correlation is significant at the 0.05 level (2-tailed).

When the demand for RMG workers is excessively high, job loss should be minimal. According to the enterprises' survey, during this high export growth period, on average, a factory released six male and six female workers (Table 14 and 15). While the number of new male workers recruited in the industry during the recent high export growth period has been significantly higher, the release of female workers appears to have increased compared to the scenario during the period between September 2019 and March 2020 (Table 14 and 15). This, in turn, implies a continuation of a declining rate of female workers' participation in the RMG sector than their male counterparts.

Table 14: Number of Workers (Male) Released (per Factory)

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

Table 15: Number of Workers (Female) Released (per Factory)

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

During these periods, a good number of workers resigned from their work on their own accord. The survey shows that the male workers' resignation rate has been almost similar throughout the periods; however, an increasing trend of resignation in the high export growth period can be observed in the case of female RMG workers (Table 16 and 17).

Table 16: Number of Workers (Male) Who Left the Job Voluntarily

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

Table 17: Number of Workers (Female) Who Left the Job Voluntarily

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

The survey also shows an increased shortage of RMG workers during the month of the high export growth period. According to the survey output, on average, each RMG employer had a shortage of 44 employees in their factory (Table 18). This higher shortage of workers against the higher amount of export orders led to the formation of a number of new subcontracting factories.⁴ These subcontracting factories are mostly not inspected for compliances both by brands and government authorities. In interviews with the workers, it is claimed that child and juvenile workers are being hired in these factories to meet the worker shortage.

Table 18: 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, 2022.

⁴See: <https://businesspostbd.com/front/2022-02-14/subcontracting-rmg-factories-heyday-2022-02-14>

On the other hand, it is noted in the survey that a good proportion (7 per cent of the total workers per factory) of workers in the factories worked as contractual workers during the high export growth period (Table 19). Recruiting contractual workers allows a factory not to provide several benefits entitled to permanent workers only. However, according to employers, workers themselves are interested in working as contractual workers as it enables them to work in multiple factories at a time and to earn more than what permanent workers earn.

Table 19: Percentage of Workers Working as Contractual Workers (per Factory)

Category		Percentage of Contractual Workers per Factory
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	2.43

Source: CPD-CA survey on enterprises, 2022.

8. Findings on the Implication of the Export Growth on Business Human Rights

Despite progress, the RMG industry in Bangladesh has a scope for further improvement in the area of business human rights. It is stipulated as a major principle under UNGPs for employers to respect business human rights. During a time when the export growth was significantly high for Bangladeshi RMG employers, it should place them in a more comfortable position in fulfilling the business human rights of the workers. From that perspective, understanding the progress and scope for further improvements in complying with UNGPs by RMG employers requires distinct attention. This section sheds light on the implications of higher export growth on business human rights under the UNGPs framework.

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

The UNGPs encourage a business enterprise to undertake certain activities with a view to showing respect for the business human rights. One of such activities is to regularly assess the impact of their business operation on business human rights. The assessment is to have both qualitative and quantitative indicators; based on these, the impact can be evaluated. Moreover, the assessment report should also be made publicly available.

The survey on RMG enterprises shows that only 25.5 per cent of the surveyed factories claimed to conduct voluntary assessments of business human rights as guided in UNGPs (Table 20). The percentage

of BHR assessment 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 of business human rights, 92.3 per cent of them included qualitative and quantitative indicators in their assessment (Table 20). 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 poses questions about what the surveyed employers claimed.

Table 20: Status of UNGP Guidelines

(in per cent)

Category		Conducted Assessment on Business Human Rights (%)	Of Those Having BHR Assessment	
			Assessment having qualitative and quantitative indicators	Days before conducted last time (mean)
Overall		25.5	92.3	147.0
Size	Large	60.0	83.3	181.0
	Medium	16.7	100.0	120.0
	Small	17.2	100.0	117.2
Membership	Non-member	7.1	100.0	75.0
	BGMEA	39.1	88.9	155.7
	BKMEA	25.0	100.0	165.0
	BGMEA and BKMEA	16.7	100.0	106.0
Type	Knit	17.4	100.0	143.3
	Woven	53.8	85.7	152.6
	Sweater	0.0	0.0	–
	Mixed	28.6	100.0	135.5

Source: CPD-CA survey on enterprises, 2022.

Table 21: Status of Factories Having Written Policies

Category	Percentage 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, 2022.

Table 22: Status of Factories Having Written Policies

Category	Percentage 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, 2022.

Having documented and effective policies against components of business human rights is a way of expressing respect towards business human rights. As per the claim of the surveyed Bangladeshi RMG employers, it can be observed that the least three policies that surveyed factories adopted are: wastage management policy (adopted by 47.1 per cent of factories), information disclosure policy (adopted by 41.2 per cent of factories), and workers release policy (adopted by 49.0 per cent factories) (Table 21 and 22). On the other hand, noise level assessment report (available for 56.9 per cent of the factories), waste disposal agreement (available for 37.3 per cent of factories) are the two documents that are available by the least number of surveyed factories (Table 23). Factories are least interested in having policies on freedom of association and release related policies.

Table 23: Status of Factories Having Different Documents/Certification

Category	% of Factories
Factory license	88.2
Trade license	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

Source: CPD-CA survey on enterprises, 2022.

8.2 Living wage and overtime benefit facilities

Over the years, the RMG industry, to some extents, has performed well compared to other industries in implementing the minimum wage set for the industry by the minimum wage board in 2018. The conducted surveys in other studies such as Moazzam and Ahmed (2022) and Moazzam and Khan (2022) are also indicative of the minimum maintenance in the industry. However, during this high growth period, living wage became 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 per cent higher than the same month in the previous year (Table 24). This increase of wage payment has been higher for male RMG workers (14.8 per cent) than female workers (9.54 per cent). According to workers' representatives, the increase in monthly wage does not necessarily mean that the level of wage of the workers increased during this high export growth period. Rather, this increase in the wage can be attributed to the yearly wage increment, workers being promoting to upper grade, and also the increase in work hour and work days. Similarly, in case of wage, including overtime, an RMG worker, on average, was paid BDT 15,633 in March 2022, a 17.3 per cent rise compared to the previous year (Table 25). Such a rise in wage payment is also related to their work hours and work days worked to meet the commitment of timely shipment of export orders. This increase in overtime-led earning is reflected in Table 25 that shows the share of overtime earning of total earning has increased to 23.28 per cent in March 2022 from 16.28 per cent in December 2022 (Table 26).

Table 24: Changes in Monthly Wage (Excluding Overtime)

(in BDT)

	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, 2022.

Table 25: Change in Monthly Wage (Including Overtime)

(in BDT)

	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, 2022.

Table 26: Share of Overtime Earning from Total Earning

(in per cent)

Period	Male	Female	Overall
Dec 2020	17.36	15.19	16.28
Dec 2021	19.32	20.63	19.80
Mar 2022	23.77	22.86	23.28

Source: CPD-CA survey on workers, 2022.

Consistency has been observed in terms of maintaining annual wage increments for the workers. On average, a worker in March 2022 received a 5 per cent annual increment in the wage, which was higher than the rate of previous years (Table 27).

Table 27: 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, 2022.

While the increase in wage payment is appreciated, the extent of the increase is not sufficient. Although the increase in wage in nominal terms shows a good increase in the wage payment during this period, real wages may depict a somewhat different scenario. The general inflation rate (month on month) in March 2022, according to the BBS data, was 6.62 per cent. Adjusting inflation against this rate for an average wage payment of BDT 11,993 in March 2022 shows the real wage of workers at that moment was BDT 11,199. However, there has been severe criticism over this BBS-announced inflation rate.⁵ If that criticism is considered, it can be apprehended that the current real wage remains short of the required minimum wage, let alone living wage.

According to conducted interviews, the main challenge of the RMG workers during this high export growth period was being able to fulfil daily expenses. This indicates that although the factories yielded a higher revenue to different extent workers saw an increase in their nominal wage during this high growth period, the struggle of workers in terms of livelihoods remained an area of concern. As a result of this, several workers' unrests took place during this period.

The higher cost of living depends on the amount of family income and expenditure of surveyed workers. Although the monthly income of an RMG worker increased by 1.7 per cent in March 2022, at the same time, their family expenditure increased by 9.5 per cent (Table 28 and 29). Again, if analysed based on gender, it is evident that the income of female-respondent workers' families declined, in contrast to male respondents' (workers') families (Table 28). While the earning of individual workers has increased during this high export growth period, their family members' income (excluding workers' income) declined in high growth period (Table 30).

Table 28: Change in Family Income

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

Source: CPD-CA survey on workers, 2022.

⁵Kashem and Islam (2022) and Dhaka Tribune (2022) show that the calculated inflation rate does not represent the reality, particularly in view of the ongoing global food price hike mainly due to Russia and Ukraine war. The BBS uses an outdated method in calculating inflation rate; otherwise, the inflation rate could be two times higher than the existing inflation rate (Dhaka Tribune, 2022).

Table 29: Change in Family Expenditure*(in BDT)*

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

Source: CPD-CA survey on workers, 2022.

Table 30: Rest of the Family Income (Excluding Workers' Income)*(in BDT)*

Rest of the Family Income (Excluding Workers' Income)	Male	Female	Overall
Mean income in Dec 2020	7,652	10,385	9,037
Mean income in Dec 2021	9,195 (20%)	15,933 (53%)	12,587 (39%)
Mean income in Mar 2022	9,540 (4%)	11,820 (-26%)	10,708 (-15%)

Source: CPD-CA survey on workers, 2022.

On the other hand, 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 with having a due wage and other benefits in March 2022 (Table 31 and Table 32).

Table 31: Changes in Due Wages from Factories (% of Workers)

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

Source: CPD-CA survey on workers, 2022.

Table 32: Changes in Other Dues from Factories (% of Workers)

	Male	Female	Overall
Mean other dues in Dec 2020	0	0	0
Mean other dues in Dec 2021	0	0	0
Mean other dues in Mar 2022	0	0	0

Source: CPD-CA survey on workers, 2022.

However, in terms of timely wage and overtime benefits payment, a deviation can be observed from the conducted survey. According to the survey on workers, 78.1 per cent of the surveyed workers

received their wages within the first two weeks of the month in the high export growth period (Table 33). This rate of timely wage payment to the workers 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 33).

Table 33: Workers Received Wages and Overtime within the First Two Weeks of the Month

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

Source: CPD-CA survey on workers, 2022.

On the other hand, despite the capability to utilise mobile financial service (MFS) wage payment, RMG factories are found not to be fully interested in the service. MFS wage can be beneficial for both workers and employers, particularly in ensuring financial transparency. After a big spike in MFS wage payment during the Covid-induced crisis, thanks to the government announcement in making MFS wage payment mandatory during that time, the use of MFS for wage payment remained low. Although use of MFS has increased slightly in comparison with the usage in pre-Covid period, the overall use of MFS is still very low. The conducted survey on the workers shows that, during this high export growth period, only 17.1 per cent of the workers received their wage through MFS which was 74.3 per cent during the time when Covid outbreak unfolded in Bangladesh and 13.3 in the pre- Covid period (Table 34).

Table 34: Workers Received Wages through MFS

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

Source: CPD-CA survey on workers, 2022.

8.3 Workplace harassment, sexual harassment, and forced work

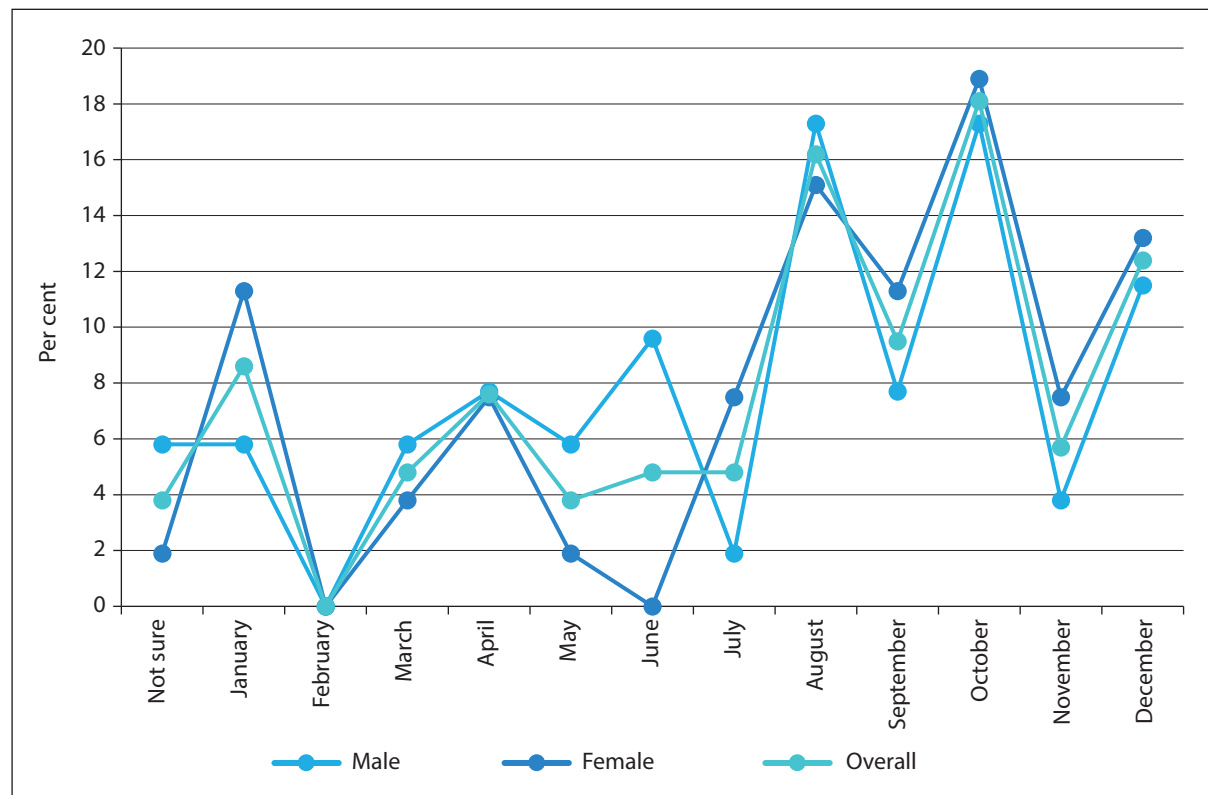
Given that Bangladeshi RMG industry is a labour-intensive industry, the risk of workplace and sexual harassment occurrences is always high, particularly at a time when a higher of production demand is to meet within a short period of time.

Table 35: Status of 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, 2022.

Figure 10: Workers Started to Feel a High Workload (% of Workers) in the Months of 2021



Source: CPD-CA survey on workers (2022).

In meeting the excessive demand for export orders during this high export growth period, workers were overburdened with workload according to interviewed workers’ representatives. This overburden is also reflected in the survey on workers. About 61.7 per cent of the surveyed workers started feeling a higher workload from the last five months of 2021, during a time when the industry’s export also started to grow robustly (Figure 10).

In addition, per day average working hours (including overtime) was the highest during this higher export growth period. According to surveyed workers, per day average work hour has increased to 10.46 hours from 8.84 hours during Covid crisis and 10.31 hours in the pre-Covid period (Table 35). Similarly, 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 per day to 1.08 hours per day (Table 36).

Table 36: 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, 2022.

However, 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. On the other hand, according to interviewed workers' representative, the workers were left with no other options but to do overtime to meet their family expenses during a time when the price of all goods in the country increased severely.

During this high export growth period, in order to meet the export order demand, enterprises had to keep their factory in operation during non-working hours and public holidays. Which means that many workers were not able to enjoy the leaves entitled to them. The survey on enterprises shows that during this high export growth period, 84.3 per cent of the surveyed factories included additional work hours in their operation, 45.1 per cent added night shift works, 45.1 per cent included work on Friday (Table 37).

Table 37: 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, 2022.

Forced work has increased significantly during this high export growth period as is indicated in the conducted survey. During this high export growth period, 18.1 per cent of the surveyed workers claimed that they suffered from forced work in their factory (Table 38). Male RMG workers (25.0 per cent) appeared to be largely victim of this increased forced work as compared to their female counterpart (11.3 per cent). Overall, in order to meet the higher production demand, a part of surveyed factories made it mandatory to work beyond 10 hours a day. It is mentioned in the interviews that workers considered the mandatory higher working hour as a way of earning more since their family expenses were higher.

Table 38: 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, 2022.

In terms of number of workplace harassment, a downward trend can be observed from the survey on workers. The number of average workplace harassment that the surveyed workers experienced or witnessed, reduced to 8 while this member was 12 in pre-Covid period (Table 39). Among the workplace harassment that took place during the high export growth period mostly occurred in the form of verbal (such as rebuking) and written format (Table 40). None of these harassments were found to be physical (Table 40).

Table 39: 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, 2022.

Table 40: Workplace Harassment (Excluding Sexual Harassment) during High Workload Period

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

Source: CPD-CA survey on workers, 2022.

However, in case of the survey on employers, it shows an increased number of workplace harassment issues faced by factories during 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 during the same period in the previous year (Table 41).

Table 41: Mean Number of Workplace Harassment Excluding Sexual Harassment

Category		From September 2019 to March 2020	From September 2020 to March 2021	From September 2021 to 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, 2022.

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 42). However, this number may not necessarily indicate that sexual harassment has been eradicated completely from the RMG industry during this high growth period. It can also be the case that workers do not fully understand what sexual harassment is, and hence, they may not feel comfortable in talking about these issues (Moazzem & Khan, 2022).

Table 42: Number of Cases of Sexual Harassment

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

Source: CPD-CA survey on workers, 2022.

8.4 Use of child and juvenile workers

A higher demand for production against a shortage of workers can create a tendency among enterprises in hiring child and juvenile workers. Going through a similar phase to some extents has resulted in an increase in the number of recruitments of child labour and juvenile workers, particularly in small and sub-contracting factories, according to interviewed workers' representatives.

The increase in the juvenile workers is also reflected in the conducted surveys. The number of juvenile workers employed during the high export growth period was 17 which was 8 in the pre-Covid period (Table 43). However, given that only a proportion of the surveyed workers work in sub-contracting and small factories, the actual number of juvenile workers is likely to be higher than what has been portrayed through the survey.

Table 43: Juvenile Workers' Status

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

Source: CPD-CA survey on workers, 2022.

In terms of child labour, the survey on workers shows that there is an increase in child labour in the high export growth period compared to Covid period (Table 44). However, it also indicates a decline in child labour worked in the RMG factories during high export growth period compared to pre-Covid period. Though increased demand of labour is not fully representative here, and a limited portion of the surveyed workers is from subcontracting factories, the interviewed workers' representatives underscored the issue of increasing child labour in sub-contracting factories.

Table 44: Child Labour Status

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

Source: CPD-CA survey on workers, 2022.

8.5 Gender equity and maternity benefits

The progress towards gender equality has already been depicted in the previous and preceding sections as a cross-cutting issue. However, some of the areas which is directly related to gender equity require distinct attention. As indicated earlier, the involvement of female workers in managerial position still remains significantly low. However, even though the female participation is still higher than their male counterparts at workers level, there are a number of scopes for improvement in ensuring female-friendly environment in the RMG industry.

Table 45: 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, 2022.

The survey shows, 63.8 per cent surveyed workers mentioned that their factories have childcare facility in factory premises (Table 45). It can be also seen that on average, each of these childcare centres has 8.2 attendees from their factories (Table 46). It indicates that, despite going through a high export period, investment by factories in creating daycare facilities was not parallelly increased. On the other hand, according to conducted interviews, female workers still do not feel comfortable in keeping their children in the childcare centres even despite getting access to childcare facilities. The survey on both employers and workers justifies the statement as it shows that only 1.23 per cent workers of the surveyed employers' avail childcare service (Table 47). It indicates adequate incentives are still not there for female workers for accessing the daycare service.

Table 46: Mean of % of Workers Availing Childcare Services

Category	% of Workers Availing Childcare Service	
Overall	1.23	
Size	Large	1.13
	Medium	1.11
	Small	1.41
Membership	Non-member	1.22
	BGMEA	1.60
	BKMEA	0.80
	BGMEA and BKMEA	0.55
Type	Knit	1.56
	Woven	1.11
	Sweater	0.00
	Mixed	0.90

Source: CPD-CA survey on employers, 2022.

Access to menstrual health facilities can help the workplace become more women-friendly. The conducted survey on the employers shows that 52.9 per cent surveyed factories in Bangladesh provide

menstrual health related facilities at their workplaces (Table 47). The availability of this facility is rather lower in small (31.0 per cent) and non-member RMG factories (21.4 per cent) (Table 47).

Table 47: % of Factories Providing Menstrual Health Facilities

Category		% of Factories
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 employers, 2022.

On the other hand, survey on workers shows 79.0 per cent of them work in a factory where there is access to maternity leave benefits (Table 48). Also, the number of a maternity leave rejection decreased in their factory during the high export growth period (Table 48). According to the survey on the employers, overall, there was a decrease in the average number of maternity applications received by the factory in March 2022 compared to earlier periods (Table 49). A similar trend can be seen in case of the average number of maternity leave applications accepted by the surveyed factories (Table 50).

Table 48: Maternity Leave Benefits Status

Category	Total
Offer maternity leave benefits	79.0
Number of maternity leave rejections even after being eligible	
Before COVID-19	12.0
During COVID-19	0.0
After high workload period	2.0

Source: CPD-CA survey on workers, 2022.

Table 49: Number of Maternity Leave Applications Received by Factory

Category		March 2019	March 2020	March 2021	March 2022
Overall		8	8	8	7
Size	Large	19	17	16	16
	Medium	12	13	12	10
	Small	2	2	2	2

(Table 49 contd.)

(Table 49 contd.)

Category		March 2019	March 2020	March 2021	March 2022
Membership	Non-member	1	1	1	2
	BGMEA	11	10	9	8
	BKMEA	8	7	6	6
	BGMEA and BKMEA	16	15	17	13
Type	Knit	7	6	7	5
	Woven	15	14	13	12
	Sweater	1	0	0	0
	Mixed	9	9	7	9

Source: CPD-CA survey on enterprises, 2022.

Table 50: Number of Maternity Applications Accepted by Factory

Category		March 2019	March 2020	March 2021	March 2022
Overall		10	9	9	8
Size	Large	18	15	15	15
	Medium	12	13	12	10
	Small	4	3	3	3
Membership	Non-member	2	3	3	4
	BGMEA	10	9	9	8
	BKMEA	9	8	6	6
	BGMEA and BKMEA	16	15	17	13
Type	Knit	9	8	9	7
	Woven	14	12	12	11
	Sweater	1	1	0	1
	Mixed	9	9	6	9

Source: CPD-CA survey on enterprises, 2022.

Table 51: Availability of Various Facilities in Factories

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

Source: CPD-CA survey on workers, 2022.

Table 52: Number of Complaints Submitted through Various Channels

Period	Number of Complaints through Complaint Box	Number of Complaints through Written Format	Number of Complaints Received 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, 2022.

8.6 Grievance, lay-off and recruitment mechanisms

Having a proper grievance mechanism for the workers is one of the key concerns of UNGPs. The significance of maintaining a formal grievance mechanism was rather higher during this high export period where overwork was pervasive for workers and chances of violation of labour rights were also higher.

The survey shows that 80 per cent surveyed workers have a dedicated industrial relations/compliance officer in their factories whereas 72.4 per cent workers mentioned that their factories have dedicated complain box in their factories (Table 51). Often these officers are assigned with industrial relations issue along with other responsibilities including administrative responsibilities and human resource management. 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 52). While the increase in number of complaints submitted through complain box depicts an increase of number of complaints during the high growth period. On the other hand, this indicates a higher trend of coping up by workers in submitting their complaints through a formal mechanism operated through complaint box.

Due to a limited understanding regarding complaint mechanism or absence of any formal process, workers may not feel encouraged to submit their complaints despite having issues. However, the conducted survey on workers found that the number of these kind of complaints—where workers could not complain due to complicity or absence of the process—has reduced during the high export growth period (Table 53).

Table 53: Number of Unreported Complaints (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, 2022.

An assessment of the types of complaints of workers during this high export growth period shows that most of the complaints of these workers were in the area of workplace harassment (10.5 per cent), failure to get the wage on time (7.5 per cent), and delay in or no payment of overtime benefits (13.7 per cent) (Table 54). Also, a good portion of workers (26.3 per cent) did not have any complaints during this high export growth period. In other words, factory management overlooked the concerns of workers during a time of their high income.

Table 54: Types of Complaints in High Workload Period

Category	Frequency (%)
None	26.3
Child labour	1.6
Workplace harassment	10.5
Living wage	7.9

(Table 54 contd.)

(Table 54 contd.)

Category	Frequency (%)
Maternity benefit	4.7
Child care benefit	4.7
Sexual harassment	3.2
Collective bargaining	2.1
Overtime benefit	13.7
Juvenile workers	0.5
Financial transparency	6.3
Forced labour	5.8
Layoff and retrenchment	3.7
Workplace safety	6.3
Others	2.6

Source: CPD-CA survey on workers, 2022.

According to UNGPs, along with state-based judicial mechanism, non-state based judicial mechanism should be involved in resolving any business human rights violence issue. The limited capacity of labour court results in slower judgement process which discourages workers from filing any case in labour court. None of the surveyed workers were found to file any case in the labour court during any of the three periods (Table 55). BGMEA and BKMEA have roles to play in this regard by employing a non-state based judicial mechanism. 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 55). According to them, none of these complaints were resolved during that period.

Table 55: Number of Reported Complaints/Cases

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, 2022.

Table 56: Existing Facilities in Factories (% of Workers)

Category	Overall
Anti-sexual harassment committee	53.3
Workers participation committee (WPC)	67.6
Safety committee	70.5
Trade union	6.7
None of them exist	28.6

Source: CPD-CA Survey on workers, 2022.

Formation of worker's committee based on various issues can help in solving any dispute related to workers' rights in the factory. The survey shows that the existence of such committees (some of them are legal requirement) is still not pervasive in all of the surveyed RMG factories. 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 56). Only 6.7 per cent of the workers mentioned that their factories have trade union. A somewhat similar scenario is depicted in the survey conducted on the employers. According to conducted survey on the factories, overall, 70.6 per cent of the surveyed factories have dedicated compliance officer, 76.5 per cent have complaint box, 62.7 per cent have WPC, 70.6 per cent have safety committee, 68.6 per cent have anti sexual harassment committee (Table 57).

During this high export growth period, total number of meetings held for WPCs and safety committees marginally decreased compared to the previous periods. The average number of meetings held in a month during the high export growth period was 1.20, whereas the numbers of meetings held in COVID and pre COVID period were 1.32 and 1.33 respectively (Table 58). Despite having regular meetings of WPCs, effective operation of these committees is still a major challenge.

Table 57: % of Factories Having Various Officials, Department and Facilities

Category		Having Dedicated Compliance Officer/ Department	Having Complaint Box	Having Safety Committee	Having WPC	Having Anti-Sexual Harassment Committee
Overall		70.6	76.5	70.6	62.7	68.6
Size	Large	100.0	100.0	100.0	90.0	100.0
	Medium	100.0	100.0	100.0	91.7	100.0
	Small	48.3	58.6	48.3	41.4	44.8
Membership	Non-member	7.1	14.3	7.1	7.1	7.1
	BGMEA	95.7	100.0	95.7	87.0	91.3
	BKMEA	87.5	100.0	87.5	75.0	87.5
	BGMEA and BKMEA	100.0	100.0	100.0	83.3	100.0
Type	Knit	69.6	78.3	69.6	65.2	69.6
	Woven	92.3	100.0	100.0	76.9	92.3
	Sweater	37.5	37.5	25.0	25.0	25.0
	Mixed	71.4	71.4	71.4	71.4	71.4

Source: CPD-CA survey on enterprises, 2022.

Table 58: Average Number of Meeting Held in a Month

Period	Number of Meetings Held
Before COVID-19	1.33
During COVID-19	1.32
After high workload period	1.20

Source:: CPD-CA survey on workers, 2022.

Table 59: Initiatives Taken during Recruitment of Workers

Category	% of Factories
Circular recruitment advertisement	84.3
Check eligibility in terms of age as per law	78.4
Take recruitment exam	31.4
Recruit directly without any intervention	64.7
Recruit from third party agency	15.7
Ask for financial guarantee in case recruitment	35.3
Assess the previous experience of the job seeker	92.2
Assess the previous labour rights violence involvement incident	45.1
Offer written appointment letter	49.0
Have dedicated department to tackle the recruitment issue	33.3

Source: CPD-CA survey on workers, 2022.

On the other hand, in case of recruitment of workers by RMG factories, the most common practices are: providing circular for recruitment (84.3 per cent of factories), assessing the previous experiences of the job seekers (92.2 per cent of factories), and checking the eligibility in terms of age (78.4 per cent of factories) (Table 59). 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 (Table 59). In case of release of workers, all the surveyed factories claimed that they provide written rationale for the release while 88.2 per cent inform the decision to the worker at the earliest convenience (Table 60). However, according to interviewed factories, sometimes workers leave the workplace without informing them, and then it is not possible for factories to follow these formal procedures.

Table 60: Initiatives Taken during Release of Workers

Category	% of Factories
Inform the decision to the worker at the earliest convenience	88.2
Provide written reason behind releasing the worker	100.0
Clear out all the due as per the law	70.6
Allow the worker to appeal against the decision	70.6
Provide worker experience certificate	70.6
Others	68.6

Source: CPD-CA survey on workers, 2022.

8.7 Workplace safety

Workplace safety has been one of the key concerns related to occupational safety and health in the RMG industry where progress has been made over the years particularly after the Rana Plaza collapse in 2013. According to conducted interviews, the health and safety preparedness mechanism of the RMG factories has improved significantly over the years. However, a section of factories is yet to be complied with occupational safety standards.

The number of industrial accidents witnessed by surveyed workers has increased during the high export growth period (Table 61). It should be noted that workers were overburdened with workload during this high workload period which partly could be attributed to the increase of industrial accidents during high export growth period.

Table 61: Number of Industrial Accidents Occurred in Surveyed Factories (According to Workers)

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

Source: CPD-CA survey on workers, 2022.

On the other hand, in view of the outbreak of COVID-19, vaccination has been the major safety measure for all including the workers. The survey on the workers indicates that a significant portion of workers is yet 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 vaccines (Table 62). The rates of vaccination for male and female workers are found not to be significantly different. Also, none of the surveyed workers were found to take the booster dose of the vaccine (Table 62).

Table 62: 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, 2022.

During the high growth period, it has been observed in the workers survey findings that there are three pressing concerns affecting workers with regard to occupational safety. These are: excessive noise of the factories (for 18.1 per cent of the surveyed workers), scolding of their supervisor (for 15.2 per cent of surveyed workers), and absence of emergency exit (9.5 per cent of the surveyed workers) (Table 63).

Table 63: Most Concerning Issues for Workers during the High Growth Period

Category	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, 2022.

Some of the facilities in the area of workplace safety are found to be pervasive in most of the surveyed workers' factories. For example, 95.2 per cent surveyed workers have mentioned that their factories have separate toilets for male and female, 94.3 per cent of surveyed workers have mentioned about having access to pure drinking water in their factories (Table 64). However, a significant RMG factories do not provide medical kit yet (provided in 61 per cent of surveyed workers' factories), and occupational safety equipment (provided in 54.3 per cent of surveyed workers' factories) despite experiencing higher surge in their export.

Table 64: Facilities Provided by Factories (% of Workers)

Category	Overall
Separate toilet for male and female	95.2
Pure drinking 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, 2022.

9. Findings on the Role of Stakeholders

The purpose of the UNGPs is to provide a guideline for all levels of relevant stakeholders including government to take responsibility of fulfilling business human rights of the businesses that are somehow involved or connected or partnered with them. As a protector of business human rights, as stipulated in the UNGPs, government agencies cannot skip their active role in ensuring business human rights in the Bangladeshi RMG industry. Similarly, international brands cannot evade their responsibility in ensuring business human rights in Bangladeshi RMG industry during this high export growth period as they took a significant amount of product from the industry for the sake of business benefits. This section broadly assesses the role of these two stakeholders mainly during this high export growth period.

9.1 Role of government agencies

The Department of Inspection for factories and Establishments (DIFE) is a government agency responsible for monitoring labour rights related issues in Bangladesh. According to conducted interviews with workers representatives, the role of DIFE did not change during the high export growth period when they needed to play a more active role.

According to the survey on enterprises, overall, on average, DIFE conducted two inspections in each surveyed factory in 2021 (Table 65). The mean number of inspections for small and non-member factories, where the practice of labour rights is assumed to be relatively weaker, was 1 in 2021 (Table 65). Yet, this claim of inspection of enterprises contradicts the inspection statistics provided in the Labour Inspection Management Application (LIMA) of DIFE.

Table 65: 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, 2022.

The latest data available in the LIMA shows, in FY2021–22, the total number of regular inspections conducted by DIFE in the garments industry was 216 (Table 66). Although this is an increase in the number of regular inspections compared to FY2020–21 (148 inspections), the number of inspections in FY2021–22 is still insufficient compared to the size of the whole industry. On top of that, the number of special and follow-up inspection decreased drastically during FY2021–22 compared to FY2020–21 (Table 66).

Table 66: Inspection Status of DIFE

Type of inspection	FY22	FY21
Regular inspection	216	148
Special inspection	63	319
Follow-up inspection	1	10

Source: LIMA (2022).

Through the interviews with government officials, the shortage of human resource 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. According to the business representatives, there is question regarding the quality and transparency of the inspection. The surveys on enterprises also somewhat implied the same. The survey findings show that, during this high export growth period, overall, 29.3 per cent of the surveyed factories had to pay additional money to the inspector to be eligible as compliant factory, which is illegal (Table 67).

Table 67: % of Factories Asked for Additional Money from Government Inspector

Category		% of Factories
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, 2022.

Given the complaints raised by workers on various decent employment related issues, the effective monitoring and inspection conducted by different agencies remain a major challenge. This has further weakened when monitoring agency officials have been involved in illegal activities.

Despite being in operation for several years, awareness regarding DIFE helpline service is significantly low. The survey on workers shows only 25.7 per cent of them are fully aware of the existence of a helpline where workers can directly submit their complaints on labour rights issues (Table 68). Of this portion of surveyed workers, who are fully aware of DIFE helpline, 7.4 per cent ever considered calling the DIFE helpline (Table 68). This lower number can be explained in two ways; firstly, workers who did not consider calling DIFE helpline, did not have any complaints; secondly, even after having complaints they did not consider calling the helpline number since they were apprehensive about the solution it might provide. DIFE should check the effectiveness of its helpline services.

Table 68: Awareness regarding DIFE Service

Category	<i>(in per cent)</i>		
	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, 2022.

Although DIFE has a key role to play in ensuring business human rights in RMG factories, some other government agencies (such as Department of Environment or DoE, and Rajdhani Unnayan Kartripakkha or RAJUK) also have a role to play in ensuring various components of business human rights. However, the survey on enterprises shows that the average number of inspections of these agencies was also significantly low during this high export growth period (Table 69).

Table 69: Mean Number of Inspections

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, 2022.

9.2 Role of brands/buyers

Given that buyers are the key source of revenue generation for the RMG suppliers, they have a significant influence on how business human rights are practised in supplying factories. During this higher export growth period for Bangladesh RMG industry, the main role of buyers was limited to placing large amount of orders and providing capacity-building and awareness-raising training. The current amount of orders by brands provided to suppliers during the time of the survey indicated increased sustainability in terms of factory operation of the enterprise. According to the enterprise survey, with the existing amount of orders, overall, 31.4 per cent of the surveyed factories could continue their business operation for more than 6 months, 33.3 per cent of the surveyed factories could continue between 4–6 months (Table 70). This indicates a good prospect from industry's sustainability's vantage point.

Table 70: Month-wise Depiction of the Orders Carried out by Factories (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

(Table 70 contd.)

(Table 70 contd.)

Category		Current Month Only	1-3 Months	4-6 Months	More than 6 Months
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

Source: CPD-CA survey on enterprises, 2022.

However, according to interviewed employers, the price paid by brands has been insufficient for them to comply with business human rights standard. Moreover, during this higher export growth, brands and buyers appear to have remained flexible with regard to business human rights practices compared to the earlier phases. Although inspections have been carried out by brands and buyers during this period, but to a limited extent. Particularly, a great number of sub-contracting factories that came into existence during this period remained out of inspection coverage. However, as found in the study, the level of compliance related business human rights in formal factories also deteriorated to various extents during this high growth period.

Given that a huge amount of orders has been placed by brands and buyers during this period, their regular amount of inspections including their modality perhaps was not adequate in dealing with the deterioration of the business human rights practices. Rather, as the situation demands, a further rigorous inspection of brands and buyers was required. The strong auditing of factories could help avoiding a number of non-compliance issues as discussed in this report.

10. Overall Observations

Bangladeshi RMG industry has been experiencing an extraordinary increase in the export particularly since September 2021. With the ease of Covid restriction, the demand for global apparel has increased significantly. Bangladesh as a major apparel exporting country in the world has been able to reap the benefits. At the same time, shifting of export orders from some major RMG exporting countries to Bangladesh due to several reasons has also played a key part. It is to be noted that the progress of the RMG industry in terms of social and environmental compliances, and continuation of production operation throughout the pandemic period paved the way for the industry to be considered as one of the safest sources to import for international buyers. However, this high growth export has largely been driven by 'volume effect' both in traditional and non-traditional market. Limited 'price effect' is largely influenced by high cotton price and high energy price which is partly offset by high price of USD vis-à-vis BDT.

The sector has experienced a number of direct impacts because of high export growth in apparels in recent period (Table 71). Factories have recruited additional workers which is higher than the Covid period and almost at the same level with that in the pre-Covid period. Relatively more male workers recruited during this high growth period. Female workers have been less recruited relatively, but more self-released during this period. Such changes in gender composition in recruitment has been partly affecting the overall gender composition in the RMG industry. Despite the additional recruitment, factories are still in short of workers given the high volume of work orders received.

Table 71: An Overall Performance of RMG Industry during the High Export Growth Period

Indicators	Indicative Status from the Findings during 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

Source: Based on the conducted study.

A number of decent employment related indicators particularly related with business human rights have deteriorated to different extent during this period. The increase in export orders has come in the form excessive work pressure for the workers. The higher export orders against a limited capacity of the formal factories have resulted in formation of several subcontracted factories during this period. In fulfilling the demand of excess work orders, child workers and juvenile workers are affirmed to be recruited in these factories. Working hours in factories have increased which is accommodated through working in the night shift and two-day weekends (Friday and Saturday). Both male and female workers claimed to face forced labour; this is complained mainly by male workers. Workplace harassment rate is almost at the same level with that of Covid period—these harassments mainly involve verbal abuse.

11. Conclusions and Recommendations

The period of high export growth in the RMG sector was rather short-lived (from September 2021 to 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 excessive workload. Factories' performance in UNGP related indicators have somewhat

deteriorated. Income of the factories increased; but that happened mainly because of the rise in volume of orders and less of value per unit.

Decent employment in the RMG industry has been affected on various counts. On the one hand, rise in export orders led to rise in workers' earning (both including and excluding overtime payment), due to increased work hour and workdays. However, workers were not benefitted much from this as their monthly expenditure has substantially increased side-by-side during this high export growth period. During a time when the inflation rate was abnormally high, it is becoming a challenge for the workers to maintain their family expenses. Despite that, workers were able to save at least a part of their income. However, no major improvement is discerned in case of payment time for wages and overtime allowances indicating no qualitative improvement in this regard. Based on the findings, the study suggests following recommendations.

11.1 Recommendations for government agencies

The role of government agency in ensuring business human rights was not as active as it was required to tackle a situation of abnormal export growth. The capacity of DIFE has not increased in line with the rapid expansion of the RMG industry during this higher export growth.

Inspection and monitoring authorities have been found less stringent in ensuring compliance in factories which affected workers' minimum entitled benefits in the workplace. DIFE should strengthen its monitoring mechanism of non-safety compliances in all RMG factories which include child labour, long work hour, forced labour, failure to pay wages on time, and lack of effective operation of safety committee. Department of Labour (DoL) should ensure effective operation of WPCs and WWCs. Since the RMG Sustainability (RSC) or National Initiative (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.

The Ministry of Labour and Employment (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 non-government organisations (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 get better prepared on maintaining business and human rights. The Ministry of Commerce (MoC), MoLE, DIFE, DoL and National Human Rights Commission (NHRC) should work on further strengthening the understanding and practices on business and human rights among the enterprises and workers.

It has been found that various types of complaints have been lodged by workers through formal procedures which include delay in paying the overtime benefits, demand for rise in wages and complain about harassment. In order to resolve these complaints, DIFE introduced helpline, that is 'DIFE helpline', with needs to be effectively functional.

The government can consider revising the existing minimum wage set for the garments workers in 2015. However, in revising the minimum wage, it should not be considered that the workers' wage has increased already as indicated in the survey. In fact, the increase in the earning of workers is mainly attributed to increase of work hour and workdays and promotion to new grades.

Although MFS had been widely appreciated as an uncomplicated way to disburse workers monthly payment digitally, employers did not use it perhaps apprehending the fear of disclosure and transparency. None of the stakeholders, both government and brands/buyers, put emphasis on enhancing firms' participation in digital financial system. MFS-based payment system needs 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 at workplace is not used by workers.

11.2 Recommendations for businesses and associations

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 a 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.

Because of high export orders, new factories have entered, and a large part of these factories are subcontracting, 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.

Although factories have established childcare facilities, majority of workers are less interested in using those facilities. It is important to investigate why workers are not interested to take the benefit of childcare facilities. Similarly, despite having committees in factories such as WPCs, lack of effective operation of these committees prevails to be major weakness which needs to be addressed.

11.3 Recommendations for brands and buyers

Although brands/buyers extended export orders which helped suppliers, workers and even the overall economy, they did not take cognisance 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 upgrade some of the important initiatives introduced in factories.

On the other hand, if the European and USA brands, as a measure of decreasing dependency in the supply chain, want to carry on shifting their orders to Bangladesh, they could consider Bangladeshi RMG industry as their long-term partner. In this regard, the brands need to be more cautious in ensuring business human rights in the Bangladeshi RMG industry during any high growth period.

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As Bangladesh charts out its recovery path from COVID-19, the country's readymade garments (RMG) industry has been experiencing an unprecedented export growth since the last quarter of 2021. In view of this increase in export, the study aims to understand the impact of this higher export growth on business and human rights practices in the RMG sector based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) framework. Findings of the study are mainly based on a primary survey conducted on RMG management and workers. The study findings show that a number of decent employment related indicators, particularly related to business human rights, have deteriorated to various extents during this high export growth period. These include deterioration of timely wage payment, increase in forced work, workplace harassment, and increase in child labour and juvenile workers. These deteriorations are observed both in contracted and sub-contracting factories to various extents. The role of government agencies and brands/buyers in monitoring business human rights practices are also observed to be below par in this period. Although the rise in export orders led to a subsequent rise in workers' earnings, thanks to increased work hours and workdays, workers have not been benefitted much from this since their monthly expenditure have increased parallely during this high export growth period. The study recommends that government agencies should strengthen the understanding and practices of business and human rights among enterprises and workers in accordance with UNPGs. Given the increase in household expenditure, the government may consider revising the existing minimum wage set for garment workers. Brands need to be more proactive in promoting business human rights in garment factories during any such high export growth period.



House 40/C, Road 11 (new)
Dhanmondi, Dhaka-1209, Bangladesh
Telephone: (+88 02) 48118090, 55001185, 58156979
Fax: (+88 02) 48110414
E-mail: info@cpd.org.bd
Website: www.cpd.org.bd