Textile Trade Flow and Employment Baseline Analysis

• Bangladesh •

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Part of the research series:
Exploring the impact of EU textile policies on partner trading countries

CIRCLE ECONOMY

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Glossary

Jhut: Post-industrial waste from textile production processes encompassing fabric scraps, yarn and additional residues.[1]

Ready-made garment (RMG) sector: The apparel production segment of textiles value chains. Production locations are typically based on procurement requirements—significantly, the cost of manufacturing—as well as quality, capacity, and possible risk involved.[2]

Small and Medium Enterprises (SMEs) and MSMEs (Micro, Small and Medium Enterprises): Business entities engaged in economic activities (irrespective of legal form) defined based on number of employees and turnover.

Corporate Sustainability Due Diligence Directive: The EU Directive, in force since the 25th of July 2024, that establishes the duty for corporate due diligence. The Directive requires actors to identify and address both actual and potential human rights and environmental issues within their value chains.

EU Strategy for Sustainable and Circular Textiles: The overarching EU strategy for the textile industry (adopted in March 2022) aligning with and implementing broader goals of the industrial strategy under the EU Green Deal and the Circular Economy Action Plans.

Ecodesign for Sustainable Products Regulation: In force since the 18th of July 2024, the ESPR establishes a framework for setting ecodesign requirements for product groups.

Textile waste: Although there is no universally recognised definition of textile waste, for the purposes of this research series, it will refer broadly to textile items discarded by their holders, regardless of their potential for reuse, recycling, or disposal, as defined by the EU Waste Framework Directive. While legal definitions provide clarity, textile waste is subjective and not a fixed category, as perceptions of what constitutes waste vary.

[1] German Cooperation Deutsche Zusammenarbeit, GIZ, & H&M Group. (2024). *Study for a regulatory framework to enable recycling of post-industrial waste (Jhut) for the RMG industry in Bangladesh*. Dhaka: German Federal Ministry for Economic Cooperation and Development. Retrieved from: Asia Garment Hub website

[2] Megersa, K. (2019). *Structure of the global ready-made garment sector. Knowledge , evidence and learning for development (K4D)*. Retrieved from: UK Government website

Executive summary

The EU is a critical market for Bangladesh's Ready-Made Garments (RMG) exports. As the world's second-largest exporter of apparel, Bangladesh relies heavily on exports to the European Union (EU), which is the largest global importer of textiles and apparel. The growth of Bangladesh's export-oriented RMG industry has been central to the country's economic development, but it also presents significant environmental and social challenges. The industry significantly contributes to greenhouse gas (GHG) emissions and drives a substantial waste and water footprint—with pollution of the country's precious water resources especially threatening human health. Social impacts are rife, with low wages, poor working conditions and other labour rights abuses ubiquitous.

At the same time, new EU legislation is heralding changing tides: increasingly stringent European Environmental, Social, and Governance (ESG) standards, driven by the Corporate Sustainability Due Diligence Directive and Ecodesign for Sustainable Products Regulation, for example, signal that sustainable practices will be essential to maintain access to the EU market. The shift towards sustainability is seen as both inevitable and necessary by industry stakeholders. To this end, this section of the report aims to shed light on the trade and employment dynamics at play in Bangladesh as a key upstream trading partner to the EU, to better understand the context within which these changes will take place.

The trade relationship between Bangladesh and the EU is growing. Bangladesh exported $23.09 billion worth of garments to the EU in 2022, making it the second-largest supplier after China. Between 2018 and 2022, there was a notable increase in both the value and volume of textile exports. Following a dip due to the covid-19 pandemic, the industry saw a remarkable 27% surge in exports during 2022, signalling strong recovery and growing demand. Germany, Spain, France, the Netherlands, and Italy are Bangladesh's top European trade partners. While Germany leads in both value and volume of imports, other countries, such as Sweden and Denmark, import higher-value garments, indicating a potential shift towards higher-quality products.

Employment in the textile sector is substantial but comes with significant challenges. Bangladesh's textile industry formally employs 4.6 million people, with over 70% of the workforce under 29 years old. The majority of these workers are involved in garment manufacturing, dominated by wearing apparel, with a smaller share employed in retail and other value chain activities. Women make up a significant portion of the workforce, estimated to be between 58% and 80%, although they remain underrepresented in leadership positions and earn considerably lower wages than their male counterparts. Only 9% of managerial roles are occupied by women, and education levels among female workers are generally lower. The informal nature of Bangladesh's economy means that many of these figures are not wholly representative: although it's difficult to estimate the number of informal textile workers in the country as much of 85% of the Bangladesh economy is informal on the whole. This significant portion of the workforce may face even greater challenges than those in the formal sector, though it remains under-examined in this analysis.

Poor labour conditions persist, although improvements have been made in the wake of the Rana Plaza collapse. Wages in the Bangladeshi RMG sector are among the lowest globally, averaging around $114 per month. Low wages, pressure from international brands to minimise costs, and poor working conditions have contributed to several tragedies, including the Rana Plaza collapse. Wage theft has also been a recurring issue, with a reported 27% wage theft in 2020. Occupational health and safety concerns are also widespread, with 1,346 fatalities and 3,888 injuries recorded between 2010 and 2016, highlighting the need for stricter safety protocols. However, a number of government bodies, international institutions, public-private partnerships and NGOs are playing a part in reshaping the employment landscape to improve working conditions.

Introduction

The European Union (EU) is the world's largest importer of apparel and textiles[3] and Bangladesh is the second-highest exporter of these goods to the region.[4] Export-led Ready Made Garments (RMGs) manufacturing has been key to industrial development and economic growth in Bangladesh,[5] Many RMG industrial operations are clustered in Dhaka, Narayanganj, Gazipur, and Chattogram.[6] Around 6,000 businesses operate in this space, while RMGs comprise around 85% of Bangladesh's exports, generating US$47 billion in 2022.[7] Meanwhile, the fashion industry is the 6th most polluting in the world,[8] accounting for around 4% of global greenhouse gas (GHG) emissions.[9] Along the value chain, upstream manufacturing and material preparation activities—the predominant textiles activities taking place in Bangladesh—are estimated to be responsible for around 33% of these emissions, as well as contributing to a substantial water and waste footprint.[10] For example, Bangladesh's textile industry generates an estimated 217 million cubic metres of wastewater that contains toxic chemicals, dyes and heavy metals, causing severe water pollution and ecological damage.[11] This is especially concerning in light of the fact that only a little over half of Bangladesh's population has access to safely managed water sources.[12] Fabric dyeing is also a chemically-intensive industry with more than 8000 chemicals used throughout the process, many of which include toxic substances including carcinogenic and hormone-disrupting chemicals that never break down and accumulate in the environment (known as per-and polyfluoroalkyl substances—PFAS).[13]

The RMG sector in Bangladesh is often seen as a development success story in terms of its creation of employment opportunities for women.[14] At the same time, however, the sector is linked to a number of labour rights issues typical of fragmented global value chains where power

[3] WTO. (2022). *World trade statistical review report 2022*. WTO. Retrieved from WTO website

[4] Uddin, J. (2023). Bangladesh's share in the EU apparel market jumps to 22.20%. *The Business Standard*. Retrieved from: Business Standard website

[5] Islam, S. (2020). Ready-made garments exports earning and its contribution to economic growth in Bangladesh. *GeoJournal, 86*, 1301-1309. Retrieved from: Springer

[6] Karim, A. (2022). Status of decent work for women in the informal RMG sector of Bangladesh. *Research Square*. doi:10.21203/rs.3.rs-1584411/v1

[7] BGMEA. (n.d.) Export performance. Retrieved from: BGMEA website

[8] Howell, B. (2023, 15 February). Top 7 most polluting industries. *The Eco-Experts*. Retrieved from: The Eco-Experts website

[9] McKinsey & Global Fashion Agenda. (2020). *Fashion on climate*. McKinsey. Retrieved from: McKinsey website

[10] McKinsey & Global Fashion Agenda. (2020). *Fashion on climate*. McKinsey. Retrieved from: McKinsey website

[11] Sakamoto, M., Ahmed, T., Begum, S., & Huq, H. (2019). Water pollution and the textile industry in Bangladesh: Flawed corporate practices or restrictive opportunities?. *Sustainability, 11*(7), 1951. doi:10.3390/su11071951

[12] World Bank. (2018). Bangladesh: Reducing Poverty and Sharing Prosperity. World Bank. Retrieved from: World Bank website

[13] Circle Economy. (forthcoming, 2024). SWITCH to circular value chains Bangladesh.

[14] The World Bank. (2017, February 7). In Bangladesh, empowering and employing women in the garments sector. *The World Bank.* Retrieved from: World Bank website

and socioeconomic burdens are not equally distributed among and within foreign destination countries and production countries.[15] [16]

The primary aim of this section of the report is to improve our understanding of the current state of the textiles value chain in Bangladesh, as a key upstream trading partner to the EU. First, we present a trade flow analysis (2.1.1) which contextualises the governance landscape for EU-Bangladesh trade, highlighting trade agreements, key partner countries, prominent trade flows and emerging trends. Second, a baseline employment analysis (2.1.2) examines the labour market across the seven stages of the textiles value chain (detailed in Appendix A). It describes the nature, gender composition and conditions of textiles jobs, and the workers' representation. Finally, this section of the report explores the relevance of the informal sector in the local context.

[15] Coneybeer, J. & Maguire, R. (2022). Evading responsibility: A structural critique of living wage initiatives and methodologies. *International Journal for Crime, Justice and Social Democracy, 11*(2), 15-20. doi:10.5204/ijcjsd.2406

[16] Anner, M. (2020) Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective. Review of International Political Economy. Retrieved from: Taylor and Francis .

2.1.1 Trade flow analysis

International trade agreements and relevant governance levels

Bangladesh is a designated Least Developed Country by the UN, meaning that under the EU's Generalised Scheme of Preferences it is granted duty-free, quota-free access to the EU for exports of all products (excluding arms under the Everything But Arms arrangement).[17] Bangladesh will lose this preferential access to EU markets once it moves into the Lower-Middle income category, which is anticipated to happen in 2026. It is also expected that the future of Bangladesh's export-oriented RMG industry will be reliant on bringing practices in line with European Environmental, Social, & Governance (ESG) standards, including those on due diligence, as decided under the Corporate Sustainability Due Diligence Directive law, Ecodesign for Sustainable Products Regulation and other strategies under the EU *Strategy for Circular and Sustainable Textiles*.[18] [19] Industry actors, therefore, are increasingly seeing a shift towards sustainability as inevitable and necessary to ensure continued trade with the EU in light of new regulations and shifting consumer preferences.[20] [21]

The Sustainability Compact for Bangladesh, a broad multi-stakeholder initiative, also influences trade between Bangladesh and the EU. The initiative was founded in response to the 2013 Rana Plaza disaster, where a Dhaka garment factory building collapsed due to negligence—causing the death of 1,134 and injuring more than 2,000 workers.[22] A number of correction measures have been initiated by the sector after the accident. The significant attention received from global actors in the wake of Rana Plaza led to an intensification of global efforts to improve garment workers' health and safety. The Sustainability Compact convenes the Government of Bangladesh, the EU, the US, Canada and the International Labour Organization (ILO) to achieve three key pillars for trade: respect for labour rights, the structural integrity of buildings and occupational health and safety, and responsible business conduct.[23]

A series of measures were taken to sustain export activities for the RMG industries amid challenges posed by the covid-19 pandemic. Textile manufacturing suffered multifaceted

[17] European Commission. (n.d.). Bangladesh: EU trade relations with Bangladesh. Facts, figures and latest developments. Retrieved from: EC.

[18] Bangladesh Textiles Journal (2022). ESG compliance to play vital role in RMG exports to the EU. Retrieved from: BTJ.

[19] Council of the European Union (2023). Corporate sustainability due diligence: Council and Parliament strike deal to protect environment and human rights. Retrieved from: Council of the EU press releases

[20] FCG Swedish Development AB. (2021). Facilitating the identification of Entry Points for Sida in the Textile & RMG sector in Bangladesh. Retrieved from: SIDA, 2021; H&M Group. (2022).

[21] H&M (2022). Accelerating the development of the textile recycling sector in Bangladesh. Retrieved from: H&M policy brief.

[22] Prentice, R. (2021). Labour Rights from Labour Wrongs? Transnational Compensation and the Spatial Politics of Labour Rights after Bangladesh's Rana Plaza Garment Factory Collapse. Antipode. Retrieved from: Wiley.

[23] International Labour Organisation. (n.d.) The Sustainability Compact for the Bangladesh Ready-Made Garment Sector. ILO and the European Commission. Retrieved from: ILO.

demand and supply shocks in the early stages of the pandemic, with output sharply declining from January 2020 to May 2020. In response, an additional facility was provided for RMG SMEs through export-oriented SMEs FE Circular No. 35/2020, which offered a cash subsidy on local value-addition (subject to addition of minimum 30% local value). The government also allocated a fund of ৳15 billion to assist unemployed and distressed workers in the RMG, leather goods and footwear industries. Recovery was fairly rapid, with the textile industry climbing back up from June 2020. The distress period for wearing apparel was even shorter: the three months between February and April 2020.[24] Certain subsidies and cash incentives were put in place throughout the 2023 fiscal year to stimulate exports. However, the Export Development Fund that had increased the loan limit from US$25 million to US$30 million for mills that are members of the Bangladesh Textile Mills Association and Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have revised down the loan limit to US$15 to 20 million and reduced the overall Export Development Fund size to mitigate concerns related to foreign reserves of the country.[25]

Value, volume and nature of textiles export trade between Bangladesh and the EU

After China, Bangladesh is the second largest exporter of ready made apparel, both globally and to the EU. Imports from Bangladesh accounted for about 11.5% of the total import value of apparel to the EU in 2022, while the overall value of the European apparel import market was valued at US€191.4 billion in 2022 (up from US€138 billion in 2017).[26] Between 2017 and 2022, Bangladesh increased its market share of the EU apparel market by as much as 2%, compared to top exporter China, the market share of which declined by 1.6%.[27]

[24] Bangladesh Bank, Financial Stability Department. (2021). Special Publication on Covid 19: Bangladesh Bank and Government's Policy Responses. Retrieved from: Bangladesh Bank website.
[25] Foreign Exchange Policy Department Bangladesh Bank. (2023). Ceiling against borrowing from Export Development Fund. Retrieved from: EDF Circular No. 06
[26] CBI Ministry of Foreign Affairs. (2023). What is the demand for apparel on the European market? CBI. Retrieved from: CBI.
[27] CBI Ministry of Foreign Affairs. (2023). What is the demand for apparel on the European market? CBI. Retrieved from: CBI.

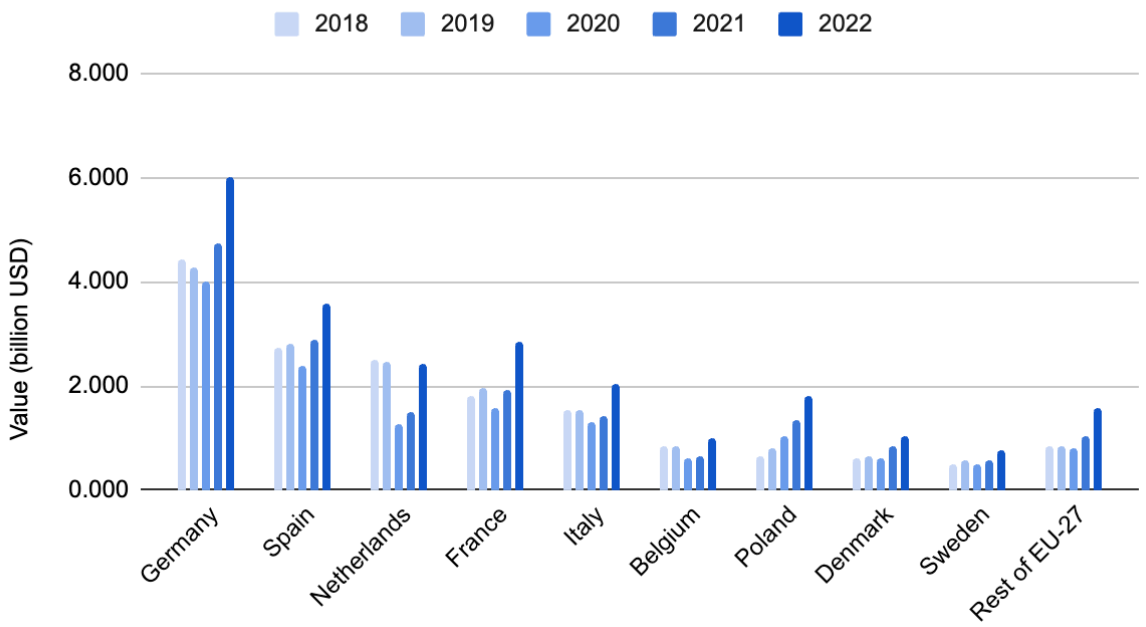


Figure one illustrates the monetary value (in US dollars) of Bangladesh RMG exports to the EU between 2018 and 2022, by destination country. Adapted from the EU Comext database, 2023.

As shown in Table one, the worth of the apparel trade value in 2022 was estimated at US$23.09 billion. The apparel trade here reflects the flow under HS commodity codes 61 (articles of apparel and clothing accessories, knitted or crocheted) and 62 (articles of apparel and clothing accessories, not knitted or crocheted), including all subcodes under these categories.

Table one Lists Bangladesh RMG exports to the EU-27 in 2022, by product category**.** Adapted from the EU Comext database, 2023.

#	Product group	HS code	Value (billion US$)	Quantity (thousand tonnes)	Value per quantity (US$/tonne)
1	Coats	6101, 6102, 6201, 6202	1.32	66	20,000
2	Dress and Suit Apparel*	6103, 6104, 6203, 6204	7.94	477	16,645.70
3	Shirts and blouses	6105, 6106, 6205, 6206	2.05	102	20,098.04
4	Under- & loungewear	6107, 6108, 6207, 6208	1.26	65	19,384.62
5	T-shirts	6109	4.54	306	14,836.60
6	Pullovers	6110	3.94	231	17,056.28
7	Baby garments	6111	0.79	35	22,571.43
-	Other garments**	6112-6117, 6210-6217	1.25	53	23,584.91
	Total	**61-62**	**23.09**	**1335**	**Mean total:** 17,295.88

* 'Dress and Suit Apparel' includes a range of clothing items including suits, dresses, jackets, blazers, and trousers, suitable for both genders and across different fabric types (knitted/crocheted and non-knitted/non-crocheted).
**'Other garments' encompasses a wide range of clothing items and accessories, including both knitted/crocheted and non-knitted/crocheted garments, swimwear, track suits, hosiery, and various clothing accessories like shawls, scarves, ties, and gloves.

There is a notable variation in the value per tonne across different categories. While 'Other garments' have the highest value per tonne, indicating a higher price point, categories like 'T-shirts' have a lower value per tonne, suggesting they might be mass-market products, and possibly lower-priced items. The largest product groups in terms of value and volume are 'Dress and Suit Apparel'[28] (US$7.94 billion, 477,000 tonnes) and 'T-shirts' (US$4.54 billion, 306,000 tonnes). Together these product groups make up 54% of all total imported garments, indicating high demand. The highest 'Value per Quantity' in 2022 was for 'Other garments' (HS codes 6112-6117, 6210-6217), at US$23,584.91 per tonne. Additionally, the value to kilogram ratio has increased across all product categories. The product category with the highest growth rate is 'Baby Garments', which increased from US$19.69 per kilogram in 2018 to US$22.57 per kilogram in 2022. The export of such a diverse range of garments to the EU illustrates the versatility of Bangladesh's garment industry, suggesting that production encompasses a specialised and

[28] 'Dress and Suit Apparel' includes HS codes 6103, 6104, 6203, and 6204. This product grouping includes suits, dresses, jackets, blazers, and trousers, suitable for both genders and across different fabric types (knitted/crocheted and non-knitted/non-crocheted).

varied product range. Due to the broader nature of the 'Other Garments' category, the analysis focused on more defined categories to gain insight into consumer preferences and market shifts in the EU.

There is a clear increase across all product categories in terms of value and volumes between 2018 and 2022 (Figures three and four). Over this same period, the top product category import in terms of quantity and value was 'Dress and Suit Apparel'. Following a dip in exports in 2020 (aligning with covid-19), Bangladesh witnessed a remarkable 27% surge in garment exports in the January to October 2022 period (1.134 million tonnes in comparison to 893,000 tonnes in the preceding year.)[29]

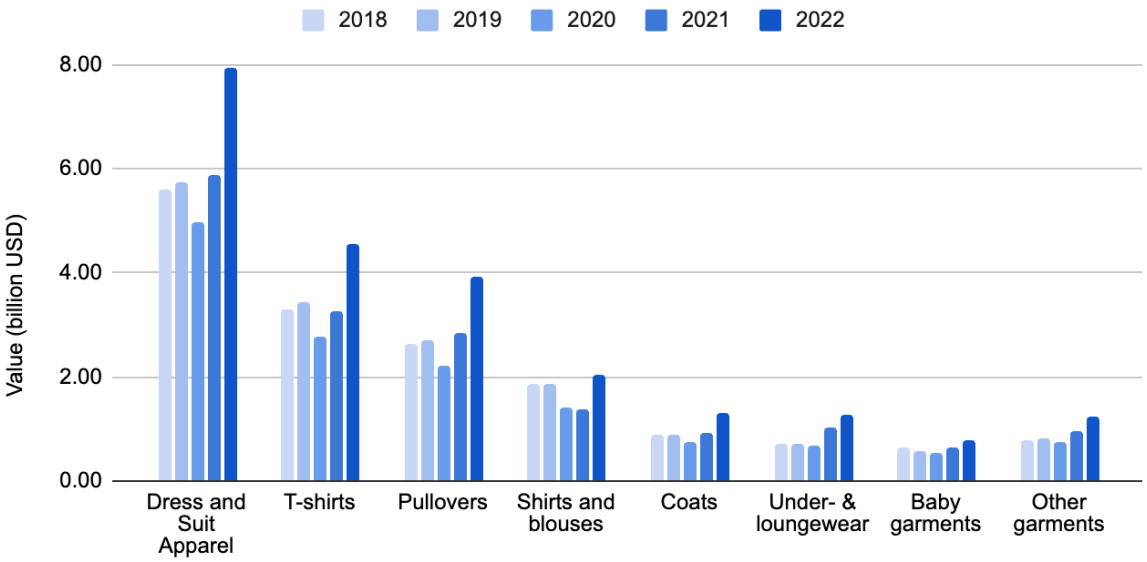


Figure three illustrates the monetary value (in US dollars) of Bangladesh RMG exports to the EU between 2018 and 2022, by product category. Adapted from the EU Comext database, 2023.

[29] Ulla Mirdha, R. (2023, January 19). Bangladesh retains 2nd place in RMG export to EU. *The Daily Star*. Retrieved from: newspaper.

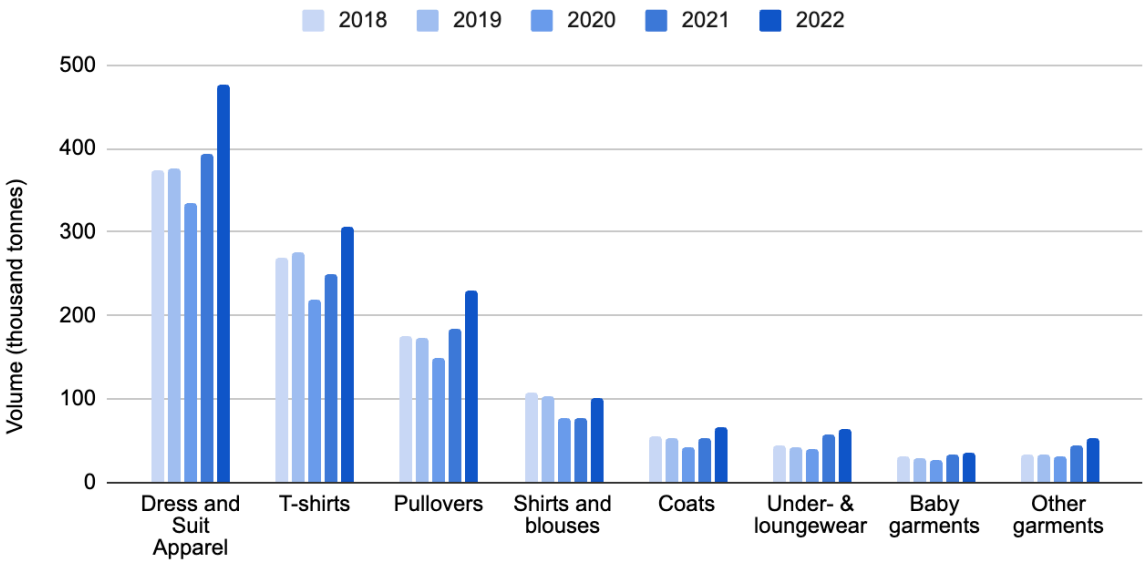


Figure four illustrates the volume of Bangladesh RMG exports to the EU between 2018 and 2022, by product category. Adapted from the EU Comext database, 2023.

Key trade partners

As shown in Figures one and five, the largest EU apparel importers (in value) from Bangladesh are 1) Germany, 2) Spain, 3) France, 4) the Netherlands and 5) Italy. Germany is the largest importer both in terms of value (US$6.02 billion) and volume (315,000 tonnes). In terms of quantity, Poland has become a top five importing country since 2021. The least importing 18 EU Member States combined would rank 6th in the list of largest EU trading partners; this suggests that imports are not evenly distributed, but strongly concentrated in a few countries. Additionally, many of these top importers play a key role in supply for intra-European trade; together, apparel imports to Germany, the Netherlands, Italy, Poland, Spain and Belgium account for as much as 36% of all intra-EU apparel trade.[30]

[30] CBI Ministry of Foreign Affairs. (2023, November 28). What is the demand for apparel on the European market? Retrieved from: CB.

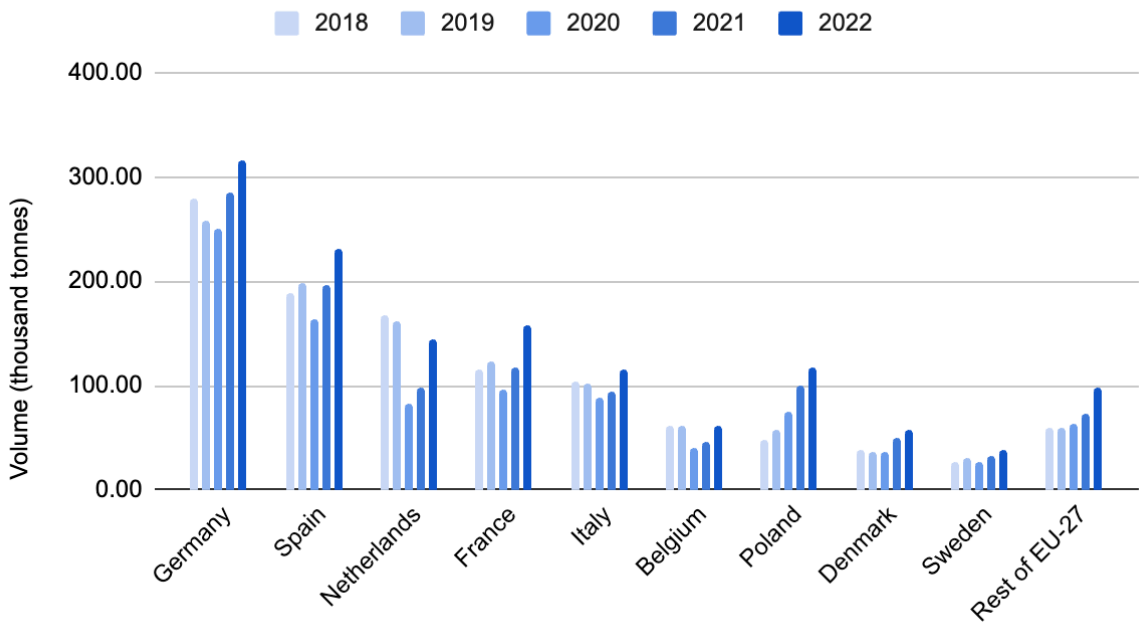


Figure five illustrates the volume of Bangladesh RMG exports to the EU between 2018 and 2022, by destination country. Adapted from the EU Comext database, 2023.

Countries such as Czechia, Ireland, Portugal, and Slovenia (Figure six)import smaller values overall, although these are noticeably increasing—especially in 2022. Slovenia, for instance, saw its import value jump to US$0.24 billion in 2022 (from US$0.03 billion in 2018).

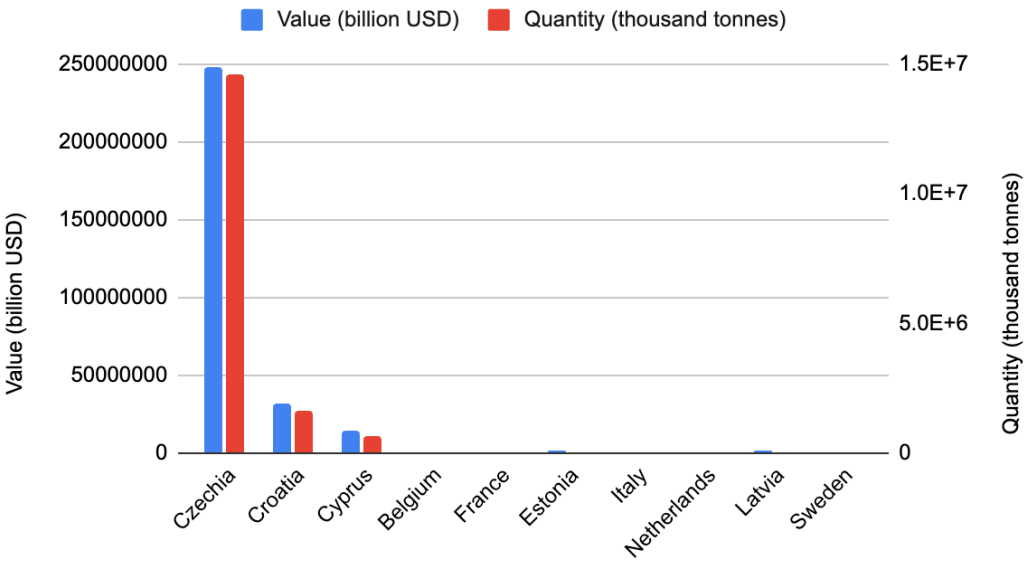


Figure six Illustrates the value and volume of Bangladesh RMG exports to the EU in 2022, by destination country. Adapted from the EU Comext database, 2023.

Countries like Sweden, Germany, and Denmark import at a higher value per tonne (Table two), suggesting that these markets may be importing higher-valued garments or garments of a more premium quality compared to other EU-27 countries. The variation in value per quantity across

these countries—compare Sweden, for example, at US$19,736.84 per tonne, to Poland at US$15,254.24 per tonne—indicates differing market preferences, consumer purchasing power and consumption patterns.

Bangladeshi exports to the EU have significantly increased between 2018 and 2022. Germany, Spain, Italy, Belgium, and the Netherlands show a substantial value increase per quantity, with Germany seeing a notable increase in 2022, indicating a growing preference for higher-value garments. It is also interesting to note that, although a smaller player in terms of absolute volumes, Estonia (listed as part of 'Rest of the EU-27' in the table below) has the highest value to quantity ratio at US$29.11 per kilogram. When looking more closely at the detailed ratio of value to quantity, the top importers by value to quantity ratio are not within the top ten overall players. Estonia, Latvia, Cyprus, Lithuania, and Malta are the importers with the highest value by quantity ratio. Germany falls far behind at US$19.09 per kilogram. While it is not possible to investigate these dynamics in further detail in this research, there are a variety of potential factors that could be at play, for example: it is possible that these countries mostly receive the lower-value garments from Bangladesh via other EU countries, there may be higher import costs due to low/no economies of scale, and it may be that the main brands sourcing from Bangladesh have less of a market presence in these countries.

Table two lists Bangladeshi garment export to the EU in 2022, by destination country**.** Adapted from the EU Comext database, 2023.

Destination	Value (billion US$)	Quantity (thousand tonnes)	Value per quantity (US$/tonne)
Germany	6.02	315	19,111.11
Spain	3.59	231	15,541.13
France	2.85	158	18,037.97
Netherlands	2.42	144	16,805.56
Italy	2.04	115	17,739.13
Poland	1.80	118	15,254.24
Denmark	1.04	57	18,245.61
Belgium	0.99	61	16,229.51
Sweden	0.75	38	19,736.84
Ireland	0.33	18	18,333.33
Rest of EU-27	1.26	80	15,750
Total	**23.09**	**1,335**	**Mean total: 17,295.88**

2.1.2 Employment baseline analysis

Labour market

Bangladesh's textile industry formally employs 4.6 million[31] people. This figure and all other numbers in this section unless otherwise referenced are drawn from ILO Employment data from 2017. To encompass all stages of the value chain (see Appendix A), our analysis of this data covers the following ISIC sectoral codes: 0116, 1311, 1312, 1313, 2030, 1391, 1399, 1410, 1430, 4641, 4751, 4782, 9601.

To broadly illustrate the composition of the workforce, it is estimated that over 70% of all RMG workers in Bangladesh are under 29 years old.[32] A 2017 survey of 188 garment export workers in the Dhaka region found that 64.89% of workers were aged between 22 and 30 years old.[33] These findings are reflected in another survey conducted in 2019, where the mean age of a larger sample of 1,500 workers was estimated at 26.5 years old.[34] The age group in the RMG workforce in Bangladesh is primarily influenced by the physically demanding nature of the work and the sector's reliance on minimal entry requirements, falling between skill level 1[35] (elementary occupations) and level 2[36] (plant and machine operators, and assemblers).T[37]

Types of employment in the value chain

As shown in Figure seven, the vast majority of employment is concentrated in garment manufacturing (73.6%). Wearing apparel dominates this share, with 2.8 million formal workers registered here (60.2%), followed by the manufacture of knitted and crocheted apparel with 453,600 workers (9.7%). The retail sale of textiles employs 394,500 workers (8.4% of the total workforce). The rest of the workforce is fairly evenly distributed across different activities of the value chain (Figure four). This distribution can also be understood through the lens of types of employer: in 2019, 4,621 export-oriented apparel factories were reported, in comparison to

[31] Employment Data for Bangladesh (ILO, 2017). Retrieved from ILO's database and covering the following ISIC sectoral codes: 0116, 1311, 1312, 1313, 2030, 1391, 1399, 1410, 1430, 4641, 4751, 4782, 9601.

[32] Matsuura, A. and Teng, C. (2020). Understanding the Gender Composition and Experience of Ready-Made Garment (RMG) Workers in Bangladesh. ILO and UN Women. Retrieved from: ILO.

[33] Anner, M. (2020). Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective. Review of International Political Economy. 27(2): 320-347. Retrieved from: Taylor & Francis.

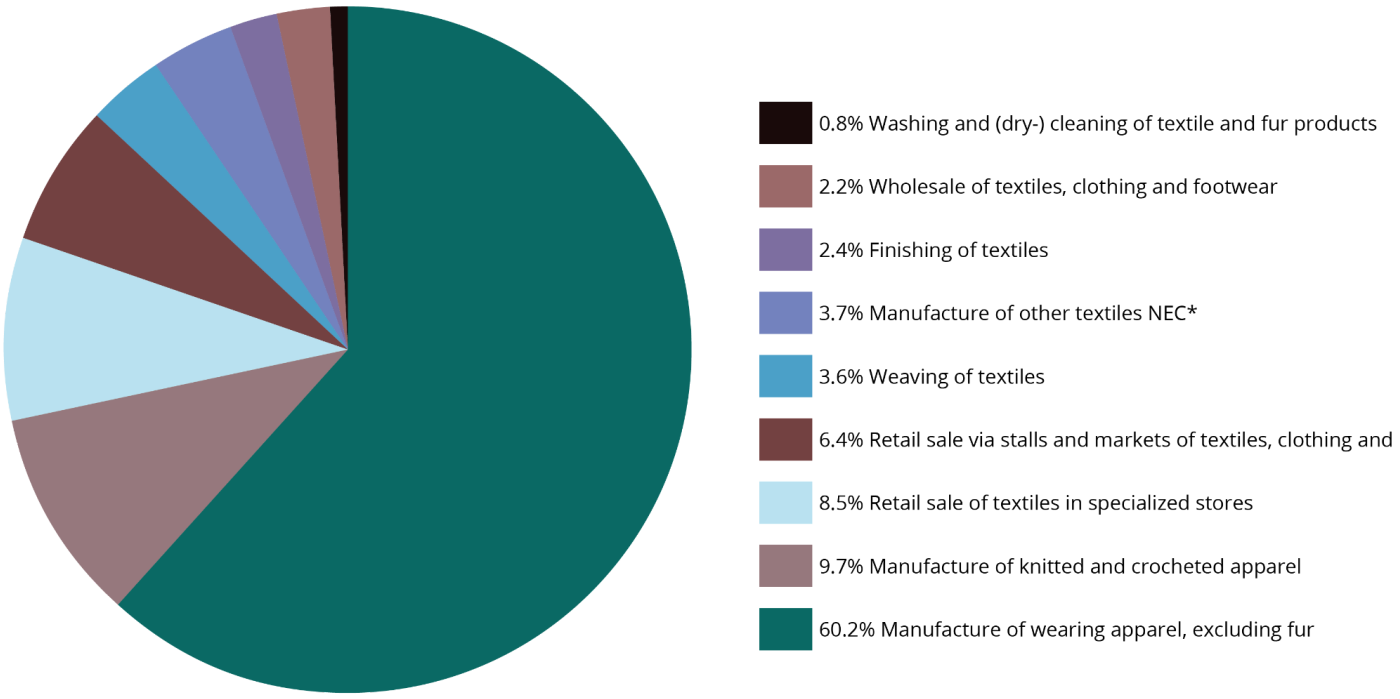
[34] Kabeer, N., Haq, L., and Sulaiman, M. (2019). Multi-stakeholder initiatives in Bangladesh after Rana Plaza: Global norms and workers' perspectives. London School of Economics, Department of International Development. Retrieved from: EconStor.

[35] ILO. (n.d.). International Standard Classification of Occupations (ISCO). Retrieved from: ILO website

[36] ILO. (n.d.). International Standard Classification of Occupations (ISCO). Retrieved from: ILO website

[37] Worker Diaries. (2023). Well-being of the RMG Workers in Bangladesh: Some Key Issues. Retrieved from Worker Diaries.

1,487 textile production companies, 432 spinning units, 809 weaving units, and 246 dyeing/printing/finishing units.[38]



*Not Elsewhere Classified

Figure seven illustrates the distribution of the textiles workforce in Bangladesh, by type of activity. Adapted from ILO 2017 data.

In Bangladesh, the geographical distribution (urban-rural) of textile and garment employment varies according to the different stages of the value chain. The initial upstream production phases, such as textiles weaving, are predominantly conducted by the textile cottage industry spread throughout the country's rural areas. Over 65% of workers in these upstream phases are employed in more rural areas. This is partly due to the nature of the work, which often involves more traditional skills and labour-intensive processes while requiring fewer investments.[39] In contrast, the manufacturing stages, particularly the manufacturing of apparel, tend to be more urban-centric, with about 60% of these workers employed in urban areas. This urban concentration is likely due to the proximity to larger markets and access to intermediary inputs,

[38] Khairul Akter, M. M., Haq, U. N., Islam, M. M., & Uddin, M. A. (2022). Textile-apparel manufacturing and material waste management in the circular economy: A conceptual model to achieve sustainable development goal (SDG) 12 for Bangladesh. Cleaner Environmental Systems. Retrieved from: Elsevier.
[39] Textile Focus. (2022). Handloom Industry-Bangladesh's largest Cottage Industry. Retrieved from: Textile Focus website

infrastructure, and transport network, which are essential for production and exports. There is a relatively more balanced geographical distribution of workers in the retail sector, with over half of workers employed in retail operating in rural areas. This rural-urban distinction has significant implications for workers in terms of wages, working opportunities and conditions, and labour rights. Rural workers often face different challenges compared to their urban counterparts. For instance, they may have limited access to formal employment opportunities and social protection schemes, lower wages, less exposure to labour rights awareness, and lesser bargaining power.[40]

Gender composition of the workforce

Globally, it's estimated that around 75% of apparel industry workers are women,[41] although this figure varies by region. In Asia, up to 75% of garment workers are women, with an estimated 42 million women garment workers.[42] For Bangladesh specifically, figures vary: some country-specific studies suggest that women constitute just 58% of the RMG labour force (see Table three),[43] while an ILO study found that women represented 61.17% of the RMG sector's workforce in 2018, and the BGMEA states that as many as 80% of those employed in the country are women.[44]

However, the gender distribution varies greatly across the different segments of the fashion and garment industry and activities. Women dominate in lower-paid production jobs in the production and manufacturing stages of the value chain. For example, ILO employment statistics also show that the manufacture of other textiles employs 132,700 female workers, which is more than three times the amount of male workers hired for this activity.

By contrast, knitting and cutting jobs are male-dominated, with 61.9% of knitting and 59.8% of cutting jobs performed by men. This may be because the knitwear industry offers better pay and involves more operation of heavy machinery.[45] [46] Other jobs that are more consistently male-dominated include dyeing (98%), washing (83%) and embroidery (99%). Generally, women's representation in managerial and leadership positions has not improved between 2010 and 2018, and accounts for 9% of the total workforce.[47]

[40] ILO. (2013) Bangladesh Country Report: Trade and employment. Retrieved from: ILO.
[41] Suarez-Visbal, L.J., Carreón, J.R., Corona, B. et al. The Social Impacts of Circular Strategies in the Apparel Value Chain; a Comparative Study Between Three Countries. Circ.Econ.Sust. (2022). Retrieved from: Springer.
[42] ILO. (2023). How to achieve gender equality in global garment supply chains. Retrieved from: ILO website.
[43] Shajahan, S., Islam, M. F., Choudhury, A., Ahmad, F., & Chowdhury, F. S. (2021). The Ready Made Garments (RMG) workers' gender ratio in Bangladesh: the case of Mapped in Bangladesh (MiB). Retrieved from: BRAC University.
[44] Matsuura, A. and Teng, C. (2020). Understanding the Gender Composition and Experience of Ready-Made Garment (RMG) Workers in Bangladesh. ILO and UN Women. Retrieved from: ILO.
[45] Matsuura, A. and Teng, C. (2020). Understanding the Gender Composition and Experience of Ready-Made Garment (RMG) Workers in Bangladesh. ILO and UN Women. Retrieved from: ILO.
[46] Kabeer, N., Haq, L., and Sulaiman, M. (2019). Multi-stakeholder initiatives in Bangladesh after Rana Plaza: Global norms and workers' perspectives. London School of Economics, Department of International Development. Retrieved from: EconStor.
[47] Matsuura, A. and Teng, C. (2020). Understanding the Gender Composition and Experience of Ready-Made Garment (RMG) Workers in Bangladesh. ILO and UN Women. Retrieved from: ILO.

Women's wages are 20% lower than men's overall, and 8% lower even among non-supervisory production positions, according to a study based on data from 70 large export-oriented garment manufacturers in Bangladesh.[48] However, it should also be highlighted that some manufacturers and brands (such as EPIC group) are implementing programmes to up-skill and orient women workers to take up higher and supervisory positions.[49]

According to the ILO, nearly 60% of RMG workers have completed primary education at a minimum. However, this figure is much lower among women. 29% of the women surveyed had no formal education or had not completed their primary education, compared to 17.9% of men.[50] At the same time, employers usually set wages based on workers' experience and performance, instead of education levels, during a trial period. Skilled workers, especially those with formal training, tend to earn more than unskilled workers. However, there is general reluctance among factory owners to invest in the skills development of female RMG workers, a phenomenon that has been observed and documented in various studies.[51] [52] [53] One study by the ILO found that illiteracy or lower levels of education can entrap workers in vulnerable situations and inhibit their career growth. Workers in the sector change jobs fairly frequently, at an average rate of three times per decade—with men switching jobs more often than women.[54]

[48] Menzel, A. and Woodruff, C. (2021). Gender wage gaps and worker mobility: Evidence from the garment sector in Bangladesh. *Labour Economics*. 71. Retrieved from: Elsevier.

[49] EPIC Group. (n.d.) Our Epic Women. Retrieved from: EPIC.

[50] Matsuura, A. and Teng, C. (2020). Understanding the Gender Composition and Experience of Ready-Made Garment (RMG) Workers in Bangladesh. ILO and UN Women. Retrieved from: ILO.

[51] Karim, A. (2022). Status of decent work for women in the informal RMG sector of Bangladesh. Retrieved from: Research Square.

[52] LightCastle Analytics. (2023). Early Retirement and Alternative Career Opportunities for Women RMG Workers in Bangladesh. Retrieved from: LightCastle Analytics.

[53] DRI. (2023). Baseline Study and Gender Analysis for PROGRESS (Promoting Green Growth in the RMG Sector Through Skills) Project. Retrieved from: DRI.

[54] ILO and UN Women, "Focus Group Discussions with former RMG workers", Study on the Ready-made Garment Sector in Bangladesh, 2018. Retrieved from: ILO.

Table three lists the workforce distribution across key stages of the textiles value chain, by gender, in Bangladesh in 2017. Adapted from ILO 2017 data.

Stage of value chain	ISIC	Description	Total employed (in thousands)	Male employees (in thousands)	Female employees (in thousands)	% Female employees
Raw material extraction	116	Growing of fibre crops	6.8	5.6	-	**-**
Production	1311	Preparation and spinning of textile fibres	78.8	53.3	25.5	**32.36%**
Production	1312	Weaving of textiles	168.8	113.1	55.7	**33.00%**
Production	1313	Finishing of textiles	113.1	96.9	16.1	**14.24%**
Manufacture	2030	Manufacture of man made fibres	10.6	7.6	3.0	**28.30%**
Manufacture	1391	Manufacture of knitted and crocheted fabrics	25.6	13.7	11.9	**46.48%**
Manufacture	1399	Manufacture of other textiles n.e.c.	172.1	39.4	132.7	**77.11%**
Manufacture	1410	Manufacture of wearing apparel, except fur apparel	2,810.5	1,441.3	1,369.2	**48.72%**
Manufacture	1430	Manufacture of knitted and crocheted apparel	453.6	309.8	143.8	**31.70%**
Sale/retail	4641	Wholesale of textiles, clothing and footwear	101.9	96.3	5.7	**5.59%**
Sale/retail	4751	Retail sale of textiles in specialised stores	394.5	361.5	33.0	**8.37%**
Sale/retail	4782	Retail sale via stalls and markets of textiles, clothing and...	298.8	271.9	27.0	**9.04%**
Sale/retail	9601	Washing and (dry-) cleaning of textile and fur products	38.2	32.3	6.0	**15.71%**
Repair	9529	Repair of other personal and household goods	14.7	14.0	-	**-**
End of life	3811	-	-	-	-	**-**
End of life	3821	-	-	-	-	**-**
		TOTAL	**4,688**	**2,857**	**1,830**	

An overview of labour conditions

November 2023 saw an increase in garment workers' minimum wage for the first time since 2019. It rose by 56.25% from ৳8,000 to ৳12,500 (approximately US$114) per month.[55] This is still far below the ৳23,000 per month called for by some unions and NGOs.[56] According to research from the University of Aberdeen, nearly one in five factories producing for export were already struggling to pay minimum wage before this raise.[57] These 'poverty wages' have become an established norm in the garment sector, reflecting one of the key structural injustices in the global textiles value chain, where workers employed full time in low-income countries are still unable to escape poverty.[58]

This ongoing issue is driven by brands' desire to keep prices low for buyers. When suppliers are pressured to minimise costs, they cut corners elsewhere: opting for cheaper buildings, for example, which led to the Rana Plaza factory collapse.[59] In addition, order volume and frequency from buyers tends to fluctuate, creating unpredictability in the market which was exacerbated further by covid-19.[60] Amid the pandemic, it was reported that many garment factories reduced their number of employees by 25%. This suggests that up to 900,000 workers could have lost their jobs—many of them without receiving pay—while brands have increased their profits.[61] [62] What's more, in 2020, garment workers in Bangladesh reported a 27% overall wage theft, with wages plummeting by 60% in November and December 2020.[63] Systematic wage theft included punishments for late arrival or absence from work, payment below the national minimum wage, cancellation of bonuses and dismissals of union activities. Investigations found that thousands of workers from major international brands were struggling to receive their salaries and legally-owed benefits.[64] Macroeconomic factors like inflation—especially in food prices and house rents—can diminish the purchasing power of workers as they often do not enjoy a regular entitlement to reliable food and essential commodities or hostels for residence.[65]

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[55] Reuters. (2023, November 8). Bangladesh hikes minimum wage for garment workers after protests. Retrieved from: Reuters.

[56] Clean Clothes Campaign. (n.d.) Bangladeshi Minimum Wage - Campaign Overview. Retrieved from: Clean Clothes Campaign.

[57] University of Aberdeen. (2023, January 8). Major high street fashion brands reportedly paying below the cost of production. University of Aberdeen. Retrieved from: University of Aberdeen.

[58] Coneybeer, J. and Maguire, R. (2022). Evading responsibility: A structural critique of living wage initiatives and methodologies. International Journal for Crime, Justice and Social Democracy. 11(2): 15-20. Retrieved from: International Journal for Crime, Justice and Social Democracy.

[59] Anner, M. (2020). Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective. Review of International Political Economy. 27(2): 320-347. Retrieved from: Taylor & Francis.

[60] Snowdon, H. and Remake. (2022, March 30). #PayUp: 2 years later. Remake: Retrieved from: Remake.

[61] Islam, M. A., Abbott, P., Haque, S. and Gooch, F. (2023). Impact of global clothing retailers' unfair practices on Bangladeshi suppliers during COVID-19. Retrieved from: University of Aberdeen.

[62] ICAR. (2022). Pay Up: Stories of Wage Theft in the Garment Industry. Retrieved from: ICAR.

[63] Asia Floor Wage Alliance. (2021). Money Heist: Covid-19 Wage Theft in Global Garment Supply Chains. Retrieved from: AFWA website.

[64] BHRRC. (2021). Wage theft and pandemic profits: the right to a living wage for garment workers. Retrieved from: BHRRC.

[65] Circle Economy. (2024). Key Informant Interview, 2.1 Trade flow analysis and employment baseline. (See Appendix B).

Furthermore, there is a history of poor occupational health and safety in the sector. There were 1,346 workplace fatalities and 3,888 occupational injuries recorded between 2010 and 2016.[66] Since then, workplace fatalities in the garment and textile sector have significantly decreased, partly due to three prominent initiatives known as the Accord, the Alliance, and the RMG Sustainability Council that were established in the wake of the Rana Plaza collapse.[67] Bangladesh is also a signatory to most of the ILO's core labour conventions, with a plethora of measures put in place in the last decade. In addition, inspections carried out by the Department of Inspections for Factories and Establishments have increased dramatically since 2013.[68]

However, the implementation and enforcement of these standards has often not been successful, with outcomes falling short of ambitions. One study using 2019 labour inspection data indicates that the extent of compliance of factories to occupation health and safety (OHS) and other labour law requirements can vary. While many Bangladeshi garment factories have above average compliance levels (compliance category Grade C), gaps in the the inspection checklist for occupational health and large disparities between scores were found.[69] Additionally, inspections and other enforcement measures are overwhelmingly focused on export-oriented factories. Less attention is paid to smaller RMG factories and activities in the informal sector, where regulations are unlikely to be enforced.[70]

Working conditions also vary for men and women. Both men and women workers experience harassment (insults and shouting), while only women report sexual harassment. However, other forms of violence and harassment are experienced by men, with this constituting a major factor causing both men and women to leave jobs. Pregnancy is the leading reason for women to leave their jobs, while men tend to leave due to work-related stress.[71] Maternity benefits are regulated by the 2006 Bangladesh Labour Act (amended in 2013), which requires working mothers to be allotted four months of maternity leave. However, there has been no directive issued by the RMG sector on maternity leave, meaning that in practice, these legal standards are not consistently upheld.[72]

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[66] Karanikas, N. and Hasan, S. M. T. (2022). Occupational Health & Safety and other worker wellbeing areas: Results from labour inspections in the Bangladesh textile industry. Safety Science. Retrieved from: Elsevier.

[67] Institute for Human Rights and Business. (2023). Rana Plaza 10 Years On: Lessons for Human Rights. IHRB. Retrieved from: IHRB.

[68] Karanikas, N. and Hasan, S. M. T. (2022). Occupational Health & Safety and other worker wellbeing areas: Results from labour inspections in the Bangladesh textile industry. Safety Science. Retrieved from: Elsevier.

[69] Karanikas, N. and Hasan, S. M. T. (2022). Occupational Health & Safety and other worker wellbeing areas: Results from labour inspections in the Bangladesh textile industry. Safety Science. Retrieved from: Elsevier.

[70] GFEMS Media. (2021, June 7) Hidden, Unprotected, and Vulnerable: Supporting Informal RMG Workers in Bangladesh. Global Fund to End Modern Slavery. Retrieved from: GFEMS website.

[71] Matsuura, A. and Teng, C. (2020). Understanding the Gender Composition and Experience of Ready-Made Garment (RMG) Workers in Bangladesh. ILO and UN Women. Retrieved from: ILO.

[72] Fair Labor Associated and AWAJ Foundation (2019). Maternity Rights and Childcare in Bangladesh: A Study of Workers in the Ready-Made Garment Sector. Retrieved from: AWA.

Recent studies also suggest that climate stresses like flooding, heat waves, irregular rainfall and various diseases are already significantly impacting workers in an adverse way.[73] Climate impacts on workers are still largely unacknowledged and under-explored by industry and regulatory actors.

Moreover, child labour persists in the industry. Findings of a CLARISSA survey show that 59.1% of the Worst Forms of Child Labour in Bangladesh can be linked to textiles: this is labour that exceeds 42 hours a week and/or is designated as hazardous by the Government of Bangladesh.[74]

Informal textile-related employment

The informal sector is described by Guillermo Aguilar and López Guerrero as the 'multiple and meaningful reality for productive units and workers who are outside of regulated economic activities (tax, government) and protected labour relations.'[75] While 'informality' has always been a contested term, attempts to define it generally consider three variables: an unclear business and legal status, whereby units of production are unregistered and accounting mechanisms do not make a clear distinction between outputs of businesses and the activities of its owners; a lack of social protection, legal status or benefits; and underground economy or illegal production, with the avoidance of tax and other obligations (for example, minimum wage).[76] This tripartite approach to informality implies three key units of analysis for understanding the informal sector: businesses (not legally regulated), employment relations (not socially protected), and workers (contracted informally).

Data is limited in relation to all three of these dimensions in the textile industry in Bangladesh, which significantly limits this analysis. The employment statistics considered do not account for informality, meaning that the actual employment figures are likely much higher than these numbers suggest, especially as the informal economy currently constitutes 85% of Bangladesh's workforce.[77]

Much of this activity is led by MSMEs, including agricultural day labourers, urban street vendors, paid domestic workers, and home-based producers of clothing and other goods. Homeworkers also play a crucial role in subsidising production costs of the formal sector.[78] According to a recent report using the latest informality employment figures (2016), there is a growing

[73] Cornell University ILR Global Labour Institute and Schroeders. (n.d.) Higher Ground? Fashion's Climate Breakdown. Retrieved from: ILR.

[74] Maksud, A., Hossain, K. R., & Arulanantham, A. (2022). Mapping of slums and identifying children engaged in worst forms of child labour living in slums and working in neighbourhood areas. Retrieved from: CLARISSA.

[75] Guillermo Aguilar, A. and López Guerrero, F. (2020). Informal Sector. International Encyclopedia of Human Geography (2nd edition). Retrieved from: Science Direct.

[76] Guillermo Aguilar, A. and López Guerrero, F. (2020). Informal Sector. International Encyclopedia of Human Geography (2nd edition). Retrieved from: Science Direct.

[77] Arora, P. (2020). Connecting the Informal: Stakeholder Mapping of Informal Women workers in India and Bangladesh. FemLab.Co. Retrieved from: Academia.edu.

[78] Mhlana, S., Moussié, R., Roever, S., Rogan, M. (2023). Informal employment: what is missing from national economic recovery plans? UNU World Institute for Development Economics Research and WIEGO. Retrieved from: UNU WIDER.

proportion of informal employment attributable to the rapid increase of informal work relative to formal work.[79] The informal sector still contributes more than 40% to the country's GDP[80] and has been rising, becoming an employment safety net amid economic slowdowns related to the covid-19 pandemic.[81] When trying to understand the factors driving informal work in Bangladesh, a 2017 macroeconomic study found that export-induced demand contributes to the increase of informal employment, mirroring aggregate labour force participation in key tradable sectors, such as the garment industry, as well as in related parts of the value chain.[82] However, an earlier study found that this impact was marginal, at 5.55%,[83] where most of the increase in informal employment was due to the domestic increase of household demand, the generalised rise for intermediate inputs in a growing economy, and limited jobs being generated in the formal labour market.

End-of-life activities in general, and waste handling in particular, are especially dominated by the informal sector. In Bangladesh, the most prominent textiles waste stream is post-industrial waste from factories, including 'jhut' (scraps) and excess inventory apparel. This market operates by selling stock lot apparel as received and creating new apparel from excess fabric or cut-fabric wastes; the vast majority of the workers at this stage of the value chain are informal.[84]

It can be difficult to safeguard labour rights in the informal sector due to the diversity of activities, the ambiguity of workers' employment status *vis a vis* regulations, and an endemic lack of data and transparency. The presence of representation—such as labour unions and development partners—is minimal in the informal sector.[85] Jhut trading takes place in 'chaotic and unhygienic conditions' where working conditions are often overlooked.[86] Child labour is also prominent in the informal RMG sector, particularly for adolescent girls, and has increased since the covid-19 pandemic due to long school closures and rising poverty. Generally, these girls work for just ৳120 to ৳150 per day (roughly €1.01 to €1.26). [87]

A few more granular insights could be gleaned from a UNU study in collaboration with Women in Informal Employment: Globalizing and Organizing (WIEGO), which surveyed 251 informal

[79] Yeasin, H. M. (2022).Informal Sector and Economic Growth in Bangladesh. Retrieved from: Research Gate.

[80] The Financial Express. (2020). Saving informal sector workers from pandemic shock. Retrieved from: The Financial Express.

[81] Swarna, N. R., Anjum, I., Hamid, N. N., Rabbi, G. A., Islam, T., Evana, E. T., ... & Miah, A. S. M. J. (2022). Understanding the impact of COVID-19 on the informal sector workers in Bangladesh. Retrieved from: PLOS.

[82] Goutam, P., Gutierrez, I., Kumar, K. B., & Nataraj, S. (2017).Does Informal Employment Respond to Growth Opportunities?. Retrieved from: RAND.

[83] Raihan, S. (2010). Informal Sector in Bangladesh: Implications for Growth and Poverty. *Indian Journal of Labour Economics.* Retrieved from: Research Gate.

[84] Khairul Akter, M. M., Haq, U. N., Islam, M. M., & Uddin, M. A. (2022). Textile-apparel manufacturing and material waste management in the circular economy: A conceptual model to achieve sustainable development goal (SDG) 12 for Bangladesh. Cleaner Environmental Systems. Retrieved from: Elsevier.

[85] Karim, A. (2022). Status of decent work for women in the informal RMG sector of Bangladesh. Research Square. Retrieved from Research Square.

[86] Khairul Akter, M. M., Haq, U. N., Islam, M. M., & Uddin, M. A. (2022). Textile-apparel manufacturing and material waste management in the circular economy: A conceptual model to achieve sustainable development goal (SDG) 12 for Bangladesh. Cleaner Environmental Systems. Retrieved from: Elsevier.

[87] Karim, A. (2022). Status of decent work for women in the informal RMG sector of Bangladesh. Research Square. Retrieved from Research Square.

workers across three groups: workers in RMG factories producing for local markets, workers in sub-contracting factories and workers in the jhut and embroidery industries. The study found that these workers' education status is mostly primary level (38.6%) and with only 0.4% receiving graduate/undergraduate education. It was also found that these informal workers work more than eight hours per day, in violation of national labour laws. Associated industry (jhut and embroidery) workers earn an average of ৳88 per hour (equivalent to €0,68), compared to workers in domestic-production factories who earn roughly ৳166 per hour (equivalent to €1,28) and subcontracting factory workers who earn an average of ৳163 per hour (equivalent to €1,26)). 63.35% of those surveyed stated that there are no safety committees, while 14.34% did not know of such committees.

Key institutional players and workers' representation

Key government bodies related to textiles employment include the Ministry of Labour and Employment and the Department of Inspections for Factories and Establishments. The latter was transformed from a directorate to department in 2014 and is responsible for enforcing the Bangladesh Labour Act. Employers' organisations play a significant and distinct role in Bangladesh, given the importance of the sector to the economy overall. These include: the Bangladesh Manufacturers and Exporters Association, the Bangladesh Knitwear Manufacturers and Exporters Association, the Bangladesh Textile Mills Association, and the Bangladesh Terry Towel & Linen Manufacturers & Exporters Association. These bodies uphold industry interests and aim to steer government policy in line with the sector's growth.[88]

International institutions, public-private partnerships and NGOs also play a part in shaping the employment landscape, particularly with respect to working conditions and labour rights. In Bangladesh, the RMG Sustainability Council is a national tripartite initiative that aims to carry forward sustainability and workplace safety programmes. NGOs advocating in this space include: Bangladesh Garment Sromik Samhati, a Dhaka-based labour-rights group, the Fair Wear Foundation, Clean Clothes Campaign, Awaj Foundation, Solidarity Center, GIZ, the Bangladesh Center for Workers' Solidarity and the Asia Floor Wage Foundation. The ILO plays a pivotal role in collecting data, researching initiatives' implementation and working with national governments on trade policy.

In terms of workers organisations, the National Coordination Committee for Workers' Education (NCCWE) and IndustriALL Bangladesh Council (IBC) are notable for uniting trade union activity. Beyond these, there are at least 72 trade union federations, both registered and unregistered, operating in Bangladesh. Registering trade unions in Bangladesh is challenging; one-third of a factory's workforce have to be union members to attain government recognition. This rule is especially difficult to meet in large factories, leading to more union registrations in smaller

[88] Raaz, N. A. (2021, October 27). The Activities of BGMEA and BKMEA in Bangladesh. Textile Merchandising. Retrieved from: Textiles merchandising.

factories where the impact of major initiatives like the Accord and Alliance is limited. However, at the same time, small local unions are often excluded from union group activities. This situation continues amidst a backdrop of historical tension between factory owners and workers, exacerbated by a history of state violence against union leaders.[89] For example, the Ashulia garment workers' action in the lead up to 2017 Dhaka Apparel Summit led to the invocation of Special Powers Act 1974, instantiating the right to preventative detention. This led to the arrests of labour organisers and detention of workers.[90] More recently, in November 2023, up to 25,000 garment workers clashed with police in protests rejecting a pay rise fee, during which three workers were killed and at least two others were hospitalised.[91] [92] Periodic wage negotiations accompanied by demonstrations sometimes lead to police actions and violence.[93]

[89] Alamgir, F., & Banerjee, S. B. (2018). Contested compliance regimes in global production networks: Insights from the Bangladesh garment industry. Human Relations, 72(2), 272–297. Retrieved from: Sage.

[90] Ashraf, H., & Prentice, R. (2019). Beyond factory safety: labor unions, militant protest, and the accelerated ambitions of Bangladesh's export garment industry. Dialectical Anthropology. Retrieved from: Springer.

[91] Al Jazeera. (2023, November 10). Bangladesh police clash with protesting garment workers. Retrieved from: Al Jazeera.

[92] Paul, R. (2023, November 8). One killed in Bangladesh as garment workers clash with police over pay. Reuters. Retrieved from: Reuters.

[93] Industriall. (2023, October 30). Worker shot dead by police as minimum wage protests intensify in Bangladesh. Industriall Global Union. Retrieved from: Industriall.

Limitations

Validation of trade flow findings with other databases (such as UN Comtrade or national reported statistics from Bangladesh and EU countries) was not possible due to time constraints. Furthermore, extending the scope to include intra-EU trade—the flow of Bangladesh garment imports within and between Member States—could potentially increase the depth to the analysis, to show how various EU Member States are also major consumers to textiles although not directly showing up in official importing statistics from Bangladesh .

Limitations in the employment baseline analysis derive from the information asymmetry between the formal and informal sectors, given the dominance of informal activity in the textile industry. In addition, most data is centred on production and manufacturing activities, so there is less information on activities before and after this phase of the value chain[94].

Moreover, referring to the informal sector generates broader conceptual and definitional tensions. In the vast literature on the topic, informality is almost universally defined based on the deficiencies it has relative to the formal sector.[95] This binary also implies a rigid distinction between economic activity that is in reality intrinsically linked. It also frames any economic activity designated informal as a problem to be solved, while also implying a clear solution: formalisation. Addressing this issue will require significant further attention in future phases of the study.

[94] Karim, A. (2022). Status of decent work for women in the informal RMG sector of Bangladesh. Research Square. Retrieved from Research Square.

[95] Guillermo Aguilar, A. and López Guerrero, F. (2020). Informal Sector. International Encyclopedia of Human Geography (2nd edition). Retrieved from: Science Direct.

Appendix A: Stages of the value chain

The stages of the textiles value chain were clustered into seven groups, which were used as a framework to guide this report:

1) Product design
2) Material extraction, processing and imports
3) Textiles and material production
4) Product manufacturing
5) Packaging, distribution and retail
6) Customer use
7) Post-consumer use

Appendix B: Key informant interviews

As part of the desk-based analysis, and for a more complete understanding of the current state, consultations with our local partner (BUILD) were conducted. These consultations were conducted via video-conferencing, in November, 2023. The consultation methods comprised both, a set of specific questions and open-ended questions regarding the list of suggested indicators presented below. Two slightly different lists of indicators and related questionnaires were drafted, to adapt to the participants' profiles.

A. Trade flow analysis

Preliminary research question(s):

- What is the volume and nature of imported/exported textiles products?
- Who are the key EU trade partners?
- What are the governance systems in place for trade?

Suggested indicator	Metric examples
Trade monetary value	US$
Trade volume	Tonnes
Types of products	Type/tonnes
Composition of products	Type/tonnes
Top EU trading partners	Countries
Import/export of textile waste	Tonnes
Governance	Trade agreements, instruments, mechanisms

B. Employment baseline

Preliminary research question(s):

- How many people are employed by the textile industry?
- How many people are employed at different stages of the value chain?
- How are men and women currently represented in the workforce?
- What is the range of skills and distribution between men/women?
- What is the extent of vulnerable employment?

Suggested indicator	Metric examples
Number of people employed in the textile industry	Number, %
Number of people employed across the stages of the value chain	Employment per industry code, per stage of the value chain
Informal sector	
Number of female and male employed	Number, %, gender (female, male)
Type of skills distributed by gender	Skill level (high, medium, low), gender distribution
Number and gender of vulnerable workers[96]	Number, %, gender (female, male)

[96] Own-account workers and contributing family workers constitute two categories of status in employment regarded as vulnerable employment. Source: Paid employment vs vulnerable employment - ILOSTAT


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