

**Timeline**

April-June 2020

**Study Type**

Pilot

**Article Link**

<https://bigd.bracu.ac.bd/study/effect-of-covid-19-on-rmg-sector-and-trade-union...>

**Research Implemented by IPA**

No

# Effect of COVID-19 on RMG Sector and Trade Union Efforts to Mitigate Fallout

## Researchers

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## Abstract

The ready-made garment (RMG) industry in Bangladesh is facing a serious crisis because of COVID-19, with a virtual freeze on new business and mass cancellation of existing orders. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has been appealing to the buyers to continue ordering. Some trade unions have asked for a shutdown of the factories, while most others are working with government bodies and BGMEA to ensure that the factories remain open and people have jobs and salaries. According to a report published by Penn State University's Centre for Global Workers' Rights and the Worker Rights Consortium (WRC), more than one million garment workers in Bangladesh have already been fired or furloughed as a result of order cancellations and the failure of buyers to pay for those cancellations. Millions of RMG workers are going to be affected economically by the COVID-19 crisis. In the face of the concerns raised by the trade unions and the RMG employers, on March 25th 2020 the Government announced a BDT 500 million stimulus package, of which the majority is allocated for workers' wages and benefits. The majority of these workers are female, coming from poor socioeconomic backgrounds, and mostly working at a low wage in garments factories predominantly producing low-price garments. But it is extremely important that the poor, vulnerable workers get a fair share of the support package. Our research will provide useful insights into whether this is happening and what role different stakeholders are playing in the negotiation process. In this study, BIGD will identify the role of trade unions in negotiating the rights of RMG workers as the sector is experiencing the global crisis created by COVID-19.

## Project Outcomes of Interest

1) Trade Unions: What effect is COVID-19 having on employment in the RMG sector and how are Trade Union leaders negotiating to safeguard worker interests?; What is the role of the TU leaders in a) safeguarding occupational health and safety of workers in factories still operating during COVID-19, b) ensuring job security and layoffs and termination according to the Labour Law for factories that are closing, c) Ensuring smooth, swift and equitable distribution of the GOB stimulus package benefits to factories and workers?; 2) RMG workers: how has the COVID-19 crisis affected the job security, payment of wages and benefits and occupational health and safety for those still working?; 3) Management of RMG factories/industries: how is factory management coping with the COVID-19 effect on cancellation of export orders in terms of ensuring safety, security and wages and benefits of their workers?

## Partners

[BRAC Institute of Governance and Development \(BIGD\)](#)

## Link to Results

[Research Report and Summary Brief](#)

## Impact Goals

- Build resilience and protect the financial health of families and individuals
- Build resilient and adaptable businesses and employment opportunities
- Improve social-safety net responses
- Improve women's health, safety, and economic empowerment

## Project Data Collection Mode

- CATI (Computer-assisted telephone interviewing)

## Implementing Organization

BRAC Institute of Governance and Development (BIGD)

## Results Status

Results