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Research Update

RAPID RESEARCH RESPONSE TO COVID-19 ■ SERIES: GENDER 10 ■ 24 AUGUST 2020



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RESEARCHER

IFFAT JAHAN ANTARA
RESEARCH ASSOCIATE

SAMIA KALIM SYED
INTERN

Brac Institute of Governance
and Development

Brac University



COVID 19 Crisis Impact on **RMG wages and employment and Role of Trade Unions** Media Tracking Report

Introduction

The COVID 19 pandemic has brought a devastating impact on the Ready Made Garment (RMG) industry and on garments workers' livelihoods. [Drop in export orders](#) resulted in [job loss](#) of thousands of workers [in the last six months](#) since March 2020. The Bangladesh Garment Manufacturer and Exporters Association (BGMEA), Government of Bangladesh (GoB) and number of leading trade unions have

requested and lobbied with buyers and brands to pay the dues instead of cancelling orders. International labour rights groups also initiated [campaigns](#) with similar demands, which gave local suppliers the power to voice their demands. As an outcome, it seems the sector is reviving and [exports orders](#) are coming back. However, workers' struggle for regular pay and job security continues as reported by media.

Brac Institute of Governance and Development (BIGD) has undertaken a media tracking exercise to understand the impact of the COVID-19 crisis on the readymade garments industry and the 4.1 million workers it employs, majority of whom are women. The study attempts to identify the roles of different actors including trade unions and workers' rights activists as they navigate the crisis, while dealing with international buyers, RMG owners, and the GoB. The report covers media reports on the current situation of RMG sector during COVID-19. The sixth and final installment covers the period 25 July – 15 August 2020.

Key Findings

1. Allegations of unionized workers being targeted for unfair dismissal
2. Unemployment has increased and workers are underpaid despite announcement of Tk 10,500 cr stimulus packages
3. July export reports show optimism for recovery of RMG industry
4. Initiatives are being taken to protect workers' health wellbeing and workplace safety
5. Workers continue protesting; TU activities and successes remain under-reported in print media

Discussion of Findings

Allegations of unionized workers being targeted for unfair dismissal

According to a report published by Business and Human Rights Resource Centre (BHRRC) in August 2020, "[Union busting and unfair dismissals: Garment workers during COVID19](#)", three Bangladeshi RMG factories used COVID-19 as an opportunity to sack workers for their affiliation with trade unions. They have been responsible for firing 3,000 workers. Factory management and BGMEA denied any such events and said there are no "union-busting". The factory management however acknowledged lay off of workers and claimed that all laid-off workers were given basic salary and benefits upon request from Labour Leader [Nazma Akter](#). However, workers claimed that the management is using the [pandemic as an excuse to target union membership](#). Labour leader Amirul Huq Amin of National Garment Workers Federation (NGWF) and Salahuddin Shapon admitted knowing about the dismissals and [identified it as a purposeful act](#) to destroy labour unions. Referring to the BHRRC report, [Vogue Business](#) reported

on 5 August that brands tend to engage more with suppliers than with unions and they are also responsible for "union busting". The BHRRC Senior Labour Rights Leader [blamed brands](#) for not taking enough responsibility to protect workers.

Unemployment has increased and workers are underpaid despite announcement of Tk 10,500 cr stimulus packages

From April 2020 the RMG sector has received a total [Tk 10,500 cr](#) or [\\$13 billion](#) as stimulus package by the government. The package was provided to pay the monthly wages of workers, as buyers had cancelled billions of dollars' worth of orders and endangered the employment of 4 million workers. [Clean Clothes campaign](#)¹ published a report in August 2020 titled, "Un(der)paid in the pandemic: An estimate of what the garment industry owes its workers". According to the report garment workers received 29.5% less wages between the months of March to May 2020 than in regular times. The report also estimated that 147,000 workers did not receive any wages in March 2020. Rubana Huq, President of BGMEA discredited the report as being "[absolutely blasphemous](#)" as it did not include the role of the buyers and only highlighted suppliers' responsibility. [Economist Zahid Hossain](#) in his op-ed in The Business Standard on 25 July also questioned the effectiveness of the implementation of stimulus package since workers' demonstrations for due wages continued to be featured on daily news. In response, [Rubana Huq](#) wrote in The Business Standard on 4 August that the industry had paid \$535million as 'non-productive' wage to workers during the one month lockdown period.

On 27 July The Business Standard reported that [10,000 workers became unemployed](#) as their factories closed down. Former President of BGMEA Abdus Salam Murshedy admitted that, "even though the government has provided them with many packages, not everyone has received the benefits". Additionally [brands and buyers have been accused of shifting financial burdens onto suppliers](#) by placing orders at lower prices and off-loading additional costs onto suppliers.

July export reports show optimism for recovery of RMG industry

In the first 18 days of July, [RMG exports stood at \\$1.57 billion](#) and amounted to a total of [\\$3.24 billion over the month](#). Although the amount is 1.98% less than that at the same time last year, exporters are seeing it as a positive sign, considering the export amount during the March-June period of this year.

¹ Clean Clothes Campaign's report can be found here: <https://labourbehindthelabel.net/wp-content/uploads/2020/08/CCC-Report-Web-Spreads-DEF.pdf>

Moreover, in July the total export of the country was \$3.91 billion, which is highest in a single month in the country's history. As [New Age](#) reported on 4 August, this was due to the increased in shipment of RMG products. [As stated by factory owners](#), buyers have started reviving most of the cancelled orders and now factories would be able to sustain. Moreover, [55% US fashion brands](#) have expressed their interest to source from Bangladesh in the next two years. In addition to these, research report by Mapped in Bangladesh (MiB) produced findings that positively reflect the industry's adaptability and ability to recover. Over [40% of temporarily closed factories are hopeful](#) to resume operations after June, accompanied with over a [70% utilization of production capacity](#), and the ability to respond to changes in orders are all good indicators of survival.

To help the apparel export sector further, the Ministry of Commerce (MoC) forwarded new policy directives to ease the business process on 5 August. According to the memo forwarded by MoC, authorities should not seek unnecessary documents and simplify the business procedures, the [Financial Express reported](#).

Initiatives are being taken to protect workers' health, wellbeing and workplace safety

According to The [Business Standard](#), BGMEA Director Rezwana Selim has said that factories that have reopened will have to regularly practise health safety measures. These measures include - temperature check at the entrance, wearing masks, washing hands, using hand-sanitizer and maintaining social distancing when at work. Bangladesh Textile Mills Association (BTMA) Secretary Monsoor Ahmed claimed that [over 1,000 factories under the association have reopened with ensured safety measures](#).

In a [virtual roundtable](#) organised by the SNV Netherlands Development Organisation in association with The Daily Star on 26 July, discussants spoke about the lack of access to sexual and reproductive health care during the pandemic and emphasised on holistic approach through multi-stakeholder collaborative initiative to ensure workers wellbeing. BGMEA initiated the "[Lactating mother aid fund](#)", a project to provide financial aid for lactating mothers. In collaboration with the government, the project will safeguard health wellbeing for mothers and their infants. As they require better diets, more calories and sufficient nutrition, [beneficiaries will get Tk. 800 for 36 months](#). [Global Alliance for Improved Nutrition](#) (GAIN), in partnership with Dhaka FM have designed a digital media-based campaign. With the use of radio dramas, Facebook campaigns, webinars, jungles and television programs, the campaign has been purposed to [motivate all apparel industry](#)

[related stakeholders](#), i.e. brands, employers, factory management, and policy makers to pay heed for the need of proper nutrition.

Workers continue protesting; TU activities and successes remain under-reported in print media

In late July, RMG [workers held protests in Gazipur](#) demanding full wages with Eid bonus. The protest followed violent actions and response both from workers and the police, and the workers' earlier demands have been criticized as unconstitutional and unjustified. Another protest was held on the Dhaka-Mymensingh highway on [12 August](#) when a garment industrial unit decided to re-locate. Trade unions have been leading protests in favour of several demands such as wages, health safety, job security, stopping lay-offs, festival bonus and vacation during the pandemic. They have gained international solidarity during the period. On 15 August, Industrial Workers of the World Union in Ireland [presented their solidarity](#) with Garment Workers Trade Union Center (GWTUC), who have been very vocal and active demanding full and due wages during the pandemic period. Such acts of solidarity provide support and hope for national organizations and unions to continue their struggle.

The demands placed by trade unions and workers have been met to a large extent. In an [online interview](#) with China Radio International on 12 August, General Secretary of GWTUC, Joly Talukder presented the successes of their protests during the pandemic. She mentioned that workers received wages and some factories are following health safety guidelines as a result of their activities. However, during the period of the present media tracking we did not observe any news, discussion or articles in print media that highlighted the success stories of TU protests. Print media tends to report disproportionately more about the government activities related to RMG or owners' associations activities and statement rather than TU activities, and there is almost no coverage of successes of TU activities. The perspectives and views of the trade union leaders are less heard and public information on the workers' situation is limited. Greater media attention to ensuring a balanced reporting of RMG issues from the perspectives of labour, employers and government is needed.

Recommendations

1. Public disclosure of information regarding the recipient (both factories and workers) and disbursement of stimulus package to MoLE and trade associations.
2. Strengthen role of DIFE to enforce laws and government decisions, and orders for unlawful retrenchment.
3. Print and TV media should provide balanced reporting of trade union, government and employers views and activities to ensure that the public has a more balanced view of their activities in the RMG sector.

Methodology

Information sources include major national media sources such as – Daily Star, Prothom Alo, Dhaka Tribune, New Age, Financial Express, The Observer, Kaler Kantho and the Business Standard. We also took information from Facebook pages and Youtube channels.

[Brac Institute of Governance and Development \(BIGD\)](#), Brac University is a globally-recognized centre of excellence in rigorous research on policy and development interventions, with the aim of bringing together academics and practitioners to raise critical questions on development, providing lessons on good practices, and advocating for pro-poor policies.

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BRAC
INSTITUTE OF
GOVERNANCE &
DEVELOPMENT



Brac Institute of Governance and Development
Brac University

SK Centre, GP, JA-4 (TB Gate)
Mohakhali, Dhaka 1212, Bangladesh

T: +88 02 5881 0306, 5881 0320, 5881 0326
E: info@bigd.bracu.ac.bd

