



# EXCESS HOURS AND FORCED LABOR IN THE RMG SECTOR IN BANGLADESH

Microfinance Opportunities

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*Photo courtesy of a garment worker in Bangladesh*

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## INTRODUCTION

The Ready-Made-Garment (RMG) sector in Bangladesh employs about 4 million people of whom about 60% (or more) are women, about 2.4 million women in total. The RMG sector accounts for about 80% of Bangladesh's export earnings. Bangladesh is the second largest apparel exporter after China (although Vietnam is catching up rapidly). The RMG sector in Bangladesh is the quintessential embodiment of industrial mass production, the essence of which is the physical control over the bodies of its employees—requiring them to perform repetitive tasks at a particular time and place every day, except Fridays and the brief respite they get around the Eid holidays. The formal organization of work and the sector's integration into the global economy enables employers to exercise this control through time-tested industrial practices (time clocks, ID cards, production quotas, line supervision, quality control, etc.). Yet there is sufficient informality left in the system that workers are often subjected to capricious treatment and exploitation. This ranges from work hours that are over the legal limit allowed by Bangladesh's labor laws to verbal and physical abuse from supervisors and managers at work.

This report focuses on the increase in the share of workers working more than the work hours legal limit under Bangladesh's 2006 labor law, and examines whether workers have a choice in working those extra hours. The report draws on data collected through the Garment Worker Diaries (GWD) initiative, which has collected data every week from a sample of workers employed in the RMG sector in Bangladesh since January 2019 (with a short break in February and March 2020). What we find is the following:

- The share of workers working excess hours has been increasing steadily since August 2020
- For the first time since the pandemic began, more than 50% of workers (50% of women and 53% of men) reported working excess hours in December 2021. The share dipped very slightly below 50% in January 2022 but remained above 50% for February and March.
- Over two-thirds of workers (69%) report that they have no choice in whether they work overtime or not. About half of those who say they have no choice face a penalty if they do not work overtime when requested.
- Workers' perceptions of their ability to choose to work or not, and the potential penalties they face have consequences for the number of hours they work and the likelihood that they work excess hours.
  - In March 2022, 60% of workers who said they had no choice about working overtime and faced a penalty if they did not work overtime worked excess hours, whereas 49% of workers who said they had a choice to work overtime and faced no penalty if they refused to do so worked excess hours.

## METHODS AND SAMPLE

The GWD initiative conducts interviews each week with a panel of about 1,300 workers. Since April 2020 these interviews have taken place over the phone—prior to that workers kept a record of their responses in a notebook which they shared with the survey enumerators. The interviews cover a core set of topics every week including work hours, wages, loans, savings, transfers, and some



expenditures. Since moving to phone interviews, we have added “special” questions at the end of the core questions to explore specific topics of interest to stakeholders. Through this weekly interview process, the GWD field team has been able to build a trusted relationship with the workers they interview. This means we can ask workers sensitive questions and receive honest answers. We can also validate the answers workers give us against data they provided previously. The result is high-quality data that covers a wide variety of topics.

The GWD sample is drawn from five industrial areas in Bangladesh with a high concentration of garment factories and, within them, sub-areas where between 70% and 80% of the factories in each area are concentrated, starting with the largest sub-areas. Table 1 shows a comparison between the GWD sample and the sample used for the Labour Force Survey (LFS) by the International Labour Organization (ILO). Note that Savar and Dhaka City, which are two different areas in our sample, are combined because they are both in Dhaka District.

*Table 1: GWD Sample vs. LFS Sample*

District residence	of	Share of LFS workers in Bangladesh	Share of LFS workers in 4 target districts	Share of GWD workers, May 2020 to present
Chittagong		11%	16%	14%
Dhaka		33%	48%	42%
Gazipur		15%	22%	28%
Narayanganj		10%	14%	15%
Total for 4 Districts		69%	100%	99%

The distribution of the GWD sample across the districts is fairly representative of the distribution of workers across those districts as found in the LFS (column 2). In other words, the sample is fairly representative of the most important garment-producing districts in Bangladesh.

The share of respondents in the sample who are women is about 75% (it can vary from month to month), which means that women are over-represented in the sample.

## EXCESS WORK HOURS

Recent articles published by local news sites in Bangladesh ([Textile Today](#), [Apparel Resources](#)) report that a Ministry of Labour and Employment circular, issued on April 13<sup>th</sup>, permits garment exporting factories to have their employees work two more additional hours of overtime per day, for a possible legal total of four hours of overtime. The new overtime rule went into effect on April 17<sup>th</sup> and is set to remain in place for six months. This means that it is now legal for a factory to have its workers work 12 hours a day, 6 days a week, for a total of 72 hours per week. Before this circular was issued, the legal limit was 10 hours a day, for a total 60 hours a week.

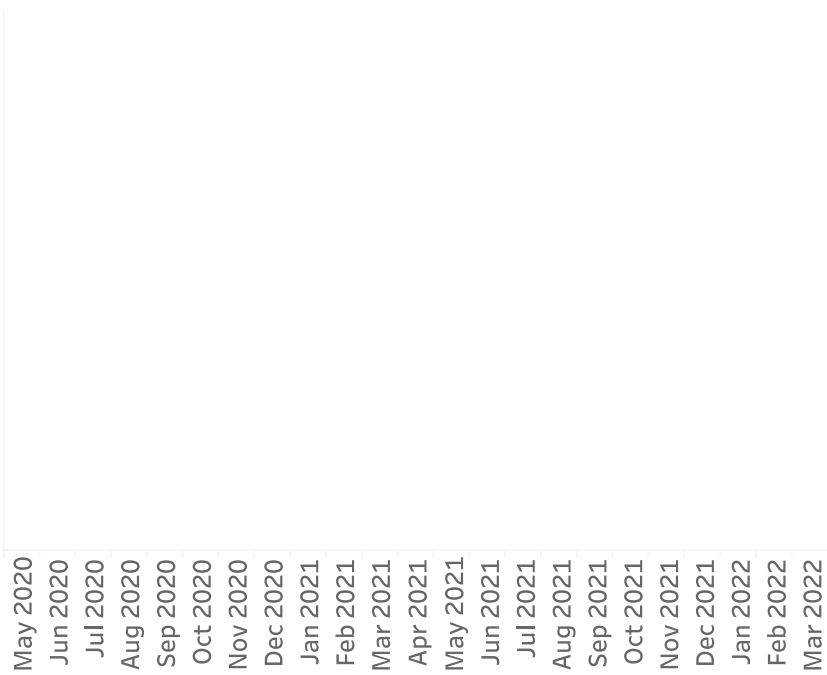
The government circular is an explicit acknowledgement of a phenomenon that the Garment Worker Diaries (GWD) has been documenting for many months now—that there has been a rise in the share of workers working excess work hours over the past year or more. The data show that in August 2020, a few months after the pandemic hit Bangladesh’s RMG sector and induced the government to lockdown the factories for a few weeks, about 10% of workers reported working excess work hours. The share of workers reporting excess hours increased to 35% for women and 41% for men by August 2021, and, for the first time since the pandemic began, more than 50% of workers (50% of women and 53% of men) reported working excess hours in December 2021. The share dipped very slightly below 50% in January 2022 but remained above 50% for February and March.

### *Box 1: Calculating Excess Work Hours*

To calculate excess work hours we identified the number of hours a worker could work legally each month given the number of work days in the month and the 10-hours per day legal limit. For example, in January 2022 there were 27 workdays in the month, meaning that a worker working a full day plus overtime could legally work 270 hours. In contrast, in February 2022 there were only 23 workdays in the month, allowing a maximum of 253 hours worked.

Note that this results in a conservative estimate of the share of workers working excess hours because it is possible in some weeks workers worked excess hours and then worked less hours another week, which offset the excess total. This is deliberate, to avoid arguments about the minutiae of the data and keep the focus on the broad trends in excess work hours.

Figure 1: Share of workers working excess hours by month and gender



What these data tell us is that more than half the workers in the RMG sector worked excess hours—more than 10 hours a day, 6 days a week for a whole month—months before the government circular permitted such a practice.

## FORCED LABOR AND EXCESS HOURS

Data from a [living wage calculation we performed recently](#) suggests that there is a large gap between what workers currently earn, about EUR 122 per month, and what would constitute a minimal living wage. Depending on the assumptions made and the gender of the worker, the current **gap** is between EUR 66 and EU 132 per month. So, there is plenty of financial incentive for workers to work excess hours—it is the only way they can hope to get close to earning a decent wage each month. But, beyond this financial incentive, do workers feel forced to work excess hours?

To answer this question, we asked the workers two simple questions in one of the weekly interviews we conducted in June 2022:

- When you are asked to work overtime, are you given the choice to not work overtime?
- What happens if you are asked to work overtime but cannot stay to work overtime?

We asked about overtime because, in our experience talking with the workers over the past 3 years, they make no distinction between legal overtime and excess work hours. The question is also in line with Bangladesh labor law. Section 102(1) of the Bangladesh Labour Act, 2006 states: “No adult worker shall ordinarily work or be required to work in an establishment for more than 48 (forty-eight) hours in a week.” Given that a standard work week of 8 hours a day, 6 days a week is 48 hours, a worker cannot be required to work anything above that, including legal overtime.

We put these questions about the choice to work overtime to 1,066 workers (784 women, 282 men) who were working during the week when we conducted this round of interviews—another 209 were not working that week. What we found was that just over two-thirds (69%) of workers said they did not have a choice as to whether to work overtime or not. About half of those who said they had no choice said they faced some sort of penalty, most likely a verbal reprimand, if they refused to work overtime. About one quarter of those who said they did have a choice said they still faced a penalty for not choosing to work overtime, again most likely a verbal reprimand.

Figure 2: Choice to work overtime or not

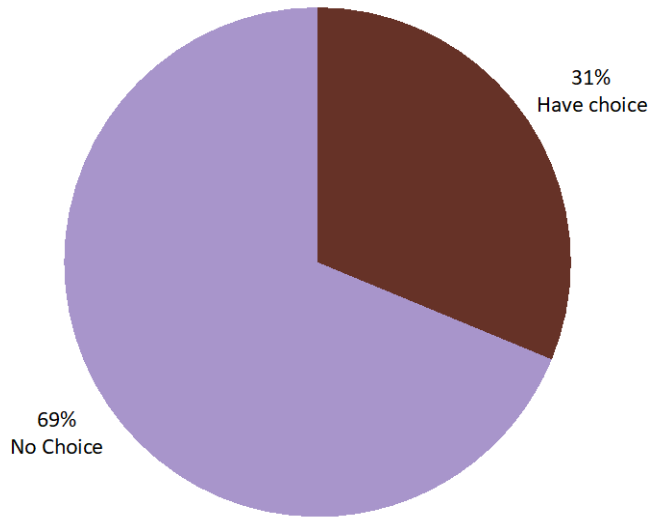
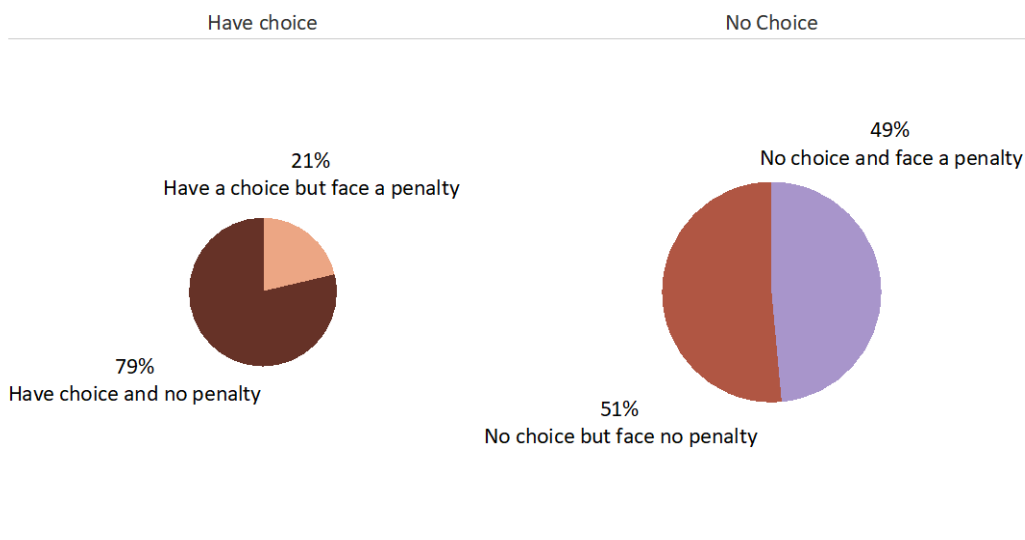


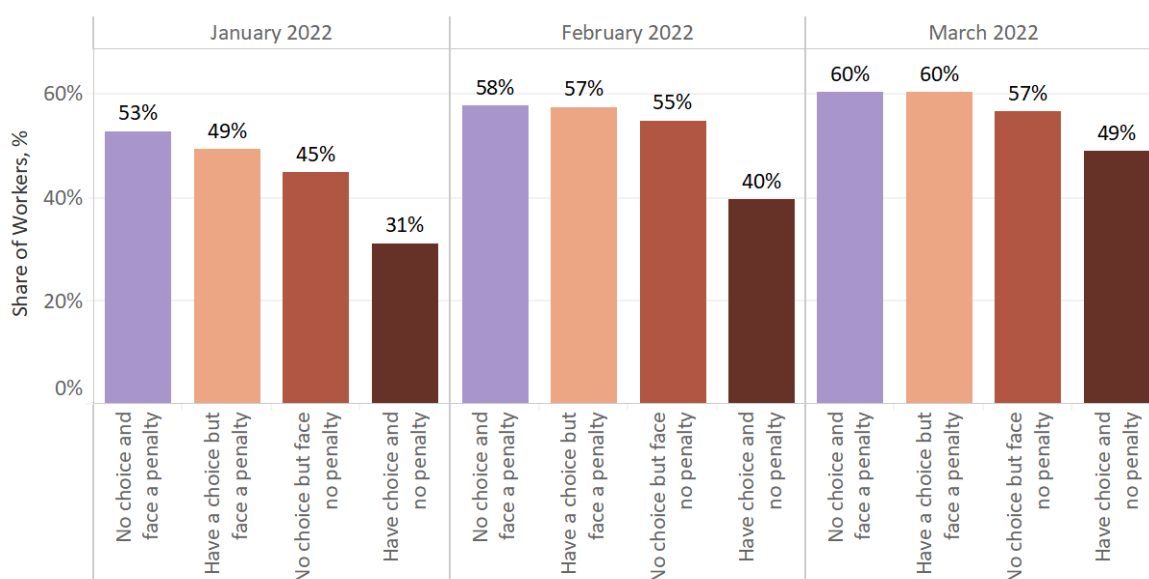
Figure 3: Penalty for not working overtime when asked



The workers’ perceptions of their ability to choose to work or not, and the potential penalties they face have consequences for the number of hours they work and the likelihood that they work excess hours. Focusing on data from January to March 2022, the months right before the government

changed the rules about legal work hours, we see that workers who stated that they had no choice about working overtime and faced some sort of penalty for not working were the most likely to work excess hours in those months—depending on the month, between 53% and 60% of them worked excess hours in the January to March period. Those who said they had a choice but faced a penalty if they chose not to work were the next most likely to have worked excess hours in the first quarter of 2022—between 49% and 60% depending on the month. Those who said they had no choice but faced no penalties for not working overtime were slightly less likely to have worked excess hours—between 45% and 57%. The least likely to have worked excess hours were those who said they had a choice about working overtime and faced no penalty if they did not—from 31% to 49% worked excess hours in the first quarter of 2022, although even here we see that by March 2022 almost half worked excess hours.

Figure 4: Share of workers working excess hours by month and choice/penalty status



In sum, evidence from interviews with workers in the RMG sector in Bangladesh suggests that over two-thirds of workers feel they have no choice in working overtime or not, and that this lack of choice often, and increasingly, translates into work hours that exceed the legal limit allowed under Bangladesh law. The government’s recent change to the law may make more of the hours worked “legal”, but workers’ ability to choose whether to work those hours are unaffected.