



What's Going On: RMG Workers' Experience During the Covid-19 Pandemic

Guy Stuart, Microfinance Opportunities

October 31, 2020

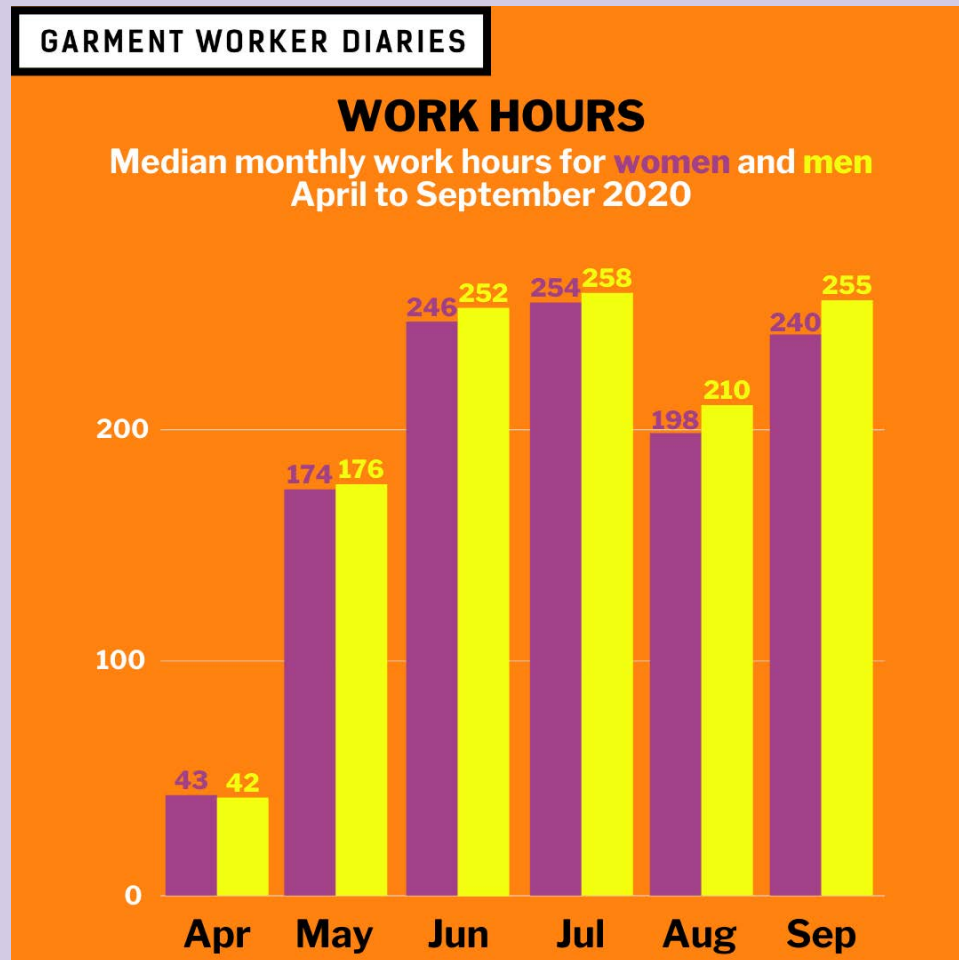
GARMENT WORKER DIARIES



Introduction

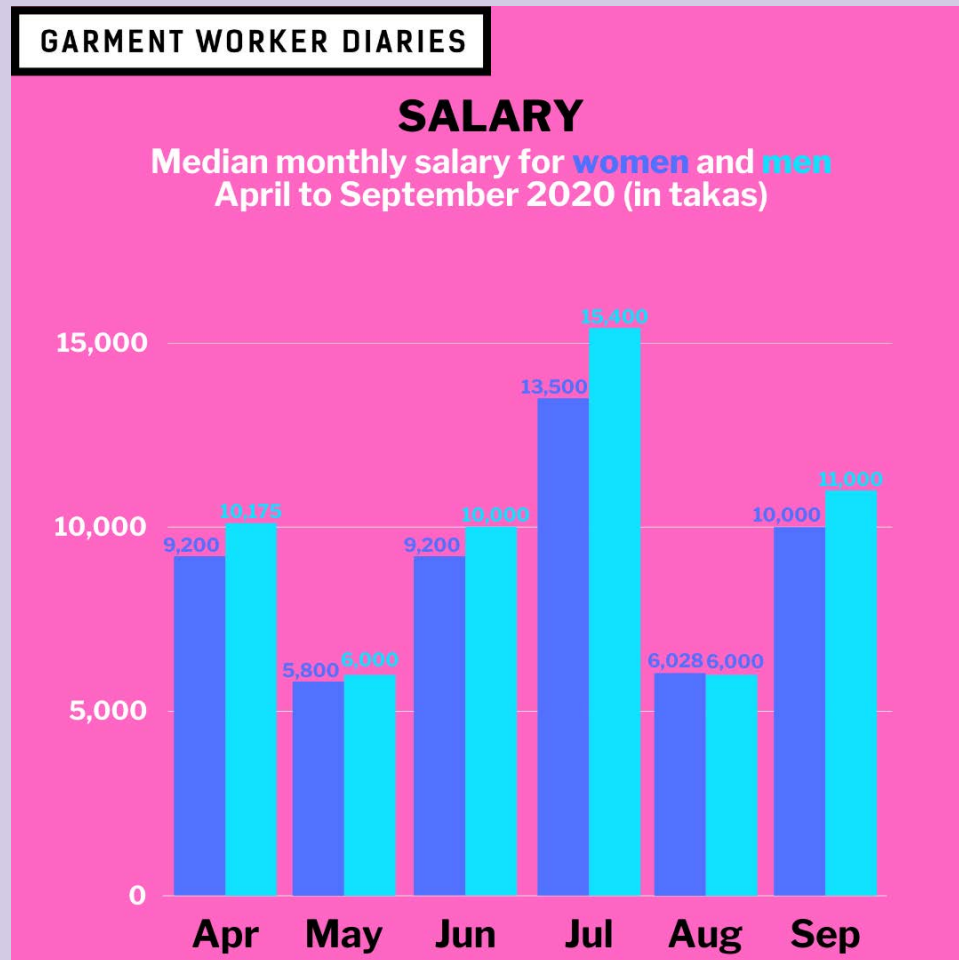
- Garment Worker Diaries
 - Weekly interviews with 1,300 garment workers—nationally representative sample
 - Trusted channel of communication allows stakeholders to insert questions into weekly survey
- Key Findings will be discussed by panelists:
 - Job Security in 2021
 - Wage Digitization and Digital Financial Skills
 - Work, Food Security and Illness
 - Cost of Credit

Hours Worked



- Factories were closed for most of April, but reopened in May.
- Hours worked in May and August were affected by Eid al-Fitr and Eid al-Adha
- Work hours numbers include break times
- There are 234 regular work hours (including break times) in a typical month
- In 2019 the typical hours for a worker were 246 per month

Monthly Salaries



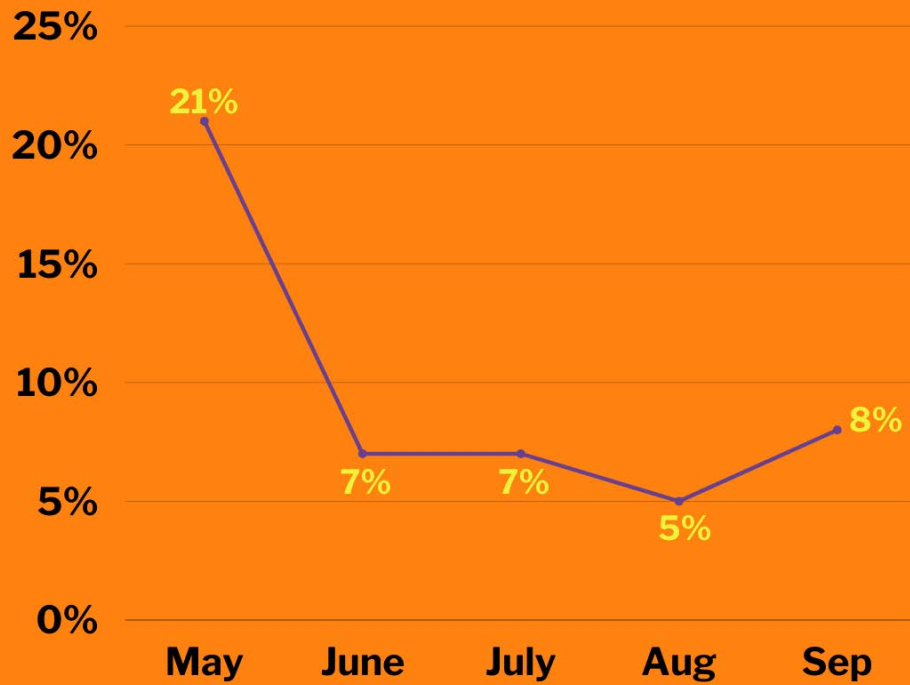
- Even though factories were closed for most of April, workers were still paid for work performed in March.
- Salary payments in May also include government support payments to workers.
- July and August salary payments are impacted by Eid al-Adha, with advance payments being made in July.
- In 2019 the typical monthly payment was Tk. 10,000

Job Security

GARMENT WORKER DIARIES

EMPLOYMENT STATUS

% of workers reporting factory closure, leave without pay, suspension, underemployment, or a layoff, May - September 2020



- In May, workers reported the most employment problems.
- Problems then declined in June, July, and August, but we saw an uptick in September.
- How secure is factory work in the RMG over the next few months?
- What policies/programs need to be in place to mitigate the potential employment insecurity?

Discussion: Job Security, 2021

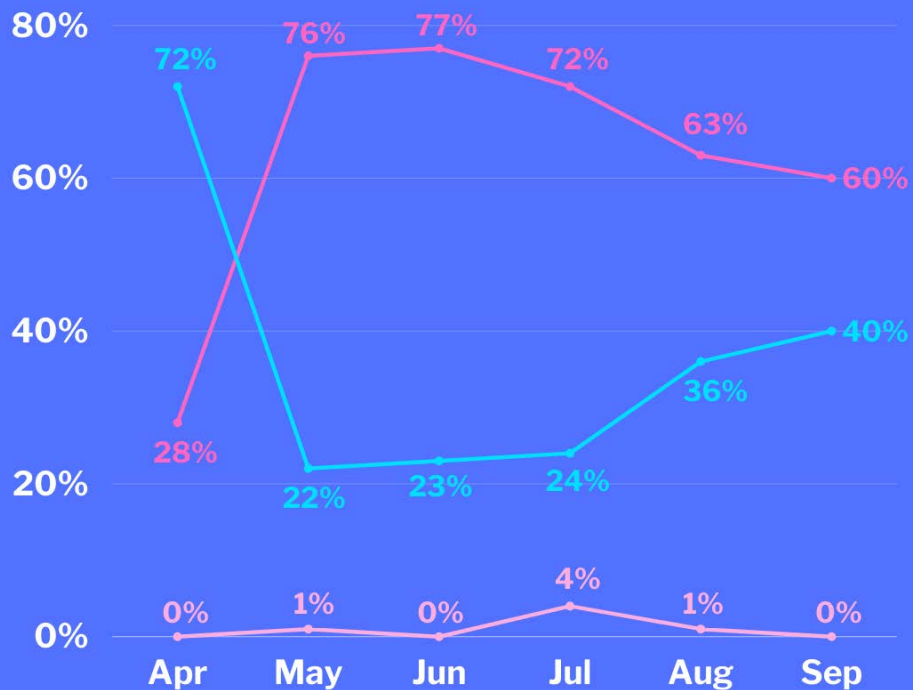
- How secure is factory work in the RMG over the next few months?
- What policies/programs need to be in place to mitigate the potential employment insecurity?

Wage Digitization

GARMENT WORKER DIARIES

SHARE OF WORKERS PAID DIGITALLY

Percentage of **cash**, **digital**, and **mixed** salary payments
April to September 2020



- Government mandate related to support package for RMG sector workers
- April 2020: about 1 in 4 workers paid digitally
- May 2020: about 3 in 4 workers paid digitally
 - About an increase in 2 million workers
- Will digitization be maintained?

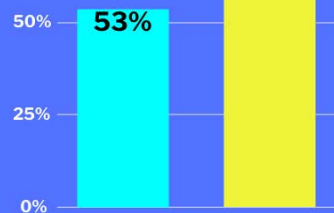
Digital financial skills

GARMENT WORKER DIARIES

WHAT HAVE WOMEN WORKERS LEARNED ABOUT DIGITAL FINANCE?

% of women expressing knowledge of or comfort with a digital skill,
May and September 2020

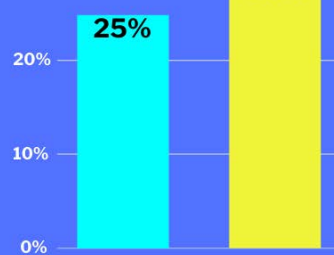
Withdraw money
on their own...



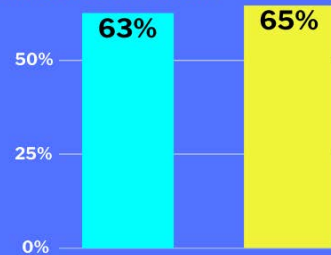
Check their
balance...



Transfer money...



Comfortable with digital
financial services...

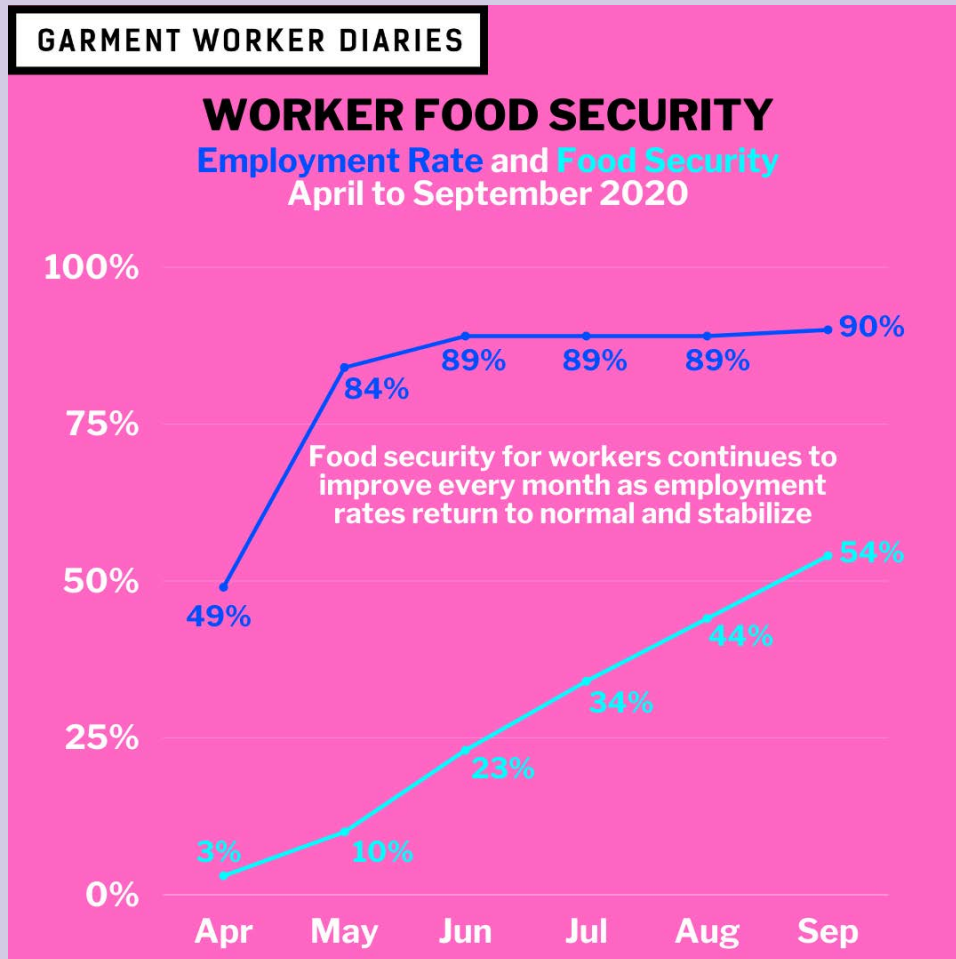


- Between May and September women workers did gain skills in the use of digital financial services, but still very few of them know how to make a transfer.
- Are digital payments useful to workers, especially women?
- How can they be made more useful?

Discussion: The Future of Digital Wages

- Will digitization be maintained?
- Are digital payments useful to workers, especially women?
- How can they be made more useful?

Employment and Food Security



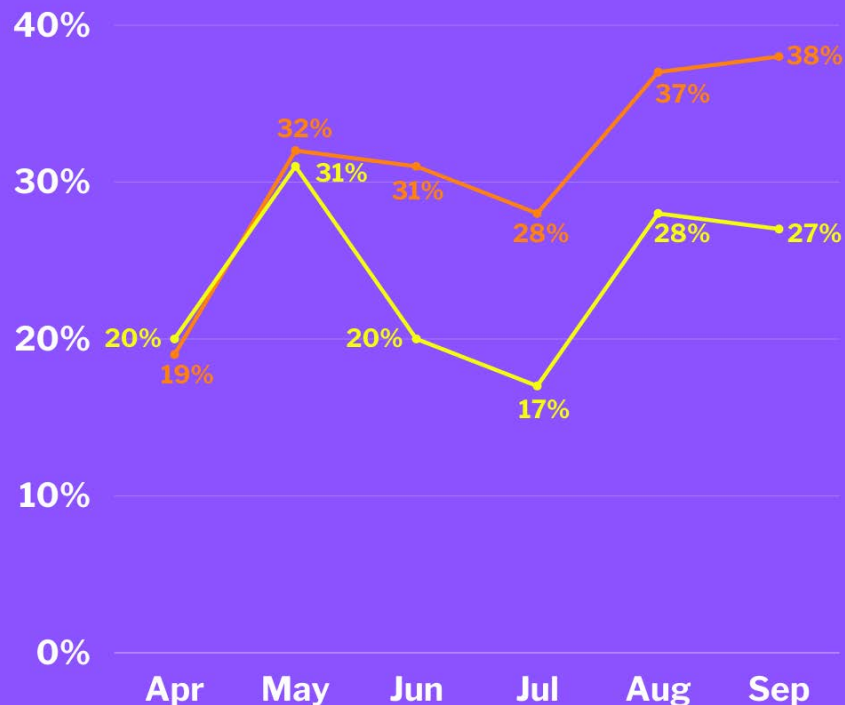
- Between May and September workers went back to work and employment levels remain high.
- At the same time food security increased, but still only remains at about 50% of the workers in the GWD project.
- How do we raise food security so that it reaches 100% for employed workers?

Employment and Illness

GARMENT WORKER DIARIES

HOUSEHOLD ILLNESS RATES

Percentage of **women** and **men** workers reporting a household illness, April to September 2020



- Between May and September workers went back to work and employment levels remain high.
- At the same time illness in the household reported by the worker has been climbing.
- How do we manage the trade offs between employment and illness?

Discussion: Work, Food Security, and Illness

- How do we raise food security so that it reaches 100% for employed workers?
- How do we manage the trade offs between employment and illness?

Cost of Credit

GARMENT WORKER DIARIES

THE COST OF CREDIT

Average price of 1 kilogram of rice
CASH purchase vs. SHOP CREDIT purchase
(in takas)

₹51



CASH

₹54.7



SHOP CREDIT

- Workers pay more for rice when they buy it on shop credit.
- The premium they pay amounts to about 7.6% *per month*
- What can be done to address this issue?
- How can it be done in such a way that local shopkeepers do not feel like their livelihoods are being challenged?

GARMENT WORKER DIARIES

Discussion: The Cost of Credit

- What can be done to address the cost of food bought on credit?
- How can it be done in such a way that local shopkeepers do not feel like their livelihoods are being challenged?