

MIND THE GAP

A STUDY ON GARMENT WORKERS IN
BANGLADESH

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DISCLAIMER

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ACRONYMS

BBS	:	Bangladesh Bureau of Statistics
BDT	:	Bangladeshi Taka
BGMEA	:	Bangladesh Garments Manufacturers and Exporters Association
BKMEA	:	Bangladesh Knitwear Manufacturers and Exporters Association
BMR	:	Basal Metabolic Rate
CM	:	Cost of Making
CPD	:	Center for Policy Dialogue
CPI	:	Consumer Price Index
CSO	:	Civil Society Organisation
GSP	:	Generalised System of Preference
DIFE	:	Department of Inspection for Factories and Establishments
FoA	:	Freedom of Association
FoB	:	Freight on Board
HIES	:	Household Income and Expenditure Survey
IBC	:	IndustriAll Bangladesh Council
Kcal	:	Kilo Calorie
LEED	:	Leadership Awards in Energy and Environmental Design
MW	:	Minimum Wage
NFNH	:	Non-Food Non-Housing
OT	:	Over Time
PST	:	Partnership for Sustainable Textile
PSU	:	Primary Sampling Unit
RMG	:	Ready Made Garment
SKOP	:	Sromik Kormochari Okhya Parishad (Workers and Officers United Front)
SSU	:	Secondary Sampling Unit
TU	:	Trade Union

EXECUTIVE SUMMARY

In the international clothing supply chain, individually, Bangladesh ranked 2nd. More than 150 countries import apparel from Bangladesh. Nationally, export earning is extraordinarily concentrated on readymade garments, more than eighty percent. Bangladesh has now several thousand RMG factories, employs around 3 million workers, majority are women. Of them, around 668 factories are affiliated members with the Partnership for Sustainable Textile (PST) which is a multi-stakeholder initiative by the German Federal Minister for Economic Cooperation and Development. These factories have employed an estimated 1,296,627 workers.

From these factories and workers, we have surveyed a representative 457 workers. Apart from this, we have interviewed a good number of employers, managers, supervisors, TU leaders, experts, academics, and workers' family members. Moreover, we have conducted a series of case studies and comprehensive desk based reviews. This is huge.

PST particularly follows UN Guidelines on Business and Human Rights, ILO MNE declaration and OECD Due Diligence Guidelines to promote human rights and responsible business behavior in the clothing supply chain. The Core argument of all these documents is that multinational clothing brands shall respect human rights including labor rights - wherever the companies operate. Such as, the right to a decent living wage, the right to organize into TU and bargain collectively, and the prohibition of forced labour, and the right to a safe and healthy workplace.

Our research findings however recount a different story. Among others, we found that in the apparel sourcing factories in Bangladesh, poor wages together with excessive work hours and entrenched exploitation are triggering workers and their families to fall into a poverty trap. This is unchanged and continues year after year. There is a legal binding to review wages after each five years. After the adjustment of currency-devolution and increased inflation, real wages growth however, has been only nominal. Our research has calculated that current wage taking is 11% less than the upper poverty line cost of living.

Every individual worker we studied, the story is almost the same. It is for an economic vulnerability that the respective worker was pushed to join his/her RMG job. Our research finds economic vulnerability and poverty over the years of work in the RMG industry. They are still in the same crunch, living on hand to mouth. They have no savings. They have no social security at all.

When it comes to labour codes and standards, unlawful firing, restricted right to FoA and collective bargaining, abuses and forced labouring, discriminatory practices, wage theft, excessive work hours and denial of leave and rest, and poor occupational health and safety are common in most of the factories. Buyers purchasing practices have little care for these and there is clearly a lack of authority and accountability from them to address labour codes and standards in the sourcing factories.

As a combined effect of all these, to keep the job alive, workers kept their mouths shut. They have no minimum motivation to factory and work. 49% of workers categorically told us that they don't want to continue RMG jobs for a single day in case they find an alternative job opportunity. They don't want their children to come to work in the RMG sector. Against a

booming inflation particularly following COVID-19 and then Ukraine-Russia war, both jobs and living of the workers have become further constrained.

At the same time, while workers are struggling to make a way out of living and saving their jobs, the industry is getting richer and bigger. From just around 1800 factories in 1994 the RMG industry now has nearly 4,000 factories. RMG export growth has been remarkably highest, 35.44%, only in the fiscal year 2021-22. Our estimate suggests that export earnings ratio per worker has been more than double between the last five years only. Bangladesh has now 157 LEED certified world best green factories.

There cannot be any reason that workers in the leading RMG factories are paid a subsistence wage which is well-below the poverty line cost of living or that labour codes and standards in most factories remain partially implemented year after year. Decent wage and better labour codes and standards have direct bearings on export performances, poverty reduction and on economic growth. The government has a firm commitment to address all of these as part of the SDG accomplishment processes. They are important to explore GSP+ facilities in the EU markets.

Credible commitment from the part of the government can be the beginning. Creating an authentic workers database, generation of appropriate knowledge, designing a road map along with clearly set authority and accountability for the respective parties, and faster implementation and tight monitoring and supervision deserve to be the second tier of priorities. Along with the government, employers, buyers, TUs and CSOs must work together to ensure that workers are paid a decent minimum wage and the factories have implemented labour codes and standards in full.

BACKGROUND AND CONTEXT

- ☞ Bangladesh is in the crossroad of transforming to a developing and a lower middle income economy status in the UN processes. Per capita income has risen from only 1248 USD in 2015 to 2824 USD in 2022¹. Human resources index now counts 75.3 and the economic vulnerability index 27.2, better placed to transform smoothly to the UN processes.
- ☞ The CORONA pandemic hit the economy hard. Growth of GDP differed significantly in recent time, with only 3.45% growth in the fiscal year 2019-2020 from 7.88% growth of pre-pandemic year. The country has witnessed two major country-wide restrictions (lockdowns) on public life following the CORONA Pandemic:
 - First: 26 March – 30 May 2020
 - Second: 5 April – 10 August 2021

GDP growth rebounded and stood at 6.94 percent in the fiscal year 2020-21.

- ☞ Bangladesh's economy is dependent significantly on RMG export earnings (80% +). It is the single most women employment provider. Around 1.7 million (58.4%)² women are employed in the RMG. For China-USA crisis, Bangladesh's RMG export gained initially after CORONA days, overall RMG market doesn't forecast good in the coming months, couple of RMG employers claimed the same. Rate of inflation has been one of the worst heights in many RMG importing countries.
- ☞ Official CPI (Consumer Price Index) inflation rate in Bangladesh shows a highest increase in the recent months, more than 9%. Unofficial predictions however are much more abnormal. Some of the main food prices have increased nearly 100%.
- ☞ Balance of payment gap is on an increasing trend in the last couple of months which has caused an acute shortage of dollar. To encourage remittance sending, currency depreciation (USD to BDT) has been one of the highest in the recent months in the history of Bangladesh. Available forecasts though suggest that the gap will widen further in the coming years.
- ☞ Onward 2026, soon Bangladesh shall transition to a developing country status in the UN processes, GSP facility will cease to exist. To qualify as GSP+ country in the EU market, there is among others a legal obligation to sign, implement and report back on 27 international human rights Conventions. This seems to be the crucial time to kick start a process on these.
- ☞ The RMG industry is consistently criticised following only on paper the national and international labour codes and standards, but not in practice. Though the situation has improved significantly in recent years, there are still large gaps. Workers are not informed about the codes and standards. A second main inconsistency is that the RMG workers' wage in Bangladesh is one of the lowest in the world (98USD/month). This is causing workers a serious hardship in maintaining their life and livelihood.
- ☞ There is a legal binding to review and fix the RMG sector minimum wage by 2023. A couple of influential employers said to us, there is clearly a need to increase the minimum wage and they shall welcome any rational move on this.

¹ Bangladesh Bureau of Statistics, Retrieve from

<https://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/>

da60336f_6399_4573_b903_6a137aef7805/2022-09-01-08-57-770ed16219162249611768b8dcd9de5d.pdf

² BGMEA (2021) *Mapped in Bangladesh*, P6 Retrieve from https://mappedinbangladesh.org/wp-content/uploads/2021/08/Working-Paper_Worker-Ratio.pdf

OBJECTIVE OF THE STUDY

- The labour rights situation of the RMG workers in Bangladesh in terms of implementation of national and international labour codes and standards.
- Prevailing wage practices of RMG workers in Bangladesh and to draw a just wage structure with empirical analyses.
- Draw and agree on a set of recommendations with the national centers' TU leaders to act on.

METHODOLOGY³

- Q An estimated 1,296,627 workers employed in the PST affiliated 668 RMG factories make up the study population. Target population however is the entire RMG workers.
- Q 5 administrative districts each having more than 10 PST affiliated RMG factories are covered finally. They are 1) Dhaka, 2) Gazipur, 3) Narayanganj, 4) Mymensingh & 2) Chattogram.
- Q A representative 457 RMG workers from the PST affiliated factories based in the above-stated 5 administrative Districts are interviewed using a pre-developed semi-structured questionnaire.
- Q 5 case studies are collected, 1 each from finally selected 5 study Districts.
- Q 5 Focus Group Discussions are conducted with the family members of the workers who are employed in the PST affiliated factories, 1 each from the 5 administrative Districts.
- Q 6 RMG employers from PST affiliated factories are interviewed using a pre-developed checklist.
- Q 5 senior managers from PST affiliated factories are interviewed using a pre-developed checklist.
- Q 5 supervisors from PST affiliated factories are interviewed using a pre-developed checklist
- Q 2 consultations are organized with the workers representatives. First one with the SKOP affiliated 6 national TU centers who are mainly connected with the RMG sector. A second one with the IBC affiliated 6 national TU centers.
- Q 5 national level CSO actors are interviewed using a pre-developed checklist.
- Q On the spot inspection of house rent, 4 teams at 4 places.
- Q On the spot inspection of food cost, 4 teams 2 times in 4 places.
- Q Conducted an extensive desk based review of available literature.

³ Annex I describe the detailed methodology

THE STATE OF THE INDUSTRY

2nd LARGEST EXPORTER IN THE WORLD

Bangladesh is the second largest readymade garment (RMG) exporter in the world only after China⁴. The RMG industry earns nearly 82% (eighty-two) of total export income. Export volume of this sector has risen from only USD 31.57 million in 1983-84 to USD 42.61 billion in 2021-22.



Data Source: Export Promotion Bureau

WORKERS-EXPORT EARNING RATIO DOUBLED IN THE LAST 5 YEAR

Export earnings ratio per worker in the RMG industry is estimated as BDT 1,421,843 only in the fiscal year 2021-22. Export earnings ratio per worker was BDT 708,906 (1USD = 79 BDT) only in the fiscal year 2016-17. This estimate suggests that the export earnings ratio per worker has been more than double between the last five years period. Employers confirm, "Capital per worker has increased significantly over time".

ROBUST EXPORT GROWTH AFTER INTIAL COVID SHOCK

In the financial year 2019-20, following the COVID outbreak, RMG export growth was negative, some -18%. In the subsequent years, export growth recovery has been robust. RMG export growth in the last financial year 2021-22 has been

Financial Year	Export Earning (Billion USD)	Year on Year growth (%)	% of RMG to Total Export
2017-18	30.61	8.74	83.49
2018-19	34.13	11.50	84.21
2019-20	27.95	-18.12	83.00
2020-21	31.46	12.56	81.16
2021-22	42.61	35.44	81.82

Source: Export Promotion Bureau

⁴ World Trade Statistical Review 2022, Table A23: Top 10 Exporters and Importers of Clothing, 2021 P78, https://www.wto.org/english/res_e/booksp_e/wtsr_2022_e.pdf

⁵ According to BGMEA's latest count, 3862 export oriented RMG factories have employed 2,847,184 workers. Given this employment figure against USD 42.61 billion export earnings in the year 2022, export earnings ratio per worker is estimated as BDT 1,421,843 (1 USD = 95BDT) only in the fiscal year 2021-22. Retrieve on 01 August 2022 from <https://mappedinbangladesh.org/>

⁶ According to the Labour Force Survey Bangladesh 2016-17, RMG industry employed 3137000 workers in the year 2016. Considering this figure against an export earnings of USD 28.15 billion, export earnings ratio per worker estimates as BDT 708,906 (1USD = 79 BDT) only in the fiscal year 2016-17. Please see annexure1: Table S161: Distribution of employed persons aged 15 or older, by BSIC at 2-digit level, sex and area, BBS 2017, Quarterly Labour Force Survey 2015-16.

remarkably higher, around 35.44% with the highest export earning of nearly 43 billion USD.

Our research findings further show that Bangladesh's RMG is a gainer from the ongoing Russia-Ukraine and USA-China crisis. Reportedly, more and more buyers who were earlier importing garments from China are now increasingly sourcing their products from Bangladesh. *"Bangladesh has become a hotbed for buyers. We have compliant factories. We have available products and varieties"* says one employer who is also an influential leader in the BGMEA. Another one employer said to us, *"More and more brands are coming in Bangladesh & increasing their business volume, because factories are highly compliant, better product quality and smooth merchandise handling."*

Few of the employers expressed their panic too about the time ahead, particularly in view of the global recession and ever increasing rate of inflation world-wide which, to one employer, may cause a cut of non-food consumption expenditures drastically.




EXPONENTIAL GROWTH IN INDUSTRY SIZE

From just 50 (fifty) factories in 1980 the RMG industry now has several thousand factories. Bangladesh now has 3862 export oriented RMG factories⁷. The current members of the BGMEA and BKMEA are about 3584 units and 2416 units respectively.

SLOW TECHNOLOGICAL UPGRADATION

Technological upgradation is reported rather slow, around 5 to 10 percent in the last five years period. Among the different technological upgradation, installation of Jacquard machine, pocket setter machine, automated cutting machine, digital printing machine, different support guide and template, bass machine, and computer control template machine are reported main. First two of them reportedly have caused employment cuts drastically.

ANALYSIS OF RMG CAPACITY

-  Ten (10) of the factories whose employers and managers we talked to, have grown several times in the last ten years period, few have grown more than 10 times. *"15 years before, when we started, our annual turnover was only 7/8 million USD. Now, it is 150 million USD a year"*, says one employer. Another employer said to us, *"We employed only 100 workers, when we started in 2011, now we have 1900 employees."*
-  Bangladesh is now home to the world's highest number of LEED certified green RMG factories⁸. Bangladesh's RMG industry has more than 157 green buildings.
-  Out of total 3862 RMG factories, 1760 factories are 91 to 100 percent compliant in line with advanced international occupational health and safety standards. Of them, 1260 factories are 91% to 100% compliant according to ACCORD set standards⁹, 463 factories are fully compliant according to the standard set by the Safety Alliance Bangladesh¹⁰ and the rest 37 factories have completed 91-100% safety standards

⁷ BGMEA: Mapped in Bangladesh, Retrieve on 01 August 2022 from <https://mappedinbangladesh.org/>

⁸ Leadership awards in Energy and Environmental Design (LEED) by the United States Green Building Council (USGBC)

⁹ Sourced from <https://bangladeshaccord.org/updates/2021/04/07/safety-remediation-progress>

¹⁰ Sourced from <http://www.bangladeshworkersafety.org/2-uncategorised/338-cap-completion-ba>

under the supervision of DIFE¹¹. From our observation, these 45.6% RMG factories have better financial capacity.

83% of workers said to us that their factories have tremendous financial capacity to address labour codes and standards of any kind. Only 14% claimed that their factories are insolvent. *"We are a damn profit making Factory. We have 20-22 buyers. We have sufficient orders from EU, India, Vietnam, and China"*, says one factory supervisor from Gazipur.

FoB price is reportedly 30% to 40% of the tag price which was also confirmed by interviewing employers. As per this estimate, when the tag price is 5USD, its FoB price calculates to 1.5-1.75 USD. Rest 3.25-3.5USD remains with the buyer. Buyers share of cost largely cover carriage cost, business cost, and the profit.

Our research further has analysed that labour cost is only 2.7-2.8% of the FoB value. That means for a shirt that finally sold in 5USD, labour cost is only 3/4 cents. Thus, for a 10 dollar tag priced product, labour cost is only 8-9 cents and for a 15 dollar product, it is around 12-13 cents. The average labour cost is only 7-8 cents¹².

One of the CPD researches¹³ shows that employer's share of profit is highest (8.9%) and the labour cost is lowest (2.7%) in Bangladesh in comparison to Vietnam and China.

DEVELOPING COUNTRY GRADUATION AND RELEVANT IMPLICATION

On 24 November 2026, Bangladesh will fully graduate to a developing country status in the UN processes. Along with the economic vulnerability index, per capita income and human development index are two other main criteria attached to the graduation processes.

Once graduated fully, duty and quota free access to the EU market will cease to exist. Onward, the country will have to apply for GSP+ facilities (zero duty market access up to 66% of tariff lines). To avail GSP+ facilities it is a must to ratify and effectively implement 27 core UN conventions plus to accept reporting requirements of all kinds. These require among others to ensure labour codes and conduct to international standards. For this to happen, it is a must to start for a preparatory phase now.

¹¹ Sourced from <https://lima.dife.gov.bd/public-report/factory-profile>

¹² This is based on our analysis of FoB price and Tag price given in page 52

¹³ Dr Khondaker G Moazzem, CPD-FES Dialogue, Bangladesh Apparels Sector: Does Margin Matter for Ensuring Compliance? Presented on 12 August 2015, Dhaka

THE BOTTOM LINE: MINIMUM COST OF LIVING & WAGE

Minimum cost of living estimates a living cost which is beyond the upper poverty line cost of living. Minimum wage legally base a logical calculation for a minimum cost of living.

International legal basis	National legal basis
ILO Convention No. 131, Article 3: wage shall consider among others 1) needs of workers & their families, 2) the cost of living, and 3) social security	The Constitution, Article 15: Employment at a reasonable wage as well as right to social security shall be guaranteed
ICESCR 1966, Article 7: Remuneration for a minimum decent living to worker and his/her family.	Labour Policy 2012: sufficient wage to maintain a standard of living of the workers and their family members.
SDG: Promote among others a productive employment, meaning sufficient income to permit a worker and his/ her dependents a level of consumption above the poverty line (ILO, 2012). ¹⁴	BLA 2006, Section 141: In determining minimum wage, the wage board shall consider among others cost of living and standard of living.

MINIMUM WAGE CALCULATION FOR RMG: CRITERIA WE FOLLOWED¹⁵

- 4 members family
- 2188 Kcal food per person a day
- 270-275 sq. ft. (25/26 sq. m.) house for living
- Research based health cost per family per month
- Research based education cost per family per month
- Research based miscellaneous NFNH costs
- 5% savings
- Divided by 1.46 income earners

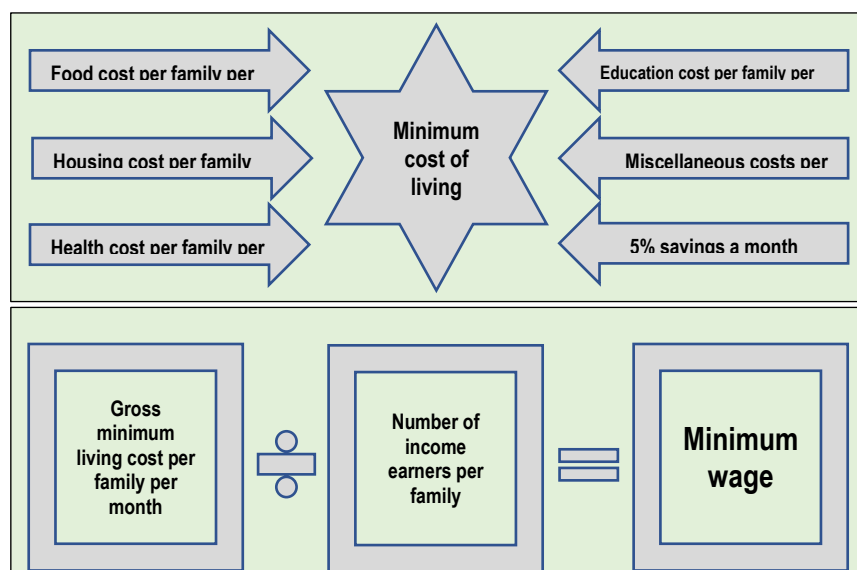


Figure: How we calculate minimum wage

Based on a most conservative estimation, our research has determined the bottom line for the minimum cost of living and minimum wage for Bangladesh's RMG workers as under:

¹⁴ ILO (2012), Understanding Deficit of Productive Employment and Setting Targets A Methodological Guide, Chapter 2: Concepts and Definitions, p3, paragraph 3, Geneva: International Labour Office Retrieve at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_177149.pdf

¹⁵ Detailed minimum wage calculation is attached in the annex

Table: Estimated Minimum Wage for the RMG

3 different areas	Minimum Cost of Living (BDT)	3 different minimum wages (BDT)	USD (1USD=106BDT)
Dhaka	33368 (315USD)	22,850	216
Satellite cities	30494 (288USD)	21,000	198
Chattogram	29721 (280USD)	20,400	192
Average	31194 (294 USD)	21,415	202

FEW OTHER ESTIMATIONS OF WAGE FOR BANGLADESH'S RMG

Sectors and Estimations	Wage (BDT)	USD (1\$=106)
Considering current per capita income (4 members/1.46 earners)	68,343	645
Asian Floor Wage estimation of RMG Sector Living Wage for Bangladesh	53104 ¹⁶	501
Global Living Wage Coalition estimation of RMG sector Living Wage for Bangladesh	21648 ¹⁷	204
MW for Banking sector workers like cleaner in Bangladesh (Declared in 2022)	24,000 ¹⁸	226
Minimum wage for Sawmill workers in Bangladesh (Declared in 2022)	17,900	169
Upper poverty line wage for Bangladesh ¹⁹	14214	134

CURRENT WAGE TAKING STATUS

Our research finds that including overtime income, workers on average earn BDT 12,794 per month. Individual worker income is analysed highest in satellite cities, BDT 13675 per month and lowest in Chattogram, BDT 11,862 per month. Excluding overtime income, mean average monthly income is however determined BDT 9,914 only per month.

Area	Average Wage Excluding OT	Average Wage Including OT
Dhaka	9,608 (91 USD)	12845 (121 USD)
Satellite cities	10,022 (94.5 USD)	13675 (129 USD)
Chattogram	10,111 (95 USD)	11862 (112 USD)
Mean average	9914 (93.5 USD)	12794 (120.5 USD)

Following COVID-19, during lockdown periods, workers earned on average, BDT 6,645 a month which was almost half than the real time income.

MIND THE GAPS

Minimum wage for the 7th grade RMG worker was last set BDT 8,000 (98 USD/ 1USD = 82 BDT) per month in 2018, around 44% less than the upper poverty line cost of living. If counted in dollars, even current wage taking (93.5 USD) is around 5% less than the last set minimum wage.

Current wage taking is around 11% less than the upper poverty line cost of living and around 67% less than what our research has calculated as minimum wage for the last

¹⁶ Retrieve from <https://asia.floorwage.org/living-wage/>

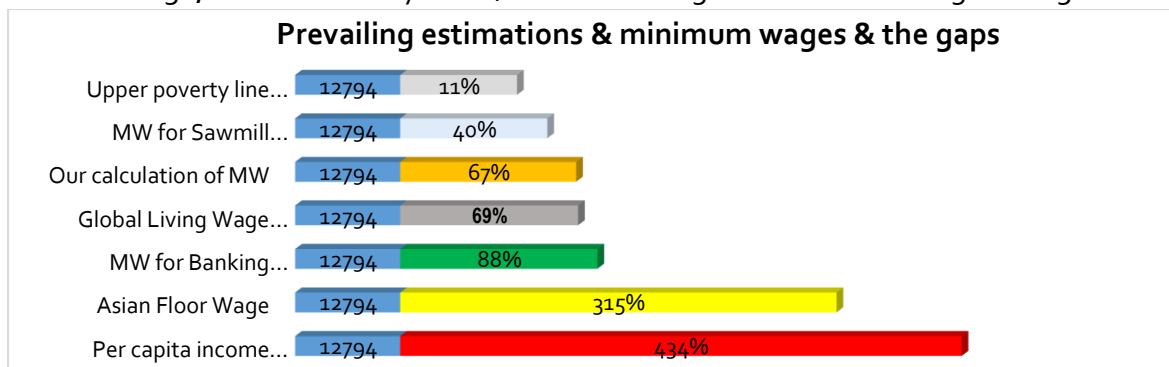
¹⁷ Retrieve from <https://www.globallivingwage.org/countries/bangladesh/>

¹⁸ Retrieve from <https://www.bb.org.bd/en/index.php/mediaroom/circular>

¹⁹ According to HIES 2016, upper poverty line income in urban Bangladesh is BDT 5,188 per person per month. Thus, upper poverty line wage calculates to BDT 14,214 [BDT5188 per person X 4 persons/ 1.46 income earners] only.

grade RMG workers. Tia, a sewing operator from Savar, earns only BDT9828 a month. She explained with reasons she has a minimum BDT 25,000 living cost a month. Her income is 154% less than this.

- It is respectively 88% and 40% less than minimum wages for the banking sector (Cleaning workers/messengers) and Sawmill workers of Bangladesh. These two sector’s MWs were declared in last 2022.
- Global living wage coalition has calculated a 69% higher minimum wage for Bangladesh’s RMG workers than the current wage taking.
- Wage estimates on the basis of running per capita income and as calculated by the Asian floor wage, reinforce nearly three/four times²⁰ higher the current wage takings.



- On the other hand, our research has calculated the current mean family income of BDT 20,904 per RMG worker family per month. Currently, mean average expenditure per family is recorded BDT 23,724 only per month. That means, at current below upper poverty line status of living, on average, per family has an income-expenditure deficit of BDT 2,820 only per month.

Table: Income-expenditure gap

Area	Monthly Income (BDT)	Monthly Expenditure (BDT)	Income-Expenditure gap (BDT)
Dhaka	21,951 (207 USD)	26,030 (245.5 USD)	4,079 (38.5 USD)
Satellite cities	20,774 (196 USD)	21,338 (201 USD)	564 (5 USD)
Chattogram	19,987 (189 USD)	23,803 (225 USD)	3,816 (36 USD)
Mean Average	20,904 (197 USD)	23,724 (224 USD)	2,820 (27 USD)

- COVID-19 exacerbated the situation further. Our research findings show that in the initial days of COVID-19 attack, only 14% were fortunate enough to continue as full-time workers. For the rest 86%, either full-time jobs turned to a half-time one (28%), or work days or work hours got reduced, or they lost work and employment.

Since, Summa could not manage to come to Dhaka and to resume work on the day the factory was open following COVID-19 disruption, she needs to make a fresh start. She was not paid services benefits. Following COVID-19 outbreak, for the first couple of months, Rumana was totally unpaid. Few months later, she was half paid for the unpaid months. Finally, she was laid off without giving any service benefits. She litigated in the court which is still pending. To enable a living, she now and then borrowed money from peers and relatives. She did a lot of unpaid borrowing which has not yet been fully repaid.

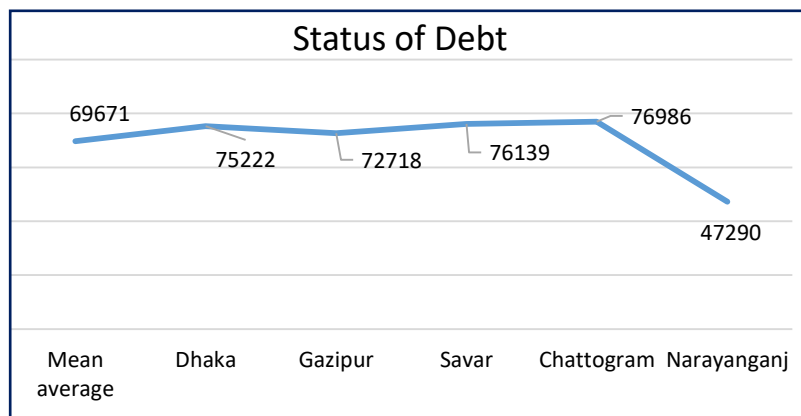
²⁰ Current per capita income is 2824USD. Following this estimation, minimum wage for RMG worker is recalculated as BDT61,251 per month [2824USD per person X 4 persons family /1.46 income earners per family/12 months X BDT95]

THE HUMAN COST OF MEAGRE WAGES

- Garment workers are paid such poor wages that they are in an income-expenditure deficit every month which deny them the ability to meet their basic needs. They live a very precarious life, from hand to mouth. Many couples, families and single individuals live together in only a tiny, cramped place. They shared with many others toilet, stove and water sources. Quarrels over who gets to use the toilet and stove are common year round.
- Some 81% of workers reported that they regularly run out of money at the end of each month.

82% of workers said to us that they regularly take loans and/or borrow from friends, relatives or neighbours to maintain a living.

78% reportedly purchase on credit from the local shop to fill in the income expenditure gap.



- A good number of workers (14.8%) have kept their families and children in the village homes. Some 13.5% reportedly get support from the village homes to maintain a living.
- Workers experience a perpetual debt-burden. 2 out of every 3 workers (68.9) have a debt burden, on average 69,671/- taka each.
- 1 out of every 3 workers (33%) reportedly caught a debt burden to maintain a living. Child education (22%), and marriage are two other main reasons for being indebted.

Workers regularly use their pay from the current month to cover debts incurred in the previous month. Tension with shopkeepers, borrowers and grocers is common.

They make clothes for the world's best brands. They buy and wear the most cheap and poor-quality clothes. Many workers reported to us that they never go for outings or spend anything on recreation.

"We live by loan", says Shimu who is a wife of a garment worker from Gazipur

"Every month loan is the last way", says Sonya Akhter who is a spouse of a garment worker

"No money is a common routine", says Roushanara who is a mother of a garment worker

"Every month we need to take loans for a living", says Kohinoor Begum who is a mother of a garment worker.

- Those who have kept their children in the village homes, if lucky enough, can at best afford to visit their children, once in a year. These workers are worried all the time which

have a circular impact on the production performance. 4 out of every 5 workers (80.9%) who don't keep their children with them reported the same.

- 🏠 Summa, a women worker from Tongi told us that to enable a living, her family now and then does unpaid buying and/or purchase everything in installments. Her family needs to pay 2000 taka each month as installments for previous purchases. She has sent one of her children to live in the village home since she cannot afford her cost.
- 🏠 48.8% of workers don't want to continue RMG jobs in case they get an alternative employment opportunity. Of them, 99% have reported low wages the main cause. Rumana, who is a sewing operator at a garment factory at BSIC industrial area at Tongi said to us, *"There is nothing left from my income. I have decided to quit my job in the coming November. I have worked a lot, I need rest. I will return to my village. I will marry someone who is out of the RMG job. There is no reason to lose another 16 years working in the RMG jobs. It is all about suffering and slang languages, a kind of prison in it."*

The story of Rabeya

Rabeya is only 28 years old. She is an operator in a factory at Gazipur. Along with 2 children, she lives in a single room which is 10 feet long and 12 feet wide. In her living place, there are 10 such rooms in 2 queues, 2 toilets, and 4 stoves. 10 families live in 10 rooms and men and women share the same toilet. Rabeya needs to leave her previous RMG job for maternity protection. According to Rabeya, "you know, you have no time even feeding milk to your baby". After giving birth to first child, Rabeya left her job and went back to village home. She stayed for 4 years. When her child grew only 4 years, keeping him under the care of her grandparents, she moved to Dhaka again and joined the present job.



Since 2013, Rabeya has been working in the same factory. "It is a compliant factory", said Rabeya. She regularly works 8 am to 10 pm a day. Factory decides overtime and night duty and it is a must. Disobedience followed verbal abuses. There is a break of 1 hour in the lunch time and 10 minutes break for taking some snacks in the overtime hours. Except these, no rest time is allowed. Pay slip is issued. Pay slip only mentions 2 overtime hours and the extra overtime hours of work is maintained in a different register. Her factory has appointed a welfare madam. In case of any abuses or any issues, workers can talk to her directly. Her current salary is BDT 10,600 a month. Including overtime income she on average earns 13/14 thousand taka per month. She has a loan of 100,000 taka only which she has taken from a village committee to mortgage a piece of land. She described, in her present status of living, she needs at least BDT 20,500 per month to narrowly manage a living. She claimed she is in real trouble after 10 days of receiving wage every

Income needed at current status of living	
Items	Need (BDT)
House rent	3500
Transportation	900
Medical cost	500
Education cost	2000
Loan installment	3000
Food cost	9000
Clothing cost	1000
Personal care & refreshment	600
Total	20,500 (193\$)

month. In her words, "I can only say, I don't have my capacity and patience any more. Lending money is common every month. It is really tough to survive".

She confirmed, her factory has better capacity to pay workers any amount of wage. She claimed that her factory has lots of orders and huge work pressures. Different buyers regularly visit her factory. Buyers often talk with the workers. Workers very often talk to authorities to increase wages. But, for reasons unknown, wages always remained the same. In her words, "I really don't understand, why don't they increase our salary?"

FOOD AND NUTRITION

- 📊 100% of workers told us that their income is inadequate to feed themselves and their family required nutritious food for the entire month.
- 📊 Fermented rice with burnt (fried) pepper and potato smash is a common breakfast year round. For lunch, workers mostly eat one vegetable, one piece of fish or egg and some lentils or beans. For dinner they throw together whatever they can manage. When there is still a crisis, food expenditure is cut further, and many workers will only eat "dry foods" like bread for lunch.
- 📊 1 out of every 3 workers (32.7%) reported that they further compromise with food cost to minimize income-expenditure gap every month.
- 📊 Beef taking is seen only as a luxury. One woman worker from Narayongonj told us that "I cannot remember if I ate beef at all in the last year. It is too costly."
- 📊 For some women, even affording a limited, insufficient diet can be a stretch. 1 out of every 3 garment workers told us that they or their children miss meals or eat inadequate meals regularly, while a further 19% told us this happens from time to time. Tia said to us that she eats chicken at best once a month. She doesn't go for outings or visit her relatives nowadays.

HEALTH AND EDUCATION

- 📊 When it comes to health care - little or no treatment, loan taking for treatment purposes, and associated health risks and sickness from long work hours – are reported common.
- 📊 82% of workers reported that they could not afford proper treatment when they or their close family members fell into sick in the last year.
- 📊 Those who have caught a debt burden, some 62% of them report to us that it is for treatment purposes, they get caught into this crisis. "Our 1 child and father in-law fall to a sudden illness. We take a loan of 1 lakh taka to cover the treatment cost. Now we are under serious pressure, how to repay the loan", says Hashi Akhetr, a spouse of a garment worker from Savar. Fatema, who is a sewing operator in a garment factory, reported to us that during the first wave of COVID-19, her son was tested positive for typhoid. 3 local hospitals denied her son treatment. Finally, 1 medical Centre which is far distant from her residence treated her son. Treatment cost her BDT 25,000 at once, almost double than what she earns in the entire month. In her words, "it was a real battle; I did unpaid buying. I borrowed from my colleagues and relatives."

- 📄 27% of workers reported to us that they don't want to continue RMG jobs for a health cause associated with overwork. Apart from regular working hours, RMG workers on average reportedly work 3.48 hour overtime per day. 1 out of every 6 workers said to us that they work more than 5 hours overtime per day. In reality, workers have no choice. They need this income to afford a living, to enable a minimum health cost. 41% of workers told us that they often work a full month without a day off. Depending on work pressure, there are reported as many as six months in a year without a single day off. 40%, the highest percentage of workers said that it is around 3 to 4 months every year, they need to work without a day off. Tia, a sewing operator from Savar said to us, *"I haven't taken a day off in the last 9 months"*.
- 📄 Some 20% said to us that they are not allowed any sick leave. Another, around one-third (32.6%) reported that it is a rare chance to win a sick leave from the factory authority.
- 📄 87.1% of workers reported that to some point they feel stressed at work. 18.6% of workers claimed that they are totally exhausted. No leave and rest (38.3%), ever increasing work targets (26.2%), excessive work hours (18.4%), and continued misconduct (16.9%) are reportedly the main reasons for being stressed at work. Stories of fainting, and feeling dizzy while at work are common all around.
- 📄 Reportedly, families having a regular patient and/or someone with a major health cause, and/or an older person and/or under five children, have comparatively a big health cost regularly. Kohinoor Begum who is a mother of a garment worker from Savar said to us' *"my husband has a heart disease. Only his medicine costs BDT 1,500 per month."*
- 📄 87% of garment workers reported that their wages are not enough to cover education costs for their children. Government schooling is though free in Bangladesh, there is associated other costs like travel costs, tiffin, and uniform costs, and materials costs.
- 📄 Children dropping out of school to shoulder the family burden is very prevalent. 15.1% reported that insufficient income and wage forced their children out of school and into work. We get similar findings from the qualitative part of the research. Tia's (work in a garment factory at Savar) two children don't go to school. In her words, *"It is not possible to give education to the children with this poor salary."*
- 📄 Nearly one fourth (23.6%) of the workers we interviewed started working in the garment industry as children themselves. For most, this was again because their parents realised the education costs would be impossible.
- 📄 97% of workers reported that they don't want their children to work in the garments industry.

The story of Tia

Tia Begum is only 25 years old. For economic vulnerability, she started a RMG job while she was below 18 years. She has 2 children. Her husband is paralyzed and bedridden. Having a COVID effect, she lost her first job.

She regularly works 8 am to 10 pm in the factory. When she performs a night duty factory time sometimes linger up to 3 am in the late night. She works hard and non-stop. It is a must for her to live. She said, "I haven't taken a day off in the last 9 months. I regularly work overtime for money."

One day, for a physical cause, she lawfully left the factory at 5 pm. Next day, her production target was set one and a half times. She failed to accomplish. Her supervisor abused her verbally, "You, born in a paddy field. I will kick you out of the factory". She lodged a complaint with the local trade unions. The next day, the line chief and 5 other senior managers imposed on her further penalty. She was forced to remain standby from 11 am to 3 pm on the floor as well as threatened continuously for long hours. No one protested. She said, "There are committees but all are hostages; no one came forward in my sufferings".



She regularly falls short of income to make up her living cost. For a minimum living she needs 25000 taka a month. She was paid BDT9828 in the last month. She eats chicken at best once a month. She doesn't go for outings or visit her relatives nowadays. Her children don't go to school. She said, "It is not possible to give education to the children with this poor salary".

CHILD CARE

Table: Status of Child Care %)

Do you have children?	Dhaka	Gazipur	Savar	Narayongonj	Chattogram	Total
Yes	71.0	85.0	96.0	97.0	76.0	85.78
No	29.0	15.0	4.0	3.0	24.0	14.22
Where do the children live?						
Live with the worker	69.4	34.2	59.0	81.5	70.5	55.9
Live in village home	28.0	63.0	40.0	18.0	26.0	42.1
Live in nearby place with others	3.0	2.8	1.0	0.5	3.5	2.0
If not live with workers, what is the reason?						
Poor wage and income	72.7	53.0	43.8	41.7	38.9	50.3
None to see/care while at work	18.2	24.0	25.0	33.3	44.4	26.6
Less education cost at village	9.1	19.0	25.0	16.7	16.7	19.1
No security	0.0	4.0	6.3	8.3	0.0	4.0
Worry about child while at work?						
Yes	91.7	95.4	94.5	87.7	91.8	93.1
No	8.3	4.6	5.5	12.3	8.2	6.9

86% workers have children, some 14% don't have. Nearly half of the workers (44.1%) who have a child or more reported that their children don't live with them. They live either in village homes (95.4%) or in nearby places with their known relatives (4.6%). Among those who have sent their children in the village homes, only some 19% can afford to visit their

children on a regular basis (at least once in a month), and for the rest, it is at best once in 1 or 2 years.

- More than half of those (50.3%) who don't keep their children with them reported that it is because of poor wage and income they cannot afford keeping children with. Among other reasons, no caregivers while at work (26.6%), less education cost at village homes (19.1%), and lack of security (4%) are reported most.
- 93% of workers reported that they mostly remain anxious about child care while at work which may have a negative implication on their work and productivity.

HOUSING AND LIVING STATUS

Table: Living Status (%)

Status of Housing	Dhaka	Gazipur	Savar	Narayongonj	Chattogram	Total
Mud floor & tin wall & tin-roof	27.5	11.2	11.1	47.8	28.8	21.5
Tin-roof but cement wall/floor	45.1	61.8	65.5	46.3	46.3	55.5
Structured building	27.5	27.0	23.5	6.0	25.0	23.0
Living arrangement						
3/3+ persons live in 1 room	74.5	50.0	63.0	85.1	67.4	63.2
4/4+ persons live in 1 room	58.8	24.7	32.1	37.3	26.3	31.9
Entire family live in 1 room	5.9	0.0	1.2	0.0	1.3	1.1
On average living in 1 room	3.7	2.8	3.1	3.3	3.2	3.06
Average living room size						3 M X 3.6 M

- Workers have, on average, very poor housing and living. Mostly, workers live in rented houses (85.3%), mess and slums.

1 out of every 5 workers (21.5%) live in totally unstructured houses which have mud floors, tin walls, and tin roofs. Water leaks when there is rain. Nearly half of the workers (47.8%) in Narayongonj live in the same houses, followed by Chattogram (28.8%). More than half of the workers (55.5%) live in tin-roofed houses. Only, around one-fourth of workers (23%) live in structured houses. Kohinoor Begum, a worker's mother from Savar said to us, "Recently, our kitchen room was flooded by the rain water. Now we cook in the living room in a mud-made portable burner."

- On average, 3.06 persons live in 1 room which is only 2.8 meter by 3.6

Rabeya along with her 2 children live in a room which is 10 feet long and 12 feet wide. In her living place, there are 10 such rooms in 2 queues, 2 toilets, and 4 stoves. 10 families live in 10 rooms.

Rumana along with 2 others lives in a 10/12 feet room. It is a tin-roofed house. In the same living place there are 16 such room arrangements. For the entire tenants there are only 2 toilets, 6 stoves, and 1 bathroom.

Fatema and her son live together in a tin roofed house. It has cement-floor and cement-wall. In the same compound, there are 50 such rooms and only 15 toilets. When it rains, water overflows the yard and enters the house.

"5 of us live in 1 room. We sleep in the floor using mat and blanket", says Rabbi from Shewrapara of Dhaka, a son of a working mother.

meter in size. Around one-third cases (31.9%), 4 or 4+ persons live in such a small room. In Dhaka, in some 6% cases, the entire family lives in a single such room.

- 🏠 Nearly one-third cases (30.4%), more than 9 persons shared a single burner for cooking food. 1 out of every 4 cases (26.9%), 3 worker's families or more shared a single burner for cooking. Some 28% worker's families shared a single burner between two families for cooking food.
- 🏠 Some 40% of circumstances, more than 8 persons shared a single toilet. For nearly one-third situations (31.7%), 3 families or more shared a single toilet. More than one-third cases (33.9%), 8 persons or two families shared a common toilet. *"We 50 of us shared only 3 toilets"* says Habibur Rahman from Narayongonj, who is a father of a garment worker
- 🏠 Some two-third workers (63.2%) reported that their sanitation arrangement is located outside the home arrangement.

Table: Cooking, sanitation and water arrangement (%)						
Status	Dhaka	Gazipur	Savar	Narayongonj	Chattogram	Total
Cooking arrangement						
2 families share 1 burner	37.3	21.9	32.1	28.4	31.3	28.0
3 families or more share 1 burner	25.5	35.4	24.7	28.4	10.0	26.9
9+ persons share 1 burner	41.2	36.5	24.7	31.3	15.0	30.4
Sanitation arrangement						
8+ persons share 1 toilet	60.8	44.9	34.6	80.8	16.3	40.0
3/3+ families share 1 toilet	39.2	36.0	33.3	34.3	13.8	31.7
2 families/8 persons share 1 toilet	45.1	38.2	27.2	40.3	18.8	33.9
Water arrangement						
21+ persons share 1 water source	37.3	34.3	70.4	6.0	2.5	31.3
10-20 persons share 1 water source	45.1	43.3	11.1	37.3	46.3	37.4

- 🏠 Some one-third workers (31.3%) share a single water source with more than 20 persons. For another more than one-third circumstances, 10-20 persons shared a single water source. More than two-third instances (70.2%), water source is located outside the home arrangement.
- 🏠 Sonya Akhter who is a spouse of a garment workers told us, *"Three families, we share 1 toilet and 1 bathroom. For toilet access and bathing in the morning, there is a regular chaos."* Nipa, wife of a garment worker from Tongi said to us, *"There is always a fight among us over access to toilet"*.
- 🏠 More than half of the workers (57.1%) travel between 1.1 km and 5+km per day to reach the workplace from home. For more than one-third (40%), the distance is 2.1 km+ between living place and workplace. Including return travel, the mentioned figure deserves a double counting.

LABOUR RIGHTS: COMPLIANCE WITH NATIONAL AND INTERNATIONAL CODES AND STANDARDS

Bangladesh has a comprehensive labour law. Brands that are sourcing garments from Bangladesh have strong Codes of Conduct. These require upholding fundamental rights and principles at work. Our research finds that because of implementation level weaknesses, these are categorically failing to address labour rights abuses at work.

Workers face a number of unfair practices in the workplace. Their economic vulnerability particularly due to below poverty line wages make them more susceptible to exploitation and acceptance of abuses. There is only a limited alternative opportunity. They need to keep their jobs. They simply put up with the agonies.

JOB INSECURITY

Workers live in constant fear of losing their jobs and livelihoods. Nearly, half (49%) of the workers told us that management can terminate any worker at any time. 31% told us that it is a random practice. *"Even before you have taken the shoes off, you would be laid off,"* said Fatema, who is a sewing operator in a garments factory at Savar. Monica, who is a wife of a garment worker from Gazipur said to us, *"You may even lose your job for being 1 minute late, it is as easy."* One supervisor from Gazipur said to us, *"workers are always panicking. Many times they get fired."* Another one supervisor from Mirpur said to us, *"We don't have any job security. We may be dismissed any time. It depends on management. It is the same for workers."*

23.4% of workers either don't have an appointment letter or they are unaware of this. Narayongonj presents the worst case scenario and Chattogram the best. 45% of workers from Narayongonj and 11% of workers from Chattogram reported the same. Those who have an appointment letter, 41% of them reported that they either don't know or read what is in the appointment letter.

Rumana is only 32 years old. She works as a sewing operator in a garment factory at Tongi. This is her third RMG job. While she was still below 18 years of age, she lost her first job. In her second job, she worked for about 13 years, from 2007 to 2020. In 2020, she was laid off from this job. Crisis from COVID-19 was notified as a cause. She litigated which is still pending.

Table: Status of Job Security (%)

Status	Dhaka	Gazipur	Savar	Narayongonj	Chattogram	Total
Appointment letter						
Yes	66.7	83.1	74.1	55.2	88.8	76.6
No	33.3	16.9	25.9	44.8	11.2	23.4
What is in the appointment letter						
Read/Know						59.3
Don't read/know						40.7
Service book (legal binding for recording services details of an employee)						
Yes	39.2	42.1	21.0	22.4	65.0	39.2
No	60.8	57.9	79.1	77.6	35.0	60.8
Attendance register						
Yes	72.5	63.5	79.0	100.0	91.3	77.5
No	17.5	36.5	21.0	0.0	8.7	22.5

- On average, 61% of workers reported that they either don't have a service book or are unaware of this. Workers based at satellite cities present the worst case scenario. 79% of workers from Savar and 78% of workers from Narayanganj reported the same. Only 35% of workers from Chattogram said that they don't have a service book.
- 23% of workers reported that their office doesn't maintain an attendance register or they are unaware of this practice. Least number of workers (7%) from Chattogram said the same.

EXCESSIVE WORK HOUR, OVERTIME, AND NIGHT DUTY

- Mean working hours are recorded 11 hours per worker per day. That means starting from 8 am in the morning, including 1.5 hour rest time, workers regularly work until 8.30 pm in the dark. Mean work hour per day is highest in Savar (12.2 hours) and lowest in Chattogram (8.8 hours). 1 out of every 5 workers (18%) workers reportedly work more than 13/14 hours per day. *"Every day, my son goes to the factory at 7.40 am in the morning and returns back at 11.00 pm at night", says Kohinoor Begum who is a mother of a garment worker. "I do not feel any good at 7 pm when the regular work hour comes to an end. But, I need to work another 2 hours overtime", says one factory supervisor from Gazipur.*

Status	Dhaka	Savar	Gazipur	Narayanganj	Chattogram	Average
Mean work hour per day	11.4	12.2	10.9	11.4	8.8	10.9

- Mean overtime hours of work is recorded 3.48 hours per worker per day. Individually, some 72% of workers reported that they regularly perform more than 3 overtime hours of work per day. 1 out of every 6 workers said to us that they carry out 5 plus overtime hours of work per day.
- 100% of workers reported to us that they willingly work a couple of extra hours of overtime work per day. Enabling a living, affording necessary food cost, maintaining education cost for children, and affording medical cost are reported the main reasons for working overtime hours of work.
- Still, there may be differences. There may be health matters or any other emerging need. According to Labour law, prior written consent taking is a must for this. But, these are not respected. 3 out of every 4 workers claimed that if they refuse to work overtime hours on a particular day, this followed cruelty and penalizing which to the extent often causes their job loss (32%). 3 out of every 4 workers (76.4%) claimed that consent taking is never a practice these days.

"I haven't taken a day off in the last 9 months. I regularly work overtime for extra money", said Tia, a sewing operator from Savar

"As per factory need, I can only do 3-5 hours of overtime work a day. When there is a heavy workload, I work on Friday also. It is my need. I need more income for living", said Summa, a sewing operator from Tongi

Rabeya, who is a sewing operator from Bason, Gazipur said to us, "I work 8 am to 10 pm regularly".

"Workers are crazy to carry out overtime work. Because, more overtime means more income. Taking written consent is not a practice. Overtime announcement is usually made in the last hour of the workday", says one factory supervisor from Gazipur.

Despite a legal obligation, 64% of workers reported to us that written consent is not a practice to perform a night duty. If they refuse night duty, they will be abused verbally or physically (61%), penalized (22%) or even lose their job (47%). However, the most worrying concern about night duty is expressing that women workers don't feel safe on the street when returning after work at night. We have screened 13 national news dailies. We find that 11 women RMG workers got victimized in the night on the way back home only in the last six month (Jan-June2022). Of them, 10 women workers have been either raped or gang raped and another 1 assaulted sexually. Among the raped victims, one has died.

LEAVE & REST

41% of workers said to us that they often work a full month without a day off. Depending on work pressure, there can be as many as six months in a year without a single day off. 40%, the highest percentage of workers said that it is around 3 to 4 months every year, they need to work without a day off.

Some 20% said to us that they are not allowed any sick leave. Another one-third (32.6%) reported that it is a rare practice. *"Even, if somebody dies, they will not allow any leave at the right time. They will ask, is it for a janaza (funeral) prayer",* said Fatema, who is a sewing operator in a garment factory at Savar. *"Supervisors are most vulnerable. One day, my mother and daughter were sick. I informed my line chief and left the factory for a 2 hours break. When I got back to work, I was ordered to leave the factory. I am to resign from the factory",* said one factory supervisor from Gazipur.

Some 39% reported that in any circumstances, they are not allowed casual leave. Another 25% reported that availing casual leave is a rare practice. 1 out of every 2 workers told that they are not entitled to any annual leave.

Whatever the reason, having a rest-time is a rare practice. Rabeya, a sewing operator from Gazipur said to us, *"No rest time is allowed. It is very often tough to manage time to breastfeed your baby. I left my first job for this."*

Table: Status of Leave and rest

Status of leave	Yes	Rare practice	No	Satisfied	Dissatisfied
Weekly holiday	94.1	5.9		65.6	34.4
Casual leave	36.3	24.9	38.8	49.5	50.5
Sick leave	47.3	32.6	20.1	41.4	58.6
Festival leave	84.5	4.6	10.9	60.7	39.3
Annual leave	42.9	7.0	50.1	64.5	35.5
Maternity leave	91.9		8.1		
Wage during ML	88.6	3.3	8.1		

FORCED LABOURING AND ABUSES

- ▣ 60% workers claimed that they are consistently exposed to force laboring such as the following:
 - Perform over work
 - Carry out unpleasant work such as lifting bundle of hefty fabrics from store room to the floor
 - Works against willingness
 - Engage in some other skills/works such as transferring a sewing operator to a knitting section
 - Do overtime/night duty against willingness
- ▣ Abuse/harassment is common in the workplace. 79% of workers claimed that verbal abuse is a regular practice. Closely, 1 out of every 3 workers said that physical abuse is widespread.

Table: Status of abuses

Abuses	Status		Intensity		
	Yes	No	Always	Often	Seldom
Physical abuse	30.4	69.6	4.3	83.5	12.2
Verbal abuse	79.0	21.0	24.1	72.0	3.9
Sexual abuse	30.0	70.0	5.8	54.0	40.1

- ▣ Around one-third (30%) workers have reported sexual abuses in their workplaces. Workers from Savar reported the highest number of sexual abuses, nearly 57% and Chattogram, the lowest (9%).
- ▣ Those who have reported sexual abuses at workplace, more than half of them (60%) further have reported that sexual abuse is a regular practice in the workplace.
- ▣ 14% of workers reported that they have been victim of sexual abuse to some point of their work life in the RMG. Workers from Savar victimize the most (22.2%) and Chattogram the least (7.5%). More than half of the victims remained silent after they got victimize sexually.

"You, born in a paddy field. I will kick you out of the factory", when Tia failed to attain an abnormally set target her supervisor said this to her.

Fatema was sick. She was bound to absent herself from work since she was not allowed leave. After resuming office, she was first brutally verbally abused, then forced her to get out of the factory.

"If the target is fulfilled, we don't give any punishment", says one factory manager.

"When repeatedly committed the same mistake it is natural to use some slang to them", says one factory supervisor.

"You see, we work with labourers. Small fights are quite normal", says one factory supervisor.

📌 Nearly two-third workers (63.2%) reported that their factories don't have a gender policy. More than half of the workers (51%) said that their factories don't have any committee to protect sexual harassment.

"We hear far more bitter words from our managers. Only they don't beat us. We do not bring out to the public", says one factory supervisor from Gazipur.

"Sometimes I use abusive language to get works done from workers. Some workers have capacity but don't finish targeted work in time", Says one supervisor from Mirpur.

Table: Status of sexual abuse

Status	Sexual Abuse			
	Yes	No	Highest	Lowest
Occurrence	30.0	70.0	55.6%, Savar	8.8%, Chattogram
Intensity	59.8%, Regular	40.1%, Irregular	84.4%, Savar	12.5%, Dhaka
Ever victimize	13.6	86.4	22.2%, Savar	7.5% Chattogram
Any protest?	48.4%	51.6%	100%, Dhaka	41.7%, Chattogram
Any policy?	36.8%	63.2%	56.9%, Dhaka	71.3%, Chattogram
Any committee?	49.2%	50.8%	62.7%, Dhaka	55%, Chattogram

The story of Fatema

Fatema is a widow at the age of only 30. Her husband died while her son was only 3 years old. She started working in the garments to find a living. For the last 8 years, she has been working in the same garments. She is a swing operator. Her son is now 11 years old and studied in a local madrasa.

At present status of housing and living, she narrated her minimum living cost of around BDT 20,200 a month. Her current salary is only BDT 11,000 a month. Including overtime income, she earns around BDT 13000/14000 per month. She borrowed every month for living. Now, she has a solid debt of 20,000 taka. She has no savings.

During COVID-19 emergencies, her factory was closed for about 15/16 days. She was paid only half that month. Her son was tested typhoid positive. 3 local hospitals denied her son treatment. Finally, 1 medical Centre which is far distant from her residence treated her son. In her words, "it was a real battle; it cost me around BDT 25,000. I did unpaid buying. I borrowed from my colleagues and relatives." She too then suffered from a fever. Temperature measuring machine in the factory detected her fever. She was offered 7 days of medical leave. But, the factory didn't offer any treatment. She was not tested for COVID-19.



Items	Need
House rent	3500
Mobile/Freeze/Dish	1000
Raw food	6000
Grocery	4000
Medical	1500
Child education	1500
Transport	700
Clothing	1000
Personal care/outing/refreshment	1000
Total	20200

Labour conduct is one of the poorest in her factory, she claimed. In her last 8 years of serving, she was not promoted. Factory authority frequently laid off workers without giving a reason. In her words, "Even before you have taken the shoes off, you would be laid off." Once she was sick. She was not allowed any leave. She was bound to absent herself from work. After resuming office, she was first brutally verbally abused, then forced her to get out of the factory. She complained to a local trade union federation that sent the factory a legal notice. Initially, they offered a monetary settlement. She refused. Finally, they reconsidered and gave her job back. Leave is seldom offered. In her words, "Even, if somebody dies, they will not allow any leave at the right time. They will ask, "is it for a janaza (funeral) prayer?"

WAGE THEFT

- ▣ Unfair deduction of wages is a regular practice. Some 43% of workers reported that they experience wage cuts regularly, another 10% reported that it seldom happens. Absence, target failing, late attendance and early leaving, sick leave, poor quality and denial of overtime work and/or night duty are reportedly the main reasons for their wage cut.
- ▣ 1 out of every 2 workers (47.3%) reported that they often face inaccurate calculation of working hours. Some 45% of workers reported that they face inaccurate calculation of wages sometimes in the past.
- ▣ More than half (54%) of the workers reported to us that either their wages were cut or are under/partially paid for maternity leave period.
- ▣ 51% of workers regularly don't get paid on time. 73% reported that their wage is paid in cash. 13% of workers have never received a pay slip. For another 15%, it is an irregular practice. 27% told us that they cannot know in advance what they are going to be paid.
- ▣ 1 out of every 3 workers reported that there has not been any increase of their wage in the last financial year. Absence, denial of overtime and night duty, late attendance, target failing, and product mistake are reportedly the main reasons for this.
- ▣ 16% of workers reported that they are not either paid or irregularly paid festival bonus.
- ▣ 82% of workers reported that post-termination settlement of dues is never fair.

BENEFITS & PRIVILEGES

- ▣ 100% of workers reported to us that there are no social security benefits at work.
- ▣ Some 10% reported to us that they have been awarded attendance bonuses sometimes in the past. Nearly half of them (49%) however expressed their dissatisfaction with the amount they paid as attendance bonus.
- ▣ 42% of workers expressed their dissatisfaction regarding the amount paid as festival bonus. 62% of workers expressed their dissatisfaction regarding the transportation allowance they are being currently paid. 61% of workers expressed their dissatisfaction with the quality of tiffin given in the overtime hour of work.
- ▣ Some 35% said that they are entitled to lunch at the office while they work on off days. Of them, 62% however are dissatisfied with the quality of lunch provided.

MATERNITY PROTECTION

- 📊 Our research has found a number of inconsistencies in maternity protection. Some, 13% don't know how many leave days are entitled for pregnancy. 8% reported that wages are not paid during maternity leave. 35.5% reported that wages are partially paid during pregnancy
- 📊 Pregnant women are legally entitled to 16 weeks paid leave, 8 weeks before delivery date and 8 weeks after child birth. Many workers have expressed their concerns about different irregularities in maternity leave practices. Some 12% told us that they need to work other times to offset maternity leave. 27% said that maternity leave is arbitrarily curtailed. 6% claimed that pregnancy causes job loss.
- 📊 1 out of every 5 workers reported that their factories don't have a day-care facility. Those who reported a day-care facility some 43% are dissatisfied with the quality of the arrangement.

Table: Status of maternity leave

Statuses	Dhaka		Satellite cities		Chattogram		Grand total	
	Yes	No	Yes	No	Yes	No	Yes	No
Maternity leave	86.3	13.7	93.07	6.93	96.2	3.8	91.9	8.1
Wage during maternity	98.0	2.0	88.93	11.07	98.7	1.3	91.9	8.1
Wage cut	56	44	72.83	27.13	33.47	66.53	54.1	45.9
Leave cut	25.3	74.7	37.6	62.4	18.4	81.6	27.1	72.9
Offset leave	10.8	89.2	18.4	81.6	6.2	93.8	11.8	88.2
Job loss	5.0	95	9.2	90.8	3.8	96.2	6.0	94.0
Discrimination in leave	56.9	43.1	49.53	50.47	26.77	73.23	44.4	55.6

OCCUPATIONAL HEALTH AND SAFETY

- 📊 **Primary health care:** Mostly, factories have a primary health care arrangement. 41.2% of workers however expressed their dissatisfaction regarding the quality of the available health care services. 1 out of every 3 workers (31.9%) said to us that they are very much dissatisfied regarding the first aid arrangements in the box.
- 📊 **Hygiene:** 1 out of every 4 workers (25.2%) expressed their dissatisfaction regarding the hygiene practices in their toilet
- 📊 **Factory safety:** Factory safety has improved a lot. On average, 3 out of every 4 workers (75.5%) reported that their workplace is safe. There is however marked significant variation in the satellite cities in this. Around two-third (64.5%) workers from Narayanganj and 39.5% from Savar claimed that they feel unsafe at their workplace. Likelihood of firing accident, entry gate remain closed all the time, no alternative exit,

Table: Status of Occupational Health and Safety

Statuses	Yes	No
Is the factory safe	75.5	24.5
Do you get vaccinated?	97.2	2.8
Any support for COVID treatment	48.8	51.2
Compensation to occupational victim	46.8	53.2

and risky chemical preservation are reportedly the main reasons for this.

- 📌 **COVID-19:** The rate of vaccination against COVID-19 is analysed satisfactory. 97.2% of workers reported that they got vaccinated by the research time. More than half (51.2%) of the workers said that their factories don't provide any support for either diagnosis or treatment of COVID-19.
- 📌 **Compensation:** 1 out of every 2 workers (53.2%) reported that their factories don't have a provision to give compensation to the occupational victims. Those who reported compensation arrangements, 40% are dissatisfied with the quantity of the amount as compensation. Few months back, Rumana was injured seriously while working with a machine in the factory. Her fingers in the right hand were badly damaged. She was hospitalized. Doctor gave 12 stitches to her fingers. She still cannot work naturally with the damaged fingers since there is only a low sensitivity. Factory authority has given her BDT1500 to eat better food and that's all.

The story of Rumana

Rumana is only 32 years old. She is unmarried. She works as a sewing operator. This is her third RMG job. Economic vulnerability of the parental family pushed Rumana to join her first RMG job while she was still below 18 years of age. In her second job, she worked for about 13 years, from 2007 to 2020. Her starting salary was BDT 1600 per month which got revised and increased to BDT 11,800 only in the final year. In 2020, she was laid off from this job having a COVID-19 cause.

She had fallen into a great danger. First couple of months, she was totally unpaid. Few months later, she was half paid for the unpaid months. Finally, she was laid off without giving any service benefits. She litigated in the court which is still pending. To enable a living, she now and then borrowed money from peers and relatives. She did a lot of unpaid borrowing too. She could not make up yet fully. She is still indebted. She joined a new job with a lower salary of only BDT 9990 a month. Including overtime payment she now earns BDT 13,000/14,000 per month.



Along with 2 others, Rumana lives in a 10/12 feet room. It is a tin-roofed house. In the same living place there are 16 such room arrangements. For the entire tenants there are only 2 toilets, 6 stoves, and 1 bathroom. That's what she can afford with her income these days. She needs to help her parental family in the village home to live. Only she and her younger brother are full time earners in their 8 members' parental family.

Whenever, there is an opportunity she works overtime and earns some extra money which she claims is a must to run her parental family. Few months back, she was injured seriously while working in the factory. Her fingers in the right hand were badly damaged. She was hospitalized. Doctor gave 12 stitches to her fingers. She still cannot work naturally with the damaged fingers since there is only a low sensitivity. She was paid only BDT 1200 as compensation.

She thought, in her current level of efficiency and number of hours she works, she should be paid at least BDT 20,000 a month. It is because of the employer's unwillingness that she is not paid the real wage. In her words, "My employer has ability but he is unwilling. Even if he agrees to

pay more, he will lessen the number of operators to make-up for the increased cost." Instead, she confirmed that real wage offerings have decreased in the post-CORONA time. "No employer will offer more than BDT9500 a month to an operator these days", she said.

She further reported that buyers cannot know the real situation. A couple of workers who are close to the employer, get paid a higher salary. The employer always refers them to the buyers. "Even, if the buyer increases the rate, the employer shall not increase salary", she said. Since, there is no value addition with this job and income, Rumana has decided to leave her job a couple of months later. She said, "There is nothing left from my income. I have worked a lot, I need rest. I will return to my village. I will marry someone who is out of the RMG job. There is no reason to lose another 16 years working in the RMG jobs. It is all about suffering and slang languages, a kind of prison in it."

INEQUALITY

- ▣ 36% of workers reported that there is wage inequality between men and women.
- ▣ 33.5% of women workers reported that pregnant women are discriminated against on leave practices.
- ▣ 67.6% of workers reported that there is discriminatory practices in promotion giving. 64% of workers further reported that despite serving their present job for more than 3 years, they didn't get any promotion.
- ▣ 84.8% of workers claimed that there is inequality in terms of training opportunities. More than 40% of workers said to us that they were never offered training in the workplace. Conversely, nearly one-fourth (24.5%) reportedly have received training several times in their current jobs.

- ▣ Gender and illegal affairs, education and skills, age and seniority are reportedly favoured when it comes to opportunities like promotion and training. 62.1% of workers said that women workers get the most training opportunities. Another 14% of workers further said

Statuses	%
Wage inequality between men and women	36%
Pregnant women discriminated on leave practices	33.5%
More scope for attractive women	14%
Women workers favoured for training & promotion	62.1%
Relatives to employers/managers favoured	36.6%
Gender Division of Labour	Common
Managerial positions including supervisor	Mostly men
Production workers	70% women

to us that pretty women are favoured most with available opportunities. 36.6% of workers opined that relatives to employers and/or managers are always privileged.

- ▣ Apart from these, gender division of labour is reported most and there are only a few women in the upper managerial positions. "We have 6 managers, all are men. We have 9 technicians, all are men. We have 29 supervisors, only 4 are women. But, 70% of our production workers are women", says one factory manager.

RIGHT TO FREEDOM OF ASSOCIATION

- Freedom of association and collective bargaining are vital to address workers' rights in any workplace. There are at least 3 specific international ILO Conventions on right to freedom of association and collective bargaining (87, 98, and 154). In practice, workers have only a limited right to freedom of association and collective bargaining.
- Some 83% factories have no TUs, only 17.5% have. Qualitative data suggests that many of the existing TUs have gone invalid. Election did not held in time or elected representatives have lost jobs and or left factories are reported common. 15 employers and managers we have interviewed under this study. None of their factories have a trade union. 61.3% reported that prior consent-taking from the employer is a practice to join a trade union.
- Employers are insensitive to trade union practices. *"I said to workers, if you want to fight, please come in my room and fight, I shall resolve fighting. My factory don't need any reporting channel"*, said one employer. One employer from Dhaka said to us, *"Union leaders are all political agents. It is for TUs, one of our neighbouring factories has closed down. When there had been a labour issue, TU leaders used to come and would have stopped working"*, says one factory manager. *"Employers do not like trade unions. A union in the factory means facing extra problems for every time"*, says one factory supervisor from Gazipur.

Tia, who is a sewing operation in a garment factory at Savar said to us that because of lodging a complaint with a local trade union her line chief and 5 other senior managers forced her to remain standby from 11 am to 3 pm on the floor and threatened continuously for long hours.
- More than 92% studied workers have no involvement with the TUs. Even those factories which have a trade union, 65.3% workers are not members of the trade unions. We asked them why they didn't join the trade union. More than two-third (67%) reported that it is because of job insecurity that they didn't join trade unions. Relevant to another independent question, workers reported the following other reasons for not involving trade unions:

 - Threat/torture (27.6%)
 - Fear of harassment by the police (19.6%)
 - Transfer to other units which don't match with skills (15.3%)
 - Fear of harassment by the local goons (10.4%)

Table: Status of Workers Organization

Statures	Yes	No	Effective	Ineffective
TU in the factory	17.5	82.5		
TU involvement	7.7%	92.3%		
Participation committee	82.9%	17.1%	48.5%	51.5%
Welfare committee	58%	42%	54%	46%
Safety Committee	78.8%	21.2%	73.1%	26.9%

- 🏢 Only around one-third (34.4%) of workers can recognize a role from the trade unions during the lockdown period.
- 🏢 83% of workers reported that their factories have participation committees. Those who have reported a participation committee in the factory, more than half of (51.5%) them further reported to us that participation committees are ineffective to deal with workers' rights.
- 🏢 58% of workers reported that their factories have welfare committees. Of them, some 46% further said that welfare committees are not effective.
- 🏢 78.8% of workers reported that their factories have safety committees. More than one-fourth (26.9%) of them further reported that safety committees are ineffective.
- 🏢 Halima who is a sewing operation in a garment at Ashulia said to us, *"There are committees but all are hostages; I was subjected to inhuman torture but no one came forward"*. Summa, a sewing operator from Tongi, said to us that her factory has such a committee but she even doesn't know its name, she never approached this committee for any assistance.

SOCIAL AUDIT & ITS IMPACT ON LABOUR CODES

- 🏢 There are a number of audit systems prevalent in the industry such as social audit, sustainable audit, unannounced audit, announced audit, third party audit, labour department inspection and internal audit. *"Different buyers have different audit practices" says one employer.*

Table: Status of social audit

Statures	Yes	No
Factory conduct social audit	61.7	38.3
Collect information from workers	97.7	2.3
Involve trade unions	2.5	97.5
Do the social audit effective	62.1	37.9
Buyers initiative to address Labour codes	28.7	71.3

- 🏢 61.7% of workers said that buyers regularly conduct social audits in their factories. 97.5% of workers said that workers representatives are not involved in the social audit processes.
- 🏢 Some 38% of workers didn't rate social audit as effective. Tia, a worker from Savar said to us, *"In audit, we have to give biased information as told by the employers"*. One employer said to us, *"audit processes eat up almost half of my time a month. It's really a waste of time."*
- 🏢 71.3% of workers reported that affecting labour codes and standards in the sourcing factories is never a buyers' priority agenda or concern. Some 29% though reported that there is special byer's led arrangement to address labour codes and standards at factory level.

BUYING PRACTICES: IMPLICATIONS ON LABOUR RIGHTS

This section has made a sharp analysis of the pricing mechanisms and buying practices to look into any way out in these to bring about improvement in the labour wage and labour rights situation.

COSTING AND PRICING: ANALYSIS OF FOB VALUE AND TAG VALUE

Center for Policy Dialogue (CPD), one of the research think tanks in Bangladesh, has researched in detail the costing and pricing of making a Denim Jeans. Our research has interviewed a good number of employers, managers, workers and experts. The findings are consistent with the CPD research. Having a combined analysis of all these, here we have attempted to make a rough estimate of costing and pricing of average RMG products that are produced in Bangladesh. Both FoB price and Tag prices are considered for this.

Our analysis suggests that when the tag price of a garment product is 5 USD/Euro/Pound, its FoB price is only 1.5/2 USD/Euro/Pound. Couple of employers and managers said to us that the FoB price is only 30% of the tag price. "When tag price is 10 USD, its FoB price is 3 USD", says one employer. Another one employer said to us, "2.5 times higher a tag price is most desirable". Employers profit ranges between 5% and 10% of FoB value and workers get only 4/5 cents from each product. "My target margin is at least 5%", says one employer. "Net profit is often 10% after tax. It depends on byer" says another employer.

Similarly, when the tag price is 10 USD/Euro/Pound, the FoB price is 3/4 USD/Euro/Pound and the workers get only 8/12 cents from this product. When the tag price is 15 USD/Euro/Pound, its FoB price is only 4.5/6 USD/Euro/Pound and the workers are paid at best 12/18 cents for this product.

Table: Analysis of FoB Price and Tag Price

Items	% of Costs (Approximate)	Breakdown of a FOB Price		
		1.5/2 \$/Eu/Pound	3/4 \$/Eu/P	4.5/6 \$/Eu/P
Fabric cost	60% (+-)	0.9/1.2	1.8/2.4	2.7/3.6
Packaging, wash, & embroidery	20% (+-)	0.3/0.4	0.6/0.8	0.9/1.2
Business Costs (Tax, overhead, freight & insurance, additional seconds & unforeseen others)	7-8%	0.11-12/0.14-15	0.22-24/0.28-30	0.32-36/0.42-45
Management Cost	5%	0.08/0.1	0.15/0.2	0.23/0.3
Labour Cost	2.7-3%	0.04/0.05-6	0.08-9/0.11-12	0.12-14/0.16-18
Profit (Manufacturer)	5-10%	0.08-.16/0.1-2	0.15-30/0.2-4	0.23-45/0.3-6
Total	100%	1.5/2 \$/Eu/P	3/4 \$/Eu/P	6 \$/Eu/P
Tag Price (2.5 to 3.3 times of FoB price)		5 \$/Eu/P	10 \$/Eu/P	15 \$/Eu/P

Mean average lowest and highest labour cost per product is calculated 8 to 12 cents only²¹. In the beginning of this report we have analysed that current wage taking including overtime hours of income is on average BDT12794 per worker per month against a minimum wage

²¹ When tag price is highest, 3.3 times of the FoB price and labour cost is lowest 2.7% of FoB value, mean average labour cost is 8 cents (4cents + 8 cents + 12 cents /3). When tag price is minimum, 2.5 times of the FoB price and labour costs is highest 3%, mean average labour cost is 12 cents (6 cents + 12 cents + 18 cents / 3) only.

requirement of BDT 21415 per worker per month (based on a minimum living cost calculation). That means, on average, 1.67 times higher income (21,415 % 12,994) is required to fill up the gap. In monetary value it calculates 5.36 cents {(8 cents X 1.67 times) – 8 cents} to 8 cents {(12 cents X 1.67 times) – 12 cents} only. More particularly, only 5 to 8 cents more a labour cost per product is enough to enable workers a real minimum wage. During price negotiation, if labour cost is ring-fenced separately, this can be easily done. Even if employers and brands deny this, it can be easily presumed that consumers will not mind spending only 5 to 8 cents more for a 5 to 15 dollar/Euro/pound product, to enable workers a minimum wage, if they are truly communicated on this.

HOW THE COST AND PRICE ARE DETERMINED

Employers and managers have confirmed that an open costing method is followed when negotiating product price with the buyers. Labour cost is not ring-fenced separately. Mostly for products, Bangladeshi producers get the least price in comparison to many of the competitive countries. Internal competition is reportedly stiffer. Many producers produce the same products. Buyer often goes door to door to win the least price. Low to medium capacitated factories often work on a minimum CM, said a couple of employers. Product pricing is often lowest of the lowest. There are no standard set rules. Internal governance is too weak to effectively monitor any lowest set price. "FoB price is ever shrinking", said a couple of employers. In over a decade, Bangladesh's top 5 woven items lost unit prices to the tune of 30-80% and the knit items around 10-25% (Mustafiz, 2016).

"We commonly adopt an open costing method. Mostly, buyers negotiate to fix FOB price only. During price negotiation buyers only focus on their gross margin and offer us only a target. We rearrange our cost structure accordingly", says one employer. "In case of price determination we keep in mind that, even if there is no profit, there should be no loss as well", says one employer. "My capacity is 100%. If I refuse, order shall flow to a factory with 50% capacity. As such, big factories sometimes run only on capacity, to meet up associated costs only, when negotiating a price", says one employer. "Vietnam cannot take orders as low-prices as our Factory can", says one factory manager.

FEW OTHER BUYING PRACTICES

Our research has found several other buying practices which have a bearing on labour rights practices.

Style change: Fashion and style changes are more frequent nowadays. When there is a last minute style change, work pressure increases.

Overbooking and subcontracting: Few employers agreed that there is overbooking over capacity. "Six months, October to March are booming. Very often, it is 10%-20% overbooked", says one top RMG Employer. Associated with overbooking, subcontracting is a common practice. Entire production or at least some part of it are subcontracted to low-profiled factories. These factories may not bother to compromise with the labour codes and standards to enable a least production cost. Buyers usually overlook it since they need the product in time. Workers suffer their rights and benefits. "I need to have consent from buyers while outsourcing", says one influential employer. Another one factory manager said to us, "Outsourcing cannot be done without the knowledge of the buyer".

Cheap price-fast delivery: Core emphasis is always cheap price and fast delivery. Comparatively good quality products at a low price and faster delivery are hi-choices all the time. Labour wage and labour rights have a least consideration in case above-stated criteria are met. *"Low prices have now become a great challenge. Buyers often offer 10% less price than what they offered to Indian producers"*, says one employer.

No long time commitment: Many buyers don't have any longtime commitment. When there is only short term contact and unstable relation with buyers, labour employment may suffer serious uncertainty as well as may cost badly the labour relation. *"For short and unstable contact, buyers and employers accountability to labour codes and conducts is one of the lowest"*, says one unionist from Dhaka.

Same products have different prices for different manufacturers: For the same product, buyers offer different prices to different manufacturers. Many manufacturer work only on a bottom price and compromise with the labour rights practices.

Increasing/decreasing Lead Time: Few employers and managers' report to us that on average, 3-4 times a year, lead time is either increased or shortened. It is particularly happening by a request/pressure from both buyer and employer. Buyers usually request to deliver the product 10/15 days before the scheduled time. Differently, employers often request the buyer to increase the delivery time. Manufacturer often is to give demurrage or to accept a discount price for increasing lead time. *"In the last year, we got a lot of work at the last minute"*, says one big employer.

More production to meet up additional expenditures: Few supervisors said to us that when for some reasons there was any additional expenditures particularly associated with delay and interruption with import, transport and shipment, to make up the loss, they usually targeted production increase. Increased production with a same capacity reportedly often causes non-compliance to labour codes and standards.

Different Labour Code of Conducts: Different buyers have different labour codes of conducts. *"Buyers often emphasise on a few other common codes of conducts such as ETI base code, BSCI Code of Conduct, FLA workplace code of conduct, FWF code of labour practice, and COC of buyers"*, says one employer. There is similarity between and among different codes of conducts but, there is no unified code of conduct. As a result, employers' motivation to implement these is only routine rather than real. *"We are bound to do it. If you want to do business, you have to follow some rules and regulations"*, says one employer. *"Audit processes associated with different code of conducts implementation eat up almost half of my time a month. It's really a waste of time"* Says one employer.

Real wage and TU are tactically bypassed in the Buyers Code of Conducts: In the name of showing respect to the national and locally set legal standards, the aspects of a real minimum wage and FoA have been tactically bypassed in the buyers' labour codes and conducts. Now, when the prevailing minimum wage is set below the poverty line cost of living like Bangladesh and/or workers are obliged to work 70/75 hours a week to afford a living, there is no standard set code to protect these.

Green factory is an emerging emphasis by the brands and buyers: *"Kick tell us to start energy saving. We were able to save 70% extra energy usage. We are working to save the rest 30%. They are telling us to reserve the rain water. We have plans to work on that"*, says one factory manager.

CONCLUSION AND RECOMMENDATIONS

RMG business, absorbing initial COVID-19 shocks, has made a robust way-out. Export earnings only in the last financial year July 2021-June 2022 have been 11.16 billion USD more than the export earnings of the same period in the previous fiscal year. This is plainly a 35.47% growth year on year, the highest in the country's history. The USA-China crisis has benefitted the industry. More and more buyers are now coming to Bangladesh.

On the other hand, formally addressing labour rights and collective bargaining practices mostly get a pause in the initial COVID-19 days. Next to this, following the Russia-Ukraine war, there has been a great turmoil in the rate of inflation. Workers, already having paid below poverty line wages, are only struggling to find a way out of living.

RECOMMENDATIONS

ON MINIMUM WAGE

- Based on differences of living costs in different geographical locations, this research has calculated three different minimum wages for garments workers of Bangladesh, which we recommend to adopt immediately:

3 different areas	3 different minimum wages (BDT)	USD (1USD=106BDT)
Dhaka	22,850	216
Satellite cities	21,000	198
Chattogram	20,400	192
Average	21,415	202

- As recommended by different stakeholders at different stages of the research, for maximum effectiveness, along with a revised and increased minimum wage, our research further propose to adopt the following:
 - Maintain a minimum of 7-10% wage increase between two Grades (Position).
 - Must add realistically achieved increments/benefits and work-years with the new revised minimum wage.
 - Introduce calculating and paying dearness allowance at the end of each 2 months.
 - Adopt a legal binding to protect labour cost separately during price negotiation with buyers.
 - Reduce the present 7 grades to 5 grades and identify and regroup all existing positions accordingly.

DESERVING ROLES & RESPONSIBILITIES FROM THE MAIN STAKEHOLDERS

BRANDS/BUYERS

- Act with due diligence. Assess real and potential labour rights violations in the sourcing factories. Initiate and promote appropriate research and knowledge generation for this and allocate necessary financial resources. Act upon findings. Frequently monitor performances.
- Review and update labour code of conducts to establish that it can better address aspects like a real minimum wage and FoA in the sourcing factories. Ensure that sourcing factory

workers know about labour codes and standards and there is a secured reporting channel and defined authority when causing a breach at implementation level. Ensure accountability of the respective authority.

- Commit and establish a clear roadmap to address a real minimum wage for workers in the sourcing factories. Work with employers, workers representatives and government on this. Implement and monitor minimum wage aspects in the sourcing factories.
- Publicly disclose sourcing factory list, profit and cost with sourcing factories and social audit outcomes and other supervision aspects on a regular basis. Ensure that TUs and civil society stakeholders are consulted in the social audit processes.
- Set exemplary responsible business behavior in the purchasing practices. Work with other buyers and set a minimum negotiation price for individual production items. Go for long-term commitment. While negotiating with price, ensure that the labour cost is ring-fenced (protected) separately as well as ensure proper supervision for its implementation.

FOR EMPLOYERS

- Ensure transparency of financial records. Publicly disclose profit, prices and orders and products and productions.
- Get the basics right on human rights
 - Ensure a proper database of workers and be transparent of the database;
 - Ensure that workers know about labour codes and standards;
 - Adopt a proactive FoA policy. Ensure that your factory have a basic union and workers can have a representative say in their working conditions.
 - Promote collective bargaining to settle industrial relation aspects.
 - Stop abuses of all kinds. Ensure that the factory has a safe and effective complaint reporting, investigation and resolving mechanism.
 - Ensure that there is an equal opportunity for all have available facilities like training and promotion.
 - Ensure that wages are not stolen. Establish and practice a transparent process for financial calculation and payment of any kind.
 - Ensure that every worker has an appointment letter and service book and the respective worker knows the contents and usage.
 - Ensure that written consent is taken for overtime and night duty.
 - Discuss with workers representatives and take appropriate steps to ensure that women workers are safe on the way back to home after overtime and night duty at night.
 - Ensure that maternity is protected to the top.
 - Ensure that workers get required leave and rest.
 - As per capability, ensure social security benefits to workers such as supplying food with a low price, treatment facility and/or health insurance benefit, stipend to children, proper and transparent compensation to occupational victims and profit sharing.
- While negotiating with buyers, ring-fence (protect) labour cost separately. Work with buyers and commit to prevent the race to the bottom.

- Ensure effective implementation of labour codes and standards and ensure in policy and practice an appropriate authority and accountability arrangement for this.

FOR TRADE UNION

- Develop an alternative minimum wage proposal & road map, & act on its implementation.
- Emphasis workers organization building and on collective bargaining promotion at factories.
- Ensure that workers representatives have right capacity to defend labour rights at factories.
- Ensure that there is regional and country level TU and CSO alliance to track each and every act by the brands/buyers, manufacturers and government in the RMG sector.

FOR THE GOVERNMENT

- Commit and establish a vibrant roadmap to ensure that the RMG industry has agreed, developed, and introduced a real minimum wage and the industry is fully compliant at least in terms of addressing labour codes and standards.
- Ensure that the roadmap is implemented in full. Ensure proper authorities and accountabilities for the respective stakeholders in the implementation processes.
- Strengthen monitoring and supervision in these.
- Introduce appropriate social security schemes for workers.
- Initiate public recognition for companies and businesses that are able to provide real minimum wages for their workers.
- Work together with other governments from garment producing countries, global organisations like IndustriALL, global institutions and regional bodies to collaborate on lifting wages together.
- Emphasis on developing of backward linkage industries and on infrastructural development and capturing of newer markets including regional ones, and reshaping of trade policy perspectives and associated other financial controls and regulations.

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ANNEX I: DEMOGRAPHIC DATA

More than two-third of the respondents (68%) are women. Only around one-third (32%) are men.

The mean age of the RMG workers is recorded as 30 years.

Around 1% of child workers are detected.

Around 86% of workers are less than 37 years of age

11% are aged between 38 and 47 years.

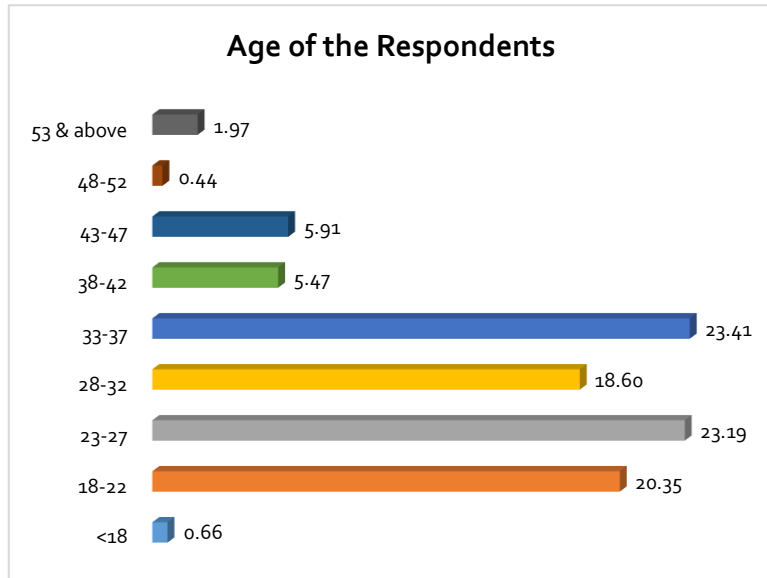
Around 87% of workers are married.

14% have no institutional experience of education

28% have studied between I and V grades

Highest, 37% workers have studied between VI and X grades.

21% have completed either X grades or above



ANNEX II: METHODOLOGY

HOW WE SELECT 457 WORKERS FOR INTERVIEW

- ▣ Multistage cluster sampling method is followed.
- ▣ At a first stage, primary sampling units (PSU) of five (5) districts are selected out of 13 districts in which PST affiliated factories are located. Particularly, districts having more than 10 PST affiliated factories are selected. Out of total 668 factories and 1,296,627 workers, PSUs cover 643 factories and 1248,101 workers.
- ▣ In the second stage, twenty (20) clusters of secondary sampling units are selected from the PSUs. This is particularly based on the concentration of the 643 RMG factories (PSUs).
- ▣ At a third and final stage, based on the following scientifically accepted representative statistical formula and considering 95% confidence level and 5% margin of error, 385 samples are selected initially for surveying.

$$\frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

In this formula,
 Z = z score
 e = Margin of error
 N = Population size
 P = Population proportion

- ▣ Next to this, proportionate to survey population (workers), 385 samples are distributed into the 20 clusters selected under the survey.
- ▣ Since, a comprehensive RMG workers database is not available, final survey respondents are selected purposively in which availability and travel and communication easiness are emphasized. To ensure a double check of right respondent selection, along with post-graduate level interns, 10 young trade unionists are employed as data enumerators who have survey clusters a base working area.
- ▣ To encounter non-sampling error, the sample size is further revised and increased to 457 at a final stage as well as administered a huge qualitative research.

PSUs & Sample	SSUs of Clusters	Sampling	Sample Actual
Dhaka (140)	Clusters at Dhaka		
	Uttara	11	15
	Mirpur & Mohammadpur	15	20
	Tejgaon, Badda & Jatrabari	10	15
	Clusters at Savar		
	Ashulia	47	45
	Hemayetpur	25	25
	DEPZ & Dhamrai	15	15
	Sub-total	123	135
	Gazipur (155)	Gazipur Sader	53
Kaliakoir		28	25
Kashimpur		18	20

	National University & Konabari	26	25
	Sreepur	28	25
	Tongi	18	25
	Sub-total	171	155
Narayanganj (65)	Fatulla	24	26
	Rupgonj	8	15
	Siddirgonj	16	24
	Sub-total	48	65
Chattogram (80)	CEPZ	16	30
	KEPZ & Karnaphuli	4	20
	Bayazid & Jalalabad	5	15
	Kalurghat & Chandgaon	6	15
	Sub-total	31	80
Mymensingh (20)	Valuka	12	15
Grand Total	20 Clusters	385	450

QUALITATIVE RESEARCH

SL	Method	No	Area	Participants
A	FGD	5	1 in each of the major 5 PSUs	Family members of the workers
B	Interview with employers	6	Least 1 from each of the 5 PSUs	Employers
C	Interview with mid to top level managers including supervisors	5	Least 1 from each of the 5 PSUs	Mid to top level managers including supervisors
D	Consultation	2	Dhaka	Workers representatives
E	CSO/Expert interview	4	Dhaka and Chattogram	Academics, experts and activists
F	Case Study Collection	5	Least 1 from each of the 5 PSUs	Workers
G	On-spot checking of identified food cost	1	20 SSUs of clusters	A 3 members team conduct the on-spot checking of food cost
H	On-spot checking of particular house-rent	1	20 SSUs of clusters	A 3 members team conduct the on-spot checking of house rent as well as take photos
I	Desk-review	1	National and international labour codes and standards, labour policies and laws, available research reports, relevant newspaper articles and reporting, and relevant materials available in the online shall be reviewed.	

ANNEX III: MINIMUM WAGE CALCULATION

CALCULATION

Expenditure Items	Dhaka		Satellite cities		Chattogram	
	BDT	USD ²²	BDT	USD	BDT	USD
Food cost per family per month [(BDT 109.73 per person per day X 365 days / 12 months) X 4 persons} + 980 gas]	14330	135	14330	135	14330	135
Housing cost per family per month [270-275 sq. ft./25-26 sq. m.]	10000	94	7600	72	7000	66
Non-food non-housing costs per family per month	7449	70	7112	67	6976	66
Health cost	1287		1052		1172	
Education cost	1256		1154		898	
Miscellaneous costs	4906		4906		4906	
[Travel & communication, personal care, guest entertainment, clothing & footwear, furniture & household equipment, recreation & culture, outside eating, & various services (Bkash/dish/internet) & unforeseen others]						
5% savings	1589	15	1452	14	1415	13
Total minimum household costs	33368	315	30494	288	29721	280
Divided by family income earners	1.46		1.46		1.46	
Net minimum wage	22855	216	20886	197	20357	192
Proposed minimum wage	22850	216	21000	198	20400	192

CALCULATION BASIS

- Minimum cost of living
- A reference family of 4 members
- 1.46 income earners out of 4 members in the family
- Research findings
- Commonly acceptable and practiced formula and parameters
- Most rational and logical calculation
- National and international legal mandate

CALCULATION INCOME EARNERS PER FAMILY

We use 1.46 full-time equivalent income earners per family to estimate wage. This means that the minimum living cost for a family of 4 persons is divided by 1.46 to determine our wage.

²² 1USD = 106BDT is calculated. This is the bank to bank transaction rate. Actual buying price is however higher than this.

This is based on our survey. Our survey finds that RMG workers' families have on average 1.46 full-time equivalent income earners. This is consistent with the HIES 2016. According to HIES 2016, in urban Bangladesh, families have on average 1.33 income earners²³.

CONSIDERATION A FOUR (04) MEMBERS FAMILY SIZE

We use a family size of 4 persons (2 adults and 2 children/3 adults and 1 children) to estimate our wage. This is based on (i) the survey, (ii) fertility and child mortality rate, (iii) HIES 2016, and iv) Parents Care Act, 2013.

- (i) According to our survey finds that the average household size of RMG workers is 4.2. On average, 86% workers have either 1 or 2 children. For nearly, one-third (32.6%) cases, either father or mother or both of them live together with the worker under the same roof.
- (ii) The fertility rate for urban Bangladesh is 2 and >5 child mortality is around 45 per 1000 births²⁴. That means, the probability of loss per birth is only around 0.09%. Thus, the number of children born and surviving to age 5 is around 2 which implies an adjusted average family size of around 4 (2 adults and 2 children/3 adults and 1 child).
- (iii) According to the HIES 2016, average household size in urban Bangladesh is 3.93.
- iv) Parent's Care Act, 2013 compels every son/daughter to look after parents and provide them with food and shelter. If the parents live separately, every son/daughter is legally obligated to pay at least 10% of income regularly to parents. In such a case, it is also a legal obligation to visit parents regularly. Under no circumstances, children can send their parents to old homes. Aggrieved parents can file cases for law violation. The punishment included BDT200,000 as fine and, in default, six months jail.

FOOD COST ESTIMATION

- 1) As per our calculation, food cost is BDT109.73 (1USD) per person per day. This implies BDT 13350 (126USD) per month for the reference size family of 4 persons.
- 2) For one (1) person, on average, 2188 Kcal²⁵ of food is considered. This is following WHO recommended equations²⁶. Professor Richard Anker and his team in 2016²⁷ based the same equation and found 2188 kcal of food as a minimum dietary needs for members of a RMG worker's family in Bangladesh. Following WHO equation, and considering basal metabolic rate against age, weight and height in Bangladesh, and size and composition of the reference family and assuming that all adults and children have moderate physical activity levels, this amount is calculated as a minimum dietary requirement.

²³ HIES (2016): table 4.1: Number of Members, Earners and Household Income Per Household and monthly income Per member and earner by Residence, p29

²⁴ National Institute of Population Research and Training (NIPORT), and ICF (2019) *Bangladesh Demographic and Health Survey 2017-18: Key Indicators*, Dhaka, Bangladesh, and Rockville, Maryland, USA

²⁵ Detailed calculation of determining 2188 Kcal of food per person per day is given in the annex I

²⁶ FAO/WHO/UNU. 2004. Human energy requirements: Report of a joint FAO/WHO/UNU expert consultation. FAO Food and Nutrition Technical Report Series 1. FAO, Rome Retrieve on 1st August 2022 from <https://www.fao.org/3/y5686e/y5686e.pdf>

²⁷ Khan, M.E., Anker, R., Anker, M. and Barge, S. (2016). Living Wage Report: Dhaka, Bangladesh and Satellite Cities, Global Living Wage Coalition https://www.isealalliance.org/sites/default/files/resource/2017-12/Dhaka_Living_Wage_Benchmark_Report.pdf

Table: Detailed Calculation of Food Cost

SL	Food items	Prevailing per capita food intake		Recalculated food intake considering 2188 Kcal		Market Price (Per KG in BDT)	Actual cost (BDT)
		Gram	Calorie	Gram	Calorie		
A	Cereals	363.5	1273.4	373.28	1307.64		
A.1	Rice	316.7	1097.4	321.66	1126.91	58	18.66
A.2	Wheat	26.2	89.7	26.29	92.11	48	1.26
A.3	Other (Maze, Buffed rice, Chira, Barley ²⁸)	20.5	86.4	25.33	88.72	80	2.10
B	Potato	62.0	60.2	63.67	61.82	28	1.78
C	Vegetables	174.1	92.7	178.78	95.19	40	7.15
D	Pulse (Masoor & Khasari)	16.9	58.6	17.35	60.18	100	1.74
E	Milk	30.0	38.2	30.81	39.23	90	2.77
F	Edible oil	29.6	266.2	30.40	273.36		
F.1	Mustard	1.0	9.0	1.03	9.24	385	0.40
F.2	Soybean	28.6	257.1	29.36	264.01	210	6.17
G	Meat, Poultry, eggs	49.57	65.2	50.90	66.95		
G.1	Chicken	33.67	37.5	29.28	38.51	175	5.12
G.2	Eggs	15.9	27.6	21.55	28.34	225	4.85
H	Fish	67.9	89.8	69.73	92.21	250	17.43
I	Spices	75.0	73.5	77.02	75.48		
I.1	Onion	34.6	17.3	18.13	17.77	50	0.91
I.2	Chilies	12.3	16.9	17.71	17.35	160	2.83
I.3	Others ²⁹	28.1	39.3	41.18	40.36	280	11.53
	(Turmeric powder 260 tk KG, Chili powder 300 tk KG, Ginger 100tk KG, Garlic 120tk KG, Cumin powder 500 tk Kg, Cinnamon 480, Coriander powder 200tk KG)						
J	Fruits (Guava/ Banana/Pineapple)	45.2	31.8	46.42	32.66	100	4.64
K	Sugar	7.6	30.1	7.80	30.91	80	0.62
L	Miscellaneous (tea 400 tk kg, betel leaf 400tk KG, biscuit 160tk KG, bread 100 tk KG)³⁰	53.41	50.9	54.85	52.27	265	14.54
Total		974.7	2130.7	1001	2188		104.50
5% added food cost [Other foods + variation + waste]							5.23
Total: Per person per day							109.73
Total: Per person per month [BDT108.7 per day X 365 Days / 12 months]							3338
Total: Monthly Family food cost [BDT3306 per person per month X 4 persons]							13350
+ Cost of a single gas burner a month							980
Total monthly food cost							14330

3) Since workers depend on home-cooked food, it is logical to include the cost of cooking in the overall food cost. Our survey found that workers cook using a gas burner in all four locations. A single gas burner costs BDT 980 per month, which is then added to the estimated amount. Therefore, the total food cost is calculated at BDT14330 per month.

²⁸ Mean average figure of these four cereal items is considered

²⁹ Mean average figure of these 7 spices items is considered

³⁰ Mean average figure of these 4 items is considered

- 4) Food is a habit. It is not like that people shall start eating a newly prescribed diet. For this reason, initially we base the listed food items provided in the HIES 2016, that people in urban Bangladesh usually consume. Next to this, a minimum dietary requirement of 2188 Kcal is recalculated for these food items.
- 5) Only, beef and mutton eating habits are dropped from this list since in our survey we didn't find this food habit among workers on a regular basis. Calorie intake from beef and mutton is thus redistributed for chicken items.
- 6) Four teams have collected running food prices data from four different locations i.e., Dhaka, Gazipur, Narayanganj, and Chattogram. From each location, two market places are visited that sell the lowest priced food. From each location, food prices are collected two times for two different months such as late June 2022 and late July 2022 and the average figure is considered.
- 7) Notably, our data collection team didn't find significant variation of food cost in the 4 different markets. For minor differences for some items, four (4) teams sit together, discuss every observation and agree on the best acceptable lowest average cost.
- 8) Although the differences in prices of food items between different locations were not significant, our data collection teams discovered remarkable variations in prices of some food items between two months. Consequently, we have proposed introducing dearness allowance payment.
- 9) It is not unlikely that, in some cases, workers consume foods other than those listed, such as beef or other comparatively costly items, once every one, two, or three months. Additionally, there is often wastage and spoilage. Taking these realities into consideration, an additional 5% cost has been added as a conservative estimate.

CALCULATION OF HOUSING COST

Place	Size	Other standards	Cost		Total
			Rent	Utilities	
Dhaka	297 sq ft. (225 sq ft 1 room + 30 sq ft toilet + 42 sq ft kitchen)	Fully concrete building, separate toilet, comparatively clean kitchen, window in bed room, better light and air, near workplace, comparatively better environment	9000 includin g water bill	1000 Elec	10000
Satellite cities					
Gazipur	307 sq. ft. (240 sq. ft. 2 rooms (1 pocket room) + 25 sq. ft. toilet + 42 sq. ft. kitchen)	Fully concrete building, separate toilet and kitchen, window in bed room, sufficient air and light, near workplace, comparatively better environment	6300	800 Elec 300 Water	7400
Narayango nj	280 sq. ft. (210 sq. ft. 1 room + 28 sq. ft. toilet + 42 sq. ft. kitchen)	Fully concrete building, separate toilet and kitchen shared, window in bed room, good air and light flow, near	6800 includin g water	1000 Elec	7800

		workplace, comparatively better environment			
Mean average for satellite cities					7600
Chattogram	327 sq. ft. (260 sq. ft. 2 rooms (1 pocket room) + 25 sq. ft. toilet + 42 sq. ft. kitchen)	Fully concrete building, separate toilet and kitchen shared by 2 families (7 persons), window in bed room, good air and light flow, near workplace, comparatively better environment	6000 including water	1000 Elec	7000
Since we have calculated gas bill with food cost, we drop gas bill from calculating into house cost					

We followed a three-step process to calculate the costs of acceptable housing for RMG workers: fixing the criteria, visiting the locations where the workers live, and calculating the cost.

Q **Criteria:** Having extensive literature review and talking to important RMG relevant stakeholders and experts, we first set the following standards for minimum acceptable housing for Bangladesh's RMG workers:

- Walking distance from the factory
- 270-275 square feet (25/26 square meters)³¹ of living space
- Cement walls and cement floor
- Roof does not leak (tin or cement)
- Comparatively healthy sanitation and the users not more than eight (8)
- kitchen that is clean and not shared by more than two families
- Water source inside the home arrangement
- Environmentally in an acceptable location.

Q **Process:** Four different teams visited Dhaka, Narayanganj, Gazipur (including Ashulia), and Chattogram to find the minimum acceptable housing as per set criteria and to determine the housing costs. In each location, 4 homes are visited. Narayanganj and Gazipur are considered as satellite districts and finally the mean figure for them is taken.

Q **Housing cost:** As per our set standards for minimum acceptable housing, costs ranged from BDT7000 to BDT10,000 per month depending on locations. Housing cost is determined highest for Dhaka BDT 10,000 per month, followed by satellite cities BDT 7600, and lowest for Chattogram BDT 7000 only.

³¹ For the low-income group, this is the most conservative assumption of living space. Indian government set standard for low income group is 28-48 square meter living space; In Vietnam it is 30 square meters; In Kenya it is 32 square meters.

Shewrapara, Mirpur, Dhaka

Sample of Minimum acceptable housing

Pagar, Gazipur



- **Not acceptable:** Our teams didn't find the following housings as minimum acceptable

Place	Size	Other standards	Total	Accept or reject
Dhaka	10ft. X 8 ft. 1 room	Shared kitchen and toilet for 15 persons; 1 drinking water source for 4 families; unhealthy environment	4500	Reject
Gazipur	12 ft. X 10 ft. 1 room	21 families live in 21 rooms in 2 rows; 2 kitchen, 2 toilets, and 2 bathrooms for entire 21 families.	5000	Reject
Narayongonj	10 ft. X 8 ft. 1 room	Mud floor; Tin wall and roof; 4 families shared 1 kitchen; Unhygienic and unstructured toilet.	3925	Reject
Chattogram	10ft. X 8ft. 1 room	8 families live in 8 rooms; 2 kitchen, 2 toilet and 1 bathroom shared by 8 families	3500	Reject

Not acceptable housing

Dhaka

Narayangonj

Gazipur

Chattogram



NON-FOOD NON-HOUSING (NFNH) COSTS DETERMINATION

HEALTH COST CALCULATION

Based on a scientifically representative survey of 457 RMG workers, health cost is determined. 132 workers are surveyed from Dhaka and Savar, 245 from Gazipur and Narayongonj, and 80 from Chattogram. This survey has calculated BDT1287 health cost per worker's family for Dhaka, BDT1052 for satellite cities, and BDT 1172 for Chattogram.

Locations	Costs (Per household per month)
Dhaka (51) 132	1287
Satellite cities	
Gazipur (178)	1098
Narayangonj (67)245	1006
Mean	1052
Chattogram (80)	1172

- ✍ A main observation from the survey is that families which have accompanied old-aged members such as father/mother/in-laws, mostly have a regular and increased health costs. Apart from this, families having under five children, have relatively higher health costs.
- ✍ Survey findings are somewhat consistent with the national estimations on this. According to HIES 2016, medical costs account for 4.57%³² of all consumption expenditure per family per month in urban Bangladesh. When the minimum food consumption cost is BDT14330 a month as we have determined in the earlier food cost section, which is 42.59% of all consumption expenditure as per HIES 2016, total consumption expenditure calculates to BDT33646 only. Now, 4.57% of BDT33646 means on average, every family, spent BDT1538 a month for medical purposes in urban locations.
- ✍ Secondly, according to HIES 2016, 21.4% of the population suffers an illness per month³³. This implies 2.6 times illness a year. Thus, for a family of 4 members, the number of illness count is 10.4 (2.6 times X 4 persons) a year. The same survey noted that average outpatient medical expenses is BDT378 and the respective medicine cost is BDT701 in urban Bangladesh³⁴. This implies BDT 935 medical cost per family per month [BDT 1079 (BDT 378 + BDT701) X 10.4 times /12 months].
- ✍ There are a number of other costs associated with illness such as loss of workdays and income of the second main earner of a workers family due to accidents/illnesses, caring cost to children during illness, and costs associated with a serious illness like kidney diseases. We didn't consider them. From this perspective, we can say our survey findings is only a conservative estimation of health cost and thus acceptable in any consideration.

EDUCATION COST CALCULATION

The same survey that determined health cost, has also determined education cost of RMG workers families. Survey findings show that education cost per workers family is BDT1256 for Dhaka, BDT1154 for satellite cities, and BDT898 for Chattogram.

³² HIES (2016), Table 21: Distribution of consumption expenditure of major groups of item by monthly household income groups, p227

³³ HIES (2016), Table 96: Distribution of population who suffered from some sorts of illness in the preceding 30 days, p506

³⁴ BBS (2019) *Final report on household income and expenditure survey 2016*, p100

Locations	Costs (Per Household Per Month)
Dhaka	1256
Satellite cities	1154
Chattogram	898

- ✍ The survey observed that education cost particularly cover fees, costs for uniform, stationery, books, and sports and cultural costs and tiffin costs. Majority of workers' children attend government school, close to their residences. Education is free in government schooling. The cost of sending a child to private school and madrassa is relatively higher, particularly because of fees.
- ✍ Survey findings are consistent with a number of other estimations. According to the HIES 2016, the average expenditure of education is **BDT1502** per household per month in urban Bangladesh³⁵. The same survey further has estimated that education costs account for 5.5-6%³⁶ of all consumption expenditure in urban areas particularly for those who earn between BDT8000 to BDT19999 a month³⁷. Given this estimation, when total consumption expenditure is BDT33646 a month, as we have determined in the earlier food cost section, education cost calculates to **BDT1851-1884** per family per month. Dr. Richard Anker and his team earlier in 2016 estimated that education cost is BDT891 for Dhaka and BDT 818 for satellite cities for RMG workers families.

MISCELLANEOUS COSTS CALCULATION

- ✍ BDT4863 is calculated miscellaneous cost per family per month. This cost included cost for personal care (laundry/feeder/soap/toothpaste/toothbrush/coconut oil/snow-powder/hair clippers/lipstick/nail polish/saving kids/hair cut/mask & sanitizer etc.), travel and communication³⁸, guest entertainment, clothing and footwear, cost for furniture and household equipment, recreation and cultural costs, cost for eating away from home, & costs for various services such as Bkash/Dish/Internet and unforeseen others.
- ✍ We applied a simple one go approach to determine this. We base the HIES 2016 for this. According to this survey, miscellaneous costs account for 14.58% of all consumption costs in urban Bangladesh. 14.58% of BDT33646³⁹ means BDT4906 a month

³⁵ HIES (2016), Table: 7.12: Per Household Expenditure on Education by sex and residence, p86

³⁶ HIES (2016), Table 21: Distribution of consumption expenditure of major groups of item by monthly household income groups, p227

³⁷ HIES (2016), Table 21, p227

³⁸ Our research finds that 57.1% of workers travel 1.1 to 5 Km per day to reach to the workplace from home

³⁹ According to HIES (2016), food cost accounts for 42.59% of all consumption costs which is equivalent to BDT14330 only as we have determined in the food cost section. Given this estimation, total consumption cost is calculated BDT 33646 only.

NATIONAL LEGAL CONTEXT: CALCULATION BASE

INSTRUMENTS/ INSTITUTIONS	TITLE & ARTICLES/SECTIONS	HOW LIVING WAGE IS EXPLORED
<p>THE CONSTITUTION OF THE PEOPLE'S REPUBLIC OF BANGLADESH</p> <p>VISION 2041 & PERSPECTIVE PLAN 2021-2041</p>	<p>Fundamental Principles of State Policy, Article 15, 15a, 15b & 15d</p>	<p>One of the fundamental responsibilities of the State is to bring a steady improvement in the material and cultural standard of living. Basic necessities of life, including food, clothing, shelter, education and medical care shall be secured. Employment at a reasonable wage shall be guaranteed. Right to social security shall be addressed.</p> <p>The vision 2041 and the perspective plan 2021-2041 envision Bangladesh to be an upper middle-income country by 2031 and a high-income developed country by 2041, with a per-capita income of over USD 12500 a year. To move to a high-income economy one of the core strategic goals is Urban transition.</p>
<p>BLA 2006 (AMENDED 2013)</p> <p>LABOUR POLICY 2012</p>	<p>Recommendation of minimum wage rates, Section 141</p> <p>Labour Policy 2012</p>	<p>In making its recommendation the Wages Board shall take into consideration among others the cost of living and standard of living</p> <p>Wage must be sufficient to maintain a standard of living of the workers and their family members. Wage amount and the associated incentives must be sufficient for physical and mental development of the worker and helpful for increasing productivity.</p>

INTERNATIONAL LEGAL CONTEXT

MINIMUM WAGE AS EXPLORED IN GLOBAL HUMAN RIGHTS DOCUMENTS		
INSTITUTIONS/ INSTRUMENTS	Title & Articles/Sections	How minimum wage is explored
UN UDHR 1948	Article 23 (3)	Just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity
SDG	Goal 8	'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'. According to ILO, productive employment yield sufficient returns to labour to permit a worker and his/her dependents a level of consumption above the 53overty line (ILO, 2012) ⁴⁰ .
ICESCR 1966	Article 7.	Remuneration which provides a minimum decent living to worker and his/her family
EUROPEAN SOCIAL CHARTER 1961	Part I.4.	A fair remuneration sufficient for a decent standard of living for worker & his/her family
ILO	Constitution, Preamble, 1919	An adequate living wage that can help to establish universal and lasting peace.
	Declaration on Social Justice for a Fair Globalization, 2008	A minimum living wage
	Resolution No. 30, 1928 Chapter-III	Wage that help workers to maintain a suitable standard of living.
	Convention No. 131, Article 3, 1970	Elements that deserve consideration in determining a wage are the 1) needs of workers and their families, 2) the cost of living, 3) social security benefits, and 4) the relative living standards of other social groups
INDIAN CONSTITUTION 49	Directive Principles of State Policy	A living wage that ensures a decent standard of life & full enjoyment of leisure & social & cultural opportunities.

⁴⁰ ILO (2012), Understanding Deficit of Productive Employment and Setting Targets A Methodological Guide, Chapter 2: Concepts and Definitions, p3, paragraph 3, International Labour Office, Geneva Retrieve at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_177149.pdf

NON-FOOD COSTS PRACTICES

COUNTRIES	GENERAL NON-FOOD COSTS	STATE ADDRESSING NON-FOOD COSTS
INDIA	Housing/Accommodation, Medical, Fuel/Transportation, Child Education, Old Age allowance, Marriage and Dearness Allowance, Provident fund and Gratuity.	Monthly pension from Retirement Fund and compensation and golden handshake matters are covered by National level Social Insurance Scheme.
PAKISTAN	House rent, Transport Allowance, Living Allowance and Dearness Allowance.	100% Compensation to occupational victims, maternity benefits and old age allowance are covered by a national level Social Security Insurance.
INDONESIA	Domestic & dress allowance, child education, medical & maternity, transport, entertainment and savings allowance, provident fund and gratuity	100% Compensation coverage for occupational victim.
CAMBODIA	Medical, Accommodation, Transportation, Attendance Allowance and Seniority Allowance	100% Compensation coverage by the Compulsory National Social Security Fund.
VIETNAM	Minimum wage is considered a living wage including required allowances for basic necessities.	Compulsory Social Insurance covers 100% compensation to occupational victims and monthly pension to workers after retirement.
MALAYSIA	Minimum wage is basic wage excluding any allowances or any other payments (Minimum Wage Order 2016).	National level Employees' Provident Fund, Employment Injury Insurance Scheme, Invalidity Pension Scheme, & Employer's Liability Scheme are maintained,
PHILIPPINES	Medical to dependents, Rice subsidy, Uniform and clothing allowance, Laundry, productivity and incentive bonuses and Separation pay.	Mandatory Social Security System (SSS) covers pension benefit and compensation to occupational victims. Compulsory Home Development Mutual Fund is also maintained.
BANGLADESH	Housing, Medical and Transportation Allowance.	Negligible compensation, medical and child education coverage from Bangladesh Workers Welfare Foundation.

RMG WORKERS MINIMUM WAGE IN THE COMPETITIVE COUNTRIES

SL	Economies/ Countries	Total employment	Wages in USD (Monthly)	Hourly (USD)	Wages in BDT (Monthly)	Effective Date	Exchange Rate
01	Bangladesh	2.85 million	75.5	0.40	8000	2018	1USD = 106BDT
02	China ⁴¹	15 million	262	1.26	24890	2020-22	1USD = 6.75RMB
03	India ⁴²	45 million	128	0.62	12160	2020-22	1USD = 79INR
04	Indonesia ⁴³	4.2 million	137	0.66	13015	2022	1USD = 14,661.5IDR
05	Cambodia ⁴⁴	0.60 million	194	0.93	18430	Sep 2021	1USD = 1USD
06	Malaysia ⁴⁵	0.26 million	250 to 273	1.2 to 1.3	23750 to 25935	Feb 2020	1USD = 4.4MYR
07	Philippines ⁴⁶	0.55 million	244	1.2	23180	Jan 2022	1USD = 55.7PHP
08	Vietnam ⁴⁷	2.5 million	168	0.8	15960	Jul 2022	1USD = VND23397
09	Turkey ⁴⁸	4 million	307	1.48	29165	Dec 2021	1USD = 17.94TRY

⁴¹ Under 31 Provinces, 93 different minimum wages are effective, varies between 1320 RMB (US\$196) and 2360 RMB (US\$350) per month. Mentioned amount is mean average figure from all these counts. Retrieve on 01 August 2022 from <https://www.china-briefing.com/news/minimum-wages-china-2022/>

⁴² Different provinces have different minimum wages. This is the mean average figure for top 16 garments making provinces. The minimum wage varies, between 6415 IRP (81USD) and 16506 IRP (209USD) in these provinces and cities. Retrieve on 1 August 2022 from <https://www.simpliance.in/minimum-wages>

⁴³ In Indonesia, around 85% of garment industry is concentrated in 4 provinces i.e., West Java, Central Java, East Java, and Banten. Minimum wage varies between USD124 and USD171 in these 4 provinces. Mean average figure is only counted here. Retrieve on 1 August 2022 from <https://gajimu.com/garment/Salaries-in-Garment/minimum-wage-garment>

⁴⁴ Retrieve on 1 August 2022 from <https://www.ethicaltrade.org/blog/eti-responds-to-cambodias-new-minimum-wage-garment-workers>

⁴⁵ Retrieve on 1 August 2022 from <https://wageindicator.org/salary/minimum-wage/malaysia>

⁴⁶ In Philippines, garment industry is mostly concentrated in 3 regions i.e., Central Luzon, Calabarzon, and National capital Region. Minimum wage varies between USD215 and USD244 in these 3 regions. Mean average figure is only counted here. Retrieve on 1 August 2022 from <https://wageindicator.org/salary/minimum-wage/philippines/archive/20220721>

⁴⁷ 4 different minimum wages are effective in 4 different regions. Minimum wage varies between USD139 and USD200 in these 4 regions. Mean average figure is only counted here. Retrieve on 1 August 2022 from <https://wageindicator.org/salary/minimum-wage/vietnam>

⁴⁸ Retrieve on 1 August 2022 from <https://wageindicator.org/salary/minimum-wage/turkey>