

RMG Sector in Covid-19 Crisis: Governance Challenges and Way Forward

Extended Executive Summary¹

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Extended Executive Summary

1.1 Background and rationale

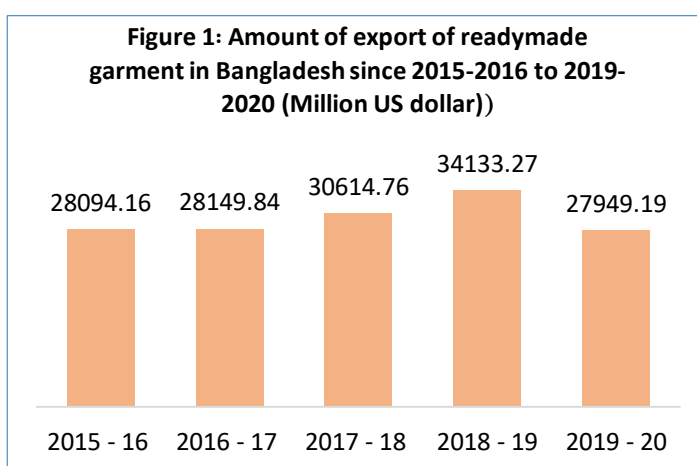
The COVID-19 has spread from Wuhan, China, to many parts of the world. It has caused severe damages to the global supply chain including the RMG (hereinafter RMG) sector. However, since January 2020, the RMG sector of Bangladesh has been facing challenges as the country depends more on China (i.e., about 50 per cent) for imports of garments raw materials. Later in April, many countries in Europe and North America declared lockdown as the pandemic worsened in those countries. As a result, during February-April 2020, many buyers suspended or cancelled orders, which was worth 3.18 billion US dollars approximately. Subsequently, garment exports from Bangladesh declined by 77.67 per cent in April, which continued to plummeting until June 2020. During this period, a total of 418 factories were shut down temporarily or permanently. On the onset of the pandemic, Bangladesh was identified as the most at-risk country because of the country's maximum dependency on RMG sector in its total export trade (84%).

The COVID-19 epidemic had been causing stagnation in the world trade from January to June, which resulted in the first-ever negative export growth of Bangladesh's RMG sector (-24.68%) in the fiscal year 2019-2020. Cancellation of the work orders, argument that the employer did not have the financial capacity, and closure of many factories created uncertainty in the payment of wages to the workers. Moreover, the workers from different parts of the

country moved to factory locations due to unplanned opening of factories by the owners in defiance of the public holiday announced by the government. Later on, after facing criticism, the factory owners announced the closure of the factory again on the same day and workers were then compelled to return travelling back to their home districts. This raised the risk of spreading the COVID-19 widely across the country.

To address these ongoing risks in the garment sector in Bangladesh, the government, buyers and international donors announced various incentive packages during the epidemic and the government and employers (i.e., Bangladesh Garment Manufacturers and Exporters Association or BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association or BKMEA) undertook various initiatives to protect workers' rights and health. However, various national and international media and research reports have found allegations of cancellation of work orders by breaching contracts by the buyers, non-payment of wages and allowances to workers during the ongoing epidemic, declaration of layoff, and failure to ensure health care, etc. Presently, while the RMG sector was just recovering from the initial disaster, the COVID-19 contamination is again on the rise as many countries are now experiencing the second wave.

Since the Rana Plaza accident, TIB has been conducting research and advocacy on the RMG sector to identify the deficiencies of good governance. These are done based on specific indicators and consultation activities with the key stakeholders of RMG sector. As part of this continuous process, it is important to determine what kind of governance challenges exists in



the sector during the COVID-19 crisis, and how these could be addressed in order to face future challenges more effectively.

1.2 Objective of the research

The main objective of the study is to identify the governance challenges in tackling the crises caused by the COVID-19 in the RMG sector and way forward. The specific objectives are: (i) to identify the governance challenges and limitations in the steps to address the COVID-19 crisis taken by the various stakeholders (i.e., the government, the owners and the buyers, etc.); and (ii) to identify stakeholders' role in overcoming the challenges of good governance in dealing with current and future COVID-19 crises.

1.3 Research methodology

It is a qualitative research. However, some quantitative data has also been collected and analysed. The information has been gathered from both primary and secondary sources. The primary sources include the Department of Inspection for Factories and Establishments (DIFE), Department of Labour, garment factory owners, BGMEA, BKMEA, trade unions, workers and experts on RMG sector. A set of checklists were used to collect information from the said institutions and various relevant key informants. The secondary sources of information include the relevant policies, laws and rules, official documents, research reports, news and articles released in print and electronic media, and websites, etc. The period of March - November 2020 has been considered for data collection and corroboration.

1.4 Analytical framework

Research data have been analyzed on the basis of six relevant governance indicators and various sub-indicators. Indicators included in the study are Legal limitations and implementation challenges, Response, Participation and coordination, Transparency, Labour rights and safety, and Accountability.

Table-1: Governance indicators and sub-indicators

Indicators	Sub Indicators
Legal limitations and implementation challenges	Relevant laws and their compliance
Response	Planning and preparing strategies, steps taken for preventing infection, training, incentive and financial assistance
Participation and coordination	Participation of and coordination among the government, the employers and the workers' organizations in tackling the COVID-19 crisis
Transparency	Access to information, information disclosure and dissemination
Labour rights and safety	Wages and allowances, job security, health care, testing and medical services, maternity benefits and the role of workers organizations
Accountability	Measures to ensure factory inspection, complaint management, ownership and accountability of the buyer organization

2. The research findings

2.1 The legal limitations and challenges for implementation

The Bangladesh Labour Act, 2006: Owners enjoy unilateral privilege due to the provision in section 16(1) of Bangladesh Labour Act, 2006 that if a worker has been working for less than a year, the owner does not need to pay her any compensation when layoff is declared. As per

section 20 if the layoff is for more than 45 days, the owner has the right to dismiss the workers. Therefore, a growing tendency has been observed among the owners to declare layoff during pandemic period to protect their business interest. As a result, the workers have suffered financially during the COVID-19 pandemic. Due to the two sections mentioned, about 20 per cent of the garment workers who had been working for less than a year did not receive any compensation during the COVID-19 crisis. Moreover, in most cases, workers have been dismissed in violation of section 20(2)(a) which precisely mention that one-month advance notice has to be given stating the reason for retrenchment and failure to give such notice for any reason would make it obligatory to pay one month's salary in advance to the workers.

The Infectious Diseases (Prevention, Control and Eradication) Act, 2018: The Department of Health issued a notice on April 17, 2020 prohibiting the public from going out under Section 11 (1) of the Infectious Diseases (Prevention, Control and Eradication) Act, 2018. However, the Ministry of Labour did not issue any supplementary instructions for the factory workers on what to do in this regard. As a result- the factory owners declared the factories open, and workers from different parts of the country rushed to the factory density areas, and then again due to criticism the owners declared factories closed, and the workers had to return to their home destinations increasing the risk of spreading infection. However, the Ministry did not take any action with this regard.

2.2 Responsiveness

2.2.1 Planning and preparing strategies

The government and the owners to address the COVID-19 crisis in the RMG sector until March 2020 formulated no plan or strategy. As preparatory, the government discussed with the owners ignoring the worker's participation on how to run business during COVID-19. Moreover, there are examples that some leaders in the sector suffered from a kind of self-satisfaction that a large part of the garment work order from China will shift to Bangladesh due to COVID-19 situation there. However, the BGMEA and the BKMEA raised three demands to the government in February to address the possible COVID-19 situation. These are- (1) formation of a contingency fund for cost reduction; (2) amendments to the Back-to-Back LC policy; and (3) various scheme facilities including loan guarantee. The government took various steps in response to these demands. Among them, extending deadline for bringing export bills under the Back-to-Back LC policy to the country by two months to six months and provide various schemes including emergency fund formation and loan guarantees.

Until April - May 2020, the government formulated strategies for reinstating cancelled orders and obtaining new work orders through diplomatic initiatives with various buyer organizations and countries. Subsequently, due to this initiative the governments of the Netherlands and Sweden pledged not to cancel orders. Various other buyer organizations and countries also pledged to reinstate the cancelled order. As a result, 90 per cent of cancelled orders were reinstated by August 2020, and new work orders worth about 11 billion dollars were also received. However, despite various initiatives taken by the government and the owners, by October 2020 about 10 per cent of cancelled work orders (estimated 318 million US dollar or BDT2,693 crore) could not be shipped. The suppliers allege that almost all of the buyers have taken advantage of the situation arising out of COVID-19. Many buyers demand 5 per cent to 15 per cent discount on price of the current and new work orders and 90-180 days delay in payment. This put supplier in crisis in providing wages to workers and conducting their business, disrupting cash flow to the garment sector and in some cases instigated the fear of closure of existing businesses.

2.2.2 Incentives

Export incentives and tax exemption: The government has announced to continue various facilities for the RMG sector in the budget of the fiscal year of 2020-2021. In this case, BDT 2,895 crores have been allocated for export incentives, the ongoing five percent incentive for new markets destinations has been continued, and the tax rate was announced to continue at 10 per cent to 12 per cent for next two years. Moreover, in the RMG sector, tax on raw material import is reduced, and in some cases, exemption is given. The advance tax on import of raw materials for has been reduced from five per cent to four per cent, and tax exemption has been given on import of cotton and fire-fighting equipment. Tax rate reduced at the production stage of yarn, and PPE and mask production exempted from tax.

Government's financial incentives for payment of wages and allowances to workers: The government has announced a low-interest loan 'incentive package' of BDT 10,500 crore for owners to pay workers' wages for April-July in export-oriented industries. This financial incentive for payment of wages and allowances to the workers was given to a total of 2,044 institutions, including 1,370 BGMEA and 420 BKMEA factories, through 47 public and private banks. The incentive money is paid directly to workers own mobile accounts through Mobile Financial Services (MFS). In addition, the amount of loans for the Export Development Fund of Bangladesh Bank was increased from 350 crores to 500 crores, and interest rate was reduced.

Working capital loan assistance package: The government announced a working capital loan assistance package and instructed to implement it by 31 August 2020. In this context, out of BDT20 thousand crores allocated for small and medium enterprises (among which approximately 1,500 are from the garment sector) about 39 per cent disbursed. In contrast, out of BDT33 thousand crores allocated for large-scale industries (of which approximately 3 thousand are from the garment sector) about 85 per cent is distributed until September.

Financial assistance for Workers' Welfare by Development Partners, Countries and Buyers' organizations: By the initiative of various development partners of Bangladesh and buyers to address the epidemic crisis some funds were raised for workers in the garment sector. Among them are Germany, the Asian Development Bank (ADB), the FCDO, the European Union (EU), the H&M Foundation, Levi Strauss and Tex-Ebo International.

Incentives and financial assistance- Reality at distribution level: Among the total incentive and assistance given by various stakeholders to the sector in tackling the COVID-19 crisis, Bangladesh government alone has given 98.57 per cent (approximate BDT 61,980 crores). Development partner countries and institutions provided another 1.40 per cent (approximate BDT 875 crores), and rest 0.03 per cent (approximate BDT 19.71 crores) was provided by various buyers. However, 95.34 per cent of the total incentives provided by the government (approximately BDT 59,090 crores) is in the form of a loan at subsidised rate of interest. Details of amount of incentive packages by broader categories and types of stated purposes are shown below (Table-2).

Table 2: The incentives in the RMG sector at a glance (estimated)

Types of incentives /assistance	Incentives/assistance	Amount of incentives/ assistance (in crore BDT)	Total amount of money (in crore BDT)
Loan assistance	Loan assistance package to pay salary and allowance from April-July	9,188.00*	59,090.00
	Export Development Fund loan increase to 500 crore dollar	10,822.00**	
	Working capital loan assistance package for big industry	34,800.00*	
	Working capital loan assistance package for small and medium enterprise	4,280.00***	
Financial assistance	Assistance to affected workers by the European Union and Germany	875.00	3,789.71
	Emergency Assistance to affected women workers by the H&M	11.00	
	Emergency assistance to workers at the Levy Strauss factory	8.50	
	COVID-19 testing assistance to workers by Tex-Abo International	0.21	
	01 per cent increase in cash assistance for exports	2,895.00	
Total		62,879.71	62,879.71

* RMG sector attributed 87.50 per cent of the total big industries.

** RMG export 85.27 per cent of the total export being estimated.

*** 21.40 per cent small and medium industry as RMG being estimated.

The study reveals that maximum i.e. about 84 per cent or approximately BDT 52,800 crores of the incentives were given to factory owners for addressing their business challenges caused by the COVID-19. Though during April - July, the estimated salary and allowance of RMG sector workers was around BDT 12,692² crores, the incentive amount in this package paid by the government was BDT 9,188 crores, which is 27.6 per cent less than the required amount. As a result, about 42.02³ per cent (about 14 lakh) of the total workers working in the RMG sector did not receive this incentive.

The Ministry of Labour and Employment issued a gazette notification about three months later from set up the Social Security Fund (97.79% or BDT 875 crores of international assistance for workers' welfare) for RMG workers provided by the European Union and Germany. According to the research, there was a lack of interest and negligence on the part of the government and the employers' organizations in compiling the list of affected workers. As a result, about one million potential beneficiaries did not receive social security assistance. Due to the procedural complexities of listing, there is also a risk of deprivation of factories and workers outside the owners' organizations (BGMEA and BKMEA).

² RMG workers earn estimated USD 113 per month.

³ The number of workers working in the readymade garment sector estimated at around 33 lakh.

Figure 2: Rate (%) and the amount of incentives and support received (in crores of BDT)

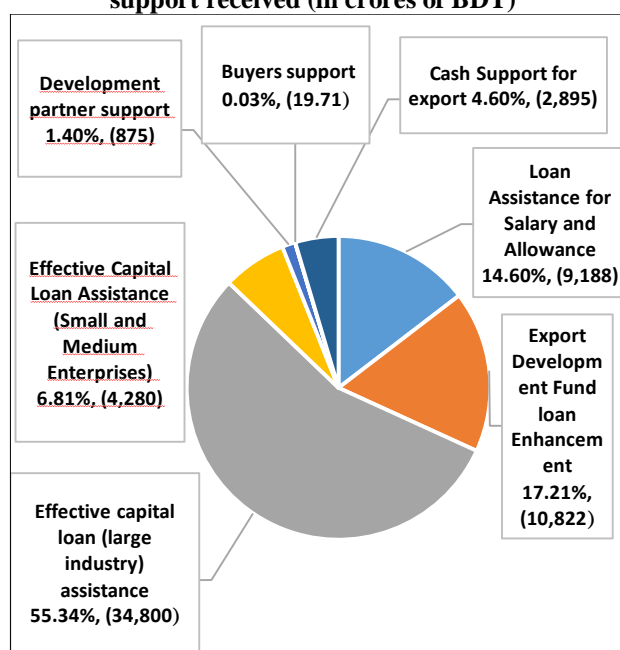
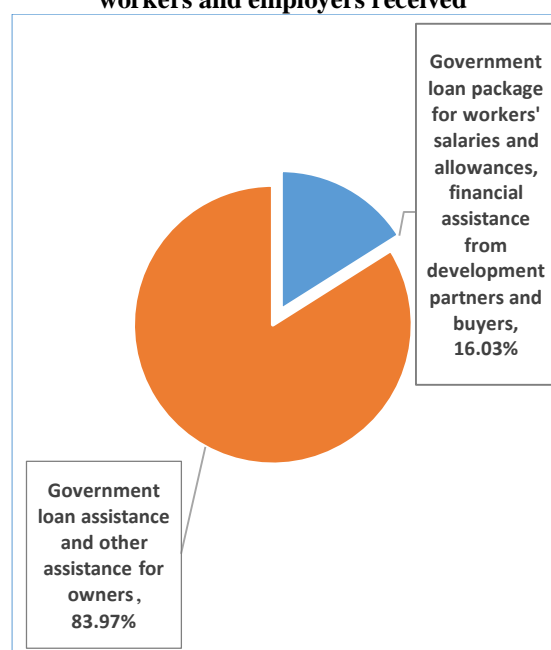


Figure 3: Rate (%) of incentive and support workers and employers received



The large factories are getting priority for receiving incentive funds. In some cases, there are allegations against the large factory owners of using political influence and lobbying for getting incentives. Moreover, more than a month was spent to receive the money by factories due to the procedural complexity of the refund from the banks. As a result, the workers did not receive their salaries and allowances on time and living in inhuman conditions during the crisis. It was reported that the workers were reluctant to use MFS account to withdraw the salary as it takes more time and need to pay money. There are allegations that 21 thousand workers of 64 factories, which have taken incentive, did not receive their salaries and allowances due to announcement of factory layoff and dismissal of workers at the onset of the COVID-19 crisis. In this context, as there is also no guideline for sub-contract factories, uncertainty has been created regarding salaries and allowances of about 1.5 million workers of around three thousand such factories.

Discrimination has also been noticed in the distribution of incentives. Though the repayment period of the loan was fixed at two years for the large industrial sector, it was one year for the small and medium enterprises. In some cases, the banks have shown reluctance to provide loans to small and medium enterprises due to risk concern. The delay in releasing incentive funds for small and medium enterprises is also noticeable. On the other hand, raising the source tax for the garment sector from 0.25 per cent to 0.50 per cent in the new Fiscal Year (FY 2020-2021) is likely to have a negative impact on the sector.

2.2.3 Prevention of the COVID-19 infection

Although the government declared a nationwide general holiday at the beginning of the COVID-19 epidemic in March 2020, neither the government nor any of the responsible authorities took specific measure to close the factories. According to sources, the Ministry of Public Administration on March 24, 2020 and the Department of Inspection of Factory and Establishment (DIFE) on March 26, 2020 issued notification to keep factories open. BGMEA and BKMEA called for the closure of factories on March 26 and April 5 in coordination with the general holidays announced by the government. However, when the government extended the general holiday on April 1, 2020, many factory owners declared their factories open. After

hearing the factory opening news, workers from different parts of the country rushed to the factory dense areas and then they were forced again to return to their home districts on the same day due to the announcement of the closure of factories. This led to harassment of workers due to the transport crisis and increased risk of spreading COVID-19 across the country.

2.2.4 Training

BGMEA and BKMEA provided instructions to factory owners for providing training to Factory Participation and Occupational Health and Safety Committee members to create awareness about COVID-19. In addition, with the support of BGMEA and BKMEA, the ILO launched the 'Learning Hub' project for virtual training on factory safety. As of August 2020, 150 workers were trained on factory safety under this project, which is negligible considering the total number of workers in the RMG sector. According to the research, most of the RMG factories did not provide any training to raise awareness about COVID-19. Moreover, there was shortage of skilled trainers in health care along with the lack of interest and awareness among the factory owners to create training opportunity.

2.3 Participation and coordination

The Prime Minister instructed the factory owners to continue their production by ensuring their health protection through discussions with workers. In this context, a joint initiative of the government, BGMEA and the factory owners decided to open gradually a certain number of factories in various regions from April 28 to May 4, 2020. However, despite the directives of the Prime Minister, the owners did not hold any discussion/meeting with the workers and workers' organizations regarding factory opening. In this case, there was a lack of coordination between the government, BGMEA, employers and workers' organizations. Instead of opening a certain number of factories by region, and without considering the risk of infection, factories were opened in a chaotic manner.

In June, to address the COVID-19 crisis a control room was set up at the DIFE and BGMEA's offices to coordinate with various government and non-government organizations. At the same time, a six-member committee was formed by the Ministry of Health and Family (MHFW) Welfare to monitor the compliances of health protection guidelines for factories comprising the concerned Deputy Commissioner as President and Civil Surgeon as Member Secretary. However, there has been a lack of inter-ministerial coordination in the implementation of these initiatives. Although the minister for MHFW has led the committee, according to the minister himself, he has not been informed about the opening and closing of the factories. Moreover, representation of the workers in the committees was not ensured, as workers' representatives were not included in these committees. Similarly, the committees were formed with a single decision by the MHFW without including the Department of Inspection for Factory and Establishment (DIFE) for which the committees failed to inspect effectively.

2.4 Transparency

In April 2020, the DIFE opened registers in 23 offices to collect and store information on COVID-19 infected factory workers. At the same time, the industrial police took the initiative to release information on the number of patients infected with COVID-19 and the number of dismissed workers. However, during the COVID-19 crisis, as in the past, there was difficulty to access information and lack of disclosure from the owners and the government. In this case, information regarding the amount of incentives and assistance received according to the type of factory and the list of factories and workers receiving incentive or assistance were not published. Although DIFE introduced register, it has not released updated data on the number of patients infected with COVID-19. Until July, the industrial police released information on

COVID-19-infected workers and factories, but later, under pressure from the government and the owners, from August the industrial police refrained from disclosing information on this. Some of the buyers disclosed information on money value of cancelled and reinstated work orders in the Worker Rights Consortium. However, information on cancelled work order available from the factories do not match with this data.

2.5 Labour rights and safety

2.5.1 Unpaid wages and allowances

A tripartite meeting held in April among the government, employers and trade unions on the issue of workers' unpaid wages and benefits decided to pay 65 per cent of salaries during the period of the general holiday. At that meeting, though according to the Labour Act 2006, there was a provision to pay 50 per cent of the wages in the laid-off factories, the owners of such factories promised to pay at the same rate like others (65%). In the case of Eid bonus, it was decided to pay half of it before the festival and attach the other half with salary for the following six months in installments. The government, BGMEA and BKMEA issued instructions to pay regular wages to the workers from May. It is reported that in many cases, the above decisions were not maintained at implementation level. For example, many of the layoff factories did not pay workers' wages and Eid bonuses as promised. On the other hand, although BGMEA directed to pay regular wages to the workers from May, in many cases the workers have not been paid regularly, and in some cases they have not been paid allowances and for the extra working hours. As a result, the workers of RMG sector have suffered financial losses during the crisis caused by COVID-19. Studies have shown that 77 per cent of the workers are unable to meet the food needs of all their family members during the COVID-19 crisis (BRAC, 2020). Another study estimates a 'wage gap' of 30 per cent and 40 per cent respectively for workers' wages and Eid bonuses from March to May during the COVID-19 crisis (Clean Cloth Campaign, 2020).

According to the study, in April, DIFE sent a letter to the concerned owners' organizations and ministries to stop factory layoffs and BGMEA instructed factory owners to pay less of due wages to workers rather dismiss them. The factory owners were also instructed that if they dismiss workers for special reasons, they must pay two months' salary. However, in reality, it has not been observed in many cases. As of September, a total of 1,904 factories, including 348 under BGMEA, had been laid-off and about 60 thousand to 65 thousand workers had been dismissed. In some cases, at the early stage of COVID-19 crisis usually workers were dismissed in groups, but later regular dismissal by small numbers continued. There have been allegations against the owners of creating panic of dismissing the workers and thus the workers were forced to work with less salary and work overtime without payment. There are allegations of not paying the stipulated wages to dismissed workers as well.

2.5.2 Health care

In order to ensure health protection, BGMEA in collaboration with the World Health Organization formulated a health protection guideline for garment factories. In addition, DIFE has distributed nearly two lakh posters and leaflets in four regions to raise awareness about telemedicine services and COVID-19 epidemic to ensure the health of workers. In some cases, these measures taken to protect the health of workers are notable. However, in many cases, BGMEA guidelines have not been fully followed by factory management. According to the data, most factories ensured mask wearing but they did not have adequate hand washing facilities; Hygiene has not been ensured in canteen and toilet as well. Moreover, most of the

factory owners did not follow the instructions to start the factory in shifting method with 30 to 50 per cent workers in a shift.

BGMEA initiated a 50-bed COVID-19 field hospital in Chittagong metropolis for treatment of garment workers. In April, BGMEA decided to set up four PCR labs in Dhaka, Gazipur, Narayanganj and Chittagong for free COVID-19 testing of garment workers and decided to test 180 samples per day in these labs. However, only one PCR lab has been set up in Gazipur in place of four, and this lab has the facility of collecting and testing only 40 - 50 samples per day. There is a shortage of experienced and skilled manpower for sample collection and lab management in this lab. As a result, in some cases, it takes even two weeks to get the results of the test. Due to limited testing facility, workers are not getting chances to test despite need. Moreover, the tendency of some workers to hide it despite symptoms in fear of losing their jobs has increased the health risks of other factory workers. All these have made it difficult to know exact number of workers infected in the sector. According to a survey, about 85.7 per cent of garment workers (estimated to be about 28.28 lakh) reported suffering from corona like symptoms (e.g., cold, cough and fever) for 5-7 days, although a small number of them actually tested (BRAC, 2020).

The BGMEA instructed factory owners to send sick workers to the hospital at the expense of the owners and to set up separate isolation centres for the workers at the factory premises or at a nearby private hospital. At the same time, the factory owners are requested to grant leave with wages and take responsibility for all medical treatment if a worker is infected by the COVID-19. However, instructions and advices given by BGMEA were mostly not followed by the factory owners. According to the data, most of the RMG factory owners did not provide separate isolation centres for the workers. In some cases, workers with COVID-19 or symptoms have been fired instead of granting leave, and in some factories, although workers acquired general leave that was without salary. As of August 2020, a total of 511 workers in BGMEA affiliated factories were infected with COVID-19, and 6 workers had died.

2.5.3 Maternity benefits

'The Lactating Mother Aid Fund Project' was launched in BGMEA and BKMEA factories in collaboration with the Ministry of Women and Children Affairs for the women workers working in the RMG sector. In June, the 'Nutrition of Working Women' project was launched in BKMEA factories in collaboration with Nutrition International. However, in many cases there are allegations that workers were discouraged from bringing breastfeeding children to working place. This has led breastfeeding mothers to suffer from depression, anxiety for their children and decreased their productivity (BRAC, 2020). In some cases, there are allegations of not providing maternity benefits and engage them in work for extra hours. In some cases, pregnant women have been discouraged from joining work and dismissed without reason.

2.5.4 Right to organization

The government stopped registration of trade unions during the COVID-19 epidemic. However, the national labour rights organizations have organized various meetings with the employers and the government to protect the interests of the workers during the COVID-19 epidemic, and workers' rallies have been organized in Dhaka, Gazipur, and Chittagong against layoffs and to get full wages. In most cases, the demands of the trade unions were ignored in the tripartite meeting to ensure the rights of the affected workers. According to the report, most of the small factories that have trade unions were shut down due to lack of work orders. In some cases, the inactivity of the trade unions under the pressure of the government and the

employers is noticeable. However, international labour rights organizations have been creating pressure on buyers not to cancel the orders in the aftermath of the COVID-19 epidemic.

2.6 Accountability

The DIFE and the Department of Labour and workers representatives jointly formed 26 'Crisis Management Committees' to ensure the accountability of the factories. These committees visited only a few factories in Dhaka. They could not inspect most of the factories due to lack of necessary vehicles and safety equipment. As a result, the health safety of the workers in those factories could not be ensured. On the other hand, workers dissatisfaction occurred in more than 100 places due to the failure to play an effective role in resolving workers grievances during the COVID-19 epidemic. To ensure accountability at factory level, hotline has been set up at DIFE and BGMEA offices to receive complaints. However, there was lack of campaign about the hotline at factory level and allegations were there that no one responded when calls were made.

BGMEA and BKMEA took initiative to blacklist the buyers who violated the terms and conditions laid in the work order or cancelled it. At the first stage, a buyer organization in the United Kingdom was blacklisted. However, the initiative taken by the owner organizations faced problems at the outset - in many cases, the buyers couldn't held accountable as the business was conducted through work order instead of Master LC. Eventually, the owner organization was forced to stop blacklisting under the pressure of the buyer organizations. Similarly, Bangladesh Bank moved away from the instruction that layoff factories will not get the incentives due to the influence and pressure from the owners.

The BGMEA has set up four area-based zonal committees and six audit teams led by its directors to monitor the situation and take necessary action. The inspection team inspected 147 factories and suggested three factories to resume their activities with corrective plans to improve the safety system. However, the factory inspection activities started in the first phase, but later it came to a standstill.

3.1 Overall observations

- Although deficits have been identified based on various governance indicators in the RMG sector for many years, there is a lack of political will and effective measures on the part of the government and the owners to address them -this trend has become more prominent in COVID-19 pandemic period;
- The RMG sector, although growing phenomenally over the last four decades, is still dependent on government incentives. The factory owners take advantage by exerting influence and pressure on the government - the sector has not yet developed its own capacity to deal with crisis like the COVID-19;
- Though the owners got incentives to mitigate business loss during the ongoing pandemic, they did not prepare plan and effective strategy to address rights, protection and health care issues for the workers;
- The buyers have not prioritized workers' protection during the COVID-19 crisis rather stayed away from their responsibility, created pressure on suppliers instead and showed a tendency towards not maintaining ethical business;
- At the onset of the COVID-19 crisis, a section of the factory owners was observed to show tendency of declaring layoff on the ground of their own business interest without considering workers' interest by taking advantage of legal provision;

- Above all, the country's RMG sector was facing huge loss due to the COVID-19 crisis; to tackle that the government provided huge incentive and support but the workers received only a small part of that incentive.

3.2 Recommendations

1. In view of the COVID-19 pandemic, Section 16 and 20 of the Bangladesh Labour Act, 2006 need to be amended including provisions for job security for all workers.
2. In case of violation of supply of health care materials to the workers and compliance with hygiene rules in accordance with the guidelines framed by BGMEA, the utilization declaration (UD) facility should be revoked and penalties should be imposed.
3. The remaining three labs for COVID-19 testing which have been promised by BGMEA should be set up in the affected areas expeditiously.
4. The buyer organizations need to be committed to conducting ethical business. The issue of ensuring the rights of workers in times of disaster should be included into the existing conditions of the work orders and base price fixing.
5. To combat the second phase of infection, provide adequate health care and transportation to various committees set up by the government and employers organizations, so that these committees can play an effective role in ensuring workers' rights and their health safety in the factory.
6. Measures should be taken to bring workers in layoff factories who have less than one-year experience under social security.
7. To ensure workers' rights and health protection need to confirm regular and effective inspections by committees consisting of government, employers and labour representatives.
8. An accurate list of workers affected by the COVID-19 pandemic must be drawn up immediately to use EU and German aid funds.
9. All information on COVID-19 infection, layoffs, cancellation and reinstatement of work orders, use and distribution of incentive funds, etc. must be made public; such information need to be updated regularly.
