



BetterWork

Bangladesh

Progress brief

Research updates



International
Labour
Organization



IFC
International
Finance
Corporation
WORLD BANK GROUP



220
Factories



496,295
Workers
Reached



353
Assessment
Visits



2,184
Advisory
Visits



7,545
Training
Participants



24
Buyer
Partners

Overview

The ready-made garment (RMG) industry in Bangladesh has been an important contributor to the country's economic growth and social development over the past decades. In 2018, the industry generated over US\$ 32 billion¹ and employed about four million people.

Better Work strives to make a positive impact on the rights and in the lives of workers, the business of enterprises and the socio-economic development of countries. Better Work was established in Bangladesh in 2014, bringing expertise from other countries where it was already operating. The programme's work relies on a comprehensive package of core services delivered to factories to create sustainable changes in their approach to compliance. Between 2015 and 2018, Better Work Bangladesh conducted over 360 assessments and over 2,100 advisory visits across 200 factories. The programme has also delivered training sessions to over 7,500 workers, supervisors and managers.

EVALUATING THE IMPACT OF BETTER WORK BANGLADESH

Better Work aims to understand and measure its impact on working conditions, workers' well-being, firm performance and broader social and economic development indicators. Better Work's impact assessment efforts in Bangladesh are informed by a previous, independent impact assessment of the programme completed in 2016.² In Bangladesh, a similar investment in impact assessment research is being made, with baseline and midline data collection completed as of 2018. An independent research team working with Better Work Bangladesh has surveyed workers, supervisors and managers over a period of exposure to the programme, and this will serve as the basis for measuring the impact of the programme. This progress brief focuses on learnings to-date from responses to these surveys.

DATA AND METHODOLOGY

Two data sources are used to assess the progress made:

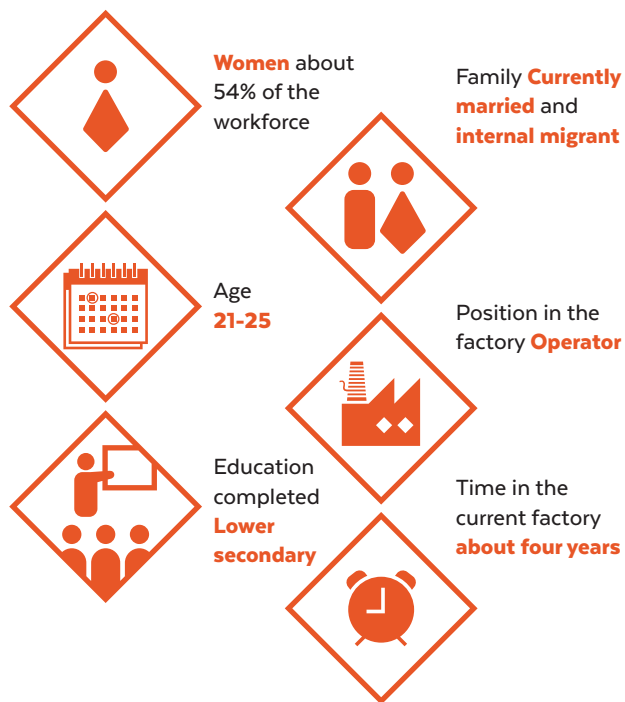
- ◆ compliance assessment data from 10 Better Work Bangladesh factories that have completed at least four Better Work cycles.³
- ◆ impact assessment data from independent baseline and midline surveys and interviews with workers, supervisors and managers across 32 factories.

One of the core services provided by the Better Work programme, the compliance assessment is a regular unannounced audit of participating factories' compliance with ILO core labour standards and national labour law. Better Work regularly publishes reports that provide a snapshot of compliance performance and industry updates.⁴ This brief uses the same source of data but examines trends in compliance to provide an indication of how factories are performing over a period of time of participation in Better Work Bangladesh.

Through independent research partners, Better Work Bangladesh has collected impact assessment data from over 40 factories. Box 1 presents an overview of the data collection process and the subsample used in this brief.

Progress described in this brief is evaluated by i) looking at the rate of compliance over Better Work compliance assessment cycles, and ii) comparing the summary statistics from the baseline and the midline impact assessment surveys. As the surveys were not designed for a randomized experiment, Better Work Bangladesh's impact cannot be isolated at this stage and this brief only seeks to highlight any prominent changes between the baseline and midline data. Observations are complemented with insights from the ILO's RMG baseline study⁵ (2016) and the joint ILO-UN WOMEN study on the trends in women's employment in the RMG sector (2018).⁶

A TYPICAL GARMENT WORKER IN BETTER WORK BANGLADESH FACTORIES



BOX 1. IMPACT ASSESSMENT DATA COLLECTION

A stratified random sampling was used to select factories for the impact assessment. This method allowed the selection to be a diverse and representative sample of factories in Better Work Bangladesh.

Baseline: All interviews summarised in this brief were conducted using face-to-face interviews, with enumerators recording responses on tablet computers. The baseline surveyed 2,045 workers, 249 supervisors and 148 managers across 49 factories between November 2015 and April 2016.

Midline: The midline survey took place between October 2017 and April 2018. Researchers surveyed 1,817 workers, 229 supervisors and 132 managers across 47 factories. As only 32 factories from baseline participated in this round, an additional 15 factories were added to the sample. A new method of data collection was introduced in the new factories that enabled self-guided interviews for workers using

Audio Computer-Assisted Self-Interview (ACASI) software.

Comparing the datasets: Based on prior research in other Better Work country contexts, variations in worker responses depending on the data collection method is expected – that is, differences are expected between the surveys conducted via in-person interviews and those with ACASI self-guided surveys. This divergence is especially true for the more sensitive issues such as workplace harassment and treatment. We expect to build a robust understanding of the differences following the anticipated endline data collection.

Given the difference in methodology and variation in time with Better Work Bangladesh, this brief utilises worker, supervisor and management data from the 32 factories that participated in both the baseline and midline and where the same data collection method was used.

Findings

TRENDS IN COMPLIANCE PERFORMANCE

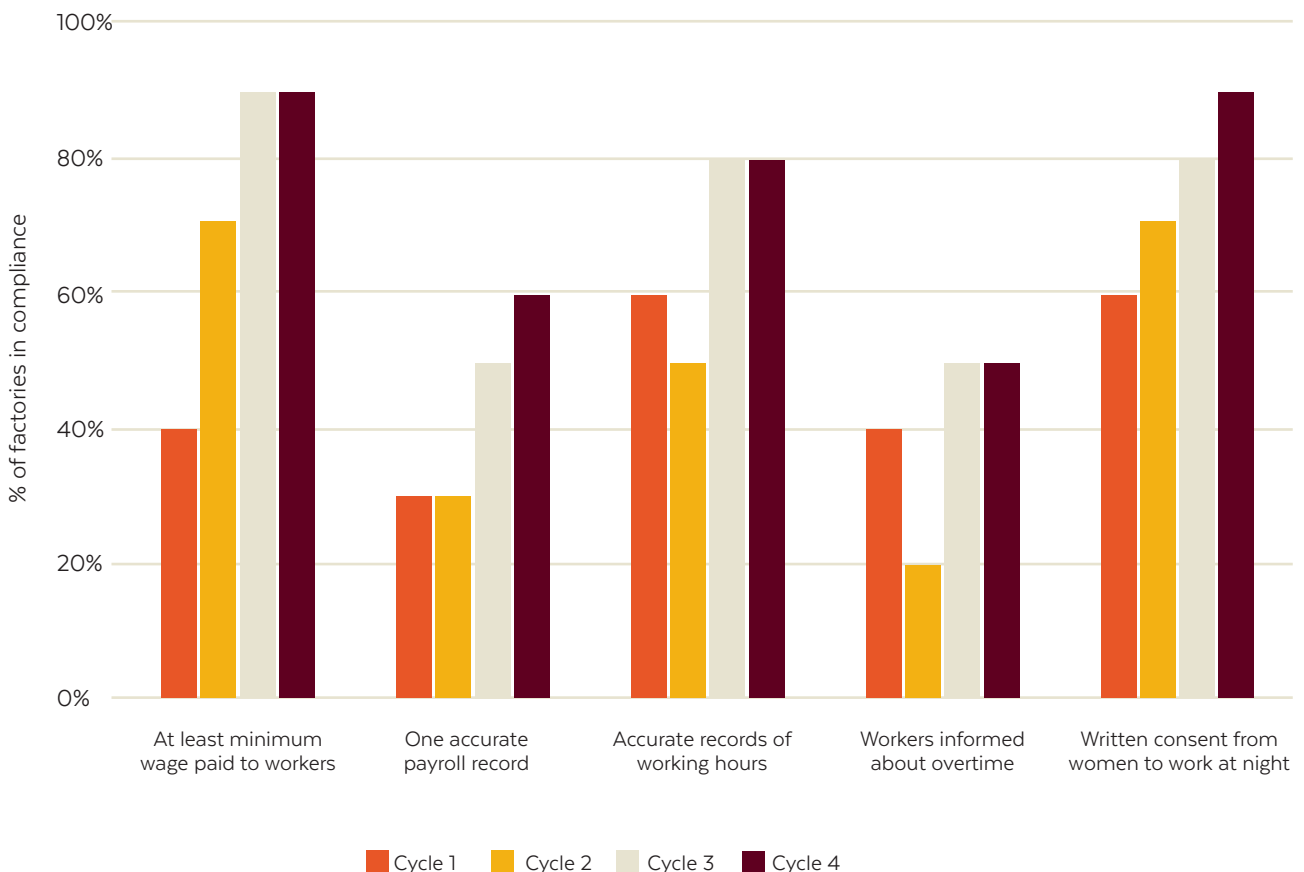
Assessment data from the most mature Better Work Bangladesh factories show some promising trends. Areas of significant improvement include compliance with regular and overtime wage payments, wage information, welfare facilities and working time.

More factories have functioning Participation Committees. All factories were non-compliant with the requirement to establish Participation Committees in their first cycle. By the fourth cycle, 70 per cent of the

factories had established Participation Committees that were active and functional.

Increased compliance with regular and overtime wage payments, wage information and record-keeping. Better Work Bangladesh factories have seen significant progress in ensuring workers are paid accurately and in keeping single records for payments and for working hours. There is also increased compliance with getting written consent from women workers to work at night and with giving workers prior notice for working overtime.

FIGURE 1: COMPENSATION AND WORKING TIME



Improved compliance with providing resting rooms and eating areas. All factories were unable to meet the required national standards in the first cycle. By the fourth cycle, 70 per cent of the factories were able to meet the requirement for resting rooms and 60 per cent for adequate eating areas.

More factories are storing chemicals and hazardous substances as per national requirements. The factories improved their practices of keeping inventories and storing chemical and hazardous substances over the four cycles. The rate of compliance with storing such substances reached 60 per cent by the fourth cycle.

More factories have functioning safety committees and more employers assessed the factories’ OSH conditions. The rate of compliance with functioning safety committees improved to 40 per cent by the fourth cycle and factories with OSH assessments increased to 50 per cent.

HIGHLIGHTS FROM IMPACT ASSESSMENT SURVEYS

Beyond the compliance assessment data, Better Work Bangladesh is committed to using insights gathered directly from workers, supervisors and managers to verify and track progress over time. Findings in the following section of this brief highlight what the programme has learned to-date.

Workforce composition

The rate of women’s participation in the RMG sector has declined. About 54 per cent of all workers surveyed in the baseline and midline were women. Similar distributions were observed in other ILO and academic studies which suggest that the conventional belief that about three-fourths of the garment workforce is female no longer holds true for the RMG industry in Bangladesh.⁷

Workers are mostly employed in sewing departments, with some shifts over time in whether workers identify as ‘operators’ or ‘sewers.’ About 32 per cent of respondents reported working as operators and about 21 per cent as sewers during the baseline. In the midline, about 54 per cent worked as operators and only about 3.3 per cent as sewers.

FIGURE 2: OCCUPATIONAL SAFETY AND HEALTH (OSH)

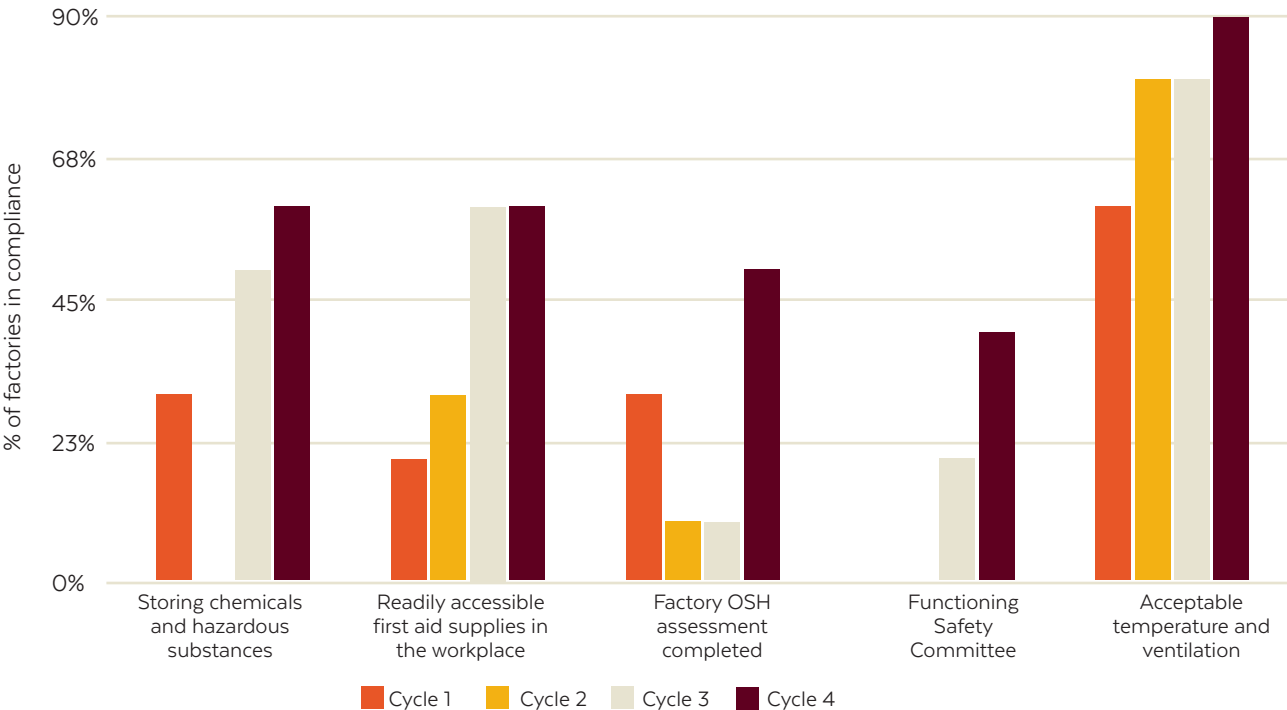
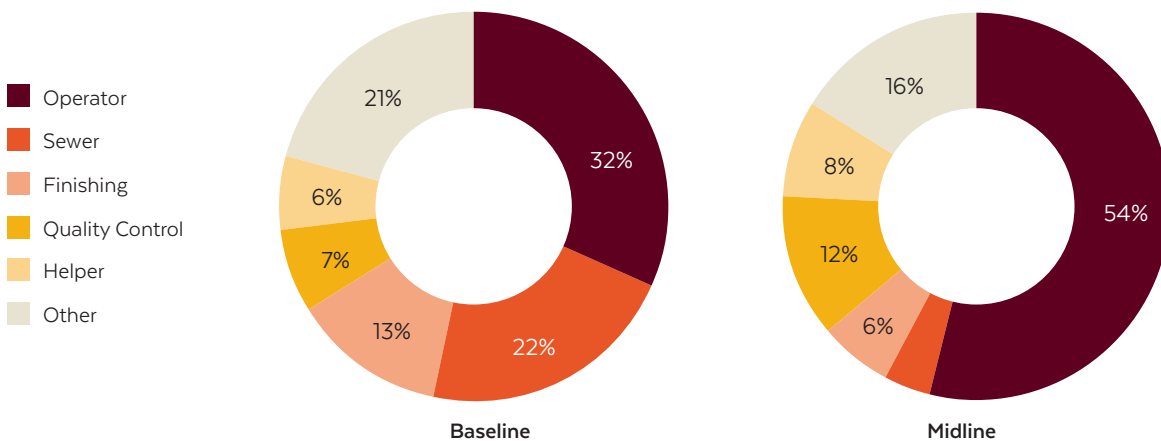


FIGURE 3: WORKERS EMPLOYED BY FACTORY DEPARTMENT

The majority of workers were employed for at least one year. About 90 per cent of workers reported that they had been working in their respective factories for over one year, with an overall average of almost four years. The majority of workers found their jobs through social networks, either from other workers or through neighbours.

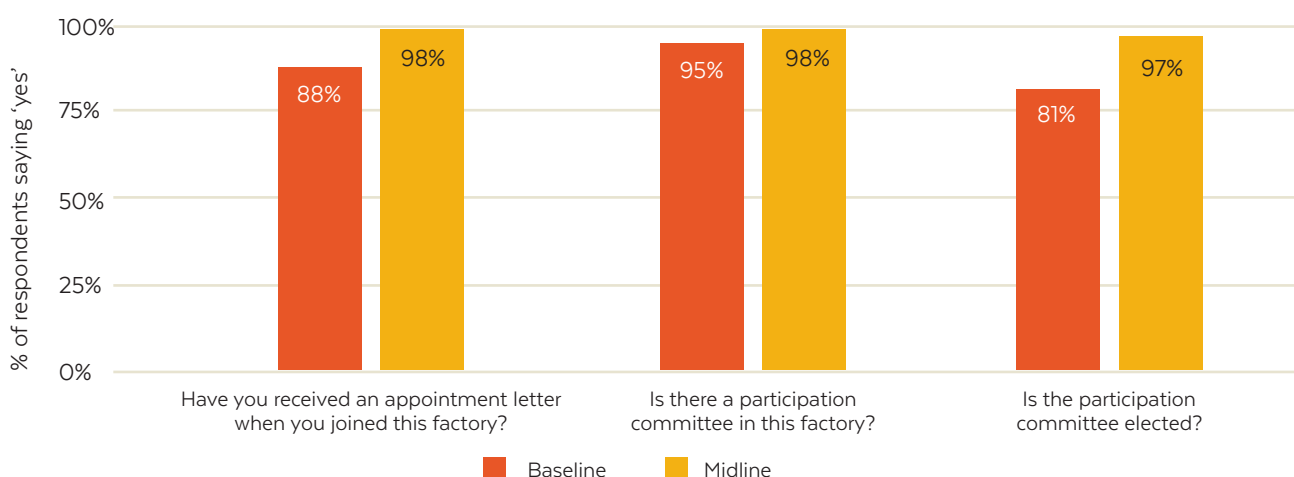
More workers received promotion in the past year. The share of workers who received at least one promotion since joining the factory increased by about four percentage points. Workers commonly cite education and not enough experience as challenges to their promotion opportunities.

The vast majority of supervisors are men. Only about seven per cent of the supervisors employed in all Better Work Bangladesh factories were women.

Contracts and human resources

More workers had appointment letters. The share of workers with appointment letters increased by 10 percentage points – from about 88 to 98 per cent. Such letters and valid contracts are essential in ensuring that workers are contracted with transparency. The letters increasingly included details about job grade and salary breakdown. However, fewer workers and supervisors had work contracts in the midline.

More factories had workers' Participation Committees. About 98 per cent of the workers said that their factories had Participation Committees by the midline survey. Further, more workers reported that more committees were elected – increasing from 81 to 97 per cent.

FIGURE 4: WORKER PERSPECTIVES ON CONTRACTS AND HUMAN RESOURCES

Increasing training for opportunities for workers.

Workers who had received training during the first month on the job increased from 74 per cent to over 94 per cent. Workers who received training in the past six months also increased by a small share. Common training topics included health and safety, basic skills, working hours, overtime regulations and payment procedures.

Changes in workers' perception of how women and men are treated. More workers thought women and men are treated differently in their factories – increasing from 77 to over 98 per cent. This finding could reflect a growing awareness among workers about the importance of gender non-discrimination, rather than an actual further divergence in the experiences of women and men.

Wages and hours

A decline in average working hours. The overall average hours worked decreased from 9.14 to 8.83 hours per day. Further, fewer workers expressed concerns over excessive hours and the share of supervisors

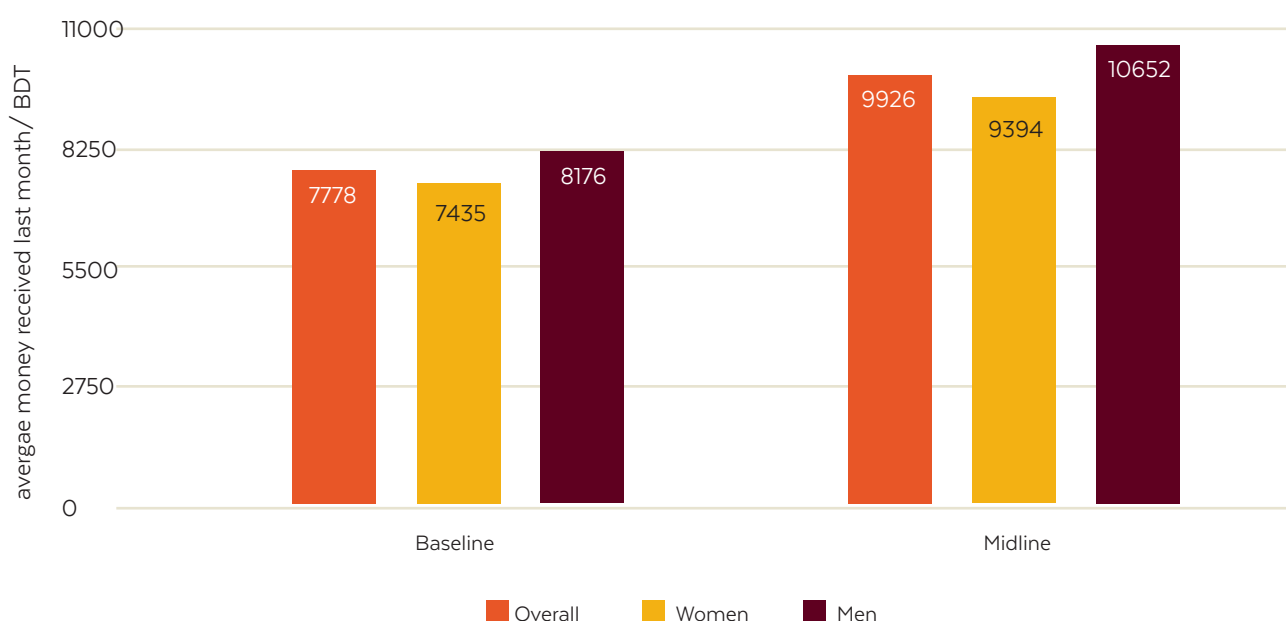
working overtime decreased by some 17 percentage points.

Workers received higher monthly income, but the gender wage gap increased. The average monthly income, inclusive of wages, overtime and other benefits, increased from BDT 7,778 (about US\$ 92) to BDT 9,926 (about US\$ 118) per month.⁸ However, the difference in average monthly income between men and women has also increased. Women's average monthly income was about BDT 1,258 lower than that reported by men during the midline.

More workers received production bonuses. The share of workers saying that they have received a production bonus in the current year increased from 11 to 43 per cent.

Increased trust in supervisors. When asked if supervisors correct mistakes with fairness and respect, more workers chose 'all the time' or 'most of the time' in the midline. This share rose from 71 to about 85 per cent. Additionally, more workers rated their supervisors' ability to follow rules as 'good' or 'very good' in the midline.

FIGURE 5: HOW MUCH MONEY DID YOU RECEIVE THE LAST TIME YOU WERE PAID (INCLUDING OVERTIME)?



Firm performance and production

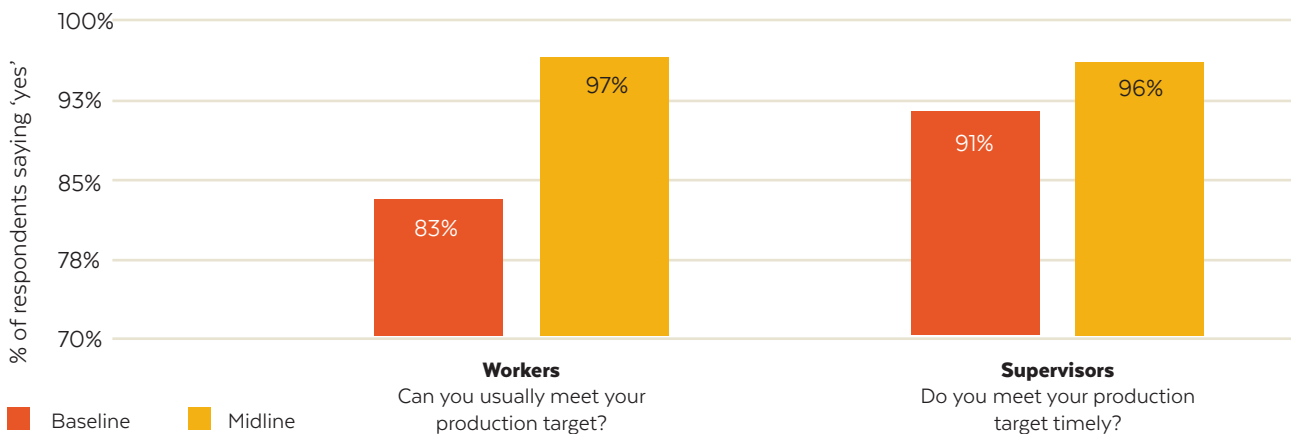
Increased importance is given to the workplace environment and compliance performance. The share of managers considering a good compliance report ‘very important’ for their business performance increased by nine percentage points. The share of managers who consider workers’ happiness an important factor their productivity also increased from 78 per cent to over 89 per cent.

Greater investment in training workers and supervisors. The share of management representatives that have implemented new training programmes for workers and supervisors increased by some 36 and 33 percentage points, respectively.

Workers and supervisors were better at meeting production targets. The share of workers saying that they usually meet their production targets increased from 83 to 97 per cent and supervisors from 91 to 96 per cent. Factories also increased their average production per day from 42,920 to 48,100 total line outputs per day.

More automated sewing and cutting machines implemented. During the baseline, about 73 per cent of factories responded that they had already made changes to switch to automated sewing machines. This share rose to about 79 per cent in the midline. When asked about automated cutting machines, the share of factories that had implemented changes increased by some 37 percentage points in the midline.

FIGURE 6: WORKER AND SUPERVISOR PERSPECTIVES ON MEETING PRODUCTION TARGETS



Beyond the workplace

Average workers’ savings increased over the past year. The average savings increased from the BDT 26,502 (about US\$ 313) to BDT 37,112 (about US\$ 438) between the baseline and the midline. The share of workers being able to save, however, declined by some four percentage points.

Workers reported better health. More workers rated their overall health as ‘good’ or ‘very good’ – increasing from 85 to 94 per cent. Fewer workers experienced severe thirst, severe hunger, and dizziness on a regular basis in the midline.

Higher life satisfaction among workers. The share of workers expressing overall satisfaction with life increased by six percentage points. More workers also expressed willingness to continue working in the garment industry.

Conclusions

Assessment data from the most mature Better Work Bangladesh factories as well as the base-line and midline surveys have helped highlight some positive progress over the past four years. The preliminary results suggest that Better Work Bangladesh is contributing to improvements in working conditions as well as firm performance.

Some areas of improvement include progress with electing Participation Committees, paying accurate wages on time, declining excessive overtime and increasing transparency with keeping records of working time. These trends can be observed in both Better Work Bangladesh's assessment and the independent survey data from workers, supervisors and managers. The data also suggests that factories increasingly note

the importance of investing in workers and in enabling good working conditions to improve firm performance.

There remains a need to conduct targeted research to assess how Better Work Bangladesh is impacting participating factories. Such research will contribute to the existing impact evidence from Better Work and help tailor services for garment factories in Bangladesh.

END NOTES

- 1 Data collected from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA): <http://www.bgmea.com.bd/home/pages/tradeinformation>.
- 2 Better Work commissioned Tufts University beginning in 2009 to conduct an impact assessment of the programme. Data for analysis included survey and interview data collected from workers, supervisors and firm managers from Haiti, Indonesia, Jordan, Nicaragua and Vietnam. A comprehensive report as well as a detailed summary were published in 2016 and can be accessed on the Better Work website: <https://betterwork.org/blog/portfolio/impact-assessment/>.
- 3 That is, these factories have had at least four compliance assessments.
- 4 A full review of aggregate compliance performance for all factories participating in Better Work Bangladesh from 2015-2018 can be found in the forthcoming report, “Better Work Bangladesh: An Industry and Compliance Review” (2019). The report can be accessed on the Better Work website: <https://betterwork.org/publications>.
- 5 The ILO’s RMG programme “Improving Working Conditions in the Ready-Made Garment Sector” was initiated in 2013 and is investing in improving building safety, strengthening the labour inspection system, promoting OSH, supporting the Rana Plaza survivors. Better Work Bangladesh is also being implemented partly under this comprehensive project. The ILO’s RMG programme started its second phase in 2017. In efforts to consolidate evidence on working conditions in the sector, the project conducted a baseline study in 2017 with 2,184 workers, 111 supervisors and 111 managers across 111 garment factories. The study also included 20 focus-group discussions across five industrial areas.
- 6 Following observations in declining women’s employment in the RMG sector, the ILO and UN Women conducted a joint study that explores this trend and inquires plausible factors. The study utilised the Labour Force Survey and the Survey of Manufacturing Industries along with data from an independent survey with 553 workers across 260 ready-made garment factories.
- 7 According to the Bangladesh Bureau of Statistics’ (BBS) Survey of Manufacturing Industry (SMI), female participation in the RMG sector was about 72-76 per cent from 1985 to 1994. The range gradually declined to 65-70 per cent between 1994 and 2012. The CPD RMG study from 2018 suggests the share of women workers in the sector was about 58 per cent in 2012 and about 53 per cent in 2016. Details from the CPD RMG study can be found here: <http://rmg-study.cpd.org.bd/>. The ILO and UN Women (2018) study shows that the declining participation of women also has a geographic element to it, as declines are observed notably among factories in Gazipur and Narayanganj.
- 8 It should be noted that the incomes are self-reported by workers. The third-party contractor did not verify this information with actual payslips.



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