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Apparel job uncertainty on the wane

But export making slow recovery for the pandemic's second wave, CPD study says

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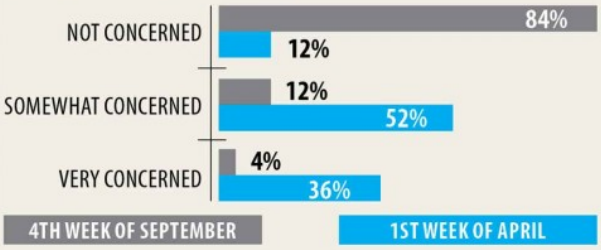
MONTH-WISE FIRED/RETRENCHED WORKERS

Months in 2020	Average no. of workers fired	Average no. of workers laid off	Average no. of workers with due wage payment
June	21,023	12,083	39,9251
July	24,534	15,782	27,2008
August	23,582	19,831	93,998
September	23,660	22,978	10,8629

SOURCE: CPD STUDY BASED ON DIFE DATA

PERCEPTION OF JOB-RELATED UNCERTAINTY AMONG BANGLADESHI WORKERS



SOURCE: CPD

With recuperation of international retailers and brands' work orders, job uncertainty among Bangladesh's garment workers has been alleviated to 4 per cent in September last year from 36 per cent in April, says a CPD study.

Factory workloads have risen past that in Sri Lanka, another major South Asian garment exporter. Factory managements have been recruiting workers on a daily basis, said the study made public yesterday.

Bangladesh's garment export has been making a slow recovery for detrimental effects arising anew for the pandemic's second wave.

Bangladesh cannot invest a lot in online sales, which has now emerged as the major engine for retail business, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD).

Different government supports need to be continued for mid and long-term recovery of the sector's business, he said while presenting the study's findings at a virtual discussion.

Some 60 per cent of factories have started recruiting workers afresh, he added.

The CPD and Southern Voice, a network of over fifty think tanks from Africa, Asia and Latin America, jointly organised the discussion on "Recovery of the Apparel Sector from the Covid-19 Crisis: Is a Value Chain Based Solution Possible?".

CPD Chairman Rehman Sobhan suggested a regional response for the garment trade's recovery, reasoning that the neighbouring countries have been facing the same challenges.

He also recommended introducing a micro-social insurance scheme for workers affected by the Covid-19 fallout. Factory owners, the government and even workers and buyers could contribute to the formation of such an insurance scheme fund, he said.

Moderating the discussion, Mustafizur Rahman, a distinguished fellow at the CPD, proposed for a global compact for garment businesses to make a faster recovery and for supporting factory owners and workers.

Ziaur Rahman, Swedish retail giant H&M's regional manager for Bangladesh, Pakistan and Ethiopia, advocated for increasing workers' minimum wage as their monthly pay was still low.

He also said that H&M had started paying higher prices for Bangladesh's garment items in tune with the last increase in wages.

"We will increase the price of garment items if the wage of workers is increased again," he said.

Rahman said China, Vietnam and Cambodia were making a faster recovery in business because Bangladesh's products can still be characterised as being basic and by their large volumes.

Bangladesh needs to improve its product diversity and innovation for faster recovery and sustainability in this business, he added.

There was no disruption or cancellation of work orders being placed by H&M even amidst the pandemic, he said.

He suggested shifting to man-made fibres to reduce overdependence on cotton and grab a bigger global market share.

KM Abdus Salam, secretary to the Ministry of Labour and Employment, said Tk 50 crore was available with the ministry for disbursement through social safety net programmes among workers retrenched during the pandemic.

Some 10,000 workers have been listed so far as beneficiaries and each would get Tk 3,000, he said. The European Union and German government provided the fund as a donation.

The secretary also said the government would also make donations to the fund in the future and the ministry would stay open to donations from any other agency, body or country for workers to continue to get supports.

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), found parts of the study's findings to be a bit conflicting.

For instance, it stated that garment export earnings were declining but also factory managements setting higher production targets.

Moreover, the managements were said to be simultaneously hiring and firing workers, she said, urging to engage in conversion with data.

Huq also said between April and September, prices of Bangladeshi garment items dropped 4.82 per cent although production costs continued to increase while demand declined 11 per cent in the US and 16 per cent in the EU.

However, the government has been putting pressure on garment manufacturers to start repaying the loans received through the state's stimulus package meant to offset the fallouts of Covid-19, she said.

Harry Verweij, ambassador of The Netherlands to Bangladesh, said his government played a pioneering role among the EU nations refraining from cancelling work orders.

He said The Netherlands and Denmark from the EU have particularly come forward to share the risk of buying garments during the pandemic.

Amirul Haque Amin, president of the National Garment Workers Federation, suggested the government amend the current law centring laying off workers.

Many factories went for layoffs for four to five months on end although the labour law provisions allow just two months, Amin said.

Over two lakh workers lost their jobs during the pandemic, he said, adding that the scope for overtime has been reduced significantly because of fewer work orders.

So only domestic solutions are not enough to solve the problems and a lot of global initiatives are needed for long-term solutions, he added.

Kalpona Akter, executive director of the Bangladesh Centre for Worker Solidarity, said workers were provided 60 per cent of their salaries for now whereas it was difficult to survive even with the full amount.

She also urged the government to ensure continuation of the proposed 5 per cent annual salary increment.

Bangladeshi factory owners could not avail regional cooperation in sourcing raw materials during the pandemic, said Arshad Jamal Dipu, vice-president of the BGMEA.

So a stronger sub-regional cooperation is very important, he said.

Commerce Minister Tipu Munshi hinted that more time would be allowed for repaying the stimulus package loans.

He also sought greater cooperation among the government, retailers, factory owners, union leaders, workers and governments of countries sourcing the products for overcoming the sector's challenges.