

ECONOMIC AND FINANCIAL NEEDS ASSESSMENT OF COVID-19 RETRENCHED GARMENT WORKERS

SCOPE & METHOD

- Rapid telephone survey of 354 retrenched workers, gathered from 4 branches of SF’s microfinance offices based in Dhaka and Chittagong. Majority of the respondents were women, below age 35, primary educated, married and living in rented premises.
- Cross-sectional quantitative study, conducted remotely, using smart phone-based software- SurveyCTO. The survey included 48 closed-ended questions, designed to be completed in 20 minutes.
- 16 face to face FGDs, each including 10 garment workers on average (who have lost jobs during the pandemic), were conducted in Dhaka, Chittagong, Gazipur and Narayanganj.
- Critical industry level information collected through key informant interviews (KIIs) of RMG entrepreneurs, training providers and sector experts.
- Timeline
 - Rapid Survey: July 2020
 - Qualitative study: November 2020

CONTRIBUTORS

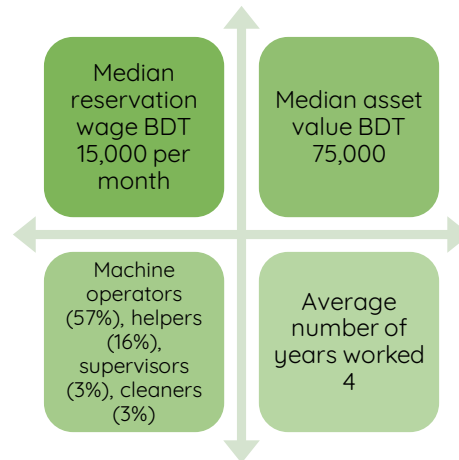
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The ready-made garments (RMG) sector is the main export industry of Bangladesh, employing about 4 million individuals in the woven and knit RMG industries. Since March 2020, the sector has been suffering from a demand downturn as export markets shrunk due to the spread of COVID-19. Brands/buyers have canceled and deferred orders; and delayed payments. Consequently, factories have reduced or halted production, in some cases permanently. Despite special stimulus packages offered by the government, COVID-19 induced disturbances resulted in income reduction and job loss for many garment workers.

The needs assessment aims to understand the current and future livelihood conditions of retrenched workers. This knowledge will be used to design programs that could support these workers in the short run and attain sustainable livelihoods in the long-run.

SAJIDA Foundation (SF) aims to design effective intervention(s) to improve future livelihood opportunities of garment workers. In order to design these intervention(s) SF conducted 2 studies. The first collected quantitative information through a rapid telephone survey; and the second delved deeper through face-to-face Focus Group Discussions (FGD).

PROFILE OF RETRENCHED WORKERS



DISCRIMINATORY & UNFAIR PRACTICES PREVAILING IN RMG SECTOR

Forced resignations
 Unpaid dues
 Unfair demotions
 Ageism
 Bribery
 Pregnancy discrimination
 Unreachable targets

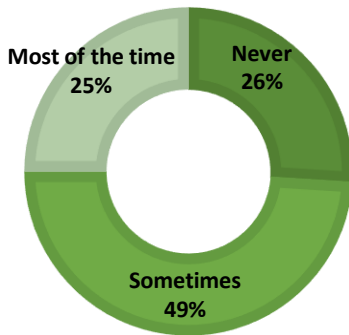
IMPACT OF COVID-19

PROPORTION OF RESPONDENTS WHOSE LIVELIHOODS WERE IMPACTED BY COVID

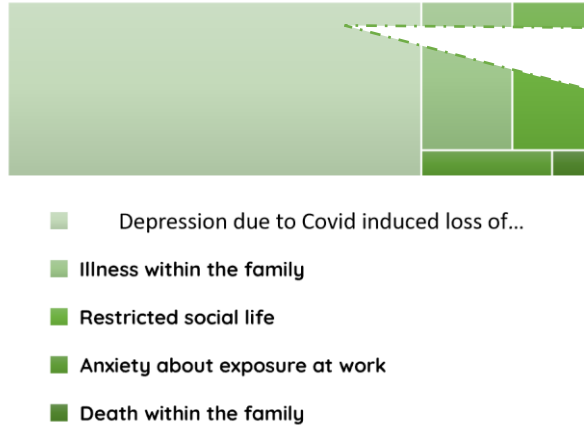


Average income pre-COVID 19 was BDT 12,700 per month. That has reduced to BDT 4,761 per month. The findings are in line with the conclusions of the BIGD/PPRC household surveys conducted during the initial days of the COVID-19 lockdown.

DEPRESSION AND LONELINESS DUE TO COVID INDUCED LIVELIHOOD LOSS



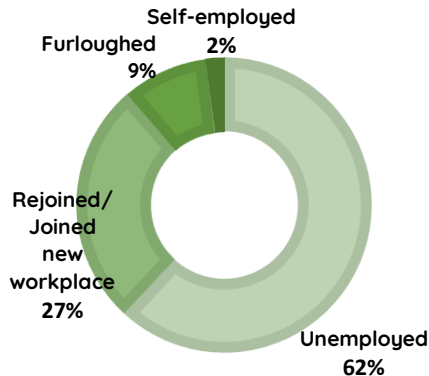
FACTORS AFFECTING THE PHYSICAL, MENTAL AND/OR SOCIAL WELL-BEING OF RESPONDENTS



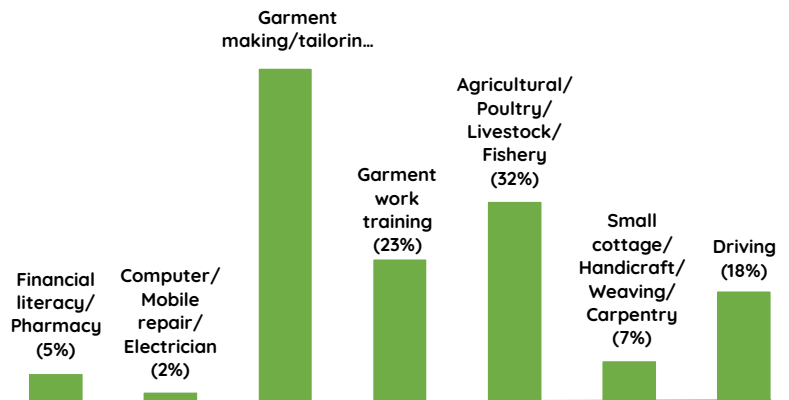
COVID 19 induced loss of livelihood appears to have a much larger negative effect on well-being than illness/death from COVID 19.

CURRENT EMPLOYMENT STATUS & ASPIRATION

CURRENT EMPLOYMENT STATUS OF RETRENCHED WORKERS



RESPONDENTS' TRAINING NEEDS ANALYSIS (respondents could select multiple options)



The quantitative study revealed that almost 53 percent of respondents wished to return to the garments sector. However, during FGDs respondents revealed that they only wish to return their old job because they do not possess other skills. The poor working conditions of RMG factories make them undesirable workplaces.

“We have to cut short our toilet breaks to be able to meet the daily targets. This creates a lot of mental pressure. We have to work extra hours, with no overtime benefits, if our targets aren’t met. Since the targets are unrealistic, they simply cannot be reached within the regular working hours.”

- RMG Worker, Tongi

From the training needs analysis, it was evident that only 23 percent of respondents want training in garments work for factory production, whereas 53 percent would like to receive training in tailoring or making garment for the locals.

“Our financial situation is bad now; I have incurred so much debt that I will appreciate any work at all. I need money to survive.”

-Female RMG Worker, Chittagong

POSSIBLE INTERVENTIONS

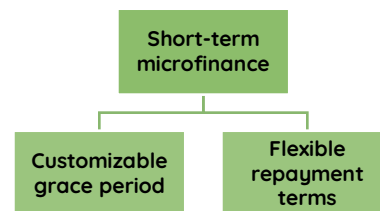
Only 23% of the quantitative survey participants expressed any desire to move back to their villages and start something new. Most respondents are unwilling and unable to relocate. Thus, livelihood interventions should be designed keeping this in mind.

The most effective interventions will be those that provide workers with both short-term and long-term livelihood solutions.

Short-term solutions:

Financing:

Survey respondents mentioned a range of livelihood options. These included, vegetable selling, providing digital financial services, etc. Financing is required to help them set up these businesses. Additionally, for households who do not want to start their own ventures; financing is needed to tide them over till a new income source is found. These loans will be most beneficial if they have customizable grace periods and flexible repayment terms.



Support Services:

Interventions need to be designed to provide support services in the form of food aid, rent subsidy, physical and mental health care and child care. These need to run in congruence with other interventions to maximize accessibility.

Long-run programs:

Education

As competition increases and technology evolves, uneducated workers will find it harder to get promoted or even find employment. Education programs with focus on reading and math skills could be useful for RMG workers.

Industrial innovations

Key informants also expressed the need for product diversification and re-skilling of the workforce. Intervening in new ancillary sectors is required, to create new employment opportunities. Training programs for production of man-made fibers could also be vital for the RMG sector.