

Impact of Covid-19 on Decent Work

December Wage Digitization Digest-10th Edition

The Wage Digitization Digest is a monthly desk-based intelligence report produced by Synergos that sources from English-language media spanning a monthly timeframe specified in the digest. The report covers the impact on workers during Covid-19, in garment and agricultural value chains, with a focus on digital wages, gender equity, and worker wellbeing across Bangladesh, Ethiopia, India, Indonesia, Kenya, Nigeria, Pakistan, Tanzania and Uganda. This month's research covers news sources from Dec 1 – Dec 30, 2020.

Major Stories

1. **Global:** The International Labor Organization (ILO) announced the Global Centre on Digital Wages for Decent Work with the support of the Bill & Melinda Gates Foundation. The Centre, based in the ILO's Social Finance Programme, will provide research and evidence-based advocacy to promote digital wage payments ([ILO](#)). ILO's announcement comes shortly after the World Bank publication of a two-year study, "Learning to Navigate a New Financial Technology, Evidence from Payroll Accounts," demonstrating the benefits of digital payroll amongst garment workers in Bangladesh ([World Bank](#)).
2. **Bangladesh:** According to the ILO's new report on wages, Bangladesh witnessed the sharpest decline in minimum wage in Asia and the Pacific. Bangladesh's rank can be explained by the fact that minimum wages haven't changed to account for inflation ([The Daily Star](#)).
3. **India:** Over 250 million workers nationwide protested new government policies on manufacturing and agriculture at the end of November 2020. As of December 30, farmers are continuing to protest; farmer union representatives made it clear that only a revision or repeal of the contentious provisions in the laws would meet their demands ([AlJazeera](#), [Indian Express](#)).
4. **Kenya:** The Tea Bill has passed in the national assembly. The bill will revive the Tea Board of Kenya that regulates the sector and markets tea to overseas markets, and the Tea Research Foundation. Farmers will be able to monitor their tea through the value chain, prices will be accessible across the value chain, and farmers will receive prompt payments ([Stir](#), [All Africa](#)).
5. **Nigeria:** To boost egg production and grow the number of job opportunities in the poultry sub-sector, the Central Bank of Nigeria (CBN) has disbursed the sum of N12.55 Billion (\$32.9 Million USD) to small, medium, and large scale poultry farmers in the country ([Salaam Gateway](#)).
6. **Pakistan:** Home-based workers in the Sindh province are celebrating new social security benefits as the Sindh government prepares to enact a law that will award employment rights to an estimated informal workforce of 3 million people ([The Guardian](#)).

Macro Trends

1. **Gloomy Outlook in the Garment Economy:** Garment manufacturers across Asia and the Pacific are once again seeing fewer orders and delayed payments as Europe experiences another round of lockdowns amid rising Covid-19 cases. Suppliers in Bangladesh and India have expressed fears on keeping factories open and their workforce employed. Bangladesh manufacturers and workers are requesting another government stimulus. In Indonesia, while production increased in

November, employment in the garment sector dropped for the 9th month in a row ([Newage Bangladesh](#), [Newage Bangladesh](#), [The Daily Star](#), [Dhaka Tribune](#), [Times of India](#), [The Jakarta Post](#)).

2. **Continued Investment in Digital Platforms & Payments in Agriculture:** There continues to be significant investment in the development of digital applications and payments to support farmer livelihoods and crop production across India, Indonesia, Kenya, and Uganda. These innovations seek to provide better real-time information to farmers, purchasing transparency, and more secure payments. Furthermore, a World Bank report emphasizes that a high adoption rates of mobile money accounts is a key factor to increasing digital agricultural payments ([Times of India](#), [IPS](#), [World Bank](#), [Tech in Africa](#)).
3. **Lagging and Insufficient Government Financial Assistance:** In Bangladesh, India, and Pakistan, various factors have led to slow disbursement and poor access to government financial assistance provided during the Covid-19 pandemic. In Bangladesh, garment workers have waited 6 months since the announcement of the EU fund for aid distribution. Identifying beneficiaries through industry stakeholders is one of the causes for delay. Access to funds due to paperwork and requirements is a key challenge for smaller industries, enterprises, and migrant workers. For example, only \$1M USD out of \$23M USD of Bangladesh government's special loan for returning migrant workers have been disbursed. In India, only 7% of now unemployed internal migrant workers benefited from Mahatma Gandhi National Rural Employment Guarantees. In Pakistan, factory owners are failing to transfer government aid to workers ([The Business Standard](#), [The Daily Star](#), [The Daily Star](#), [The Wire](#), [Dawn](#)).

Africa

Ethiopia

Population (2019): 112.1M¹

Employment in Agriculture (2013): 25.2M⁴

Labor Force (2020): 55M²

Employment in Garment (2019): 62,000⁵

Labor Force, % Female (2020): 46.5%³

Total Informal Employment: data unavailable

No related English news week of 12/1-12/4

Political Crisis: In August, the US decided to cut its foreign aid to Ethiopia during a period of unprecedented crisis for the region. This was compounded by the triple threats faced in East Africa: Covid-19, locusts, and flooding, all contributing to a food security crisis. Most recently, internal conflicts have flared with militia attacks on military bases in Tigray. The United Nations says food has now run out for the nearly 100,000 refugees from Eritrea who have been sheltering in camps in Ethiopia's northern Tigray region, which has been cut off from the world for nearly a month amid fighting ([The Middletown Press](#)).

Economy: Despite Covid-19 heavily affecting hospitality, tourism, and manufacturing, construction and agriculture sectors faced minimal impacts. Ethiopia recorded 6% growth in the fiscal year ending June 2020, not much lower than the 9% growth seen in recent years ([How we made it in Africa](#)).

Garment Economy: Academics have published a new study based on a survey of garment workers who work(ed) in Ethiopia's largest industrial park before/amidst the pandemic. Among other findings, the study reports that: The employment of female workers in Ethiopia's garment industry has changed dramatically due to a sharp drop in demand amidst the Covid-19 pandemic; Migration appears to be a major coping mechanism, but many respondents report barriers. Most who have left the city desire to return if possible; Levels of food insecurity are high; Respondents are well informed about Covid-19; false beliefs or myths appear to be extremely uncommon; Rates are higher for those currently still in the city where garment industry jobs are located. Four out of ten garment workers on Ethiopia's flagship industrial park lost their jobs after the onset of the Covid-19 pandemic ([Ecotextile, Science Direct](#)). Garment factories in Tigray region are struggling to continue operations amidst the war. However, many factories were already struggling before, mainly due to cancelled orders or lack of new orders amidst the pandemic. Some factories closed due to the collapse in orders while others slashed wages or laid off workers ([Reuters](#)).

Agriculture Economy: The year has been very difficult on farmers, not only due to the pandemic, but also locust swarms. As a means of fighting desert locusts, the government has prepared to purchase 5

¹ World Bank Open Data, India. [Data.worldbank.org](https://data.worldbank.org)

² Ibid.

³ Ibid.

⁴ ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

⁵ Improving Worker Wellbeing in Ethiopia's Garment Industry through the Model of Shared Responsibility, ILO Vision Zero Fund. 2020. https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis_ababa/documents/publication/wcms_737627.pdf

helicopters through a World Bank loan ([Capital Ethiopia](#)). Covid-19 has affected the global coffee supply chain via dips in sales and logistical delays. In Ethiopia, the effect has been labor shortages, transport delays, and contract cancellations ([Perfect Daily Grind](#)).

Labor Rights/Protections: Ethiopia's garment workers have suffered pay cuts and forced overtime. Factory bosses eager to recover lost business have been forcing the garment workers, who are still working in the sector to "pick up the slack", enforcing pay cuts and imposing overtime without workers' consent. One worker, for example, explained that, since coming back from furlough, she has been working an extra six hours per week - work for which she has not been paid, instead being given occasional \$0.13 top-up cards for her mobile phone. At least five other women garment workers reported similar experiences ([Reuters](#)).

Digital Payments: A report published by the World Bank, "Digitization of Agribusiness Payments" in Sub-Saharan Africa shows that while over 50% of adults in Ethiopia receive agricultural payments, almost all received them in cash. Agricultural payments are any payment an individual received for selling an agricultural crop. Along with Nigeria, Ethiopia has the lowest percentage of agricultural payments (under 5%) into bank accounts amongst the 27 countries in the study. The study does not further address why that is the case. The top three countries with high percentage of agricultural payments are Kenya (37%), Ghana (37%), Uganda (28%), and Zambia (27%) ([World Bank](#)).

Kenya

Population (2019): 52.6M⁶

Employment in Agriculture: data unavailable

Labor Force (2020): 24.7M⁷

Total Informal Employment: data unavailable

Labor Force, % Female (2020): 49%⁸

Labor Rights/Protections: The long-awaited Tea Bill has been passed by the national assembly. The bill will also see the revival of the Tea Board of Kenya which will help regulate the sector and market the tea to overseas markets, as well as the Tea Research Foundation, two institutions dissolved in 2014 in favor of an Agriculture Fisheries and Foods Authority that managed eight sectors including coffee, tea, coconut, cotton, sisal, sugar, and pyrethrum. The bill, when finally approved, will require prompt payment of farmers, many of whom waited up to 2 years for full payment of their produce, in what has been called the "Bonus coming in October." The Tea act enables farmers to monitor their tea through the value chain and make prices accessible to all value chain players ([Stir, All Africa](#)).

Agricultural Economy: Kenya's coffee production expected to drop overall in 2020. Complexity of governance by cooperatives have resulted in late payments to farmers, discouraging coffee cultivation. The current structure has small scale farmers deliver their coffee to cooperatives who process the cash crop before it's sold to overseas buyers ([Xinhuanet](#)). However, in mid-December, coffee prices at the weekly auction crossed the \$300 mark for the first time since the beginning of the

⁶ World Bank Open Data, Kenya. data.worldbank.org

⁸ Ibid.

⁷ Ibid.

year. The price of coffee had dropped significantly in recent months as the market received lower-quality crop after the main crop came to an end in Oct ([Business Daily](#)). Earlier this month, Kenya signed a trade deal with the United Kingdom to avoid disruptions once the U.K. began to transition out of the European Union on December 31. The agreement ensures that Kenya will continue to enjoy quota-free and duty-free access to the U.K. market. The U.K. is one of Kenya's top trading partners, as it imports a large share of Kenya's flower and tea exports and accounts for 43% of its vegetable exports. The two nations trade more than \$1.8 billion of goods each year, with Kenya importing primarily pharmaceuticals, electronics, machinery, and cars ([Brookings](#)). The Kenya Agricultural and Livestock Research Organization has developed a new variety of chicken to boost production. The new improved chicken breed is able to produce between 230 to 250 eggs per year compared to between 80 to 100 eggs from the unimproved chicken ([Farm Kenya](#)). The various innovations in the agriculture sector have revolutionized the poultry farming industry and paved the way for the realization of the UN Sustainable Development Goal to "End hunger, achieve food security and improved nutrition and promote sustainable agriculture" ([Farm Kenya](#)).

Wage Assistance: At least 7,000 coffee farmers from Nyeri County have applied for the Sh3 billion (\$27,422,303 USD) coffee revolving fund, according to the Kenya Planters Co-operative Union (KPCU). Farmers can apply for an advance of up to Sh20 per kilo (\$0.18 USD) of coffee cherries (the fruit that contains the coffee beans before processing and roasting), delivered to their society. If all the 20,000 coffee farmers in Nyeri County apply for the coffee cherry advance, they can benefit from up to Sh200 million (\$1,828,153 USD) from the fund ([The Standard](#)).

Digital Payments: A report published by the World Bank, "Digitization of Agribusiness Payments" in Africa points out that the reception of digital agribusiness payments is highest in Kenya (37%), along with 73% of adults having mobile money accounts. Digitization can highly benefit farmers and agribusiness firms with increased transparency, timely payments, access to loans, and higher savings. In Kenya, Kenya Tea Development Agency, VegPro, and TruTrade have fully digitized. Access to mobile money accounts seems to be a key driver in the digitization of agricultural payments ([World Bank](#)).

Nigeria

Population (2019): 200.9M⁹

Employment in agriculture (2013): 22.1M¹²

Labor Force (2020): 61.4M¹⁰

Total Informal Employment: data unavailable

Labor Force, % Female (2020): 44.8%¹¹

Agricultural Economy: Nigeria is the world's 5th largest producer of cocoa beans and Africa's largest economy. At present, about 100K tons of cocoa beans are trapped at ports and another 100K tons of a variety of agricultural commodities are in warehouses around the country. This is a result of the central bank insisting on additional documentation to ensure export proceeds are returned to the

⁹ World Bank Open Data, Indonesia. data.worldbank.org

¹⁰ Ibid.

¹¹ Ibid.

¹² ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

country. This comes on the heels of the pandemic that has left many farmers and cocoa sellers struggling to find buyers willing to enter into new contracts ([Bloomberg](#)). The Southern region of Nigeria is regarded by climatologists as a tropical region which makes it a natural habitat for oil palm. Statistically, production has not really dropped. However, population and market demand has more than tripled. Nigeria produces almost the same amount of oil palm as in the 1960s which is not enough even for domestic purposes, let alone for export. The major problem is that many farmers are producing from very old trees in dire need of replacement. Research and market surveys predict that the global market demand of the palm oil sector will experience a 5.7% compound annual growth rate (CAGR) from 2019 to 2024, which could leave Nigeria poised to benefit economically if the palm oil industry can be restored ([Business A.M](#)). The National Biotechnology Development Agency has said Bollgard 2 (BT Cotton), a genetically modified cotton hybrid seed, approved for use in 2017 by the Federal Government has brought life back to cotton production, revamping cotton production and resuscitate moribund textile industry that collapsed due to low-quality raw materials. Many farmers abandoned cotton farming due to low yields, but this is proving to have a revitalizing effect ([Punch](#)).

Financial Assistance: To increase egg production and job opportunities in the poultry sub-sector, the Central Bank of Nigeria (CBN) disbursed N12.55 billion (\$32,939,632 USD) to small, medium, and large scale poultry farmers in the country ([Salaam Gateway](#)).

Tanzania

Population (2019): 58M¹³

Employment in agriculture (2014): 14.4M¹⁶

Labor Force (2020): 28.1M¹⁴

Total Informal Employment (2014): 19.2M¹⁷

Labor Force, % Female (2020): 48.1%¹⁵

No relevant English news weeks of 12/5-12/18

Agricultural Economy: The volume of coffee and tea procured during the quarter ending September 2020 was higher than the corresponding quarter in 2019. Coffee production increased due to a bumper crop, favorable weather conditions, and improvement of farm gate coffee marketing systems which encouraged competition between cooperatives and private companies. Procurement of tea increased mainly due to good weather conditions and resumption of production of tea processing factories that scaled down after the Covid-19 outbreak ([All Africa](#)).

Financial Assistance: Manushi Sinda Agricultural Marketing Cooperative Society Limited (Manushi Sinda Amcos Ltd) is in the process of establishing a special coffee stabilizing fund to withstand the coffee price crisis, helping promote the cultivation of coffee, Tanzania's key cash crop ([All Africa](#)).

¹³ World Bank Open Data. data.worldbank.org

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

¹⁷ ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

Jobs: Kazi Yetu –'Our work' in Swahili – is a start-up firm working to create jobs and economic opportunities for women in the agricultural value chain, through value addition of locally produced tea products. Kazi Yetu's factory in Dar es Salaam, which employs an all-women team to produce "traceable products" is a beehive of activities. The firm is responsible for processing, blending, packaging and exporting fairly traded tea products to benefit the Tanzanian economy ([In Depth News](#)). Unemployment among the youth remains a hurdle even as Tanzania's economy is among the fastest growing in Africa - having averaged 7% annual growth for over a decade ([The Citizen](#)).

Other: A 5M euros (\$6M USD) project funded by the European Union will assist over 20,000 smallholder farmers engaged in horticulture (mainly vegetables, fruits and spices) farming, helping improve the quantity and quality of their products. The goal of the project is to build a network between farmers and stakeholders in farming, improve quality, and support the country's national food security and nutrition program ([All Africa](#)).

Uganda

Population (2019): 44.3M¹⁸

Employment in agriculture (2017): 4.2M²¹

Labor Force (2020): 17.4M¹⁹

Total Informal Employment (2017): 8.1M²²

Labor Force, % Female (2020): 49.3%²⁰

Agricultural Economy: According to the Coffee Quality Institute of the United States of America, Uganda is third country producing highly quality coffee, after Ethiopia and Kenya respectively in 1st and 2nd position ([Independent](#)).

Labor Rights/Protections: Workers in flower firms have called for expedited review of the Minimum Wage Bill as means of protecting workers from exploitation. Passed in 2018, the President at the time prevented the bill's implementation. The bill empowers the Minister of Labor to appoint a Minimum Wage Board to fix all minimum wages for various sectors and review annually. This is urgent as Uganda's minimum wage has been Shs 6,000 (\$1.62) for 30 years. On flower farms, employers and unions determine the minimum wage. Before the introduction of the floor wage by Fairtrade Africa (FTA) in partnership with producers, workers at farms such as Jambo roses earned a monthly wage of Sh90,000 (\$24.33 USD). The introduction of floor wage has improved the relationship between workers and unions, as they demand higher worker salaries. Some farm workers now see an increase to Sh202,000 (\$54.61 USD) monthly wages, a 120% increase in base wage ([NewVision](#)).

Digital Platforms: Agricultural efficiency is critical to sustaining population growth; Uganda agriculture contributes 25% to the GDP. Women make up a large percent of the agricultural sector and play a vital role. The mostly rural areas where farming is done have little access to information and limited

¹⁸ World Bank Open Data. data.worldbank.org

¹⁹Ibid.

²⁰ Ibid.

²¹ ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

²² ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

digital literacy. This means increasing productivity must include increased tech and increased tech education ([Built in Africa](#)). The second program of the SDG Impact Accelerator (SDGia) in Uganda will focus on digital agriculture applications. This call looks to attract local and global entrepreneurs championing solutions in digital agriculture that touch on SDG2 (Zero hunger) and SDG9 (Industry, innovation, and infrastructure) ([Tech in Africa](#)). A report published by the World Bank, “Digitization of Agribusiness Payments” in Africa shows that 27% of agricultural payment recipients in Uganda receive payments digitally with 51% of adults having a mobile money account. Over 50% of adults report receiving an agricultural payment over a year. Access to mobile money accounts seems to be a key driver in the digitization of agricultural payments ([World Bank](#)).

South & Southeast Asia

Bangladesh

Population (2019): 163M²³

Employment in Agriculture (2017): 24.7M²⁶

Labor Force (2020): 71.2M²⁴

Employment in Garment (2019): 4.2M²⁷

Labor Force, Female (2020): 21.8M (30.6%)²⁵

Total Informal Employment (2017): 57.6M²⁸

Garment Economy: While Bangladesh's overall export earnings grew (by 0.76%) in November, garment exports fell for the second consecutive month due to the second wave of Covid-19 ([Newage Bangladesh](#)). Buyers and retailers are unwilling to open letters of credit to import garment products from Bangladesh and are instead resorting to deferred payments, which could put Bangladeshi exporters at risk of losing proceeds. Although doing business under open accounts or sales contracts can be perceived as risky, many manufacturers accepted these proposals to maintain operations ([Newage Bangladesh](#)). Garment manufacturers reiterated their demand for another stimulus package from the government. BGMEA reports that brands and retailers have placed 30% fewer orders for December 2020 -March 2021 season and while brands have not cancelled work orders, they are deferring orders to minimize the economic risk due to Covid-19 ([The Daily Star](#)). This has created an unpredictable situation for suppliers in Bangladesh, who determine how many workers to hire and supplies to order based on volume ([Vogue Business](#)). According to the BGMEA, around 300 small and medium garment factories have shut down in Dhaka and Narayanganj, affecting the jobs of roughly 48,000 workers. Of the closed factories, not a single one has reopened yet ([The Daily Star](#)).

Wage Assistance: Recently laid-off garment workers in Bangladesh will finally receive financial support from the European Union's €93 Million fund (\$113 Million USD) for one million Bangladeshi garment, leather goods and footwear workers who lost their jobs. According to a meeting held last week, employers will provide data on laid-off workers to the EU team by the first half of December, allowing

²³ World Bank Open Data, Bangladesh. data.worldbank.org

²⁴ Ibid.

²⁵ Ibid.

²⁶ ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

²⁷ Asia-Pacific Garment and Footwear Sector Research Note, Issue 8, October 2017. ILO.

https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_581466.pdf

²⁸ ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

for the financial aid to be disbursed starting December 24 ([The Business Standard](#)). The BGMEA estimates that at least 70,000 garment workers have lost their jobs amidst the pandemic, but unions think the true figure is likely far higher. While unions have welcomed the financial aid, they pointed out the need for long-term state policies centered on workers' protection as donors will not always be there ([Dhaka Tribune](#)). In total, the government aims to disburse Tk 3,000 (\$35.40 USD) per month for a three-month period to about 1 million workers over the next two fiscal years ([The Daily Star](#)). Only Tk 9 crore (\$1,062,063 USD) from the Tk 200-crore (\$23,601,400 USD) special loan for returnee migrants workers' reintegration amidst the pandemic have been disbursed so far since September 21, 2020. It is unclear why disbursement has been slow ([The Daily Star](#)).

According to a new survey conducted by Transparency International Bangladesh, about 42% of garment workers in Bangladesh are yet to receive benefits from the government's stimulus package. The study found that, while over 98% of total incentives have been disbursed, only 16% of the total government fund was allocated to pay worker wages. The remaining 84% were paid to "address business interests of factory owners" ([Newage Bangladesh](#)). An op-ed by Dr Fahmida Khatun, Director of the Centre for Policy Dialogue, analyzes the government's stimulus packages during Covid-19. While 80.7% of the stimulus packages is liquidity support (amounting to 3.5% of GDP) and 19.3% is fiscal stimulus, only export-oriented industries have managed to access 100% of their allocated funds. Funds for cottage, micro, small and medium enterprises (CSMEs), women entrepreneurs, migrant workers, and youth employment remain low due to issues identifying beneficiaries. If Bangladesh ends up providing a second round of stimulus packages, Khatun calls for them to support those who remained outside the first round but are suffering financially, such as informal sector workers, the urban poor and women ([The Daily Star](#)).

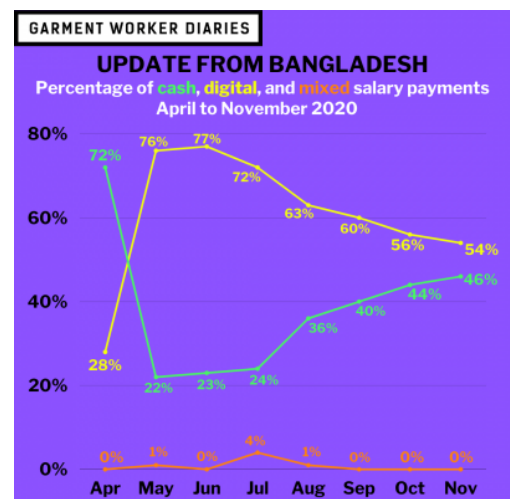
Worker Unrest: Garment workers from A-One BD Limited factory rallied in front of the Ministry of Labor and Employment, demanding the payment of eleven months' salary, two Eid bonuses, the reopening of the factory and reinstatement of their jobs. Dhaka Export Processing Zone (DEPZ) said that they would receive payment but, according to workers, DEPZ failed to pay ([The Daily Star](#)). Police charged baton, fired tear gas shells and used water cannon on over 300 garment workers, who were advocating for fair compensation and better labor conditions ([The Daily Star](#)). Nearly 3,000 to 4,000 workers from Stylecraft Ltd, which is a Uniqlo supplier, demonstrated in Gazipur city demanding payment of their arrears and allowance. Protestors left after being assured by factory owners and an announcement that the factory would be open the next day ([The Daily Star](#)).

Labor Rights/Protections: According to the ILO's new report on wages, the largest decline in real minimum wages over the last nine years were witnessed in Bangladesh and Sri Lanka; Bangladesh is witnessing the sharpest fall in Asia and the Pacific. According to ILO representatives, Bangladesh's rank is due to minimum wages that haven't changed in accordance with growing inflation ([The Daily Star](#)). ILO, UNICEF, UNFPA and UN Women in partnership with the Ministry of Labour and Employment, Bangladesh Tea Association and Bangladesh Cha Sharmik Union hosted the Technical Workshop on the Joint SDG Programme early December 2020. Speakers emphasized the need for investment in social protection services for marginalized communities, including female tea workers ([The Daily Star](#)). The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

requested the Labour Ministry to suspend the legal provision of 5% annual wage increase for garment workers for the next two years. BKMEA says that brands' deferred and cancelled orders, coupled with decreasing prices, have made it hard for factories to pay workers. Labor leaders called the BKMEA's request "inhumane and unacceptable," particularly as many of its member-factories received aid from the government amidst the pandemic, but failed to share with workers ([Newage Bangladesh](#)).

Tea Economy: While Bangladesh has previously been a major tea exporter, it is now an importer of tea as domestic production cannot meet consumption needs. Slump in prices, lack of proper monitoring by the authorities to keep a healthy environment conducive to good production, the lack of management in larger gardens, and lack of developed structure in smaller gardens are hindering larger production ([The Daily Sun](#)). To increase production, small-scale tea farms have created 25,000 jobs for rural people, including 15,000 women. The small-scale gardening-basis tea farming continues to expand since the launch of the 'Expansion of Small Holding Tea Cultivation in Northern Bangladesh Project' in 2015 to bring more 500 hectares of land under tea farming by 2020 ([Dhaka Tribune](#)).

Digital Payments: While wage digitization increased dramatically in the 2nd quarter of the year, many factories are reverting back to cash payments. One driver appears to be whether a factory is "brand facing" or not; brand facing factories are listed as a supplier of brands on online open data sources that can be used to track transparency, labor compliance, etc. Those who are brand facing are more likely to have digitized before May 2020 or within April-May 2020. "Almost 75% of those that are brand-facing were still paying digitally in September while only 40% of non-brand-facing factories were." Further research is needed to determine the underlying causes ([Worker Diaries](#)). Initial hypotheses from Worker Diaries, Dhaka Tribune, and The Daily Star describe that the first stimulus package sent to factories in April caused the switch to digital wages as government funds were transferred digitally. The decrease in digital wages corresponds with rebounding garment orders. Digital wage payments stood at 54% in November as digital wage payments and garment workers' use of DFS trended down. However, workers continue to send digital cash transfers at a rate of 55%, the highest yet since March 2020 ([Worker Diaries](#)).



A new report published by the World Bank, "Learning to Navigate a New Financial Technology, Evidence from Payroll Accounts," provides research on consumer learning and usage of digital payroll accounts amongst garment workers in greater Dhaka, demonstrating results from a sample of 3,136 garment workers for approximately two years. The study finds that automatic payroll deposits into bank accounts lead to faster consumer learning of digital financial services due to active engagement with the account, even without assistance. However, workers with inexperience with financial technology are better off coupled with assistance. Other effects include higher trust in financial institutions, increased savings, and ability to cope with unanticipated shocks. The study also finds that in communities with high numbers of payroll accounts, workers learn faster by doing and mobile

money agents are more likely to be helpful and adhere to transaction fees without overcharging (while illegal, a common practice). With compelling benefits to digital wages, the study concludes that three reasons that the market hasn't fully adopted digital wages may be 1) employers' fear of worker resistance due to low levels of trust, 2) insufficient worker documentation to set up accounts, 3) employers' fear of transparency ([World Bank](#)).

Other Agriculture: Braving the pandemic, farmers of five districts in Rangpur agriculture zone and in Jessore of the southwestern region have exceeded the fixed production target of Aman rice in 2020 ([Dhaka Tribune](#)). Bangladesh has a lot of potential to boost export income through exporting quality shrimp, but export income witnessed a negative growth due to lack of adequate policy support. There is a high demand for Bangladesh shrimp, but the local shrimp sector continues to lose its share in the global market following the introduction of high-yielding and lower-priced hybrid Whiteleg shrimp. Shrimp growers and exporters said the sector requires government policy as well as financial support to increase the export share in the global market. They also said new export markets need to be explored as the traditional shrimp markets are shrinking ([The Financial Express](#)). Despite being a potentially successful country for shrimp export, Bangladesh has no foreign investors to invest in the shrimp industry ([Daily Industry](#)).

India

Population (2019): 1,366.4M²⁹

Employment in agriculture (2018): 156.2M³²

Labor Force (2020): 501M³⁰

Employment in garment (2018): 12.9M³³

Labor Force, % Female (2020): 19.9%³¹

Total Informal Employment (2018): 319.6M³⁴

Garment Economy: Recovery in India's garment factories stumbled in November as Covid-19's second wave in Europe stifled demand and output. Factories have cut jobs for the eighth month in a row ([Dhaka Tribune](#)). India lost more jobs due to the Covid-19 lockdown than the US did during the Great Depression and reports show that nearly 400 million informal workers in India could find themselves in poverty. Taking a closer look at the textile and garment industry, women interstate migrant workers in this sector have been "harder hit than most other workers" ([Open Global Rights](#)). The Indian textile industry is looking to tap the opportunity arising out of the US ban on cotton imports from a Chinese quasi-military organization, which is allegedly using forced labor of Uighur Muslims. This is an opportunity that could help raise exports hindered by Covid-19 ([Swarajyamag](#)). Garment exporters report that their businesses have been hit once again by closures and that many garment units in Gautam Budh Nagar are struggling. Factories fear having to cut their workforces again and thousands of workers are still unemployed ([Times of India](#)). According to the Garment and Textile Workers Union (GATWU)'s estimate, about 36,000 workers, representing nearly 40% of Karnataka's

²⁹ World Bank Open Data, India. data.worldbank.org

³⁰ Ibid.

³¹ Ibid.

³² ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

³³ Government of India, Ministry of Textiles. "Annual Report 2017-2018"

³⁴ ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

garment sector, lost their jobs amidst the COVID-19 pandemic. In Andhra Pradesh, around 15,000 garment workers lost their jobs amidst the COVID-19 pandemic, according to the Centre of Indian Trade Unions (CITU) ([NewsClick](#)).

Worker Unrest: Workers protested after Arvind Limited's Ramanagara unit declared an illegal lockout, affecting around 200 workers ([Naanugauri](#), [Garment and Textile Workers' Union](#)). Protests against the government policies affecting manufacturing and agricultural sector protections continue in India. Over 250 million Indians have taken to the streets nationwide to protest government policies ([Common Dreams](#)). As of December 30, tens of thousands of farmers entered in their fourth week of protesting new agricultural laws that deregulate market prices. India's Supreme Court and government have requested various rounds of talks with 40 protesting farmer unions, but talks have led to little avail as they have not met farmers demands to revise or repeal some of the contentious provisions in the laws would meet their demands ([AlJazeera](#), [Indian Express](#)).

Labor Rights/Protections: According to a new report titled "Hidden and Vulnerable: The Impact of Covid-19 on Child, Forced and Bonded Labor", informal workers in India and Nepal's apparel supply chains have suffered extreme hardship due to Covid-19. The study, based on research conducted in June and July, finds that women have been disproportionately impacted by the pandemic and argues that documented school closures, indebtedness, income loss and migration indicate that there will be an uptick in child, forced and bonded labor ([Just-Style](#)). A report jointly published by the International Labor Organization (ILO), Aajeevika Bureau and the Centre for Migration and Inclusive Development highlights the urgent need to develop an inclusive policy framework to mitigate the vulnerabilities faced by internal migrants in India. Based on the answers of internal migrants from 10 states across India, a study found that 95% of respondents lost all their means of livelihood and that only 7% benefited from Mahatma Gandhi National Rural Employment Guarantees (MGNREGS) ([The Wire](#)).

Digital Platforms: A new app called AgSpeak developed by students is a multilingual smartphone app with the goal of optimizing the in-farm productivity through artificial intelligence (AI). The application will help farmers make decisions and manage farm activities by suggesting best practices to improve crop health and productivity ([Times of India](#)).

Agriculture Economy: The government has recently cleared the dues of fertilizer companies, adding Rs 65,000 crore (\$8.9M USD) to an already existing subsidy regime of Rs. 71,309 crore (\$9.7M USD) to motivate industrial growth ([BW Business World](#)). India's coffee output is estimated at a five-year high of 3.42 million tons in 2020-21, up nearly 15% from the previous season, and will likely boost exports that have taken a hit in the last two years ([MoneyControl](#)). Cotton Council International (CCI), along with the leadership of the US cotton industry, organized the first ever virtual Cotton Day India 2020 themed 'Leading through change: Your partner for a new world'. It included discussions on some of the most pressing topics facing the cotton industry in India and globally, with sustainability taking center stage ([Fibre2Fashion](#)). India has exported dairy products worth Rs 554 crore (\$75,758,724 USD) during the COVID-19 pandemic to more than 110 countries. Orders worth Rs 154 crore (\$21,059,284 USD) were placed from the UAE alone ([Times of India](#)). The dairy industry accounts for 25% of India's total agribusiness ([Times of India](#)).

Indonesia

Population (2019): 270.6M³⁵

Employment in Agriculture (2018): 37.2M³⁸

Labor Force (2020): 136.7M³⁶

Employment in Garment (2016): 2.24M³⁹

Labor Force, % Female (2020): 39.3%³⁷

Total Informal Employment (2019): 104.6M⁴⁰

Economy: As of December 7, the central government imposed large-scale social distancing to curb rising Covid-19 cases; Jakarta then extended restrictions till January 3 in the province. Each province has their own set of rules, some include that factory workers must record their daily movements if factories continue to operate ([Garda](#), [Bloomberg](#)). In November, Indonesia's manufacturing activity rose to 50.6 points on IHS MarkIt's Purchasing Managers' Index compared to 47.8 in October. One contributing factor was the relaxation of social restrictions during that time period. Despite slight improvement, employment shrank for the ninth consecutive month. Trajectory of Indonesia's manufacturing sector highly depends on the government's response to the pandemic and economic reform. As of late November, it had spent 62% of the stimulus. By the end of 2020, the government was expected to spend Rp 664 trillion (US\$47 billion), 95% of the stimulus ([The Jakarta Post](#)).

Agricultural Economy: Indonesia imposed higher levies on crude palm oil starting on December 10, 2020, a move that could impact 2021 demand as it seeks to generate funds for its ambitious palm-based biodiesel program ([Reuters](#)). The government is planning to create huge national food estates in the provinces of North Sumatra and Central Kalimantan despite concern from scientists over viability. The effort to grow and store more food is part of a national food-estate project the government has been developing since June, fearing that the pandemic could create a food crisis. The Food and Agriculture Organization warned in October that the pandemic "exposed the fragility of the agri-food systems" and that possibly 132 million people worldwide may go hungry in 2020 as a result of the economic recession triggered by the pandemic ([Nikkei Asia](#)).

Digital Platforms: Indonesia's agriculture sector is facing decreases in both the number of farmers and irrigated rice fields. A new app called RiTx Bertani, developed by start-up tech company PT Mitra Sejahtera Membangun Bangsa, is helping farmers detect and identify disease, deal with climate change, and potentially boost production by providing advice based on information farmers submit about their fields. 11,000 farmers in eight provinces in Indonesia are using RiTx Bertani ([IPS](#)).

Labor Rights/Protections: Abuses uncovered at some RSPO-certified palm oil plantations include exposure to hazardous chemicals, reliance on temporary workers, below minimum wage payments, lack of maternity and menstrual leave for female workers, and the suppression of independent unions ([Eco-Business](#)).

³⁵ World Bank Open Data, Indonesia. data.worldbank.org

³⁶ Ibid.

³⁷ Ibid.

³⁸ ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

³⁹ Asia-Pacific Garment and Footwear Sector Research Note, Issue 8, October 2017. ILO. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_581466.pdf

⁴⁰ ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

Pakistan

Population (2019): 216.6M⁴¹

Employment in agriculture (2018): 22.4M⁴⁴

Labor Force (2020): 75.9M⁴²

Employment in garment (2015): 2.27M⁴⁵

Labor Force, % Female (2020): 20.5%⁴³

Total Informal Employment (2018): 48.9M⁴⁶

No relevant English news week of 12/5-12/11

Labor Rights/Protections: Home-based workers in Sindh province, Pakistan, are celebrating new social security benefits, as Sindh province prepares to enact a law that will award employment rights to an estimated informal workforce of 3 million people. However, the delay in registration (delayed by Covid-19 restrictions) meant that home-based workers were not eligible for the government's emergency cash payments program during the Covid-19 lockdown, severely impacting workers' livelihoods ([The Guardian](#)).

Worker Unrest: Workers in Pakistan rallied against government policies on November 29, 2020. The rally was organized jointly by the National Trade Union Federation (NTUF) and Home-based Women Workers Federation (HBWWF) and included both formal and informal workers, who marched against inflation, unemployment and low wages ([Dawn](#)). According to reports from the CCC network, Rauf Textile Mill workers were on strike inside the factory, demanding their due salaries. Workers haven't been paid for the last three months. After the strike, workers received one month worth of wages and are set to receive pending salaries later in December ([Twitter](#), [Twitter](#)).

Agricultural Economy: The agriculture sector is having a dual threat of Covid-19 and locust infestations. While on the one hand rains lashed across the country, unfavorable weather conditions on the other caused substantial damage to many crops. Additionally, the government has been negligent to policies promoting growth and development, a major issue with agriculture contributing 19% of the country's GDP ([The Express Tribune](#)). Seed cotton (Phutti) equivalent to over 4.6 million or exactly 4,648,092 bales have reached ginning factories across the country till Dec 1, 2020, registering a 37.59% shortfall compared to the corresponding period of last year when arrivals were recorded well over seven million bales. One major factor in the reduction is increased sugar cane cultivation in cotton zones ([Daily Times](#), [The Nation](#)).

Financial Assistance: Unions and civil society organizations in Pakistan report that, while factories are receiving benefits from the government due to the impact of the Covid-19 pandemic, factory owners are failing to transfer this aid to workers. Nasir Mansoor, from the National Trade Union Federation

⁴¹ World Bank Open Data, Pakistan. data.worldbank.org

⁴² Ibid.

⁴³ Ibid.

⁴⁴ ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

⁴⁵ Asia-Pacific Garment and Footwear Sector Research Note, Issue 8, October 2017. ILO.

https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_581466.pdf

⁴⁶ ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

(NTUF), says that workers are not being paid proper overtime and other benefits amidst the COVID-19 pandemic ([Dawn](#)).

Other: As part of PepsiCo's ongoing commitment to sustainability, the company organized the "Sustainable Farming Program Road Show" to promote sustainable farming practices for its potato farmers located in Multan. The "Sustainable Farming Program" (SFP) is part of PepsiCo's 'Next Generation Agriculture' strategy which aims to drive progress in making agriculture more resilient, intelligent and inclusive. The event was attended by 40 growers under Covid-19 protocols to ensure health and safety of employees. As one of the world's leading food and beverage companies, a steady, sustainable supply of crops is central to PepsiCo's business. Sustainable agricultural practices are also critical to meeting the increasing demand for food as the global population grows. PepsiCo uses more than 25 crops sourced across 60 countries and supports over 100,000 jobs in and throughout their agricultural supply chain ([Technology Times](#)).

Additional Recommended Reading

1. Emily Breza, Martin Kanz, Leora Klapper, "[Learning to Navigate a New Financial Technology, Evidence from Payroll Accounts](#)," World Bank. December 2020. PDF.
2. "[Digitization of Agribusiness Payments in Africa, Building a Ramp for Farmers' Financial Inclusion and Participation in a Digital Economy](#)," World Bank. September 2020. PDF.
3. Zofeen Ebrahim, "[Moving Mountains: How Pakistan's 'invisible' women won workers' rights](#)," The Guardian, Dec 1, 2020. Web.
4. Shoumitro Chatterjee, "[What agriculture needs: Risk mitigation](#)," Hindustan Times, Dec 23, 2020. Web.
Fahmida Khatun, "[How effective have stimulus packages been?](#)" The Daily Star, Dec 28, 2020. Web.

About the Digest

This digest is produced by the Advisory arm of [Synergos](#), which provides strategic counsel, research, and insights for socially-minded organizations. If you would like to be added to the mailing list, please contact advisory@synergos.org. All information is public and can be forwarded.

This digest is commissioned by the Bill & Melinda Gates Foundation as a component of ongoing dialogue on the importance of wage digitization to accelerate financial inclusion and promote women's economic empowerment. You can learn more about responsible wage digitization by visiting: [ILO Global Centre on Digital Wages for Decent Work](#), [BSR HERProject](#), [Better than Cash Alliance \(BtCA\)](#), and [Microfinance Opportunities \(MFO\)](#).



Appendix: Country Data Sources

Population, Labor Force, Labor Force (% Female): World Bank Open Data

Labor Force definition per World Bank: Labor force comprises people ages 15 and older who supply labor for the production of goods and services during a specified period. It includes people who are currently employed and people who are unemployed but seeking work as well as first-time job seekers. Not everyone who works is included, however. Unpaid workers, family workers, and students are often omitted, and some countries do not count members of the armed forces. Labor force size tends to vary during the year as seasonal workers enter and leave.

Employment in garment: mixed. See footnotes.

Employment in agriculture: ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys

Total Informal Employment: ILOSTAT – informal employment by sex and economic activity (thousands) from Labor Force Surveys