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Sample Size

1,173 garment factory workers

Research Implemented by IPA

Yes

The Impact of the COVID-19 Pandemic on the Livelihoods of Bangladeshi Garment Workers

Abstract

Globally, women have experienced the socioeconomic impacts from COVID-19 particularly severely. The pandemic led to a dramatic short-term downturn in Bangladesh's ready-made garment (RMG) sector, an industry in which women predominate. Researchers worked with IPA to survey RMG workers during the first year of the pandemic, collecting short- to medium-term data on the crisis' impacts on workers' livelihoods. Overall, the surveys show that the income of garment workers' households rebounded quickly, but that the pandemic had some more durable effects on concerns about food security. While the households' initial coping strategies placed similar burdens on females and males, women bore a larger share of shifts in food consumption after the initial shock of the crisis.

Policy Issue

The beginning of the pandemic in spring 2020 had significant, sudden impacts on the manufacturing sector across the world. In Bangladesh, the first case was reported on March 8, and ten days later, the country announced a "general holiday" that lasted until April 30.

During this period, manufacturing activity in the country's ready-made garment (RMG) sector dropped sharply, but it quickly recovered after factories were allowed to reopen. Less is known, however, about how the downturn affected the livelihoods of the country's RMG workers, the majority of whom are women. Evidence suggests that on a global scale, COVID-19's socioeconomic impacts have been especially salient for women, who have experienced disproportionately high job losses and additions to their care responsibilities outside the workplace.^[1] In a sector where women predominate, understanding the pandemic's impacts on worker livelihoods is especially crucial.

Context of the Evaluation

RMG manufacturing is a key driver of economic development and source of employment in Bangladesh. Nearly 80 percent of the country's exports come from the sector, and it accounts for about 12 percent of its gross domestic product (GDP).^[2] Women make up about 65 percent of Bangladesh's approximately four million RMG workers. While garment factories in Bangladesh did not lay off large numbers of workers—at the behest of, and with some support from, the national government—salaries declined along with production at the very start of the pandemic. The survey sample was drawn from participants in previous projects conducted by the research team, so the average tenure in the RMG sector is high (9.2 years). Because several of the earlier projects focused on training females for supervisory positions,^[3] the share of women who are supervisors (12 percent) is also higher than the industry average.

Details of the Intervention

Note: This study is not a randomized evaluation

Soon after COVID-19 was reported in Bangladesh, researchers worked with IPA to conduct a survey assessing the short- to medium-term impacts of the pandemic on RMG workers' livelihoods. The survey was carried out in six rounds between March 2020 and July 2021. Each round consisted of questions about economic livelihood outcomes such as income and food consumption, as well as mental health outcomes related to stress and anxiety. Researchers compiled a sampling frame of 9,336 workers who had participated in prior research studies before the first round; of these workers, 4,000 were chosen at random for the survey, with the goal of reaching 2,000 workers. The final analysis sample was composed of 1,352 workers who were still employed in the RMG sector at the beginning of March 2020.

Results and Policy Lessons

RMG workers experienced sharp reductions in economic well-being at the beginning of the pandemic, but their incomes rebounded quickly. However, participants' levels of stress increased towards the end of 2020.

Economic outcomes plummeted in the first months of the pandemic but rebounded quickly. Participants' base salaries were halved during the month of April, and their overall

household incomes declined by a similar amount. Households' average incomes returned to 90 percent of pre-pandemic levels within a few months, and rebounded fully by the end of 2020. The recovery was slower, however, for the poorest 25 percent of households, and those in the bottom ten percent remained below their pre-pandemic income levels.

Households cut food consumption, with women bearing the brunt of the impact.

Overall, households experienced a dip in food consumption that followed a similar pattern to income, though it was less severe. Households reduced consumption of protein-rich foods like meat, fish, and eggs. In the first survey round, consumption cuts were distributed equally between men and women, but as time went on, women reduced their consumption significantly more than men on average.

Stress and anxiety increased after the worst economic conditions had passed.

Participants' reported levels of stress rose significantly in late 2020. In September, fewer than ten percent of participants reported moderate or severe stress, but by December that figure was over 20 percent. Participants identified worry about having enough food to feed their families and illness in their households as particularly salient causes. Women reported particularly high rates of anxiety, frequently related to an ill family member.

In response, the research team began piloting a telephone-based counseling program for households experiencing pandemic-related stress. Take-up of the intervention was modest, with 13 percent of those invited to participate having at least one telephone counselling session. Among those using the services, the average call duration was only eight minutes. These doubtless reflect the challenges of offering counselling among participants in jobs with very long work hours. There were no significant effects of the counselling on anxiety levels, but there was some effect in reducing worries about having enough food to feed their families.

Sources

[1] Innovations for Poverty Action, "Supporting Women's Participation in the Labor Force in the COVID-19 Crisis and Beyond," April 11, 2022.

<https://www.poverty-action.org/publication/supporting-women%E2%80%99s-participation-lab-or-force-covid-19-crisis-and-beyond>.

[2] McKinsey (2011). "Bangladesh's Ready Made Garments Landscape: The Challenge of Growth." McKinsey&Company, Apparel, Fashion & Luxury Practice.

[3] Macchiavello, Rocco, Andreas Menzel, Atonu Rabbani, and Christopher Woodruff. Challenges of change: An experiment promoting women to managerial roles in the bangladeshi garment sector. No. w27606. National Bureau of Economic Research, 2020.

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