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## Pins and needles at the time of a pandemic: Learning from the RMG workers through a rapid survey

The COVID-19 pandemic has shaken the world's economy and, has been the most pronounced public health disaster since the Spanish Flu which took place just about 100 years ago. The ready-made garment sector, along with the migrant workers, has been one of the major drivers of the socio-economic development of Bangladesh in the last 40 years. The pandemic has put the four million workers and their families between the rock and a very hard place. The closedown of all major economies has halted the retail activities there. As a result, most major buyers have either canceled or withheld existing orders placed before the local suppliers. According to the BGMEA data, a total value of RMG export orders cancelled or suspended by global buyers has neared \$3.15 billion till Monday 13th April, affecting 2.26 million RMG workers directly and also stifling backward linkage industries depending on the sector. On the other hand, Bangladesh is facing rising cases of COVID-19 and this has resulted in sector-wide factory closures, with no certainty when they will be reopened.

In this backdrop, BRAC James P Grant School of Public Health has undertaken a series of research to understand how the COVID-19 pandemic has affected different populations. One particular group of people this rapid survey addressed was RMG workers. A major research activity included a rapid survey where we reached out to respondents from different surveys that the School carried out in the past. Many of these

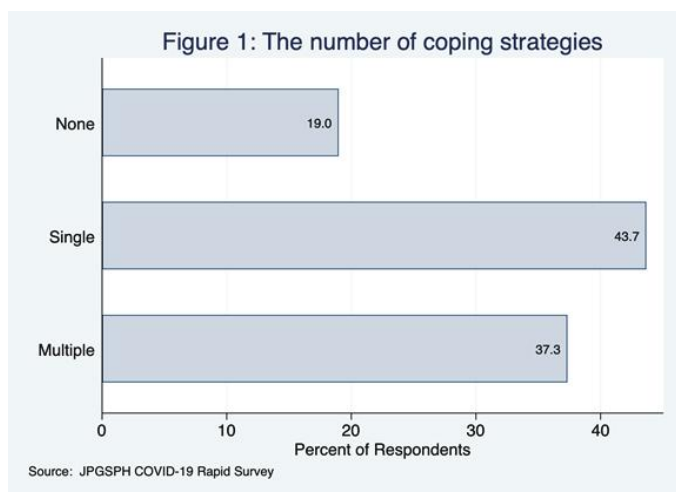
surveys collected phone numbers of the respondents. We followed a rigorous process of obtaining informed consent over phone calls. Each call lasted on average 45 minutes.

In this research brief, we focus on a cohort of RMG workers who were surveyed in from September to December 2018. In the original survey, there were 375 respondents, with an 52% female and 48% male respondents. As a part of the rapid survey, we aimed to survey all the participants. The rapid survey started on April 5, 2020. We successfully surveyed 159 respondents as of April 13, 2020. Coincidentally, this also overlapped with the period when confirmed cases soared exponentially (for example, doubling time of confirmed cases dropped from three weeks on April 3, 2020, to three days by April 10 staying steady at the level). We wanted to understand a number of outcomes such as income, employment status, consumption, and practice and perception of different preventive measures to lower the risk of COVID-19 infection.

About 78 percent of the respondents reported living at the same place where they were originally surveyed in the original baseline survey. About 44 percent reported living in Dhaka and about 30 percent reported living in Gazipur. These are the areas where most of the RMG factories are. So, at least the people we could survey were living mostly at the same place possibly near the factories.

While many of the respondents were living at places where RMG factories mostly clustered, most of the workers faced rising unemployment and income loss because of the factory closure. Ignoring the 26 respondents who did not have a job even before the pandemic outbreak, 47% of the workers lost their jobs. However, about 24% of the respondents were on leave with full pay and another 11% were being partially paid even though they were on leave at the time of the survey.

The sector-wise closure had a significant impact on the households' earnings as about 46% reported a complete loss of income. The loss of income is partially mitigated by having multiple earners in a family, as the complete loss of income was 51% of the households with a single earner reported a complete loss of income, while it was 40% among the families who reported more than one earning member.

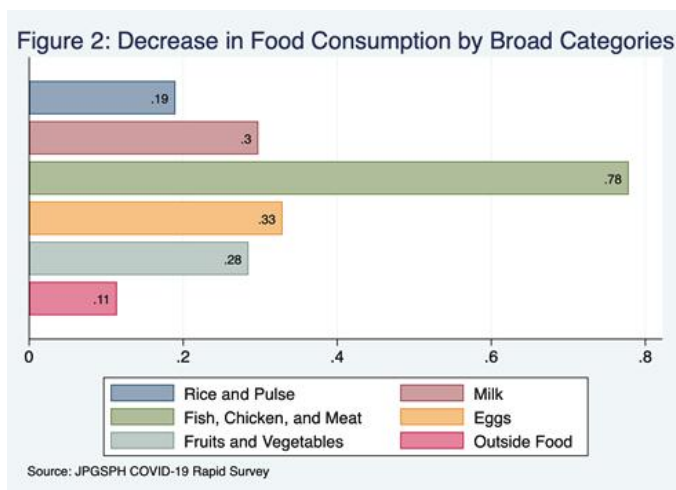


Households reported using a number of strategies to cope up with the loss of income because of the COVID-19 pandemic. About 46% of the respondents reported that they are now spending less to absorb the loss in income. About 52% reported coping up with the income loss with past savings and about 33% reported taking loans. These coping strategies are not mutually exclusive. As a matter of fact, as Figure 1 suggests, more than one-third of the households in our sample relied on multiple coping strategies to cope up with the income loss.

Most of the respondents, about 85%, reported having three meals. However, consistent with the reports of loss of income and lowering expenses, most of the respondents (87%) reported a decline in household food consumption. Only about 13% could maintain the level of food consumption compared to pre-pandemic normal time.

Not all categories of food items were affected adversely by the pandemic though. In particular, fish, chicken, and beef were seriously compromised because of the pandemic, as we can see in Figure 2. About 78% of the respondents reported that they have reduced their fish and meat consumption because of the pandemic. The other two food items also compromised were milk (30%) and eggs (33%) consumption. About 28% of the households also reported reducing consumption of vegetables or fruits.

<sup>[a]</sup>The sample was drawn from an original survey of 375 RMG workers and this brief is based on 158 respondents who participated in the rapid survey phone surveys. Given the small sample size, any inferences should be made with caution with limited generalizability.



So, the pandemic has reduced the dietary diversity of the households significantly and, hence, they may be nutritionally compromised if the current situation continues. This will require a robust policy response in terms of food aid and cash transfer.

Among all the respondents (n = 158, i.e., not counting the missing valued one), 49 respondents or 37% reported not stocking any food items nor they wanted to. However, among the people who did not stock or hoard any food items (n = 141, 89%), 59% reported not being able to stock even though they wanted to. Overwhelmingly, these households reported not having enough money as the main reason for the inability to store food items in the current crisis even though they wanted to (96%). The households who didn't store but could store if they wanted to report having foods to sustain 13 days or about two weeks, while the households that did not store even if they wanted to report the ability to sustain seven days or just a week. So, an important policy implication will be to provide liquidity so that they can sustain more.

Most of the respondents know the value of handwashing and they think they practice it well. However, they have much less confidence in the handwashing practices of other members of the communities. Most of the respondents (60 percent) reported being able to maintain the social isolation by staying home. Among the households that could not (39 percent), frequent shopping was reported as the main reason for the inability to maintain social isolation. About 88% of the respondents had to travel outside the home for essential shopping.

People who were not able to maintain social isolation and had to travel outside the household reported higher psychological stress (0.29 SD higher). So, helping the households with money to allow a longer period of sustenance can help with both the desired social isolation and raise the mental health among the households with RMG workers.

There are two major issues here: unemployment resulting in partial or complete loss of earnings and the immediate decline daily food consumption jeopardizing nutrition security for families depending on the RMG sector.

<sup>[b]</sup>We do not know whether the workers were formally terminated or not. This is based on their self-reported employment relationship perceived by the respondent at the time of the survey.

The Government of Bangladesh (GOB) and the BGMEA have already taken up a number of measures to address these issues. Lately, the government announced a 500 million BDT stimulus package, of which the majority are earmarked for workers' wages and benefits.

*Keeping a steady cashflow to the workers of the sector can play multiple roles. This will ensure smoothing the consumption, providing nutrition security, and maintaining aggregate demand keeping the economy from imploding.*

The GOB has also instructed the garment owners to pay the wages by April 16 even before the employers can take advantage of the stimulus package. These will help workers and their families to maintain the liquidity until factory opens when the pandemic weathers and demand for local supply picks up by the third quarter of the current calendar year. However, without any production, it will be hugely taxing for the employers to keep workers on the payroll.

*One of the major challenges is to actually get the cash in the hand of the workers who are not attending factories anymore.*

Mobile financial services (MFS) can be very effective here. However, though increasing, the adaptation rate of digital wage payment among the garments factories are still low. As of November 2019, only 1.5 million workers were brought under this mode of payment. Moreover, a large part of the workers still does not own their own mobile wallets. Addressing this bottleneck will require serious logistical maneuvering.

*Another potential option is a mix support package that includes wage and financial support distribution with partial food support.*

The immediate food support will not only help them meet the present food demand whereas financial support will ultimately cushion them from any deficit in food consumption resulting due to further extension of the 'lockdown'. In addition, it will discourage any possible congregation in the markets, which to be avoided in the context of the current COVID-19 pandemic. Still there are a number of caveats for such measures. Considering food support the chances of leakage is higher as the distribution needs to be well monitored by the factories themselves.

*Another issue is the safety measures adopted within the factories when they return to operations.*

Once the outbreak starts receding and though slowly, economic activities resume, the workers will still require

assurance from the industry that their safety is one of the prime concerns. In addition to this, the factories themselves need to take measures against any possible resurgence of such ailment among the workers. Such resurgences are now observed in China, and Bangladesh will need to learn from that.

*Despite all these measures taken, concerns still loom, as extension of enforced measures like "social distancing" and "lockdown" are expected to have a far-reaching impact on the poor and low wage earners. The government, the RMG industry and policy makers must weigh the risks in order to come to an informed decision.*

The workers are essentially the backbone of the RMG sector. Ensuring their workplace safety and economic sustainability during a crisis as such should be the main priority not only for the factory owners but also for the government itself. The RMG sector, that has been considered as the fuel driving the economy of Bangladesh, can eventually turn into its Achilles hill without timely adaptation of precautionary measures.

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