



Presentation on

“Corporate Accountability of the RMG Sector in view of COVID Pandemic: Challenges in Ensuring Workers’ Well-being”

Presentation by
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Discussion points

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2. Methodology
3. Corporate accountability in the RMG sector in view of COVID pandemic
 1. Corporate values
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 3. Identifying impacts and risks
 4. Role of stakeholders
 5. Transparency and disclosure
4. Corporate accountability from the perspective of unemployed workers
5. Implication of stimulus package support on corporate accountability
6. Corporate accountability index of sample RMG enterprises
7. An overview on non-member factories and female workers
8. Recommendations

1. Introduction and Objectives

1. Introduction and objectives

- Corporate accountability usually refers to the **responsibility of the companies to be accountable** for their impact on society, economy and environment
 - The management of the companies obliges to be **answerable to the controlling interest** of the organisation and to the **legal authorities** with regard to laws and regulations and to those affected by their decisions and activities
- This indicates **responsibility and responsiveness**, meaningful stakeholder processes
 - Including **access to grievance and compliance** mechanisms and transparency
- There are **no specific criteria** that differ corporate accountability in normal time from **the crisis period**
 - During the **2008 economic crisis**, a number of attempts to violate guidelines were reported
 - **During the covid crisis**, the issue of violation of corporate accountability has been widely discussed and reported worldwide
- In this backdrop, **corporate accountability** of the **apparels sector** enterprises of Bangladesh can be **scrutinised**
 - In case of their **actions/inactions** during the period of the COVID-19 pandemic

1. Introduction and objectives

- The **stimulus package provided** for the export sector particularly for the RMG industry is a **point of reference**.
- From the corporate accountability point of view, this stimulus package can be examined from a number of perspectives
 - **Were the terms and conditions followed**
 - Whether eligible enterprises availed the package support?
 - Whether the credit support ensures workers' wages as per labour law?
 - Whether companies complied with the labour rules/labour law in case of laying off or retrenchment of workers?
 - **What was the impact on the workers who were supposed to benefit**
 - How the workers survived during the COVID-19 pandemic with or without work and what are their impact on their livelihoods?
 - How the female workers coped up with the livelihood challenges during the pandemic period?
 - Are there examples where apparels enterprises took initiatives to address workers' livelihood challenges?
- In this backdrop, the study will examine the practice of accountability of the apparel enterprises of Bangladesh from the perspective of ensuring labour and human rights during the period of crisis.

2. Methodology of the Study

2. Methodology of the study

- **Measuring Corporate Accountability:** STING Consultants' 'STING Corporate Accountability Model' refers to six issues:
 - (i) Corporate values, (ii) Stakeholder engagement, (iii) Identifying impacts, risks and opportunities, (iv) Policy coverage, (v) Management and governance, and (vi) Measurement and disclosure
- **Corporate Accountability Index** = $1/3 \text{ AVG} + 1/3 \text{ AVF} + 1/3 \text{ AVD}$ (following STING Model)
 - Where, AVG = Avg score of governance of enterprises; AVF = Avg score of freedom of expression of enterprises; and AVD = Avg score of disclosure of enterprises
- **Level of development of corporate accountability:** It is measured from a six-point likert scale
 - 'Negligible': If a company has not no public reporting on how they are engaging with the stakeholders, then the companies will score 0
 - 'Basic' is the elementary level : If it provides a general high level importance of stakeholder engagement but do not provide any details or example it will score 1 or 'Basic'
 - 'Improving'
 - 'Established'
 - 'Mature'
 - 'Leading' is the highest level

2. Methodology of the study

- The analysis of this study is mainly based on primary data
 - The **sample survey was conducted** on 102 RMG employers, 301 employed RMG workers and 100 unemployed RMG workers located in Dhaka and Gazipur district
 - **Five several stakeholder interviews** with representatives of brands, government officials, workers and employers were conducted to complement the analysis

Table: Distribution of Sample Enterprises

		Actual Size	
		Large	Small
Membership	Both	2	3
	Non-member	0	15
	Only BGMEA	22	46
	Only BKMEA	0	14
Location (District)	Dhaka	6	41
	Gazipur	18	37

Source: CPD-Shojag Coalition Survey, (2021)

Table: Distribution of Sample Workers

	Employed workers	Unemployed
Dhaka	35	12
Gazipur	266	88
Total	301	100

Source: CPD-Shojag Coalition Survey, (2021)

2. Methodology of the study

- Sample enterprises include
 - Large (23.5%) and small enterprises (76.5%)
 - Knit and woven enterprises
 - Included member and non-member enterprises
 - Included enterprises located in **Dhaka & Gazipur districts** only
- Sample workers include both **employed and unemployed** workers of RMG enterprises
- The **sample biasness** is observed in terms of location of enterprises, membership and workers' age
 - Given the issues focused, the sample biasness has limited implications on the results of the study

Distribution of sample enterprises

Size and Type	
Large	23.5
Small	76.5
Total	100.0
Membership	
Both	4.9
Non-member	14.7
Only BGMEA	66.7
Only BKMEA	13.7
Total	100.0
District	
Dhaka	46.1
Gazipur	53.9
Total	100.0

Distribution of sample workers

Group	Category	Employed workers %	Unemployed workers
Age	Less than 18	0.3	1.0
	18-24	24.9	27.0
	25-29	29.9	28.0
	30-34	20.9	17.0
	35 and Above	23.9	27.0
	Total	100	100
	Average Age	29.4	29.3
Gender	Male	40.0	40.0
	Female	60.0	60.0
	Total	100	100

3. Corporate Accountability in the RMG Sector During COVID Pandemic

3.1 Corporate values

- Corporate values, a set of **guiding principles**, assist a group in **approaching a common business goal** by working together
 - Needed to be **aligned with country's business** and **labour laws** and should largely reflect different **global guidelines** related to corporate accountabilities
- The study reveals that the corporate values maintained by RMG enterprises are **yet to reach the 'basic'** level as majority of factories (82%) indicated that they have some kinds of guiding principles for business operations **but those are not made public**
 - **Small** (77%) and **non-member** (60%) factories are **behind** in maintaining such principles
 - In majority of cases, management **did not engage workers** or informed less in formulating/revising the principles
 - **National rules** and regulations and **code of conduct of the** brands/buyers influenced employers' level of compliances
- 72% of Bangladeshi RMG employers claimed that they conduct their business following their guiding principles entirely
 - **Without public reporting**, this is difficult to assess their commitments and without evaluating the operational practices, **it is difficult to assess their effectiveness**

3.1 Corporate values

Different indicators related to corporate values

Category		(a) Employers have guiding principles in operating business		(b) Workers contribute to formulating/revising the guiding principles		(c) Workers are informed in case of any change in the guiding principles		(d) Workers are provided training/brief regarding the guiding principles	
		Full	Partial	Full	Partial	Full	Partial	Full	Partial
Overall		82.4	16.7	25.5	42.2	46.1	36.3	37.3	36.3
Type	Knit	78.0	20.3	23.7	44.1	42.4	33.9	33.9	35.6
	Woven	88.4	11.6	27.9	39.5	51.2	39.5	41.9	37.2
Actual Size	Large	100.0	0.0	37.5	54.2	62.5	37.5	50.0	50.0
	Small	76.9	21.8	21.8	38.5	41.0	35.9	33.3	32.1
	Both	100.0	0.0	20.0	60.0	40.0	60.0	40.0	60.0
Members hip	Non-member	60.0	40.0	20.0	33.3	20.0	20.0	13.3	20.0
	Only BGMEA	86.8	11.8	26.5	42.6	55.9	38.2	45.6	39.7
	Only BKMEA	78.6	21.4	28.6	42.9	28.6	35.7	21.4	28.6

Source: CPD-Shojag Coalition Survey, (2021)

3.1 Corporate values

Different indicators related to the practice of corporate values

Category		(a) No principles/rules that prevent workers from speaking against malpractice		(b) Employers follow guiding principles		(c) Employers have principles to prevent discrimination		(d) Employers follows government's law/rules	
		Full	Partial	Full	Partial	Full	Partial	Full	Partial
Overall		68.6	4.9	71.6	28.4	70.6	2.9	81.4	18.6
Type	Knit	66.1	5.1	67.8	32.2	67.8	3.4	76.3	23.7
	Woven	72.1	4.7	76.7	23.3	74.4	2.3	88.4	11.6
Actual Size	Large	79.2	4.2	87.5	12.5	83.3	4.2	100.0	0.0
	Small	65.4	5.1	66.7	33.3	66.7	2.6	75.6	24.4
	Both	80.0	0.0	100.0	0.0	80.0	0.0	100.0	0.0
Membership	Non-member	60.0	6.7	46.7	53.3	46.7	6.7	66.7	33.3
	Only BGMEA	75.0	4.4	77.9	22.1	76.5	1.5	83.8	16.2
	Only BKMEA	42.9	7.1	57.1	42.9	64.3	7.1	78.6	21.4

Source: CPD-Shojag Coalition Survey, (2021)

3.2 Corporate governance

- **Corporate governance** is the structure of **rules, practise and process** that govern the business entity (YouMatter, 2020)
 - Good corporate governance ensures a **uniform decision-making process** based on the interest of its all stakeholders (YouMatter, 2020)
- A **deficit of good governance** has always been a vital issue in the **RMG industry** of Bangladesh
 - The **ongoing pandemic has amplified** the importance of practising good governances
- The practice of **corporate governance** is at **the 'negligible'** level
 - This is mainly revealed through of differences of opinion between employers and workers with regard to the practices of different compliance standards
- Employers have **claimed significant improvement** with regard to
 - Providing **wages and compensation**; ensuring no pressure on workers to complete the work; **timely payment** of wages, ensuring **no discrimination** in case of recruitment and release of workers, providing sufficient equipment for accidental emergency; maintaining **occupational safety**; providing sick and **maternal leave to workers**; and maintaining a database of workers
 - **Workers partly agree with the improvement** - 68% of the surveyed workers stated that their workplace is equipped with sufficient material to face accidental emergencies

3.2 Corporate governance

- 30% workers opined about rising pressure of work and 22% workers complained about rise in work-related harassment
 - Some of the sections of the Bangladesh Labour Act 2018 (section 324, 100, 102 and 105) which were withheld during the covid pandemic period partly responsible for higher pressure of work, and work-related harassment
- Workers do not feel free in speaking against any malpractices
 - They feel threatened to be 'blacklisted' which would stop getting job in the RMG sector in the future
- There is a gap in social dialogue between employers and workers
 - 37% of the surveyed employers admitted that they sit either occasionally or never with their workers or workers' representatives regarding any matter of dispute or inconvenience
 - This practice is absent to a large extent in case of small and non-member employers
- *"There are hardly any opportunities for workers to challenge the decision of their employers"*

3.2 Corporate governance

- In the case of **laying off and recruitment**, the workers are **still deprived of** their basic rights
 - Only 41% of the employers claimed that they clear all the due of workers during laying off or retrenchment
- Workers can **hardly challenge the decision** of their removal even it seems unfair or illegal to them
 - 69% of employers claimed they **notified workers such decisions** well before it is implemented
 - 70% and 40% of them claimed **they informed WPCs or trade unions** and DIFE respectively well before its implementation
 - Such a perception **is not matched official data of lay-off/ retrenchment** issues announced by **DIFE** with that in different survey-based studies

3.2 Corporate governance

Employers' perception regarding different governance-related indicators

Indicator	Category	Valid %
Employers take remedial action against malpractices	Mostly	78.6
	Occasionally	19
Time take Employers to resolve complain made by workers	Within a week	79.8
	Withing a month	2.1
Ensure workers do not suffer in attaining wages/compensation/overtime	Mostly	90.2
	Occasionally	7.8
Workers are provided with their due during laid off/retrenchment	Full	40.9
	Partial	13.6
Workers are pressurised to complete the work	Mostly	0.0
	Occasionally	18.8
No discrimination in case of recruitment and release of workers	Mostly	79.2
	Occasionally	1.4
Employers regularly sit with workers' representatives regarding any inconvenience	Mostly	63.0
	Occasionally	32.1
Retrenched/laid-off worker can challenge the decision	Mostly	33.3
	Occasionally	4.8
Workers can challenge any decision that impacts them negatively	Mostly	73.4
	Occasionally	21.3
Employers provide sick/maternal leave as workers' requirement	Mostly	92.8
	Occasionally	4.1
Employers maintain occupational and health-related safety	Mostly	81.4
	Occasionally	17.6
Employers provide child day-care facilities	Mostly	41.2
	Occasionally	5.2
Employers maintain database for the workers' information	Mostly	97.1
	Occasionally	2.9
Employers notify workers well before in case of firing/laying off	Mostly	68.8
	Occasionally	18.8
Employers notify the WPC/trade union well before firing/laying off any worker	Mostly	69.2
	Occasionally	15.4
Employers notify the DIFE well before firing/laying off any worker	Mostly	38.9
	Occasionally	0.0
Employers clearly explain the reason to workers/ Trade Union / WPC/PC behind firing/laying off a worker	Mostly	61.5
	Occasionally	30.8

3.3 Identifying risks and impacts

- RMG enterprises **has yet to reach the 'basic' level with** regard to identifying risks and impacts and undertaking appropriate measures following business continuity plans
- During the first wave of the pandemic, **average size of workers in a factory has declined** by 9.6% (between December, 2019 and June, 2020)
 - On average **male workers retrenched by -11.3% and female worker by -8.7%**. This indicates that **factories did not disproportionately** retrenched more female workers
 - **Factories has rebounded** later though yet to reach to pre-covid level (average number of **workers decreased by 0.8% in December, 2020** compared to that in December, 2019)
- Majority of enterprises claimed that they have provided only a part of the entitled benefits of laid off/retrenched workers
 - Even **21.4% of enterprises did not pay anything** to the retrenched workers
- **21% of the surveyed laid-off workers who were rehired** again by the same employers did not receive anything from their employer during their laying off
 - **35.7% of them received partial wage only**
- **Majority of workers** were laid off during the **early months of covid attack** (April-May, 2020) when enterprises received policy support to pay workers' wages
 - **with the condition of no laid-off of and retrenchment** of workers
- **Factories have been not only failed** to comply with their **due responsibility to pay workers** entitled benefits but also **received support violating the conditionality**
 - In this context, re-recruiting workers helped them survived but that did not justify keeping the dues of the retrenched workers
 - Both the **DIFE and the Central Bank have failed to** monitor the irregularities

3.3 Identifying risks and impacts

Status of workers according to employers

Overview of number of workers according to Employers				
Category		Male	Female	Overall
Average number of workers Dec 2019		370	703	1073
Average number of workers June 2020		327	642	969
Average number of workers January 2021		364	699	1063
Category		Total Worker Dec 2019 Average	Total Worker June 2020 Average	Total Worker Jan 2021 Average
Type	Knit	600	547	584
	Woven	1720	1549	1722
Actual Size	Large	3584	3307	3659
	Small	299	251	265
Membership	Both	1928	1877	1925
	Non-member	202	169	152
	Only BGMEA	1348	1210	1349
	Only BKMEA	361	338	349

Status of payment of layoff of/retrenched workers according to employers

Due receival status of those were laid off and retrenched according to workers' survey		
Status	Valid (%)	
Did not pay anything	21.4	
Paid salary only	42.9	
Partial payment of salary	35.7	
Terms of workers retrenched and laid off according to factories		
Term	Laid Off (%)	Retrenched (%)
Paid salary + outstanding + compensation	0.0	0.0
Paid salary + outstanding	77.8	75.3
Paid salary + compensation	0.0	8.3
Paid salary only	11.1	16.7
Partial payment of salary	11.1	0.0
Could not pay	0.0	0.0
Encouraged/ forced to take leave/furloughed	0.0	0.0
Others	0.0	0.0

3.3 Identifying risks and impacts

- According to the interviewed workers' representatives, the **employers mostly preferred contractual job arrangement** for the workers during the crisis given the uncertainty of the market
 - Majority of **workers joined under same grades or same** contractual arrangements. Despite that **about 9% workers claimed** that their contract changed to contractual
 - Interestingly, there were upgradation in the contracts (being permanent: 3%) and upgradation in grades/positions (upgrading the positions: 14% of workers) happened
- A number of incidences of **violation of contracts by re-recruiting workers at lower grades** observed.
- Retrenched workers (at least once) include both early entrants as well as experienced one. Majority of them have monthly income between Tk.8000-12000.
 - Thus, factories retrenchment does not **necessarily target to gender, age, experience** rather it was mainly by **lack of orders in hand**

Contractual arrangement changing status during March 2020 - January 2021

Contractual arrangement changing status during March 2020 - January 2021	
Status	Valid %
Changed as contractual	9.0
Changed as permanent	3.0
Unchanged as contractual	6.3
Unchanged as permanent	77.7
Other	4.0
Total	100
Grade/ position changing status during March 2020 - January 2021	
Downward adjustment	0.3
Unchanged	85.7
Upward adjusted	14.0
Total	100

3.3 Identifying risks and impacts

Retrenched and laid off (at least once) according to workers' survey

Group	Category	Valid %
Age	Less than 18	0.0
	18-24	57.1
	25-29	7.1
	30-34	14.3
	35 and Above	21.4
	Total	100
Work experience	0-1 year	13.2
	2-3 years	32.4
	3-4 years	12.5
	4-5 years	3.1
	More than 5 years	38.7
	Total	100
Wage	Less than 8000	21.4
	8000-12000	71.4
	12001-16000	0.0
	More than 16000	7.1
	Total	100

Source: CPD-Shojag Coalition Survey, (2021)

3.3 Identifying risks and impacts

- Workers' wages (including overtime) have **increased by 5%** after a year, however their household income has **declined by 0.7%**
 - This is partly happened due to **adjustment yearly increment (5%)**. Workers' income alone is not sufficient to ensure workers' livelihood requirement.
- Workers' families are still in vulnerable state to ensure same level of livelihood during the pandemic period
 - This caused **a ripple effect in terms of deteriorating food intake** (for 75% workers' families) and **higher level of borrowing (34.4%)** and **selling of assets/spending of savings (41%)**

Overview of wage, earning member, and borrowing related status

Average lowest wage received during Mar - Dec 2020			
Monthly average take-home earning (with overtime)			
	Male	Female	Overall
2019	12673.15	11503.81	12047.42
2020	13387.15	11977.16	12632.92
% Change	5.6	4.1	4.9
Monthly average family income			
2019	19333.94	22080.74	20812.29
2020	19758.40	21455.12	20671.59
% Change	2.2	-2.8	-0.68
Number of earning member			
2019	2	1.65	1.84
2020	1.92	1.61	1.78
% Change	-4	-2.4	-3.3
Average amount of borrowing			
2019	14690.65	9635.80	11970.10
2020	17187.05	15141.98	16086.38
% Change	17.0	57.2	34.4

Types of coping strategies adopted

Challenges	Valid %
Sold Asset/Savings	41.2
Moved to village	5.3
Shifted to other works	0.7
Borrowed from others	39.9
Cut family cost	82.1
Sent other family members to work	3.7
Did not face any challenge	9.3

Source: CPD-Shojag Coalition Survey, (2021)

3.3 Identifying risks and impacts

- **Uncertainty of orders for the next six months has decreased**
 - From 11.9% in October, 2020 (CPD-MiB Study, 2021) to 5.9% in February, 2021
 - **Uncertainty level is relatively high in case of small scale and non-member factories**
- **Reduction of uncertainty may positively contribute to improve working environment**
- A **higher level of capacity utilization** and reaching almost close to pre-covid level indicates that factories are in better situation to ensure workers well-being
 - Small and non-member enterprises are **still behind**
- Despite that, associations' demand for **avoiding payment of 5% yearly increment indicated lack of regard for workers' well-being**
 - However, the increment was provided as per law
- Better **corporate governance by enterprises as well as better monitoring could improve the situation**

Type, Size and Membership wise overview of uncertainty of orders for next six months

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

Type, Size and Membership wise overview of capacity utilisation

Category		Capacity utilisation in December 2019	Capacity utilisation in June 2020	Capacity utilisation in January 2021
		Valid %	Valid %	Valid %
Overall		89	64	81
Type	Knit	87	66	79
	Woven	91	62	84
Actual Size	Large	92	70	90
	Small	88	62	78
Member ship	Both	93	66	85
	Non-member	88	54	70
	Only BGMEA	88	65	82
	Only BKMEA	90	70	2584

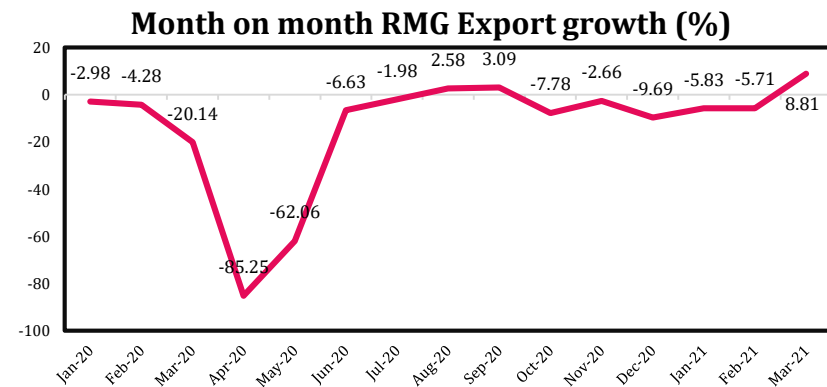
3.3 Identifying risks and impacts

- Income-expenditure ratio above 1 during the pandemic period indicates that factories have been able to meet all the expenses and also making some profit.
 - However, the situation has yet to reach pre-covid level
 - Small-scale enterprises and non-member enterprises are behind compared to that of other categories
- By and large enterprises are able to meet essential expenses including workers wages and other entitlements
 - Hence, there is no scope to raising excuse not to pay workers wages, festival bonuses as per timeline and as per law etc.
- The second wave is likely to have little adverse impact on production and export of RMG enterprises
 - Hence firms are in better position to handle their financial matters particularly those related to workers' wages

Type, Size and Membership Wise overview of Income and Expenditure (between Dec., 2019- January, 2021)

		I/E_Dec_2019 Average	I/E_Jan_2021 Average
Overall		1.18	1.07
Type	Knit	1.17	1.07
	Woven	1.19	1.08
Actual Size	Large	1.17	1.09
	Small	1.18	1.07
Membership	Both	1.26	1.21
	Non-member	1.13	1.05
	Only BGMEA	1.19	1.09
	Only BKMEA	1.14	1.15

Source: CPD-Shojag Coalition Survey, 2021)



3.4 Role of stakeholders

- It is crucial for all the actors to **assess the impact of their decision to all other stakeholders** and play their role to uphold corporate accountability
- **Brands/buyers were largely unable** to comply with their responsible business practices during the period of covid pandemic
 - These are reflected in terms of **cancellation of orders (4%)**, **settled orders at reduced price (9%)** and **deferred payment**, and employers accepted orders that **did not cover the production cost (12%)**
- Brands/buyers **were generally not responsive** about supporting workers not to retrench/laid off from their partner factories
 - Only **14.7% factories** received request from brands **not to lay off/retrench workers**, on average in case of **only 1% orders of employers**, brands agreed to accommodate related costs for not laying off
 - On average **39% employers indicated that bands/buyers have provided same or higher level of orders** during the pandemic period
- Brands/buyers support to address the **covid crisis was minimal**
 - 3% factories provided health safety equipment for workers
 - 4% factories provided training on ways to avoid getting infected
- As per the **responsible business practices (RBPs)**, little initiatives have been undertaken by brands/buyers
 - **EU based leading brands agreed to reinstate** the contracts of the cancelled orders (though payment may defer); do not negotiate in workers' wage related expenses etc.

3.4 Role of stakeholders

Order related help provided by brands

Category	Valid %
Received any request from brands and buyers not to lay off/retrenchment of workers	14.7
the brands agree to accommodate the additional costs for not laying off of workers through the orders/CM charges	1.0
Avg percentage of brands/buyers provided higher or at least same level of orders during 2020 compared to that in 2019	38.65
Avg percentage of work with any brands/buyers during 2020 was offered higher prices/CM for products than what they offered in 2019 for similar products	0.83
Avg percentage of work took in 2020 set a price by buyers/brands for which cannot avoid over-targeting (increasing the work hours of the workers to fulfill the order target while the wage is still the same) to workers in 2020 vis-à-vis 2019	3.73

Source: CPD-Shojag Coalition Survey, (2021)

Medical help provided by brands

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

Source: CPD-Shojag Coalition Survey, (2021)

3.4 Role of stakeholders

- **14.4% employers handled** at least some orders where production cost was not covered during April-December, 2020
 - This would account for 12.3% of total orders
 - **Lack of ethical practice by brands** - Brands should not offer a price which could not even cover the costs
- Some **brands support the employers through some other indirect measures** as well although those were insignificant
 - In the case of 1% surveyed employers, the brands agreed to accommodate the additional costs for not laying off workers through the orders/CM charges.
 - On average, around 39% of employers indicated that the brands provided a part of orders at higher or at least the same level during this period
 - In the case of 1% of orders, brands agreed to pay a higher price compared to the level of 2019

3.4 Role of stakeholders

Type, Size and Membership wise orders' pricing status

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

Type, Size and Membership wise orders' status

Category		Received orders for new types of products (other than what is usually ordered) from the brands/buyers during COVID-19 period	Accepted orders where production cost (per unit) was not covered during April-December 2020	Need to scale down/contract your factory operation in next one year (from now till December 2021)	For those of who accepted) Average % of order did not cover production cost
		Valid %	Valid %	Valid %	Valid %
Overall		19.6	14.4	6.9	12.3
Type	Knit	20.3	13.6	8.5	14
	Woven	18.6	16.3	4.7	11
Actual Size	Large	12.5	4.2	0.0	5
	Small	21.8	17.9	9.0	13
Membership	Both	0.0	0.0	0.0	0.0
	Non-member	26.7	13.3	6.7	8
	Only BGMEA	16.2	16.2	7.4	13
	Only BKMEA	35.7	14.3	7.1	15

Source: CPD-Shojag Coalition Survey, (2021)

3.4 Role of stakeholders

- **Role of the public monitoring and inspecting authorities (DIFE, DoL)** were of two parts- (a) providing **guideline on workplace safety** during the covid pandemic period; and (b) **setting factory level disputes** by 23 **crisis management committees (CMCs)**
 - Partly providing training on health-related safety during this period
 - Factory **inspections were less and consequently** monitoring health and safety protocol were followed casually by factories

Role of DIFE

Category		Valid %
Received proper guideline/instructions from the DIFE/DoL to ensure the workers' rights during COVID period	All	33.3
	Partial	32.4
Received proper guideline/instructions from the DIFE to ensure the workers' health safety during COVID period	All	44.1
	Partial	37.3
DIFE/DOL arranged any training/workshop on your factory workers regarding health-related safety during the pandemic	All	5.9
	Partial	9.7
In case of retrenchment/lay off, received any warning from the DIFE		3.9

Source: CPD-Shojag Coalition Survey, (2021)

Inspection of Factories by Brands and Government

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

Source: CPD-Shojag Coalition Survey, (2021)

3.4 Role of stakeholders

- This **decrease in inspection** can be explained by three ways
 - First, **limited capacity** of DIFE in terms of human resource and logistics.
 - Second, **lack of adequate incentives** for the DIFE inspectors, which could encourage them to inspect more factories during covid
 - Third, **lack of magistracy** power to take immediate decision
- In the **absence of proper monitoring**, factories have gradually reduced following the health protocol
 - **Largely confined to ensuring** wearing masks only

Health Safety Measures by Employers

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

3.4 Role of stakeholders

- The conducted survey on employers shows **65% of them have WPC**
 - 62% of factory management meet regularly with WPC and discussed worker related issues
 - During the ongoing pandemic period, **91% of these employers discussed** with WPC regarding workers' related issues
- According to the 74% of surveyed workers, **WPC played an identical role in the pandemic period** compared to the normal period
 - This **indicates lack of proactiveness of WPCs** in handling special situation during covid period
- **WPCs sometime could not take stance in compliance** with the government circular of not to retrench factory workers
 - **Management of 15% factories indicated that WPC agreed to retrench workers and of 2% factories they agreed to let employers recruit workers at a lower wage**

3.5 Transparency and disclosure

- The need for transparency and disclosure have been felt more deeply by all the stakeholders, particularly during the ongoing crisis
- Transparency and disclosure are the least developed areas with regard to corporate accountability in RMG enterprises
 - Only a small section of enterprises claimed that they maintain the transparency and disclosure related principles such as disclosing factory related information (40%) and financial support from government (21.6%), publishing annual report (41%) for public consumption
 - Such practices are much lower at small scale and non-member factories
- During the pandemic period, transparency and disclosure issues deteriorated
 - Hardly any factories disclose information about laid-off, retrenchment and recruitment of workers during the pandemic period
 - Wide discrepancy observed between factory stated laid-off/retrenchment figures with that of survey-based figures

3.5 Transparency and disclosure

Disclosure related Information

		Employers disclose and update information for stakeholders regularly for various indicators		the spent amount (in case of a subsidy from the government in form of a stimulus package, financial aid etc.) revealed by employers to stakeholders		Employers use to make any yearly report on its overall progress (About its production, income, number of workers, yearly plan, workers' benefit etc.)	
		Yes	Partial	Yes	Partial	Yes	Partial
		Valid%	Valid %	Valid%	Valid %	Valid%	Valid %
Overall		40.2	25.5	21.6	26.5	41.2	23.5
Type	Knit	42.4	27.1	22.0	23.7	32.2	23.7
	Woven	37.2	23.3	20.9	30.2	53.5	23.3
Actual Size	Large	45.8	25.0	33.3	41.7	58.3	37.5
	Small	38.5	25.6	17.9	21.8	35.9	19.2
Membership	Both	0.0	60.0	40.0	20.0	20.0	20.0
	Non-member	26.7	40.0	0.0	6.7	33.3	33.3
	Only BGMEA	41.2	20.6	25.0	30.9	44.1	20.6
	Only BKMEA	64.3	21.4	21.4	28.6	42.9	28.6

Source: CPD-Shojag Coalition Survey, (2021)

4. Corporate accountability from the perspective of unemployed workers

4. Corporate accountability from the perspective of unemployed workers

- The impact of covid-19 was **comparatively higher on workers who lost their jobs and remain unemployed**
- Although April, May, 2020 seen the highest job loss, workers lost their job in all other months as well
 - Job loss was a regular phenomena in 2020
- In case of job loss, **59% of them received the salary only**, while 18% of them received nothing from their employers
- Unemployed workers **tried to survive by engaging in different temporary and less earned jobs**
- Accountability of employers, DIFE and brands are lack** in these regards

Got any job after being laid off

Category	Male	Female	Overall
Yes	11.7	20.0	15.0
Types of Job got			
Contractual in non-RMG factory	25.0	14.3	20.0
Contractual in RMG factory	0.0	14.3	6.7
Daily labourer	37.5	0.0	20.0
Informal sector job	12.5	28.6	20.0
Self employed	25.0	28.6	26.7
Others	0.0	14.3	6.7
Average Monthly Income from those jobs (in BDT)			
Average Income	7750.0	5942.86	6906.67
Average Months Involve those jobs			
Average Months	3.5	2.9	3.20

Retrenchment month

Month	Valid %
March 2020	9.0
April 2020	28.0
May 2020	23.0
June 2020	10.0
July 2020	10.0
August 2020	4.0
September 2020	6.0
October 2020	4.0
November 2020	5.0
December 2020	1.0
Total	100.0

Source: CPD-Shojag Coalition Survey, (2021)

Terminated/retrenched/ laid off terms

Category	Male	Female	Overall
Did not pay	15.0	13.3	14.0
Paid salary + compensation	2.5	5.0	4.0
Paid salary + outstanding	5.0	16.7	12.0
Paid salary only	65.0	55.0	59.0
Partial payment of salary	12.5	10.0	11.0
Total	100.0	100.0	100.0

Source: CPD-Shojag Coalition Survey, (2021)

4. Corporate accountability from the perspective of unemployed workers

- Unemployed workers received a **limited amount of support from** the government (21%) and the NGOs (20%)
- Female unemployed workers** received less support both from government and from NGOs
 - Lack of proper planning** in disbursement of support deprived female unemployed more
- In the **absence of unemployment insurance**, such cash and kind supports marginally helped unemployed to survive
 - But **those are inadequate to survive for a longer period**
- If the **workers were not retrenched or paid as per law, the livelihood challenges would not be so worse**
 - This responsibility cannot be ignored by the factory management

Overview of monetary or non-monetary relief to unemployed workers

Category	Male	Female	Overall
% of Workers received support from Government	27.5	16.7	21.0
% of Workers received support from NGO/Private Entity	22.5	18.3	20.0

Source: CPD-Shojag Coalition Survey, (2021)

Types of monetary or non-monetary relief to unemployed workers

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

Source: CPD-Shojag Coalition Survey, (2021)

4. Corporate accountability from the perspective of unemployed workers

- Average income declined by **37%** - higher for female unemployed workers (39.9%)
 - The decline in household income for employed workers were only **-0.7%**
- Their borrowings have increased as **high as 53%**
 - This much was lower for employed workers (37%)
- Majority of them **sold assets/used savings (60%)**, borrowed from others and mainly cut family cost (88%)
 - Situation is worse for unemployed workers
- The **unemployment insurance scheme for six export-oriented sectors** could not reach to these workers due to constraints in identification of unemployed workers by any authority.

Monthly Income and borrowing

Category	Male	Female	Overall
Average monthly Income in Dec 2019	21320.0	22658.3	22123.0
Average monthly Income in Dec 2020	14317.5	13618.3	13898.0
Change in average monthly income	-32.9	-39.9	-37.1
Average earning member in Dec 2019	1.92	2.17	2.07
Average earning member in Dec 2020	1.55	1.53	1.54
Change in average no. of earning member	-19.3	-29.5	-25.6
Average Amount of Borrowing in Dec 2019	16637.5	9158.3	12150.0
Average Amount of Borrowing in Dec 2020	25412.5	14083.3	18615.0
Change in amount of borrowing	52.8	53.8	53.2
Had to sell assets for maintaining day by day expenses	72.5	73.3	73.0

Different livelihood related issues

Category	Male	Female	Overall
From Mar-Dec 20, average Number of times attempted for a job	8.03	9.05	8.44
From Mar-Dec 20, % of Workers received job offer from RMG factory	20.0	7.0	11.0
% of Workers Food Intake deteriorated	90.0	93.3	92.0

Coping Strategy of unemployed workers

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

4. Corporate accountability from the perspective of unemployed workers

- Unemployed workers tried to get jobs in their earlier workplace
 - 63% of them approached to the factory's management; However, of them 16% declined to take the offer due to low wage offer
 - Majority of them (88%) looking for job now mainly in RMG sector
 - Only 7% thought that they have a prospect of getting a job in the next three months (March-May, 2021)
- As part of backup plan, 65% want to become self employed
 - 13% planned to return to village to do something
 - Majority of these unemployed workers are forced to take a degraded job status
- Since the RMG sector is gradually doing better, a safeguard for their livelihood would help workers to stay a longer period in the factories at the locality
 - These would raise the possibility to get a job

4. Corporate accountability from the perspective of unemployed workers

Approaching to factories for jobs

Category	Male	Female	Overall
Approached the Factory to recruit	57.5	66.7	63
Factory recruit new workers			
Category	Male	Female	Overall
Yes	55.0	48.3	51.0
Do not know	25.0	18.3	21.0
No	20.0	33.3	28.0
Total	100.0	100.0	100.0
Decline Job offer due to low wage offered			
Category	Male	Female	Overall
Yes	13.3	20.0	16.0
Looking for job right now			
Category	Male	Female	Overall
Yes	80.0	93.3	88.0
Expected Job Sector			
Category	Male	Female	Overall
Non RMG	10.0	5.0	7.0
RMG	77.5	95.0	88.0
Others	12.5	0.0	5.0
Total	100.0	100.0	100.0
Prospect of getting a job in the next three months (March-May)			
Category	Male	Female	Overall
Certain	3.1	8.9	6.8
Highly uncertain	68.8	57.1	61.4
Partly uncertain	28.1	33.9	31.8
Total	100.0	100.0	100.0
Backup plan if don't get a job			
Not return to job any more	12.5	7.1	9.1
Others	12.5	1.8	5.7
Return to village and do something	15.6	10.7	12.5
Self-employment in the nearby area	56.3	69.6	64.8
Work as household help	3.1	10.7	8.0
Total	100.0	100.0	100.0

5. Implication of stimulus package support on corporate accountability

5. Implication of stimulus package support on corporate accountability

- During covid pandemic, majority of factories received benefits which are announced under the stimulus package.
 - 67.6% factories have applied and 62.7% received subsidized credit for four months
 - 42% received the benefit of deferred payment of utility bills
 - 21.6% of factories took the facility of delayed payment of bank loan.
- However, majority of workers did not know whether their factories received any benefit from the government (57.8%).
- It is important to note that a good section of enterprises did not receive the benefit
 - 17.6% factories mentioned they were non-eligible and could not apply
 - 12.7% factories did not apply although they were eligible
 - All RMG factories were not included and therefore all RMG workers were not get supported
 - The package prepared by the government discriminate different categories of export-oriented factories

Overall overview of stimulus package and other facilities related issues

Category	Valid %	
Took facility of a delayed payment of different utility bills	42.2	
Took facility of a delayed payment of bank loan	21.6	
Regarding application of credit for workers' wages under the government stimulus package		
Category	Valid %	
Applied for more than two months	67.6	
Non-eligible and did not apply	17.6	
Eligible but did not apply	12.7	
Others	2.0	
Similar issues		
Category	Valid %	
Received credit for workers' wages under the government stimulus package	62.7%	
Started paying the bank instalments under the stimulus package (those who received)	75.0	
Other Issues		
Category	Valid %	
Received any other loan under stimulus package	Received	2.0
	Eligible but did not apply	27.5
		43

5. Implication of stimulus package support on corporate accountability

- The **conditionality of being member of BGMEA and BKMEA had deprived a good number of factories to apply for this subsidized credit**
 - Such a decision is likely to have **detrimental effect for factories' overall operation** which did not receive it
- A **small section of non-member factories received credit**
 - This seems to be a deviation in the conditionality
 - Such **deviation allowed a section of factories to disburse credit among their workers**
- Among those who received stimulus package credit, **25% factories violated the order of not retrenching workers**
 - A major violation which was not address by the DIFE
 - MoLE, Bangladesh Bank and BGMEA/BKMEA which were involved in scrutinizing and finalizing the list of workers, have responsibilities in these regard**

Factories Received credit for workers' wages under the government stimulus package- membership wise

Membership Status	Frequency	Percent
Both	5	7.8
Non-member	3	4.7
Only BGMEA	49	76.6
Only BKMEA	7	10.9
Total	64	100.0

Source: CPD-Shojag Coalition Survey, (2021)

Laid off /Retrenchment Status of Factories Received credit for workers' wages under the government stimulus package (comparing Dec 2019 with June 2020)

Status	Frequency	Percent
Did not Practise Laid off/Retrenchment	48	75.0
Practised Laid off/Retrenchment	16	25.0
Total	64	100.0

Source: CPD-Shojag Coalition Survey, (2021)

5. Implication of stimulus package support on corporate accountability

- The stimulus package has **disproportionately supported more to large scale enterprises**
 - Although large factories are only **7% of total factories which** employ 35% of total workers (CPD-RMG study, 2018), but the share of support received by large factories were as high as **52% (in case of BGMEA member factories)** and **35% (in case of BKMEA member factories)**
 - Small factories which **comprises 48% of total factories**, received only a meagre share of **4% of total stimulus package** (in case of BGMEA member factories) and **15% (in case of BKMEA member factories)**
- While **62% of BGMEA members received the loan, it was 29% in case of BKMEA members**
 - The credit support for BGMEA member factories was three times higher than that of BKMEA member factories
 - This is partly explained by the relatively larger size of workers employed in BGMEA factories (1720 in Dec, 19) compared to that in BKMEA factories (600)
 - There are **issues of duplication of loan received** by same factories from different bank branches. A proper scrutiny would facilitate factories which did not receive credit due to shortages of fund
 - **MoLE, Bangladesh Bank, Associations which were** responsible to verify the factories and scrutinize the list of workers were partly responsible for the problem of 'inclusion-exclusion' issues

5. Implication of stimulus package support on corporate accountability

BGMEA: Loan Disbursement Status by Size

Size	Number of Factories	% of Total Amount Received
Small	305	4.4
Medium	783	43.6
Large	246	52.0
Total	1334	100

Source: CPD-Shojag Coalition Survey, (2021)

BKMEA: Loan Disbursement Status by Size

Size	Number of Factories	% of Total Amount Received
Small	15	15
Medium	92	50
Large	116	35
Total	223	100

Source: CPD-Shojag Coalition Survey, (2021)

Loan Disbursement Status by membership

	BGMEA	BKMEA
Credit support Received by Per Factory	53.04 million	17.25 million
% of Members Received the support	62	29

Source: CPD-Shojag Coalition Survey, 2021)

5. Implication of stimulus package support on corporate accountability

- A good **practice was introduced** along with the payment of workers' wages under the stimulus package
 - Use mobile financial services (MFS) or online-based banking payment to workers' account made mandatory to receive the benefit
- Because of the conditionality, as many as **72% factories introduced that facility**
 - But factories did not continue the MFS after the end of package support as a result the ratio declined to **44% in December, 2020**
- A number of reasons have been identified for this declining trend:
 - Factories consider the **transfer cost of fund to workers' bank** account an additional cost
 - Factories are **less interested to be transparent** with regard to financial transactions with workers
 - Workers found it **difficult to withdraw money due to limited** number of bank booths in the locality

MFS payment status of factories received credit for workers' wages under the government stimulus package

Period	Number of Factories	% of Total Surveyed Factories
December 2019	29	28.4
June 2020	63	61.8
December 2020	39	38.2

Source: CPD-Shojag Coalition Survey, (2021)

6. Estimating 'corporate accountability index' of sample enterprises

6. Estimating 'corporate accountability index'

• **Corporate Accountability Index** = $1/3$ AVG + $1/3$ AVF + $1/3$ AVD (following STING Model)

- Where, AVG = Avg score of governance of enterprises; AVF = Avg score of freedom of expression of enterprises; and AVD = Avg score of disclosure of enterprises
- There is **wide variation in corporate accountability index**
 - From as low as 21.6 to as high as 92.3
 - **A gap of 327% between** the best and the worst performing enterprises
- The corporate accountability index is **29.5% higher in large enterprises** compared to small scale enterprises
- Among the three indicator, the **weakest performance observed in case of 'freedom of expression'**
 - The better performance observed in case of transparency indicator

Corporate Accountability Index Score

Descriptive Statistics				
	Minimum	Maximum	Mean	Std. Dev.
Index Score (Out of 100)	21.6	92.3	62.7	16.5

Source: CPD-Shojag Coalition Survey, (2021)

Category and Component wise Corporate Accountability Index

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

Source: CPD-Shojag Coalition Survey, 2021)

7. An overview on Non-member Factories and Female Workers

7.1 An overview on non-member factories

- The overall survey result indicates that **corporate accountability was mostly absent** in case of nonmember factories both in pre and during the crisis period
- Only **a smaller section of non-member** factories received a loan under the government announced stimulus packages.
 - Non-member factories were also among the **lowest in terms of receiving other support** from the government and brands.
 - This least support provided to nonmember factories **made their practice of corporate accountably more challenging** during the ongoing crisis
- **DIFE**, however, almost **equally inspected** member and nonmember factories
 - **DIFE should also consider the non-member** factories as one of their prime targets in **case of inspection**
 - The government needs to both monitor and **provide support** to the **nonmember factories** to ensure workers' well-being during the covid period

7.2 An overview on female workers

- The conducted survey indicates that the release of workers during the ongoing crisis through **lay off and retrenchment was not disproportionately** higher for female
 - Also, the **reemployment ratio after being laid off was higher** for female workers compared to their male counterpart
- The **livelihood challenges found to be more severe** in case of female workers
 - They **lag behind** compared to male workers in terms of **receiving higher wages and earning**
 - The female workers **borrowed more than** male workers during this ongoing crisis
 - The **food intake has also deteriorated** mostly for female workers
- Although female workers received **higher support compared** to the male workers, **an opposite can** be observed in case of **unemployed workers**
- **Not being able to manage a job** in the RMG sector, most of the female workers - who lost their job- **shifted to either self employment or informal job.**
- However, around 94% of them **still prefer working in the RMG sector**

8. Recommendations

8. Recommendations

- Majority of enterprises are struggling to reach the elementary level of corporate accountability in the RMG sector
 - Large enterprises are likely to reach at 'basic' level while small and non-member enterprises are likely to be at 'negligible' level
 - Freedom of expression is the weakest part of corporate accountability of RMG Enterprises
- A large section of enterprises which are small and non-member but engaged in the RMG value chain needs to be on-board with having the important guiding principles of corporate accountability
 - Moreover, a broad-based consultative process including workers is missing at the enterprise level in formulating and revising their principles which needs to be improved
 - Firms should be made it compulsory to have their official websites where they publish their principles
- On corporate governance, workers complained about rising pressure of work and work-related harassment mainly due to withholding several sections of BLA 2018
 - The sections of the labour act which are currently being withheld (sections 324, 100, 102 and 105) needs to be lifted immediately
 - Operationalization of anti-harassment committees, effective functioning of workers' participation committees (WPCs) and trade unions with regard to workers' target setting need to prioritise

8. Recommendations

- Workers do not feel free in speaking against any malpractices. They feel threatened to be **'blacklisted' in the database maintained** by associations which would stop getting job in the RMG sector in the future
 - Setting up a **tri-partite committee for maintaining database of** RMG workers (instead of maintaining by the management of BGMEA and BKMEA) are urgently needed
- **Workers' wages, overtime payment**, entitled financial benefits and payment for laid-off and retrenched workers are always concerning issues. **Majority of workers can hardly challenge** the decision of their removal even it seems unfair or illegal to them.
 - Factories should **mandatorily follow a financial management guideline** reflecting principles of income-expenditure, cash flow, debit-credit situation, financial reporting, audit practices etc.
 - It should made **mandatory to discuss and to be on-board with regard to retrenchment or laid-off related** plans of the management with WPCs and TUs of the factories
 - **WPCs and TUs should play a mediating role with** regard to workers' grievances and should discuss those with the management.
- Factories have been not only failed to comply with their due responsibility to pay workers entitled benefits but also received support violating the conditionality. In this context, re-recruiting workers helped them survived but that did not justify keeping the dues of the retrenched workers.

8. Recommendations

- Both the DIFE, the Central Bank and Associations have failed to monitor the irregularities. The oversight functions of the authorities need to ensure that factories are not got benefitted by depriving their workers.
- Factories should commit clearing dues of workers (both re-recruited and retrenched) for the first year of covid pandemic and gradually made those in a time-bound manner.
- In this context, factories could take support of the fund created for unemployed RMG workers to identify and to pay the dues.
- Government should take steps to make the unemployment insurance scheme operational.
- Improvement of livelihood of the workers need better employment opportunities both in RMG and non-RMG sectors
 - Brands and buyers could facilitate the process by raising the work orders in Bangladesh targeting to reinstate the market share at pre-covid level which could create more employment opportunities in the export-oriented enterprises
- With higher production and export-orders (even during the second wave) enhances firms' ability to pay workers wages and other entitled benefits in full
 - There is no reason that firms will not be able to pay workers' wages as per rules. DIFE and DoL should enhance their monitoring to ensure that firms pay workers payment properly

8. Recommendations

- Brands and buyers by and large failed to comply with their due roles in view of the pandemic – economic, social and humanitarian issues
 - Brands/buyers need to ensure their responsible business practices which broaden the areas of practices in order to accommodate the demands for workers.
 - Sourcing countries should put pressure to their brands/buyers to comply with RBPs.
- Role of the public monitoring and inspecting authorities (DIFE, DoL) were largely confined to providing guideline on workplace safety during the covid pandemic period, and partly providing training on health-related safety during this period.
 - Factory inspections have been less and consequently monitoring health and safety protocol were relaxed.
 - In the absence of required number of monitoring, factories have gradually reduced following the health protocol and largely confined to ensuring wearing masks only.
 - Factory inspection and monitoring by DIFE needs to be enhanced with a view to ensuring maintenance of health protocol at the factory premises which is essential for workers' health and safety
 - Factory management should ensure treatment facilities of workers infected by corona virus
-

8. Recommendations

- Workers' organisations particularly WPCs lacked showing proactiveness in handling covid pandemic situation along with the management
 - WPCs sometime could not take stance in compliance with the government circular of not to retrench factory workers
 - Broadening social dialogue by making accountable management and workers through effective functioning of WPCs and TUs on the decisions taken with regard to factory related concern
 - Effective trade union activities need to be promoted in the factories with a view to better interacting with workers about their requirements, to get better informed about management decisions on worker related issues and to be engaged with the management about discussion and negotiation on worker related concerns.
- Factories need to take on board the transparency and disclosure principle with regard to information which are sensitive to workers and factories overall performance and safety and security related issues.
 - These information should be made public through official websites and through office orders to be hanged for workers' notice board.
- Distribution of subsidized credit under stimulus package to RMG enterprises has been carried out disproportionately. On the one hand, it has favoured large enterprises more against small enterprise; it has excluded non-member enterprises. A section of enterprises did not apply as they could not afford the burden. Moreover, there are incidences of taking double loan which deprived others.
 - Such measures deprived a large section of workers in getting the wage support benefit

8. Recommendations

- Government should make necessary arrangement of providing subsidized loan in the future to all factories (both member and non-member) involved in export-oriented business operation
- Central bank should necessary directives for commercial banks that firms should not be allowed to take loan from more than one banks for the same enterprise
- A good practice introduced along with the payment of workers' wages under the stimulus package was to use mobile financial services (MFS) or online-based banking payment to workers' account. However, this did not continue at that level
 - Central Bank in consultation with the Ministry of Commerce and Ministry of Labour make it a mandatory requirement for access to loan to pay workers' wages through MFS services. In order to make it operational, more bank booths and agent banking facility need to be introduced in the industrial clusters.
- Unemployed workers have been confronting severe livelihood challenges. The role of employers, brands/buyers, business associations and government are problematic
 - It is important to immediately clear dues of unemployed workers in a phased manner.
 - Government unemployment insurance fund could be used in this regard

Thank you.