

CPD Conference on  
**Transformation in the RMG Sector in Post-Rana Plaza Period**  
*Findings from CPD Survey*

Panel Discussion Two  
**Changes in Decent Work and Gender-related Issues in RMG Enterprises: Findings  
from the Survey**

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Presentation by

***Dr Khondaker Golam Moazzem***

Project Director, CPD-RMG Study and Research Director, CPD

## Study Team

- Dr Khondaker Golam Moazzem, Project Director, CPD-RMG Study
- Dr Fahmida Khatun, Executive Director, CPD
- Ms Shamima Pervin, Gender Consultant, CPD-RMG Study
- Ms Syeda Samiha Azim, Programme Associate, CPD-RMG Study
- Mr Faijan Bin Halim, Research Associate, CPD-RMG Study

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# 1. Introduction

- Decent work in industrial enterprises implies adequate employment opportunities, safe workplace, decent wages and living and workers' rights.
  - Bangladesh's RMG enterprises have been discretely working on different components of decent work over the last decades.
  - There is a demand for implementing a comprehensive decent work agenda for the RMG sector of Bangladesh.
- During the post-Rana Plaza period, a significant number of activities have been carried out targeting workplace safety, workers' wages and workers' rights.
  - Such changes have been carried out with a view to ensure social upgrading in RMG enterprises.
- Present study examined the dynamics and changes in decent work environment in the RMG sector in recent years and
  - It tried to associate those changes with institutional, regulatory and operational measures undertaken during the post-Rana Plaza period.

## 2. Methodology of the Study

- The study is conducted based on the primary data collected from sample RMG enterprises.
- The study has collected data on multiple sub-indicators from the sampled factories
  - But the calculation of minimum sample size becomes complicated as we need to account for different indicators which have different characteristics.
- The sample size is determined using the formula for calculating minimum sample size for estimating proportions in a population (WHO, 2015).

$$n = \frac{\frac{z_{\alpha/2}^2 P(1-P)}{2}}{e_0^2 + \frac{z_{\alpha/2}^2 P(1-P)}{2N}}$$

Where,

N= population size = 3596

P = population proportion = 0.33 or 33%

e<sub>0</sub> = desired level of precision = 0.05

1- α = confidence interval = 90%

z<sub>α/2</sub> = z-value corresponding to a level of significance in two-tailed test = 1.96

**Distribution of Sample Workers**

Size	Population (No. of Workers)		Sample (No. of Workers)		No. of Factories	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Small	669403	19.1	408	19.2	109	48.36
Medium	1868020	53.3	1131	53.3	100	44.27
Large	963800	27.5	584	27.5	17	7.36
<b>Total</b>	<b>3504728</b>	<b>100</b>	<b>2123</b>	<b>100</b>	<b>226</b>	<b>100</b>

Source: CPD-RMG Study 2018

### 3. Structure and Composition of Workers Have Been Changing

- **Composition of RMG workers has changed significantly in terms of gender, size and location**
  - The size of sample enterprises is getting bigger across the board compared to earlier years - average enterprise size was 8.5 per cent bigger than that of 2012 (Fig 1).
  - Worker composition has experienced changes over time—the share of female workers has reduced from 58.4% in 2012 to 53.2% in 2016.
- **Workers’ biometric information indicates longer working life**
  - Average age of workers is 24.9 years, almost the same as a decade ago (Rahman et al., 2008). (Fig. 2)
  - The age gap between male and female workers is 1.4 years - slightly increased over the years (gap was 1 year in 2008).
  - Workers (both male and female workers) are more likely to be unmarried in Chittagong and Narayangonj districts.
  - Recruitment of juvenile and adolescent workers (less than 18 years old) has been declining (about 0.6%). (Fig.3)

Fig 1: Comparison of Average Size of Workers per Factory (Large=100)

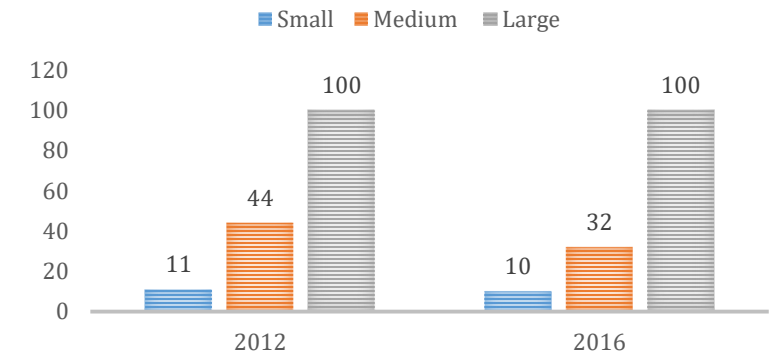
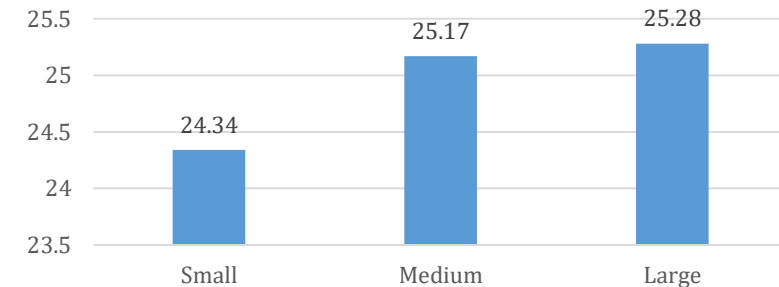


Fig 2: Mean Age of Workers according to Size

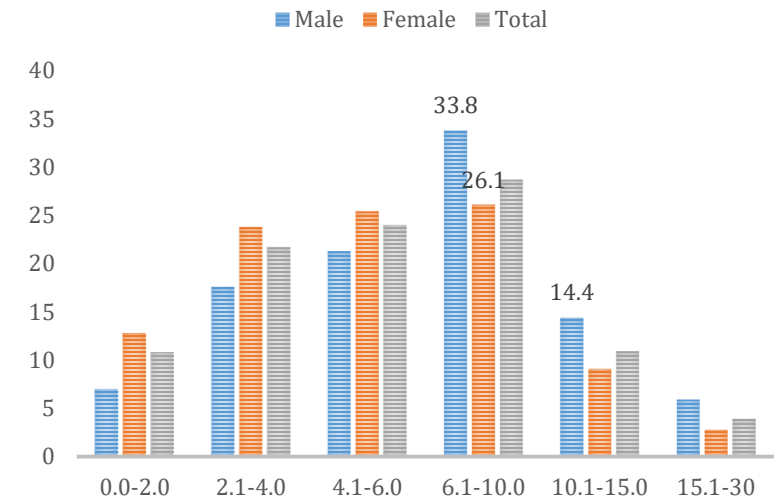


Source: CPD-RMG Survey 2018

### 3. Structure and Composition of Workers Have Been Changing

- **Female Workers' Job duration is Constrained by Various Economic and Social Factors**
- Garment workers are expected to work on average for 7.4 years.
  - Sample workers have been working for an average of 3.3 years and expressed their intention to work for another 4.1 years.
- About 28.7% of workers have been working for 6–10 years and 24% of workers have been working for 4–6 years
- Only 11% workers work for 10–15 years.
  - Less than one-tenth of total workers have experience working longer period in the garments industry.
  - Female workers have been mostly working for shorter periods on the job.
- It is rare that production workers of the RMG sector work till their age of retirement (around 60 years). Often exiting the jobs from the garments sector is the end of workers' engagement in formal employment.

Fig 3: Length of Service in the Garments Sector



Source: CPD-RMG Survey 2018



## 5. Workers' Facilities are not Improved?

### • On-the-Job Training is Not Sufficient

- About 92% of both male and female workers received training. Among them, 87% received training at the current factory.
  - About 26% of enterprises provided off-the-job training (Table).
- On the job training focuses on the skills factories demand
  - So it limits the scope for workers to diversify their skills in other technologies and machineries.

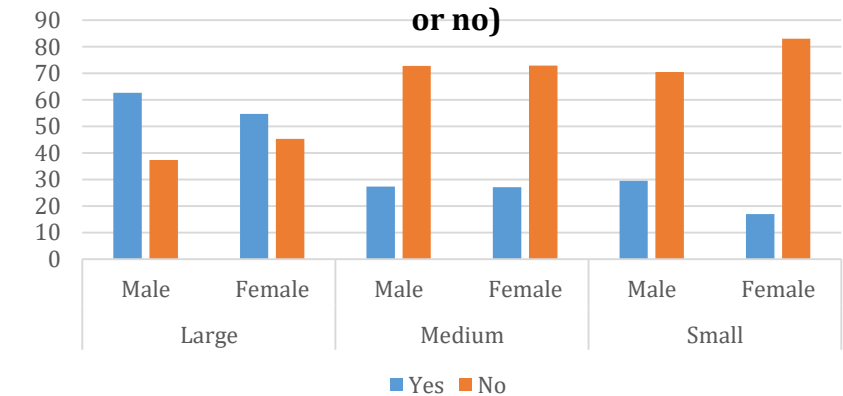
### • Factories have been Shifted Away from Traditional Incentive Structures

- Incentives have been reduced in the production process. Factories no longer provide incentives to work (Fig). While most workers receive attendance bonus (98 per cent), less than one third of workers receive production bonus.
- Factories located in Gazipur areas give out production bonuses more than those located in Narayangonj areas.
- workers in factories that have contractual arrangements with brands and retailers receive more production bonus compared to workers of factories that do not.

Table: Training Provided to Newly Recruited Workers (Type Wise)

Particulars	Percentage		
	Woven (% of 90)	Knit (% of 136)	Total (% of 226)
Apprenticeship	6	7	6
Training by Internal Instructors	98	99	99
Off-the-Job Training	33	21	26
Training by External Instructors	38	43	41
Training by In-house Institute/Department	18	10	13

Figure: Incentives provided by the Sample Enterprises (yes or no)



Source: CPD-RMG Survey 2018



## 6. Workers Wages Cannot Meet Their Minimum Needs

- **Workers' Wages Did Not Rise as per the Required Level Stipulated in the Law**

- Workers' wages have increased over time mainly because the minimum wage has been revised during 2013 just after the Rana Plaza tragedy. During the time of survey (2017) sample workers' average wage (without other financial benefits) was Tk.6637 per month (US\$84.2) (Fig.1)
- It is important to note that workers do not receive wages as stipulated in the circular of the Minimum Wage Board of 2013 (Figure 2).
- Worker's overtime income is an important part of their take-home pay. It is about 15.2 per cent of total payment.
- Workers in grades 7, 6, 5, 4 and 3 on average take home about Tk.7016, Tk.7342, Tk.8058, Tk.9096 and Tk.8901 respectively.
- It is important to examine whether workers' take-home is enough for them to get by with a family.

Fig 1: Average Monthly Wages (Tk.)

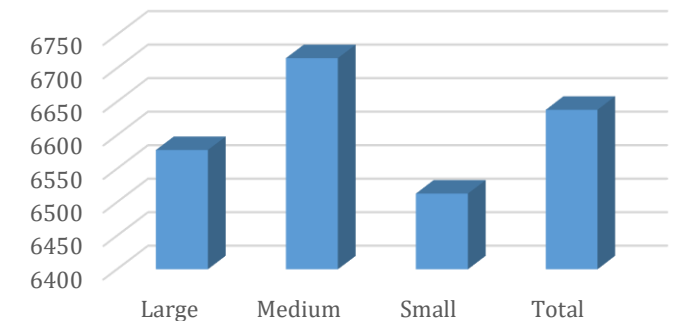
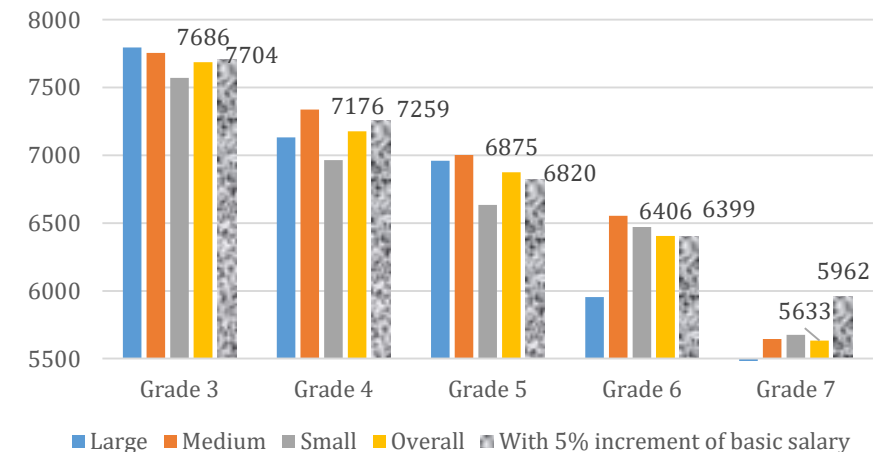


Fig 2: Mean Wages Vs. Stipulated Wages with Annual 5% Increment

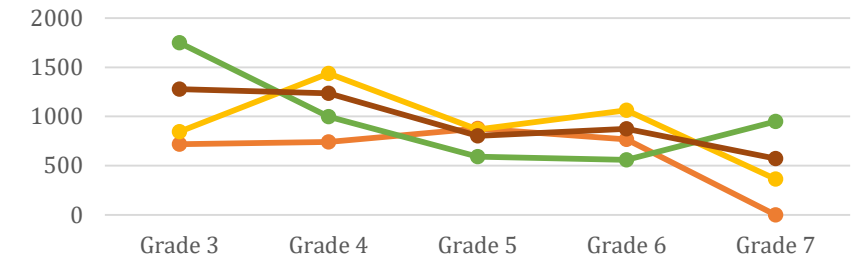


Source: CPD-RMG Survey 2018

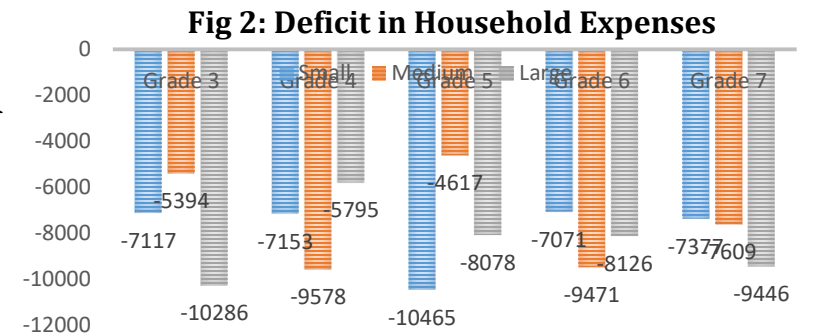
## 6. Workers Wages Cannot Meet Their Minimum Needs

- **Wage Dispersion Remain at a Low Level**
  - It is getting higher in upper grades
  - It fluctuates heavily in small and medium enterprises compared to that in large enterprises.
  - It is high among male workers across most of the grades compared to that of female workers.
- **A large section of workers did not receive their payment as per the stipulated timeline**
  - Only 53% of workers received in the first week of the month
  - About 22% workers received even after 2<sup>nd</sup> week of the month
- **Garment Workers Maintained a Small Family**
  - On average a workers' family has 4.7 members with one child. About 47% of married workers have one child while another 27.8% married workers do not have any children.
- **Workers' Income Hardly Meets the Family Expenses (Fig 2)**
  - Workers' average income covers only 49.9% of their total family expenditure. This needs to be met by the income of other members of the family.

**Fig 1: Wage Dispersion in Different Grades under Different Types of Enterprises**



Source: CPD-RMG Survey 2018



Source: CPD-RMG Survey 2018

## 7. Satisfaction on OSH Rises but Quality Still a Concern

- **Workers satisfied with workplace safety**
  - Unlike in the past, most of the workers feel safe in their workplace. Almost 100% of workers feel safe with regard to fire, electrical and structural hazards.
    - This corroborates with their familiarity with emergency exits, members of emergency response team and regular fire drills.
  - Majority workers mentioned that they use necessary protective equipment while working at the factory.
    - These include proper shields against high speed sewing machines and maintaining basic safety precaution in case of sharp and cutting instruments.
  - About half of the factories have reported that they have helplines in their factories. However, helpline use is still very low level (12.5%).
    - Male workers use the helpline more often than female workers.
- **Factories are still reluctant to improve facilities beyond basic requirements**
  - Facilities for workers in the factories have been more available compared to the past.
    - These facilities include maternity leave, day care, female washrooms, treatment facilities, sitting and meeting facilities and training and learning facilities etc.
  - There are fewer facilities in small and medium factories compared to large factories.

## **7. Satisfaction on OSH Rises but Quality Still a Concern**

- **Sexual Harassment is Rare but Other Kinds of Harassment Persist**
- Most workers say that outright physical sexual harassment in the workplace is low. About 93% of workers did not hear about outright physical sexual harassment at their current factory.
  - About 5% of workers say that it is rarely happened
  - Less than 1% of workers say that they themselves have faced outright physical sexual harassment.
  - However, about 3.6% of workers mentioned that they knew about instances of outright physical sexual harassment involving other workers at the factory.
  - There is specific department to report outright physical sexual harassment.
- Workers face different types of work-related verbal harassment at their workplace including teasing, rough behaviour, and being confronted with slang (sex related).
- **Absence from the Job: Sickness and Family Issues**
  - Workers take leave from the job due to various reasons—over 30% workers had taken leave (at least for a day) in the previous month when the survey was conducted
  - Workers were on leave from 1 day to 11 days. Most workers took between 1 to 5 days of leave. About 10% of workers took leave between 6 to 10 days.

## 8. Workers' Rights: Little Progress

- **Many workers are not fully aware about their rights and entitlements**
  - They state that their most important rights are: safety in the workplace (65.3%) and getting wages on time (25.1%).
  - This is in addition to getting leave (6.3%) and proper compensation for injury and other reasons (1.0%).
- **Workers' mixed reaction about access to written contracts, service book and experience certificate**
  - Most workers claimed that factories do not provide experience certificates for their previous roles in the factory.
  - Despite various efforts, many workers do not get service books and written contracts—about 25% of workers do not have the necessary documents in hand.

**Workers Received Documents**

	Do you have a written contract with your employer at the current factory?			Do you have a copy of it?			Do you get a service book?			Experience Certificate (% of total workers)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Yes</b>	71.2	73.1	72.5	74.3	75.3	75.0	62.0	58.2	59.5	5.0	3.4	4.0
<b>No</b>	28.8	26.9	27.5	25.7	24.7	25.0	38.0	41.8	40.5	90.1	91.1	90.7
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	4.9	5.6	5.3

Source: CPD-RMG Survey 2018

## 8. Workers' Rights: Little Progress

- **Participation Committees (PCs) are increasing but still not popular among workers**
  - About 90% workers claimed that the committee is active. Factories working with brands are more likely to have PCs (85%) compared to those working with buying houses (58–78%).
  - The number of PCs set up by election have increased (63.2%).
    - In many factories committees have still been selected by management (11%) or selected jointly by workers and management (17%)
  - Only 15% of workers mentioned they have availed some services from PCs.
  - Overall, PCs are yet to become popular as a platform to discuss workers' issues.
- **Trade unions are almost non-existent and non-functional**
  - Most workers say that there is no trade union at their factories (97.5%). There are trade unions in 1.4% small factories, 3.7% of medium factories and 1.0% of large factories (Figure).
  - Factories in Chittagong (7.8%) have more trade unions compared to other regions.
- It seems that Bangladesh remains with almost no wage bargaining, at least in the RMG sector.
  - Statutory minimum wages take over the main responsibility for wage development.
  - Trade unions seem to be very weak; and Participation Committees are only partly a substitute for trade unions.

# 9. Workers' Expected Length of Work Varies: A Regression Analysis

- Workers in the garments industry usually work for shorter duration than those working in other manufacturing industries.
- Regression result exhibits that, explanatory variables such as gender, no. of children and factory location have significant relation with expected length of service in the garments sector.
- There is a variation between male and female workers in case of their expected length of work.
  - Female workers have 3 years less expected length of service compared to that of male workers and it is statistically significant at 1 percent level.
  - This is influenced by their social engagements such as household chores and raising child etc.
- If number of children increases then expected length of work increases by more than 2 years
  - It is statistically significant at 1% level.

**Workers' Expected Length of Employment: Regression**

Expected Length of Employment	Unit of Measurement	Coefficient	P>t
Revenue per Worker	BDT per worker	-6.040 (2.210)	0.784
Overtime Work	In hour	-0.214 (0.155)	0.168
Gender	Female =1, Male =0	-3.437 (0.283)	0.000***
Family Income	Monthly	5.570 (0.000)	0.700
Marital Status	Married =1, Otherwise =0	0.451 (0.319)	0.158
No. of Children	In number	2.233 (0.218)	0.000***
Dealing with Brand	Yes=1, No =0	0.438 (0.283)	0.122
Factory Location	Greater Dhaka =1, Otherwise =0	0.498 (0.301)	0.099*
Factory Size	Large =1, Otherwise =0	-0.057 (0.478)	0.904
Inactive WPC	Yes =1, No =0	0.035 (0.508)	0.945
Constant		11.152 (0.504)	0.000
No. of Observation: 1423			
R <sup>2</sup> = 0.20			

Source: CPD-RMG Survey 2018

# 10. Gendered Impact of Upgrading

## Conceptual Framework on Gendered Impact of Economic and Social Upgrading

- Women as a group face gender-intensified constraints due to unequal access to training and skills development, networks and information, cultural construction of work, as well as being more time-constrained than their male counterparts due to reproductive work responsibilities.
  - Hence, under economic upgrading the paper considered exploring gender dimensions of three types of industrial upgrading.

1. ECONOMIC UPGRADING	1. SOCIAL UPGRADING
<b>PRODUCT UPGRADING</b> <ul style="list-style-type: none"> <li>• Women's participation in diversified product related activities</li> <li>• Any linkage of product upgrading to reduce women's representation</li> <li>• Management future plan to link women with product upgrading</li> <li>• How/whether women workers' image used in branding</li> </ul>	<b>HR MANAGEMENT</b> <ul style="list-style-type: none"> <li>• Women's participation in HR at different level/comparison;</li> <li>• HR policy linking women and gender issues;</li> <li>• Different elements of male and female workers/staff recruitment process;</li> <li>• Different elements of male and female worker layoff practices;</li> <li>• Training to improve gender responsiveness at factory level.</li> <li>• Training for women's skill development</li> <li>• HR future plan to link women with social upgrading;</li> </ul>
<b>PROCESS UPGRADING</b> <ul style="list-style-type: none"> <li>• Women and men's capacity to operate machines</li> <li>• Linkage of process upgrading to reduce women's representation;</li> <li>• RMG management future plan to link women with process upgrading;</li> <li>• Women's participation in modern production management systems</li> </ul>	<b>WORKING CONDITIONS</b> <ul style="list-style-type: none"> <li>• Working condition (working hours, overtime hours, overtime policy, grievance mechanism)</li> <li>• Any linkages of female workforce reduction in RMG sector linking to working condition</li> <li>• Occupational Safety and Health: Men and women's participation in different OSH related training;</li> </ul>
<b>FUNCTIONAL UPGRADING</b> <ul style="list-style-type: none"> <li>• Women's participation in product design activities</li> <li>• Any linkage of functional upgrading to reduce women's representation</li> <li>• RMG management future plan to link women with functional upgrading</li> </ul>	<b>FREEDOM OF ASSOCIATION</b> <ul style="list-style-type: none"> <li>• Women's participation in different committees according to firm size, area and profitability</li> <li>• TU, Participatory Committees' gender responsiveness;</li> </ul>



# 10. Gendered Impact of Upgrading

- Rise in female workers over the years is lower than that in male workers which resulted in changes in the composition of female-male ratio of production workers (Table 1).
  - Due to higher rate of growth of male workers, female-male ratio reduced overtime although it is still higher than 1.
- Female in senior management positions has slightly increased although in mid-level management positions it has rather declined in significant number.
- The governing boards of the sample enterprises are dominated by male members.
  - A considerable share of board members are female (Table 2).
  - They have very limited role to play in the decision-making process

**Table 1: Compositional Change of workers in Sample RMG Enterprises**

	Small	Medium	Large	Total
Yearly % change of female workers	20.2	11.4	23.6	15.5
Yearly % change of male workers	41.4	18.9	31.4	25.1
Female/Male Ratio				
2012	1.8	1.5	1.1	1.4
2016	1.2	1.2	1.0	1.1

Source: CPD-RMG Survey 2018

**Table 2: Male and Female Board Members in Sample Enterprises**

Issues	Male			Female		
	Large	Medium	Small	Large	Medium	Small
% of total board members	71.0	78.1	76.9	29.0	21.9	23.1
No. of board members per factory	3.3	3.4	3.0	1.3	0.9	0.9
% of board members from the same family	98.0	78.0	75.7	100.0	98.7	96.2

Source: CPD-RMG Survey 2018

# 10. Gendered Impact of Economic Upgrading

## • Share of Female Workers in Woven Enterprises is Declining

- With the changes in technology, machineries and composition of products, demand for female workers has been changing particularly in woven enterprises.
- With different kinds of changes in the process and products, woven enterprises require relatively less workers per unit of operation particularly in low skilled jobs.

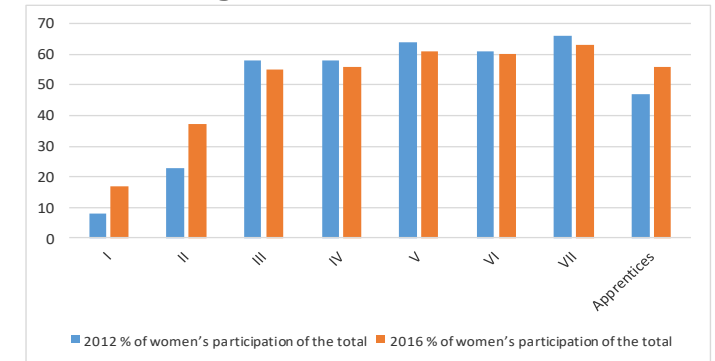
## • Little Changes in the Composition of Female Workers in Job Specialization

- Female workers are traditionally work in selected sections which are particularly less skill-based and where mass scale production is required.
- Changing skill composition improves female workers grades in the production process.

## • Female Workers are Behind in Operating Multiple Machines

- Female workers are specialized in operating limited number of machines such as single needle sewing machine, double needed sewing machine and over lock machine.

Share of female workers in different grades: 2012 & 2016



Source: CPD-RMG Survey 2018

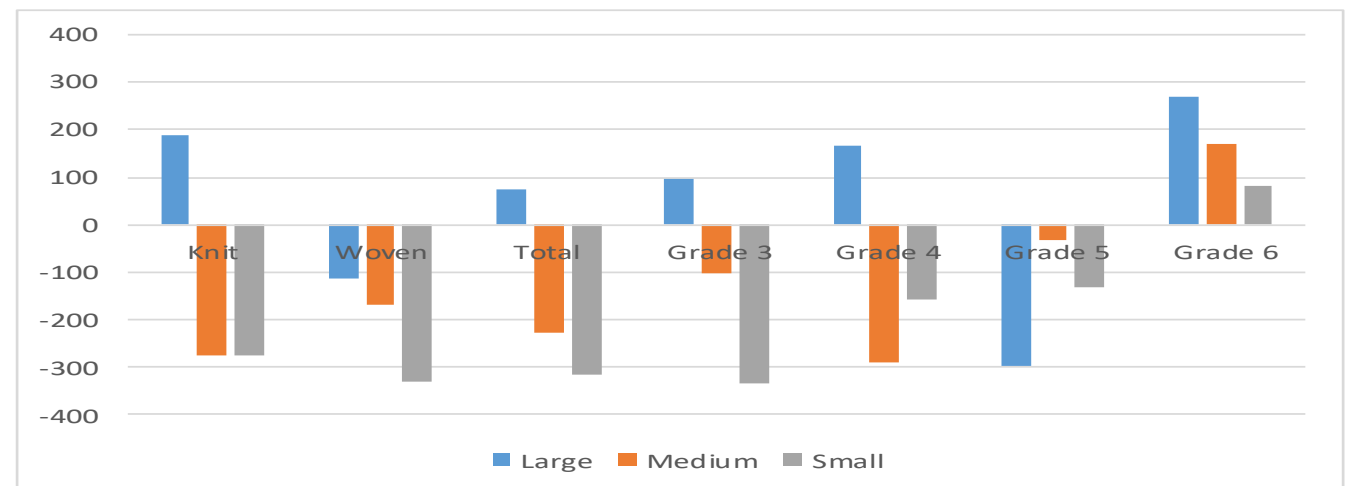
Female and Male Workers Having Knowledge about Handling Different Machineries

Name of the Machines	% of Female and male have the capacity to use machines	
	Female	Male
Machines		
Single Needle	91	69
Double Needle	54	50
Single Needle Edge Cutter	7	14
Over Lock	56	68
Flat Lock	38	57
Feed of the Arm	14	36
Button Attach	13	28
Button Hole	13	30
Bar Tack	16	32
Snap Button	7	18
Blind Stitch	4	13
Velcro Attach/Profile	1	5
Auto Welt Pocket	3	4
Manual Knitting Machine	2	16
Semi-automatic Machine	1	3
Others	8	14

# 10. Gendered Impact of Economic Upgrading

- With the rise in technology and use of machines, female workers would gradually be replaced either by machines for reduction of low skilled jobs or they will be replaced by male workers
- **Functional Upgrading: Female Participation is Low but there is potentiality to grow**
  - Only 12% female staffs are found in research and development section.
  - Their participation is rather high compared to other specialized sections such as industrial engineering, maintenance and washing sections.
- **Factories are Neutral In terms of Providing Training to Workers**
  - No Special Effort Has Been Made to Train Female Workers
- **Female Workers are Behind than Male Workers with regard to Safety Awareness**
- **Gender Wage Gap Still a Concern**

Figure: Difference between Female over Male Wages



Source: CPD-RMG Survey 2018

# 11. Economic and Social Upgrading Indices and Their Implications on Gender related Issues

- In case of process upgrading, female-male ratio is better in modest and higher level of process upgrading (Fig 1).
  - A high share of enterprises are found with low level of process upgrading and lower level of concentration of female workers.
- Overall, both product upgrading and gender concentration of female workers are found to be at the lower segment (Fig 2).
  - Comparing enterprises in different levels of upgrading, majority of enterprises with different levels of female concentration are found in the lower level of product upgrading.
- In case of upgraded functional activity, female concentration even in production related activity found to be at the lower level.

**% of Firms with Level of Process Upgrading and Female to Male Ratio**

Process Upgrading		Female Concentration	
Level of Process Upgrading	% of enterprises	Female to Male Production Worker Ratio	% of enterprises
0-20	51.8	0-2	60.28
20-40	2.1	2--4	32.62
40-60	35.5	4--6	4.96
60-80	9.9	6--8	1.42
80-100	0.7	8--	0.71
<b>Total</b>	<b>100.0</b>	<b>Total</b>	<b>100</b>

**Fig 2: % of Firms with Level of Product Upgrading and Female to Male Worker Ratio**

Level of Product Upgrading	% of enterprises	Female to Male Production Worker Ratio	% of enterprises
0-20	64.8	0-2	60
20-40	11.4	2--4	33.33
40-60	18.1	4--6	5.71
60-80	2.9	6--	0.95
80-100	2.9	Total	100

Source: CPD-RMG Survey 2018

# 11. Economic and Social Upgrading Indices and Their Implications on Gender related Issues

- There is a contrasting position observed between level of social upgrading (moderately better in upper grades) and female concentration (highly concentrated at lower level).
  - Female concentration is higher at the modest and better level of social upgrading categories.
- It is expected that factories with higher level of social upgrading would like to positively contribute to less occupational diseases
  - Thereby reduces workers' tendency take leave.

**Table 1: % of Firms with Level of Social Upgrading and Female to Male Production Worker Ratio**

Level of Social Upgrading	% of enterprises	Female to Male Production Worker Ratio	% of enterprises
0-20		0-2	62.71
20-40	2.26	2--4	32.2
40-60	51.98	4--6	3.95
60-80	45.76	6--8	0.56
80-100	-	8--	0.56
<b>Total</b>		<b>Total</b>	<b>100</b>

Source: CPD-RMG Survey 2018

**Table 2: Social Upgrading Index and absence**

Female Absence Ratio	0-2	2-4	4-6	Total
20-40	75	25	0	100
40-60	72.09	24.42	3.49	100
60-80	81.82	14.29	3.9	100
<b>Total</b>	<b>76.65</b>	<b>19.76</b>	<b>3.59</b>	<b>100</b>

Source: CPD-RMG Survey 2018

## 12. Conclusion

- A number of medium to long term measures need to take into account.
  - First, taking into consideration of changing composition of employment because of changing demand for skills for new machines/technologies in the RMG sector, a National Employment Policy needs to be formulated addressing changing demand as well as gender sensitivity.
  - Second, female workers' skill development programme needs to be undertaken in order to train the workers in operation of multiple machines.
  - Third, workers' length of service particularly those of female workers needs to be increased by providing them special initiatives.
  - Fourth, job related harassment in workplace need to be reduced-associations, WPCs and trade unions should take proactive role in reducing those harassment.
  - Fifth, business associations such as BGMEA and BKMEA should further streamline their monitoring activities in order to ensure proper enforcement of workers' entitled rights, benefits and other facilities.
  - Sixth, workers' wages and grade structure need to be significantly revised as current wages and other financial benefits are not sufficient for them to cover the required need.

## 12. Conclusion

- Seventh, workers facilities in the workplace need to be improved. These include day care, female washrooms, treatment facilities, sitting and meeting facilities and training and learning facilities etc. Associations should regularly monitor the progress in this regard.
- Eighth, an effective PC at the enterprise level could facilitate scope of work by creating trust, confidence about the importance of workers' organisations.
  - These PCs could be used to develop trade unions where trained and educated workforce who are involved in PCs could act as baseline workforce for working in the trade unions.
- Ninth, MoLE consider making it mandatory to recruit at least 25% of female staffs in non-production related activities in the garments
- Eighth, the National technology policy need to be updated taking into account changing and future technological issues and their possible implications on employment, productivity and growth.

Thank you.