The impact of Covid-19 on Readymade Garments' (RMG) Workers in Bangladesh- A study on Mirpur and Uttara

Dr. Umme Habiba Rahman, Mst. Amina Khatun & Md. Obidul Haque

Abstract

The COVID-19 pandemic has potential effect on Bangladesh's ready-made garment (RMG) workers. The study describes the present vulnerability of RMG workers due to the COVID-19 pandemic based on information with direct interactions with RMG workers. RMG workers' physical and mental health and welfare have already been harmed by COVID-19, which also led to job loss. We contend that the COVID-19 pandemic will affect garment workers in the long run, particularly in terms of financial hardships and inability to pay for necessities like food, as well as future employment chances. The stakeholders involved in the global supply chain in RMG factories, such as the international retailers/brands, Bangladesh Garment Manufacturers and Exporters Association, and the government of Bangladesh, should reevaluate the needs of the RMG employees in terms of their health and general well-being given the ongoing COVID-19 pandemic.

About Author (s)

Dr. Umme Habiba Rahman, Assistant Professor, Department of Economics, Bangladesh University of Business and Technology (BUBT), Mirpur, Dhaka-1216.

Mst. Amina Khatun, Assistant Professor of Sociology, Bangladesh University of Business and Technology (BUBT), Mirpur, Dhaka-1216.

Md. Obidul Haque (corresponding author), Lecturer, Department of Economics, Bangladesh University of Business and Technology (BUBT), Mirpur, Dhaka-1216.

1. Introduction

Parents that worked at a garment factory in Gazipur, close to Dhaka, were forced to sell their newborn child because they were unable to pay the hospital's BDT 25, 000 ($295) fee. The husband and wife both used to work at a garment factory, which was closed as a result of the COVID-19 outbreak, according to the newborn baby's father, who claimed that they were unable to pay the hospital fees. The infant was saved by the neighborhood police, who then gave it back to the parents. The above story was published on 2 May 2020 in one of the most highly regarded national daily newspapers in Bangladesh. If we want, we can find many more stories like this which occurred due to the pandemic. Researchers discovered that while the pandemic has a major short-term detrimental impact on export through these transmission mechanisms, it ultimately has a long-term favorable benefit (Banik, 2023). Prior to COVID-19, RMG workers had previously been identified as a highly vulnerable population, according to reports of rape instances, suicide cases (during lockdown), illnesses, and deaths connected to COVID-19. Most of the workers are worried that they will not die of Covid but due to hunger as they couldn't buy food for themselves. In addition to delaying efforts to prevent and cure COVID-19 infections, Bangladesh's late COVID-19 infection discovery further increased the disease's impact on the nation's most vulnerable and underprivileged population. One such group is the Bangladeshi RMG workers. These workers are categorized as vulnerable because they lack formal education or none at all, are unskilled, come from low socioeconomic origins, frequently in rural areas, and have weaker negotiating power. This argumentative paper analyses how the COVID-19 pandemic might affect this well-known susceptible population. The report also highlights current support systems and describes the short- and long-term effects of the COVID-19 pandemic on the RMG workers (Uddin, 2020). Millions of workers, the bulk of whom are women, have had their employment and financial security threatened by orders worth USD 3.17 billion that have been canceled or suspended. According to media sources, 70,000 jobs had been lost by June 2020, and up to one million more were reportedly still at risk for the remainder of the year (AsiaNews.it, 2020).

1.1 Background of the Study

The ready-made clothing (RMG) sector in Bangladesh has been severely impacted by the coronavirus outbreak. It has been the country's main economic engine in recent years, contributing 80% of export revenue. A major factor in predictions that Bangladesh will become a middle-income country by 2021 was revenue from RMG industries. But it is not an exaggeration to state that the industry has "fallen off a cliff" since the arrival of COVID-19, as many manufacturers have shut down and are unable to pay their employees (Uddin, 2020). While many factories started to gradually reopen in late April 2020, others are still shuttered, and the crisis's medium- to long-term effects are still unknown. One managing director of the RMG industry claimed that the epidemic had not only caused a dramatic decline in orders but also uncertainty regarding shipment. Because many mothers are reluctant to send their kids to daycare centers at work where they can be exposed to COVID-19, skilled staff are also in short supply. Due to Bangladesh's relatively young population, infection and mortality rates related to the current pandemic may be low. Nevertheless, in order to lower the risk of contracting this potentially fatal infection, it is crucial to concentrate on a country's level of preparedness (including its treatment facilities, human capacity, and emergency response system). Unfortunately, no such readiness was shown prior to the reopening of the RMG factories by the state or BGMEA to safeguard the health of the RMG employees. The decision to reopen the industries was made entirely for economic reasons. The main objective of the study is to identify the situation of readymade garments' workers in urban areas of Bangladesh due to covid-19. This paper tries to investigate the socio - economic background of readymade garments' workers, to identify the present scenario of readymade garments' workers during

Covid-19 as well as to find out life pattern, exploitation, family maintain of readymade garments' workers.

2. Rationale of the Study
One of the most vulnerable groups affected by the epidemic in our nation was the RMG workers, whose income and consumption habits were severely disturbed. The extent of their sufferings and how they dealt with it will be revealed by this research. Because Bangladesh's economic prosperity was not shared by everybody, the recent success in economic growth was unable to prevent the terrible poverty of the poor. This study aims to pinpoint some of the effects COVID-19 has had on the marginal population's lives. Then it lists a few of the drawbacks of the current economic policies and makes some suggestions.

3. Literature Review
Bangladesh's economy is significantly impacted by the RMG sector. From 1974 to 2005, the Quota system and Multi-fibre Arrangement (MFA) were major contributor to Bangladesh's success, and by 2002, export earnings accounted for 77% of the country's total revenue from exports. Kabir (2020) found the shortages of food supply due to Covid-19 affecting the working poor specially the RMG workers. This paper explained the potential effects of the coronavirus disease 2019 (COVID-19) pandemic on Bangladeshi laborers in the ready-made garment (RMG) industry. Bangladesh's principal challenge right now is preventing further transmission among vulnerable populations. To ensure Bangladesh's economic sustainability, the global supply chain and RMG trade must be established on a permanent basis. The production of garments during the COVID-19 pandemic must not proceed without an immediate review of the system and the creation of a plan to ensure worker health and safety. Aktar et al., (2021) explored the current situation facing the ready-made garments industry and how it affects the vast workforce in the garment industry. The outbreak of COVID-19 in China has weakened e US and China's previously robust trade relationship. The United States views this as China's trade policy. As a consequence, the tariff war between them has intensified, and Chinese apparel exports to the US market have declined. The export rate fell from 33% in 2018 to 18.3% in March 2020. Recently, the United States has shown an interest in importing clothing from Bangladesh (9.4% YTD in 2020, compared to 7.1% in 2019) and Vietnam (18.9% YTD in 2020, compared to 16.2% in 2019). The findings of the review disclosed a significant social, economic, and health security impact on the RMG industry, including a decline in imports and exports, GDP growth, health and safety, and an increase in unemployment and order cancellations, among others. Researchers explored the socioeconomic effects of the pandemic on Bangladeshi RMG laborers. This study aimed to identify some of the instant socioeconomic effects of COVID-19 on RMG laborers in Bangladesh that provided a snapshot of the situation. This image will contribute to future policy initiatives designed to maintain a sustainable working environment and ensure sector resilience (Mustajib, 2021). The research conducted by Begum et al. (2020) identified numerous socioeconomic consequences of COVID-19 in Bangladesh. Several industries, including banking, dairy farming, poultry, remittance, RMG, etc., are severely impacted by the pandemic as a result of its introduction into the global supply chain, according to the research. Although the article identified sectoral impacts, it largely ignored micro-level impacts and the ubiquitous implications of the crisis for marginal communities such as daily laborers, RMG workers, and informal sector workers. Covid-19 disruptions worsened interconnected vulnerabilities in economic security, employment security, food security, housing security, and health and well-being, making it difficult for female workers to look after themselves and their families. Sexual and verbal harassment, as well as symbolic assault, increased primarily as a result of line supervisors pressuring women to work faster to meet unrealistic production goals. Social compliance auditors do not always include women's equal

rights concerns in their audits, and forty percent of auditors surveyed do not examine the right to trade union recognition. These statistics were gleaned from an investigation of auditor practices (Islam et al., 2022). Alam and Chowdhury (2023) analyzed how COVID-19 affected Bangladesh's RMG industry workplace and offered solutions. Based on evidence and interviews with RMG workers, it suggested protection solutions. Approximately 83% of 400 garment workers, managers, and owner-managers responded to a survey collecting primary and secondary data. The study examined the association between COVID-19 and adaptability, financial prowess, nonfinancial prowess, and CDC compliance using correlation and regression analysis. All independent variables correlated positively and strongly with COVID-19. The UNICEF (2020) study showed what would happen if COVID-19 had an effect on the RMG sector. The study showed the financial effects of COVID-19 and said influenced about the jobs of RMG workers. It talked about how hygiene practices are available in workplaces and how physical distance is impossible. The study also talked about how weak women are, especially when it comes to the health and safety of children and women who are pregnant. The report didn't talk about other things, like emotional health, how people feel about pandemics, and so on. Researchers found that COVID-19 has hurt the RMG business, which in turn has slowed down Bangladesh's economy. It shows how COVID-19 is bad for RMG's sector and what can be done to reduce the number of COVID-19 outbreaks in RMG's sector of Bangladesh. It also talks about how we can keep our RMG areas going during COVID-19 and afterward, as well as how this study can help other countries around the world (Islam & Halim, 2022).

3. Methodology
The study was conducted in urban areas specific in Dhaka city and covered readymade garment worker who are unemployed because of Covid-19. One hundred fifty RMG's workers randomly selected as samples were interviewed on November 2022. Samples were selected from two area like Uttara and Mirpur. A set of structured questionnaires were used to collect information. The methodology emphasizes the RMG worker's personal stories. Frequency and regression analysis are performed to identify the impacts. Two regression models are performed in this research.

4. Result and Discussion
4.1.1 Socio Economic background of the garments' workers
Table 1 shows that 53.00 % interviewers come from Uttara where as 47.00% from Mirpur. Among them male 34% and female 66% where 19.30% of Illiterate, 35.30% Primary, 07.50% junior secondary, 21.30% Secondary and 15.07% SSC and above. 41.30% are married where as 46% are unmarried. The age of workers, 68% are in (15-20) years, 22% are in (20-25) years rest of 10% in (25-30) years. 40.70% workers have at least three family members, 46% have 3 to 5 persons and rest 13.30% have 5 to 7 persons. Up to three years' works in this industry 27.30 %, 52.70% works in three to five years, 15.30% five to eight years and others 4.70% eight and above. Per month income 8000-9000 of 26.70% and 9000-11000 of 56.70% also 12000-15000 of 16.60%.

Table 1: Socio Economic Structure

No.	Variables	No. of Garments workers	Garments workers (%)
1	**Location** Uttara Mirpur	 79 71	 53% 47%
2	**Sex** Male Female	 51 99	 34.00% 66.00%
3	**Education of garments worker0** Illiterate	 29	 19.30%

	Primary	53	35.30%
	Junior secondary	11	07.30%
	Secondary	32	21.30%
	SSC and above	25	16.07%
4	**Marital status**		
	Married	62	41.30%
	Unmarried	84	46.00%
	Others	4	2.70%
5	**Age of garments workers(years)**		
	15-20 years	102	68.00%
	20-25 years	33	22.00%
	25-30 years	15	10.00%
6	**Family size (persons)**		
	Up to 3 persons	61	40.70%
	3 to 5 persons	69	46.0%
	5 and above	20	13.30%
7	**Duration of work in garments (years)**		
	Up to 3 years	41	27.30%
	3 to 5 years	79	52.70%
	5 to 8 years	23	15.30%
	8 and above	7	4.7%
8	**Per month income (Take in Thousands)**		
	8000-9000	40	26.70%
	9000-10000	85	56.70%
	11000-12000	25	16.60%
	Total	**150**	**100.0**

Source: Field Survey.

4.1.2 Income and employment Structure of Garments Workers during Covid-19

From table-2 we get most of garments 77.30% worker during covid situation were employed but get a little amount. Employed after covid 10.70%, Still unemployed 12.00%, table- 3 shows that Full payment 2.0%, No payment 68.20%, Partially payment 29.10%.

Table 2: Employment Status of garments' workers during the covid-19

No.	Variables	No. of garments' workers	Garments' workers (%)
1.	Still employment	116	77.3%
2.	Employed after covid	16	10.7%
3.	Still unemployed	18	12.0%
	Total	150	100.00

Source: Field Survey

Table 3: Salary Status of garments' workers during the covid-19

No.	Variables	No. of garments' workers	Garments' workers
1.	Full payment	3	2.0%
2.	No payment	103	68.20%
3.	Partially payment	44	29.10%
	Total	150	100.00

Source: Field Survey

4.1.3 Income status of garments worker

Table 4 shows that their income structure after covid 19 and during Covid-19. Here we see that during Covid-19, 81.30% workers received per month income 6000-7000 Tk and only 2.7% received 8000-9000 Tk. before the Covid-19 (%) 16.90% income during covid 7000-8000 16.60%, 9000-10000 Income before the Covid-81.30%, income during covid 16.90%, Income before the Covid-19 7000-9000, income during covid 16.90% of income range and Income before the 11.50%, income during covid 00.00% of 12000-15000, So this is the most crises situation for the garments work.

17

Table 4: Income Structure garments workers

No.	Variables	Income after the Covid-19		Variables	Income during the Covid-19	
1.	**Per month income**			**Per month income**		
	8000-9000	40	26.70%	6000-7000	122	81.30%
	9000-10000	85	56.70%	7000-8000	24	16.9%
	11000-12000	25	16.60%	8000-9000	4	2.7%
	Total	**150**	**100%**		**150**	**100%**

Source: Field Survey

4.1.4 Life pattern, exploitation and family maintain during the Covid-19 period

Table 5 shows 28.70 % is properly treated for the Covid-19 and 71.30% is not properly treated during Covid-19. To maintain the household and livelihood 29.30% workers take loan from various sources while 70.70% is being granted aid to tackle the pandemic which is shown in table no 6.

Table 5: Treatment Status of garment workers

No.	Variables	No. of garments workers	Garments workers (%)
1.	**Treated properly during Covid-19**		
	Properly treated	43	28.70%
	Not properly treated	107	71.30%
	Total	150	100.00

Source: Field Survey

Table 6: Having loan during Covid-19

No.	Variables	No. of garments workers	Garments workers (%)
1.	**Having loan during Covid-19**		
	Having loan	44	29.30%
	Having grant	106	70.70%
	Total	150	100.00

Source: Field Survey

Table 7: Sources of meet up deficit

No.	Variables	No. of garments workers	Garments workers (%)
	Sources of meet up deficit		
1.	By Bank	31	20.66%
2.	By NGO	13	8.66%
3.	Grant from relatives, friends and local elites	106	70.70%
	Total	150	100.00

Source: Field Survey

By examining the table-7 we can see the various source information. 20.66% workers able to manage loan from the banks and NGO give loan to other 8.66% workers. Relatives, friends and local elites are the main source of grants for the remaining 70.70% workers.

4.1.5 Support from company and Government
Table 8: Support from the company

No.	Variables	No. of garments workers	Garments workers (%)
1.	**Support from company**		
	Better salary	70	46.70%
	Better environment	23	15.30%
	Job security	57	38.00%
	Total	150	100.00

Source: Field Survey

According to table-9 46.70% got better salary as a support from their company, 38% were ensured job security. Work environment safety is given to 15.30% workers as a support. The government also supports the worker by implementing labor law for 47.70% workers, increased the salary of 37.10% workers and ensured security for the remaining 14.60% workers.

Table 9: Support from government

No.	Variables	No. of garments workers	Garments workers (%)
1.	**Support from government** Implement labor law Increase minimum salary Ensure security	72 56 22	47.70% 37.10% 14.60%
	Total	150	100.00

4.2 Regression Analysis Outcomes

During the Corona epidemic, 71.30% of garments workers do not get proper treatment from their industries due to salary change and they cannot maintain their family properly. Most of them do not have minimum savings, which had an additional negative impact on their daily living. A linear regression model use to assess the impact of proper treated from the garment due salary. We have built two regression models for analysis.

$$\text{TNPDC} = \beta_0 + \beta_1 \text{GSDC} + \mu_i \qquad \text{(Model 1)}$$

β_0 = Intercept
TNPDC=Treated not Properly During Covid
GSDC= Get Salary During Covid
μ_i = error term

Table 10: Regression Results

Model 1		Unstandardized Coefficients		Standardized Coefficients	Prob.
		Beta	Std. Error	Beta	
1	(Constant)	2.110	.174		.000
	Get salary during covid	-.175	.075	-.189	.021

Table 10 shows that get salary during covid is a predictor treated not properly (beta = -.189; significant = .021) the regression result show that salary decrease 1% then treated not properly increase .189%. The garments workers in the city areas who rely on daily income for their everyday livelihood are some of the worst victims of COVID-19. From table-11 we get most of garments 77.30% worker during covid situation were employed but get a little amount. After covid additional 10.70% workers are employed, still unemployed 12.00%. Employment status is related with after covid income. A multiple regression model is used to assess the impact employment status due to income changes.

$$\text{ESDC} = \beta_0 + \beta_1 \text{ACI} + \beta_2 \text{DCI} + \mu_i \qquad \text{(Model 2)}$$

β_0 = Intercept
ESDC= Employment Status During Covid
ACI=After Covid Income
BCI= Before Covid Income
u_i = error term

Table 11: Regression Outcomes (Model 2)

Model 2		Unstandardized Coefficients		Standardized Coefficients	Sig.
		Beta	Std. Error	Beta	
1	(Constant)	2.110	.174		.000
	After Covid Income	.293	.075	.286	.000
	During Covid Income	-.175	.116	-.080	.318

Table shows that After Covid Income is a predictor of employment status (beta = .286; t=3.592; significant = .000) the regression result shows that if garments worker income increases1% their employment status increases .286%. Income increases and employment status positively related.

5. Conclusion

COVID-19 is causing economic disruptions everywhere around the world, including Bangladesh. COVID-19's potential LDC graduation has a significant negative influence on Bangladesh's entire economy. In order to better grasp the issue overall, our research has examined the impact of Covid-19 on the income and consumption of day laborers in Uttara and Mirpur in Dhaka. Significant data on the earnings and consumption of garment workers have been discovered. Most garment workers were adversely impacted by the Corona pandemic because they lost their jobs and were unable to support their families. Since the majority of them do not have the required amount of savings, their food intake and nutritional quality have been negatively impacted by this financial crisis. Garment workers' earnings and expenses in Uttara and Mirpur in Dhaka and the data made here show that Covid-19 had a significant impact on the income and consumption of RMG workers in Uttara and Mirpur of Dhaka, with significant differences among day laborers, largely because of the many vocations that were impacted by this crisis. The report suggests that the Bangladeshi government consider the following policy alternative. The government must implement some measures to help RMG workers to increase their income and consumption so they can appropriately meet their basic needs. To offer simple lending services so that garment workers can borrow money and use it to recover from pandemic losses. The RMG workers recovers their income and consumption as before because the government needs to increase aid and grant services.

Limitations

The pandemic has a long-term effect on the world. Further studies will help us to make the better policy. RMG workers and factories at risk of COVID-19 can be identified via studies. This data can target worker and factory support interventions. Though we attempted make the study a comprehensive one but there may remain limitations as very small sample were surveyed. In addition, as the sample was randomly selected, they might not have represented the information exactly about all the garment workers. In most of the cases at the time of interview garments worker are not interested and feel insecure to provide their information.

References

Aktar, R., Siddika, S., Auntu, S. K., Rahman, M. M., & Adnan, A. T. M. (2021). Impacts of Covid-19 Pandemic on RMG Sector: A Study of Bangladesh. *International Journal of Science and Business*, *5*(11), 1–11. https://doi.org/10.5281/zenodo.5623853

Alam, Z., & Chowdhury, M. (2023). Mitigating the negative impacts of COVID-19 on the Readymade Garments Industry of Bangladesh. The USV Annals of Economics and Public Administration.
    http://www.annals.feaa.usv.ro/index.php/annals/article/viewArticle/1439

AsiaNews.it. (2020). *Some 70,000 garment workers lose their job because of the pandemic*. https://www.asianews.it/news-en/Some-70,000-garment-workers-lose-their-job-because-of-the-pandemic-50288.html

Banik, B. (2023). The effect of the pandemic on the RMG export of Bangladesh: Exploring the economic channels of transmission. Managing Global Transitions, 21(3). https://doi.org/10.26493/1854-6935.21.201-221

Begum, M., Farid, M. S., Alam, M. J., & Barua, S. (2020). COVID-19 and Bangladesh: Socio-Economic Analysis towards the Future Correspondence. *Asian Journal of Agricultural*

Extension,   Economics   &   Sociology,   143–155. https://doi.org/10.9734/ajaees/2020/v38i930417

Islam, M. A., Abbott, P., Haque, S., Gooch, F., & Akhter, S. (2022). *The impact of Covid-19 on women workers in the Bangladesh garment industry—Research.*

Islam, T., & Halim, Md. A. (2022). Impact of ready-made garments (RMG) industries and sustainability: Perspective of the pandemic period in developing country. *Cleaner Engineering and Technology*, *11*, 100567. https://doi.org/10.1016/j.clet.2022.100567

Kabir, H., Maple, M., & Usher, K. (2020). The impact of COVID-19 on Bangladeshi readymade garment (RMG) workers. *Journal of Public Health (Oxford, England)*, fdaa126. https://doi.org/10.1093/pubmed/fdaa126

Mustajib, S. (2021). *Impact of COVID-19 on Ready-made Garments Workers in Bangladesh* (SSRN Scholarly Paper No. 3832234). https://papers.ssrn.com/abstract=3832234

Uddin, M. (2020). World needs to use or lose Bangladesh apparel industry. *The Daily Star.* https://www.thedailystar.net/opinion/rmg-notes/news/world-needs-use-or-lose-bangladesh-apparel-industry-1890208

UNICEF (2020) COVID-19: Impact on ready-made garment workers in Bangladesh. https://www.unicef.org/bangladesh/en/reports/covid-19

Cite this article:

Published by

IJSAB
International