

# Impact of Covid-19 on Decent Work

## January Wage Digitization Digest-11<sup>th</sup> 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 Jan 1 – Jan 28, 2021.

### Macro Trends

1. **Threatened sustainability of the garment sector:** Apart from Pakistan's textile industry, the export-oriented garment sector is still suffering from the impact of Covid-19 with high work order fluctuations and uncertainty under the second Covid-19 wave. The garment industry continues to rely on stimulus to stay afloat, while garment workers are facing lower wages, reduced or unpaid overtime, and increased health risks.
2. **Bolstering agricultural growth:** Despite the widespread economic fallout of Covid-19, agricultural value chains have witnessed notable growth across the in-focus countries during 2020. Governments across South Asia and the African continent have set out to bolster additional growth in the agricultural sector, as witnessed by the ambitious agricultural production and export plans in the coffee value chain in Ethiopia, cocoa, cashew, and sesame in Nigeria, and cotton in Pakistan.
3. **Spotlight on labor rights violations:** As factories aim to recuperate the costs of canceled orders through reducing benefits and wages owed to workers, unions continue to defend workers' protections, including owed wages, minimum wage requirements, and fair notice before termination. In a retrospective view of 2020, new studies and evidence, particularly from garment factories, re-enforce the challenges faced by workers. Amongst workers, women tend to be disproportionately affected by these labor rights violations as women largely occupy the lower paying jobs in factories and face gender-based discrimination, such as forced leave for older and pregnant women workers. The violation of workers' rights during periods of economic instability serves as a reminder that workers will continue to remain vulnerable without effective safety nets, enforcement of labor protections and strengthened regulations.

### Major Stories

1. **A new study in Bangladesh sheds light on the impact of Covid-19 on garment worker livelihoods, safety and well-being across 610 factories.** Published through the Center for Policy Dialogue, "Vulnerability, Resilience and Recovery in the RMG Sector in View of COVID Pandemic: Findings from the Enterprise Survey" surfaces alarming findings, including: 357,450 garment workers lost their jobs between December 2019 and September 2020, which is a much higher figure than previous reports by the BGMEA ([Centre for Policy Dialogue](#)). December 2020 data indicates the potential leveling off of the adoption of digital wages, with records of 56% of wages paid digitally during December and 54% in November ([Garment Worker Diaries](#)).

2. **Oh So Ethical, a grassroots website calling attention to the exploitation of workers and environment, called out The Children's Place on its inaccurate brand statements regarding work orders to their suppliers at Ethiopia's Hawassa Industrial Park.** *Oh So Ethical's* Call to Action targeting The Children's Place comes after a recent article on COVID-19 and garment workers in Ethiopia exposed inaccuracies in the brand's statements. While the brand insisted that it has been working with suppliers in Ethiopia to pay for all orders, the article shows that very little has changed for garment workers, who are facing forced overtime and wage cuts, while enduring the fear of catching COVID-19 in unsafe workplaces ([Oh So Ethical](#)).
3. **100 Indonesian palm oil mills supplying agribusiness giants ADM and Bunge have been accused of land and human rights violations and environmental destruction.** Neither company is addressing most of the allegations through their formal grievance processes and both are continuing to sell this "conflict" palm oil to major consumer brands such as Nestlé, Unilever and PepsiCo. The European Union is set to look at legislation that will prevent the import of products that are tied to deforestation and human rights abuses, placing pressure upon major export value chain producers ([The Jakarta Post](#), [Mongabay](#)).
4. **The Kenya government's recent bill to reform the tea industry is being met with resistance from various industry stakeholders.** On December 23, 2020, President Uhuru Kenyatta signed into law the Tea Bill of 2018, initiating a regulatory shift to streamline operations in the tea industry. Amongst many provisions, this bill revives the Ad Valorem levy that was revoked in 2016. The levy allows the Cabinet Secretary to impose a levy to be levied on tea exports and imports through a Gazette notice. Many are concerned that the burden of the new tax levy will ultimately fall on farmers, restricting their livelihoods and contradicting the bill's original intent to empower farmers (([The Star](#), [Business Daily](#), [Xinhua Net](#)).
5. **More than 100,600 smallholder farmers in Tanzania will receive grain and vegetable seeds grants worth US\$ 493,500 to assist them in sustainable food production.** Through its new "Better Farms, Better Lives" initiative, Bayer, a life-science oriented multinational company, will run the program for the next 12 months, starting January and it will cover 25 districts in the Mainland Tanzania ([AllAfrica](#)).

# Country Deep Dives in Africa

## Ethiopia

Population (2019): 112.1M<sup>1</sup>

Employment in Agriculture (2013): 25.2M<sup>4</sup>

Labor Force (2020): 55M<sup>2</sup>

Employment in Garment (2019): 62,000<sup>5</sup>

Labor Force, % Female (2020): 46.5%<sup>3</sup>

Total Informal Employment: data unavailable

**Labor Rights:** *Oh So Ethical* has updated the Call to Action targeting The Children's Place after a recent article on COVID-19 and garment workers in Ethiopia exposed inaccuracies in the brand's statements. While the brand insisted that it has been working with suppliers in Ethiopia to pay for all orders, the article shows that very little has changed for garment workers, who are facing forced overtime and wage cuts, while enduring the fear of catching COVID-19 in unsafe workplaces ([Oh So Ethical](#)). Garment workers from Indochine Apparel PLC and KGG Garments PLC factories in Hawassa reported being subject to unpaid and forced overtime and pay cuts. Levi Strauss & Co. stated that the factory has been paying workers on time and H&M said there was no evidence of unpaid or force overtime ([Business and Human Rights Resources Centre](#)).

Published in December 2020, a new study conducted by the ILO revealed that Ethiopian laborers in the coffee sector earn 10 times lower than their counterparts in major coffee producing countries – \$37.50 monthly compared to \$382.10 monthly in Costa Rica ([The Reporter](#)).

**Agricultural Economy:** The Embassy of Ethiopia in France, in collaboration with stakeholders, conducted a virtual Ethiopian Coffee Promotion Meeting on January 12th. The meeting reaffirmed the Ethiopia government's readiness for investment and that the Ethiopian private sector will do their best to enhance coffee trade between Ethiopian companies and their counterparts ([All Africa](#)). Ethiopia is responding to a new desert locust infestation which is threatening agricultural livelihoods and food security for thousands across the country ([Relief Web](#)).

**Digital Payments:** Announced on January 22, Lersha Digital Agriculture Platform and the Commercial Bank of Ethiopia Birr (mobile agent) announced a partnership to encourage the digitization of the rural community, financial literacy and inclusion for smallholder farmers, as well as ease deposit mobilization. Lersha already has over five million users on the application ([All Africa](#)).

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

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

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

<sup>5</sup> 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](https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-addis_ababa/documents/publication/wcms_737627.pdf)

## Kenya

Population (2019): 52.6M<sup>6</sup>

Employment in Agriculture: 12M<sup>9</sup>

Labor Force (2020): 24.7M<sup>7</sup>

Total Informal Employment: data unavailable

Labor Force, % Female (2020): 49%<sup>8</sup>

**Agricultural Economy:** Kenyan horticulture is the 3rd largest foreign exchange earner and contributing significantly to the Kenya economy. Only 4% of Kenyan horticulture is being exported while 96% is being consumed locally. Recently, there have been more opportunities for farmers to access international markets, but there are still setbacks preventing them from doing so, high cost of airfreight being one of them ([HortiDaily](#)).

**Agricultural Reform:** The Agriculture ministry wants the National Treasury to remove value-added tax (VAT) on tea and coffee to create more jobs along the two value chains ([The Standard](#)). Kenya's Agriculture Cabinet Secretary has announced a pricing formula that would determine coffee prices at the Nairobi Coffee Exchange by the value of direct sales in a bill in country's parliament. The policy aims at ensuring farmers earn more from their produce. It was quickly met by court cases and general resistance from some stakeholders. The article implies that entrenched interests by cartels are the cause behind this resistance ([Ventures Africa, Business Daily](#)). President Uhuru Kenyatta signed into law the Tea Bill of 2018, on December 23. Industry players however say the bill, if implemented in its current form, the tax levy will reduce farmers earnings that are already low. More and more tea farmers are seeking alternative crops especially in the horticulture sector in order to boost their incomes. ([The Star, Business Daily](#)). The East African Tea Trade Association has moved to court seeking suspension of more sections of the newly enacted Tea Act arguing that they are discriminatory and unconstitutional ([Xinhua Net](#)).

**Labor Rights:** A new dispute has erupted between tea multinationals and a workers' union over the introduction of tea plucking machines, which could cost more than 50,000 workers their jobs ([Business Daily Africa](#)). The Building Bridges Initiative (BBI), a government initiative, envisions reforms in the agricultural sector to help unlock opportunities for the many youth in Kenya. The main proposals are to improve access to land for agricultural production by allocating leases in settlement schemes; strengthening agricultural and livestock genetic resources; adoption of technology to increase productivity; expansion of agricultural and livestock extension and advisory services; improving market linkages for farmers; providing financial support; and fighting corruption in the sector ([Kenya's Watching](#)).

**Financial Assistance:** The ministry of agriculture will require coffee farmers countrywide to borrow from the Cherry Advance Fund that was set up by the government last year and ran by Kenya Planters Co-operative Union (KPCU). The new coffee bill, which is undergoing public participation, will make it

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<sup>6</sup> World Bank Open Data, Kenya. [data.worldbank.org](https://data.worldbank.org)

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> World Bank Open Data, Kenya. [Data.worldbank.org](https://data.worldbank.org).

\*Calculation based on ILO Employment in Agriculture (% of total employment), Employment to population ratio 15+, and total population 15-64.

illegal for any coffee factory or society to borrow from other sources unless it is from the Cherry Fund. The goal is to prevent farmers from being cheated by banks; the fund will allow farmers to borrow without collateral. This coffee bill comes even as farmers refuse to borrow from the previously established coffee cherry fund set up by the government in 2020 ([Capital Business](#)). Kenyan Women in Kitui, West Pokot, and Laikipia Counties are set to benefit from an Sh500 million project (USD \$4,564,126) which seeks to economically empower women through Climate-Smart Agriculture in Arid and Semi-Arid Lands (ASAL) ([All Africa](#)). Over Sh 6.4 million (USD \$58,421) from the National Government Affirmative Action Fund (NGAAF) was disbursed to 37 self-help groups for women, youth and people living with disabilities in Samburu County to boost their economic activities. Some women are now running small businesses using government funds after receiving civic education from extension officers ([Kenya News](#)).

**Digital Platforms:** For decades, Kenya's main commodity markets have run on a manual platform with minimal transparency of the final price. It was a practice that created discontent among farmers who experienced fluctuating income across crop seasons. Recently, The Tea Auction in Mombasa and the Nairobi Coffee Exchange have moved to a more transparent digital platform ([Business Daily](#)).

## Nigeria

**Population** (2019): 200.9M<sup>10</sup>

**Employment in agriculture** (2013): 22.1M<sup>13</sup>

**Labor Force** (2020): 61.4M<sup>11</sup>

**Total Informal Employment:** data unavailable

**Labor Force, % Female** (2020): 44.8%<sup>12</sup>

**General Economy:** Amidst growing concerns on Nigeria's economic growth, the World Bank has projected that Nigeria's economy could grow by 1.1% this year. The forecast is a far cry from the global average growth projection of 4% and Africa's 2.7%, as contained in the Bank's January 2021 Global Economic Prospects released on Monday ([The Guardian](#)).

**Agricultural Economy:** Nigeria's agricultural sector was negatively impacted in a major way from the fallout of the COVID-19 pandemic last year. As the barriers have lifted, there is hope for positive change. The government's vision for agriculture seeks to change perceptions around agriculture and instead promote agriculture as a wealth generator and entrepreneurial enterprise, producing food and non-food commodities to meet local and export demands. This has been reiterated by President Muhammadu Buhari to diversify the economy away from oil dependency ([The Nation](#)). Export of cocoa, cashew, and sesame is projected to increase. However, agriculture may be highly susceptible to poor weather conditions and fluctuations in commodity prices ([The Nation](#)). Nigeria's major export commodity, cocoa, is falling in price due to the second wave of Covid-19 pandemic ([Business a.m.](#)).

**Other:** The United Nations Development Program (UNDP) Nigeria have launched the Sustainable Development Goals (SDG) Investor Maps, as part of the Global UNDP SDG Impact Initiative, with the

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<sup>10</sup> World Bank Open Data, Indonesia. [data.worldbank.org](https://data.worldbank.org)

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

objective of driving greater and more diverse volume of capital to accelerate progress towards achieving the United Nations (UN) 2030 Sustainable Development Agenda. The SDG Investor Maps is a digital tool that will provide market intelligence on investment opportunities and related impact data to identify and increase SDG-aligned actionable investments in Nigeria ([African News](#)).

## Tanzania

Population (2019): 58M<sup>14</sup>

Employment in agriculture (2014): 14.4M<sup>17</sup>

Labor Force (2020): 28.1M<sup>15</sup>

Total Informal Employment (2014): 19.2M<sup>18</sup>

Labor Force, % Female (2020): 48.1%<sup>16</sup>

**Financial Assistance:** More than 100,600 smallholder farmers in Tanzania will receive grain and vegetable seeds' grants worth US\$ 493,500 to assist them in sustainable food production. Through its new "Better Farms, Better Lives" initiative, Bayer, a life-science oriented multinational company will run the program for the next 12 months, starting January and it will cover 25 districts in the Mainland Tanzania ([AllAfrica](#)). The Tanzania Agricultural Bank (TADB) has issued 908bn loans to Kagera Region farmers for the past three years to purchase coffee and raise their earnings. Kagera farmers produce Robusta coffee – 30% of the total coffee production in the country ([Daily News](#)).

**Agricultural Economy:** The government is working on establishing an agricultural Crops Exports Centre close to Dar es Salaam to promote Tanzania's exports trade for increased earnings in hard currency; create more local jobs; attract foreign direct investments and technology transfers, as well as create linkages with the domestic economy ([The Citizen](#)). Tanzania Agriculture Research Institute is pushing macadamia nuts as the future sustainable cash crop. Outside of Tanzania, the nuts are only grown in Kenya, Zimbabwe, Malawi, and South Africa. Many farmers are still unaware of the crop's potential. They grow well in similar areas to tea and coffee, and alongside other crops ([IPP Media](#)).

## Uganda

Population (2019): 44.3M<sup>19</sup>

Employment in agriculture (2017): 4.2M<sup>22</sup>

Labor Force (2020): 17.4M<sup>20</sup>

Total Informal Employment (2017): 8.1M<sup>23</sup>

Labor Force, % Female (2020): 49.3%<sup>21</sup>

**Agricultural Economy:** Latest data from the Uganda Coffee Development Authority show a steady recovery of the crop as volume exports increased by 43% from 3.557 million bags exported in the

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<sup>14</sup> World Bank Open Data. [data.worldbank.org](https://data.worldbank.org)

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

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

<sup>18</sup> ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

<sup>19</sup> World Bank Open Data. [data.worldbank.org](https://data.worldbank.org)

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

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

<sup>23</sup> ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>



2015/16 Financial Year to 5.103 million bags in 2019/20. This is the highest volume of coffee that Uganda ever exported in the 30 years ([Daily Monitor](#)). Uganda's tea has the lowest price compared to other East African member states that sell tea through the Mombasa Auction. For example, a kilogram of Uganda's tea in a January auction sold for \$1.30, far below Kenya's \$2.38 ([All Africa](#)).

**Government Assistance:** Tea farmers in the districts of Kyenjojo and Kabarole have asked the government to boost tea production in the region. Many farmers in the two districts have recently harvested low quality and quantity tea due to bad weather that are rejected from sale ([Newvision](#)). Last year, the water ministry, through Labongo-Amida subcounty, mobilized over 200 residents to start small-scale irrigation farming, focusing on vegetable growing to increase agricultural productivity. The group, which is currently in their third cycle of planting vegetables, formed an association, where they sell produce jointly and save some money with their village bank. The ideal plan is expansion to raise people out of poverty in the region ([Newvision](#)).

## Country Deep Dives in Asia

### Bangladesh

Population (2019): 163M<sup>24</sup>

Employment in Agriculture (2017): 24.7M<sup>27</sup>

Labor Force (2020): 71.2M<sup>25</sup>

Employment in Garment (2019): 4.2M<sup>28</sup>

Labor Force, Female (2020): 21.8M (30.6%)<sup>26</sup>

Total Informal Employment (2017): 57.6M<sup>29</sup>

**Garment Economy:** Bangladesh's export earnings fell by nearly 15% in 2020 due to lower shipment of garment products. The garment sector growth declined by 18% in 2020. Exporters fear that the downward trend in export could continue until April this year. The president of the Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh reported that orders for next season decreased by 30% in the leather sector ([Newage Bangladesh, The Daily Star](#)). Garment exporters in Bangladesh hope that the sector will start to recover from June 2021, after vaccines come into effect. They also warned, however, that the recovery would likely be slow - particularly for small and medium enterprises, which have been disproportionately affected and received little to no financial assistance amidst the COVID-19 pandemic ([The Daily Star](#)). Knitwear shipments, which dropped 31% in the January-June period, increased in the year's second half, as longer shelter at home orders have increased the use of casual wear ([The Daily Star](#)).

The Ministry of Commerce has requested that the Ministry of Finance liquidate 133 struggling garment factories, which have remained closed. Some factory owners are trying to sell their factories due to cancelled work orders and discounts. A new study by the Centre for Policy Dialogue (CPD)

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<sup>24</sup> World Bank Open Data, Bangladesh. [data.worldbank.org](https://data.worldbank.org)

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

<sup>28</sup> 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](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_581466.pdf)

<sup>29</sup> ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

found that job uncertainty among Bangladesh's garment workers has been alleviated to 4% in September 2020 from 36% in April, as around 60% of factories have started recruiting new workers. While the study states that some factories are recruiting new workers, it also found that some are still dismissing workers ([The Daily Star](#)). Only 44% of factories are certain about work orders for the six months from November 2020 to April 2021 ([The Daily Star](#)).

**Labor Rights:** Unions are urging the government to ensure the 5% yearly increment on garment workers' wages is maintained after the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) requested to suspend the increase for two years. Unions such as Sommalito Garments Sramik Federation (SGSF) and the National Garment Workers Federation (NGWF) described BKMEA's request as harmful, especially as wage cuts, dismissals, layoffs, forced resignations, discriminatory dismissals are still taking place in Bangladesh's garment sector ([Sommalito Garments Sramik Federation, The Daily Star](#)). Garment workers are being rehired at lower pay despite attempts to negotiate; Shirin Akter, for example, used to make Tk 10,000 (US\$117) a month, but her new factory only pays her Tk 8,800 (US\$103). Unions explain that factory owners are taking advantage of the abundance of unemployed workers amidst the COVID-19 pandemic and their need to make a living to offer lower wages ([Dhaka Tribune](#)). Kutub Uddin Ahmed, former secretary-general of IndustriALL Bangladesh Council, said that the income of garment workers declined by 8% amidst the Covid-19 pandemic ([Dhaka Tribune](#)).

Centre for Policy Dialogue (CPD) and Mapped in Bangladesh's new study, "Vulnerability, Resilience and Recovery in the RMG Sector in View of Covid Pandemic: Findings from the Enterprise Survey", found that most garment factories in Bangladesh failed to follow labor laws while laying-off and terminating workers amidst the COVID-19 pandemic. The report, which is based on the study of 610 factories in Dhaka, Gazipur, Narayanganj and Chittagong in October and November 2020, found that: About 357,450 garment workers lost their jobs between December 2019 and September 2020, which is a much higher figure than previous reports by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Department of Inspection for Factories and Establishments; The average number of workers in factories fell by nearly 11% in 10 months; Following layoffs, less than 4% of factories paid workers their due compensation. While 70% paid workers their due wages, most failed to pay workers their other lawful benefits; Non-compliance was found to be much higher in factories located in Narayanganj and larger factories. About 232 factories closed amidst the Covid-19 pandemic, representing about 7% of the country's total factories; Only 40% of small factories applied for the government's stimulus package. 58% did not apply due to complicated procedures. Following these findings, Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue and one of the authors of the report, called on the BGMEA and the BKMEA to "cooperate to identify the real number of laid-off workers in full" and submit a list of workers so that social safety net payments can be made. In addition, Moazzem urged the BGMEA and the Department of Inspection for Factories and Establishments to take "special measures" and "launch awareness programs" in order to make sure that factories pay workers their rightful wages and benefits ([Newage Bangladesh](#)).

**Digital Payments:** Months after Bangladesh's garment industry embraced digital wages for workers at the height of the coronavirus pandemic's first wave, factories are backsliding to cash payouts, a new



study has found ([Sourcing Journal](#)). The Garment Worker Diaries analysis of December 2020, published in January 2021, saw evidence that transition to digital wages in factories are possibly leveling off, with 56% of salary payments were digital in December compared to 54% in November. Data over the next few months will be telling ([Garment Worker Diaries](#)).

**Agricultural Economy:** Bangladesh's cotton import grew by about 9% despite the ongoing pandemic ([The Daily Star](#)). Local cotton production is likely to increase this year thanks to rising acreage and expansion of cultivation of hybrid varieties ([The Daily Star](#)). Export of frozen shrimps from Khulna to Europe declined drastically in 2020 due to a fall in demand in key seafood consuming countries in the wake of Covid-19. Experts advocate a stimulus package for the ailing frozen seafood sector ([Dhaka Tribune](#)). The founder of North End Coffee Roasters Coffee believes coffee grown in three districts of Chittagong Hill Tracts, Bandarban, Khagrachhari and Rangamati, can be competitive with those from central and South America. North End as well as some NGOs have brought in trainers to teach farmers about the discipline of harvesting and processing coffee beans. 400 farmers are involved in coffee farming in the area, but the government will need to further invest to ensure the small farmers can afford equipment and machines ([Dhaka Tribune](#)). Tea production in Bangladesh dropped 10% year-on-year in 2020 because of adverse weather. However, the production exceeded the target and is enough to meet the annual domestic consumption, which declined 10 to 15% for the Covid-19 lockdown ([The Daily Star](#)).

**Financial Assistance:** The central bank has once again extended the deadline for banks to disburse stimulus funds to small and medium enterprises. The deadline has been extended by three months. In the meantime, many SMEs across the country continue to struggle amidst the COVID-19 pandemic ([The Daily Star](#)). As the deadline to repay the government's stimulus funds nears, garment exporters urge for "more time", as factories are currently receiving little to no work orders. Businesses that have received the government stimulus have a six-month grace period and a 24-month repayment term. Manufacturers explain that, when they took out the loans from the stimulus package, they believed that the situation would have improved by now. BGMEA has requested to extend the grace period to one year and the repayment term to 36 months ([Dhaka Tribune](#)).

BGMEA also called for a new government stimulus package to pay workers' wages for four more months starting from January 2021 at 2% service charge with a payback period of 60 months and a moratorium of 12 months. Per the BGMEA, 317 of its 2282 member-factories have closed amidst the pandemic ([Newage Bangladesh](#)). The government of Bangladesh has approved two new stimulus packages for immediate implementation ([The Daily Star](#)). Around 10,000 garment workers have so far been listed as beneficiaries for the EU and Germany's fund, from which each worker should receive Tk 3000 per month (US\$35) for three months. Transfers are processed through G2P, on the beneficiaries' bank or mobile accounts ([The Daily Star](#), [The Dhaka Tribune](#)).

**Worker Unrest:** Garment workers are continuing to protest loss of jobs, forced resignations, and workplace harassment. Media captured demonstrations from at least four different factories affecting at least 1500 or more workers. Workers of Bata Shoe Company's Dhamrai manufacturing report having been forced to resign in September 2020. Workers from Radisson Fashion Ltd, a garment factory in Tongi which produces for Lidl, protested against the harassment of workers by their line

chief and management decided to close the factory indefinitely ([Daily Star](#), [Dhaka Tribune](#)). Garments Trade Union Centre (GTUC) staged a demonstration in front of the Narayanganj Press Club against a recent police attack on garment workers who were peacefully demanding their dues. During the protest, the union and workers also demanded that Kwun Tong Apparels Ltd to be reopened and that all workers be paid their dues. In one of the peaceful protests workers organized, they were met by police who injured at least 20 workers ([Newage Bangladesh](#)). Hundreds of workers from A-One factory, abruptly closed in April, protested in demand of their due arrears. At least 1100 workers are owed arrears of one year's salary and allowance ([CCC Network](#)).

**Health & Safety:** Microfinance Opportunities (MFO) and South Asian Network on Economic Modeling (SANEM) published the results of a survey on health and safety measures implemented in Bangladesh's garment factories amidst the COVID-19 pandemic. The survey is based on the answers of 1287 garment workers and has now been conducted twice, with the first round being conducted in May. Seven months later, MFO and SANEM surveyed the same workers to see what changed since then. The data shows that factories have been "letting their guards down", as rates of precaution decreased in almost in all health and safety categories compared to May ([Worker Diaries](#)). The BGMEA is being criticized for requesting 10,000 priority COVID-19 vaccinations for factory owners and their families - but none for their 4.1 million workers ([Ecotextile](#)). According to the president of the Bangladesh Garment Industry Workers Federation (BGIWF), many workers are suffering from physical and mental health issues due to the additional pressure of work at factories amidst the pandemic. He reports that while the government provided health guidelines for garment factories, many failed to comply ([Newage Bangladesh](#)). About 43% of female garment workers in Bangladesh report not having enough food and are now suffering from malnutrition; CARE reports that 97% of garment workers in Bangladesh and Cambodia had to cut food consumption ([Dhaka Tribune](#), [Care International](#)).

## India

Population (2019): 1,366.4M<sup>30</sup>

Employment in agriculture (2018): 156.2M<sup>33</sup>

Labor Force (2020): 501M<sup>31</sup>

Employment in garment (2018): 12.9M<sup>34</sup>

Labor Force, % Female (2020): 19.9%<sup>32</sup>

Total Informal Employment (2018): 319.6M<sup>35</sup>

**Garment Economy:** The garment industry is one of the worst affected sectors amidst Covid-19. Most companies in this sector in India are small and medium enterprises, which have small financial margins. The Clothing Manufacturers Association of India is calling for solid support from the government to survive, providing recommendations that include benefits and tax reliefs for the 2021 Budget ([India Retailing](#)). After an increase in purchases by domestic buyers, the textile industry in Gujarat is now witnessing encouraging export demand from key consumer countries ([Financial](#)

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<sup>30</sup> World Bank Open Data, India. [data.worldbank.org](https://data.worldbank.org)

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

<sup>34</sup> Government of India, Ministry of Textiles. "Annual Report 2017-2018"

<sup>35</sup> ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

[Express](#)). According to the Nikkei Manufacturing Purchasing Managers' Index, India's factory sector registered rising demand in December. However, manufacturers continued to cut jobs ([The Daily Star](#)).

**Labor Rights:** India's Supreme Court has suspended three agriculture laws that have provoked farmers to stage a mass protest against Prime Minister Modi and block roads leading to the capital ([Financial Times](#)). The collective action of workers from Euro Clothing Company-2 (ECC-2), a unit of Gokaldas Exports in Srirangapatna, finally resulted in workers being paid their compensation after the factory abruptly closed in June and laid-off all workers ([Feminism India](#)). Workers from Natchi Apparels report that the factory is not paying the minimum wage for some categories of workers, has forced workers to do unpaid overtime and forced some to resign before the payment of yearly bonus ([Asia Floor Alliance](#)).

**Worker Unrest:** Now going on three months, farmers have continued protesting the agricultural laws introduced last fall. Protestors have made it clear that their demands will only be met with a law repeal. On January 19, tens of thousands of farmers drove to New Delhi in tractors to protest; a protest that violently escalated on both sides ([New York Times](#)).

**Agricultural Economy:** Farmers say that slow procurement by the Cotton Corporation of India has driven many of them to middlemen and settle for prices much lower than the minimum support price ([Times of India](#)). In a coffee industry that is male dominated in business ownership, a feature on five women entrepreneurs highlights their coffee businesses and determination for equitable business practices. The three coffee businesses mentioned are: Halli Berri, Classic Coffees, and Sangameshwar Coffee Estate ([Makers India](#)).

**Financial Assistance:** Coffee farmer organizations welcomed budgetary provisions for supporting coffee farmers that are dealing with lower prices and higher costs in Wayanad district, a major Robusta coffee growing area in the country ([The Hindu](#)).

## Indonesia

**Population (2019):** 270.6M<sup>36</sup>

**Employment in Agriculture (2018):** 37.2M<sup>39</sup>

**Labor Force (2020):** 136.7M<sup>37</sup>

**Employment in Garment (2016):** 2.24M<sup>40</sup>

**Labor Force, % Female (2020):** 39.3%<sup>38</sup>

**Total Informal Employment (2019):** 104.6M<sup>41</sup>

**Labor Rights:** A report by Global Witness has found that more than 100 Indonesian palm oil mills supplying agribusiness giants ADM and Bunge have been accused of land and human rights violations and environmental destruction. Global Witness found that neither company is addressing the majority

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<sup>36</sup> World Bank Open Data, Indonesia. [data.worldbank.org](https://data.worldbank.org)

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

<sup>39</sup> ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

<sup>40</sup> 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](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_581466.pdf)

<sup>41</sup> ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

of these allegations through their formal grievance processes, and effectively passing on this “conflict” palm oil to major consumer brands such as Nestlé, Unilever and PepsiCo. ADM and Bunge have denied any failure to police their suppliers, but have also pledged to look into the allegations ([Mongabay](#)). A recent investigation that exposed widespread human rights abuses revealed that a large number of children in Indonesia and Malaysia are being kept out of school, forced to work for free or little pay, and are often exposed to dangerous chemicals to make palm oil. In response to this investigation, the US says it will ban all shipments of palm oil from two of the world’s biggest plantations ([KALW](#)). A report written by The Coffee Barometer, a group of non-governmental organizations, notes that companies are not doing enough to support smallholder farmer coffee production to reach social and environmental sustainability. There is little evidence that efforts by the world’s top coffee roasters and traders to prevent human rights and environmental abuses are having any impact, with most farmers operating at a loss and unable to produce sustainably. With the European Union likely to consider legislation this year that prevents the import of commodities linked to deforestation and human rights abuses, coffee roasters and traders are under pressure to address their business practices ([The Jakarta Post](#)).

**Garment Economy:** The Indonesian manufacturing sector is expected to see a moderate improvement in 2021. Indonesia’s Manufacturing Purchasing Managers’ Index (PMI), a compilation of responses from a monthly survey of 400 manufacturers, rose to 51.3 in December from 50.6 in November. A reading above 50 reflects an expansion from the previous month. This is the greatest jump in the last 10 months. While manufacturers hopes remain high on returning orders, rises in Covid-19 cases in Indonesia threaten its domestic market ([The Jakarta Post](#)). Media reports that small and medium enterprises (SMEs) in Indonesia expressed pessimism about their business prospects in 2021 in a new survey, as the economic slowdown related to the COVID-19 pandemic continues to impact their operations. The survey found that over 60% of the SMEs interviewed expected their business to decline this year ([The Jakarta Post](#)). Due to surging Covid-19 case rates, the Indonesian government reintroduced in mid-January public activity restrictions in Java and Bali until early February; manufacturing remains exempted from those regulations ([Better Work](#)).

**Agricultural Economy:** Indonesian agricultural exports grew 15.8% in 2020 compared to the year earlier ([Reuters](#)). Indonesian Maritime Affairs and Fisheries (KKP) Minister seeks to turn the country into the world’s largest vannamei shrimp producer by pushing production to 16 million tons annually from the current figure of below one million tons ([Vietnam +](#)). Indonesia is the fourth largest global coffee producer after Brazil, Viet Nam, and Colombia. However, Indonesia’s market share is far lower than the top three, having only 7% of global market share due to low productivity ([The Jakarta Post](#)).

## Pakistan

Population (2019): 216.6M<sup>42</sup>

Employment in agriculture (2018): 22.4M<sup>45</sup>

Labor Force (2020): 75.9M<sup>43</sup>

Employment in garment (2015): 2.27M<sup>46</sup>

Labor Force, % Female (2020): 20.5%<sup>44</sup>

Total Informal Employment (2018): 48.9M<sup>47</sup>

**Agricultural Economy:** The Pakistan Agricultural Research Council (PARC) told the Parliamentary Committee on the China-Pakistan Economic Corridor that it aims to change Pakistan from a cotton importing country to a cotton exporting country, and save foreign exchange of \$1.5 billion ([Business Recorder](#)). Textile exporters demanded the government to abolish customs duty on the import of cotton yarn to support the industry and ensure timely completion of export orders ([Pakistan Today](#)).

**Garment Economy:** Pakistan's textile industry has boomed over the last few months—with textile exports recovered from the initial losses of the Covid-19 pandemic. Data published by the Pakistan Bureau of Statistics shows that textile shipments have surged by 3.8% to \$4.8 billion between July and October from \$4.6 billion a year ago. December 2020 saw numbers hit over \$2.3 billion, the highest ever for December ([The Nation](#)). The government will unveil an ambitious Textile and Apparel Policy 2020-25 that includes cash subsidies and lower rates on utilities worth Rs960 billion (USD \$ 6 billion) to boost production and exports of value-added textile products. The proposed policy, which will be the third such policy, estimates three scenarios that the measures will lift the textile and clothing exports to a minimum of \$15.7bn and a maximum of \$20.8bn by end of 2025 ([Business Recorder](#)).

**Agricultural Reform:** Excluded from water management for years despite being a major part of the agricultural workforce in Sindh, women farmers have been granted a role in water governance after the passage of a new amendment ([Eco-Business](#)).

**Worker Unrest:** A large number of textile and garment workers staged a protest rally, organized by the National Trade Union Federation (NTUF), against the violation of labor laws in Sindh. During the protest, workers and unionists expressed that garment workers in Sindh were being repeatedly denied their due rights. Workers are paid very low wages in factories that NTUF's general secretary Nasir Mansoor described as "virtual sweatshops." Also at the protest, the general secretary of the Home-Based Women Workers Federation Pakistan (HBWWF), called out H&M, saying that while the brand had promised to give living expenses to their workers, workers in their supply chain were not even being paid the minimum wage and have been doing 150 to 200 hours of unpaid forced overtime per month. Workers also expressed that the sexual harassment of female workers was increasing across garment factories in Pakistan, as there are no vigilance committees ([Dawn](#)).

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<sup>42</sup> World Bank Open Data, Pakistan. [data.worldbank.org](https://data.worldbank.org)

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> ILOSTAT – Employment by sex and economic activity (thousands) from Labor Force Surveys and Household Surveys. <https://ilostat.ilo.org/data/>

<sup>46</sup> 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](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_581466.pdf)

<sup>47</sup> ILOSTAT – Informal employment by sex and economic activity (thousands) from Labor Force Surveys. <https://ilostat.ilo.org/data/>

## Additional Recommended Reading

1. Business Daily Africa, "[Will online auctions quell storms brewing in tea, coffee sectors?](#)" Jan 27, 2021. Web.
2. Fahim Subhan Chowdhury, ASM Shamim Alam Shibly, Dr Khondaker Golam Moazzem, "[Vulnerability, Resilience and Recovery in the RMG Sector in view of COVID Pandemic: Findings from the Enterprise Survey](#)," Mapped in Bangladesh, Centre on Policy Development. Jan 23, 2021. PDF.
3. Alt Law Forum, "[Losing Work In The Pandemic: Why Women Workers In Karnataka Protested For 50 Days](#)," Feminism in India. Jan 20, 2021. Web.
4. Rose Aguilar, Malihe Razazan, "[One Planet: US Bans Two Palm Oil Giants After AP Investigations Tie Exploitation To Top Brands](#)," Jan 10, 2021. 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](mailto: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: ILO 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