



JOURNAL of MODERN SLAVERY

A Multidisciplinary Exploration of Human Trafficking Solutions

COVID-19 SUPPLEMENTAL ISSUE

Volume 5, Issue 2, 2020

ABSTRACT

Ready Made Garment (RMG) Study: Bangladesh and India

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NORC at the University of Chicago is conducting a five-month rapid assessment of COVID-19's impact on the Ready Made Garment (RMG) industry in Bangladesh and India with funding from the Global Fund to End Modern Slavery (GFEMS), with an emphasis on the increased risk of forced labor among vulnerable working populations. This abstract represents a component of our strategy to disseminate findings stemming from the rapid assessment.

The RMG industry employs millions of workers in India and Bangladesh, accounting for two percent and twelve percent, respectively, of each country's

Gross Domestic Product (GDP).¹ Garment workers are vulnerable to forced labor due to high rates of poverty, the fragmented and informal nature of textile supply chains, and lack of enforcement of legal protections for workers.²

Even before COVID-19, forced labor was a major risk in the RMG sectors, particularly in the informal sector comprised of “unregistered factories”. In India, an earlier NORC scoping study for GFEMS estimated that 320,000 workers are subject to forced labor in the RMG sector in the Delhi-NCR region. This figure represented the greatest scale of forced labor out of all sectors and regions included in the study. The research team also found that over 80 percent of RMG workers in the Delhi-NCR region are migrants, most from the poor states of the Hindi Belt.³

Though the apparel sector has long come under criticism for poor working conditions, sexual harassment, forced labor, and workplace health and safety issues, the COVID-19 pandemic has further exposed major, existing flaws in the global garment supply chain. Global brands (“buyers”) looking to cut corners after a reduction in revenue due to the pandemic, responded by cancelling orders, halting production, and refusing to pay factories (“suppliers”) in developing countries. This creates a downward pressure on export-oriented suppliers, who cannot or do not pay workers, which then leaves already impoverished workers in an incredibly vulnerable position. Though these trends have emerged differently in India and Bangladesh, and affected Bengali and Indian workers differently, in both cases there may be a high risk of workers being subject to forced labor, particularly because of a likely uptick in the number of people who will resort to working in “unregulated” factories, which – as per the name – are not subject to government or buyer oversight. In India, this situation is further complicated by large numbers of smaller factories in rural areas, as well as the prevalence of home-based workers.

¹ IBEF (2019). “Textile Industry in India: Overview, Market Size, Exports, Growth...| IBEF.” 2019. <https://www.ibef.org/industry/textiles.aspx>.

² Mezzadri, Alessandra, and Ravi Srivastava (2015). “Labour Regimes in the Indian Garment Sector: Capital-Labour Relations, Social Reproduction and Labour Standards in the National Capital Region.” Centre for Development Policy and Research. <https://www.soas.ac.uk/cdpr/publications/reports/file106927.pdf>; Verite (2010). “Indian Workers in Domestic Textile Production and Middle East-Based Manufacturing, Infrastructure, and Construction.” https://www.verite.org/wp-content/uploads/2016/11/HELP-WANTED_A-Verite%CC%81-Report_Indian-Migrant-Workers.pdf; Noman, Abu, Md Aslam Mia, Hasanul Banna, Md. Sohel Rana, A S A Ferdous Alam, Sok-Gee Chan, Che Isa, and Ah Choy Er (2016). “City Profile: Narayanganj, Bangladesh.” *Cities* 59 (May): 8–19. <https://doi.org/10.1016/j.cities.2016.05.020>.

³ Handfield, Roberg, Maruerite Moore, Rejaul Hasan, and Balaji Soundararajan (2019). “Beneficiary Vulnerability Analysis & Engagement for Apparel, India.” GFEMS Scoping Study. Supply Chain Resource Cooperative North Carolina State University.

In response to the effects of COVID-19 on the RMG sector, NORC designed a rapid assessment to address descriptive and normative questions about COVID-19's short- and long-term impact on India and Bangladesh's RMG industries. Three research questions and their related sub-questions guide the rapid assessment. The overarching research questions are as follows:

1. What are the impacts of COVID-19 on RMG supply-chains and factory-level business?
 - Sub question 1.1 How has the formal RMG export sector been affected in the short term (such as changes in orders, buyer cancellations/non-payment of outstanding contracts or completed (not yet shipped) orders, shutting down operations, or changes to business models)?
 - Sub question 1.2 How has the informal sector, including unregistered subcontractors, been affected in the short term (such as changes in orders, supplier cancellations/refusal to pay for completed (not yet shipped) orders, shutting down operations, consolidations, reduced access to credit or increased interest rates, or changes to business models)?
 - Sub question 1.3 Have any particular buyers shown best practice? Or worst practice? What are the good/poor practices being demonstrated by buyers?

2. How have workers been affected by COVID-19?
 - Sub question 2.1 How are workers affected in terms of employment status during the pandemic? Including their job itself, as well as payment of wages, hours, etc.
 - Sub question 2.2 How many workers continued to work though portion of lockdown, since factories were considered essential businesses? And/or, how have workers experienced the "return to work" after lockdowns ended?
 - Sub question 2.3 Are particular demographic groups affiliated with the RMG industry (migrants, women, geographic/ethnic groups) differentially impacted by the impact of COVID-19?

3. How do the COVID-19 impacts on business and on workers affect vulnerability and possible forced labor?
 - Sub question 3.1 Is there an identified risk of increased forced labor? If so, who is most vulnerable?
 - Sub question 3.2 What is the relationship between the formal and informal sectors, as it relates to risk of forced labor?

- Sub question 3.3 Have any programs or regulations been put in place that would reduce vulnerability and/or integrate OSH measures and help curb an increased risk of forced labor?

In order to answer the research questions, the research team is using qualitative methods to gain a holistic and deep understanding of topic. Qualitative data collection methods include approximately 20 semi-structured key information interviews (KIIs) with governmental and non-governmental stakeholders as well as actors across the RMG supply chain. As a first step to answering these questions, NORC conducted a desk review of recently published media articles, reports, white papers, and other online content to help answer the research questions as well as inform the approach to forthcoming primary data collection activities.

Table 1 shows NORC’s work plan and timeline for meeting key milestones. All data collection and analyses will be completed by Fall 2020, aligning well with the Journal’s April 2, 2021, deadline for full submissions.

| Milestone | June | July | Aug | Sep | Oct |
|--|------|------|-----|-----|-----|
| ■ Start up and concept note | ■ | | | | |
| ■ Desk research | ■ | ■ | | | |
| ■ Identify stakeholders, develop interview instruments | | ■ | | | |
| ■ Qualitative data collection | | ■ | ■ | | |
| ■ Transcriptions / translations of interviews | | | ■ | ■ | |
| ■ Analysis | | | ■ | ■ | ■ |
| ■ Develop report and recommendations | | | | ■ | ■ |
| ■ Dissemination / outreach | | | | | ■ |