

Assessment on the Socio-economic Condition of Home-Based Ready-Made Garment Workers (HBRMGWs) in the RMG Supply Chain



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Hidden Struggles of Home-Based RMG Workers: Low Wages, Job Insecurity, and Lack of Legal Protection in Bangladesh's Supply Chain

This study assesses the socio-economic conditions, workplace environments, and challenges faced by home-based ready-made garment workers (HBRMGWs) in Bangladesh. Conducted in Dhaka and Gazipur, this study highlights the vulnerabilities of HBRMGWs, their integration into the global supply chain, and policy gaps that leave them unprotected. The study employs a mixed-methods approach, combining quantitative surveys and qualitative analyses, to provide a comprehensive understanding of the realities faced by this marginalized workforce.

Keywords: *Home-Based Workers, Ready-Made Garments, Supply Chain, Labor Rights, Bangladesh*

This study titled “Assessment on the Socio-economic Condition of HBRMGWs in the RMG Supply Chain,” provides a comprehensive analysis of the socio-economic conditions, workplace environments, and challenges faced by HBRMGWs in Bangladesh. Conducted in Dhaka and Gazipur districts, this study is a collaborative effort by the Bangladesh Labour Foundation (BLF) in partnership with Oxfam in Bangladesh and co-funded by the European Union. This study exclusively examines export-oriented home-based RMG workers, who play a direct or indirect role in the global RMG supply chain.

Home-based workers are the unsung heroes of Bangladesh's Readymade Garment (RMG) industry, making significant contributions to the sector while working from their homes. A home-based RMG worker is someone who, on behalf of a garment factory, carries out piece-rate or wage-based work from their residence or nearby, either independently or in groups, to produce goods for both local and international markets. These workers typically receive orders from factories, contractors, or agents and are involved in various stages of garment production, such as sewing, cutting, embellishing, or finishing export-oriented garments. They usually operate individually or through intermediaries on a contract basis. Primarily engaged in producing essential garment components, these workers play a

vital role in the global supply chain of factories. These workers are mainly engaged in producing primary components of garments and play an important role in the global supply chain of factories.

In Bangladesh, Home-based workers are prevalent in the RMG industry because it allows women, who constitute a large portion of the workforce, to combine paid work with their household responsibilities while remaining within societal norms, often with low skill requirements and flexible hours, making it an accessible income source, even though it frequently comes with exploitative conditions like low wages and lack of protection under labor laws; this is further fueled by the industry's reliance on low-cost labor and a large pool of marginalized women seeking employment opportunities.

The study aims to understand their vulnerabilities and propose actionable recommendations to formalize and empower this workforce. A mixed-methods approach was used to gather data, including quantitative surveys (362 HBRMGWs) and qualitative approaches. Besides, the study employed data analysis tools like KoBo Toolbox, SPSS, and thematic analysis to ensure accuracy and analysis of the data. Additionally, a SWOT analysis was also conducted to assess and identify the strengths, weaknesses, opportunities, and threats for HBRMGWs,

providing critical insights into their working conditions and socio-economic realities.

Connection to Export-oriented Factories: This study revealed a strong link between HBRMGWs and export-oriented factories, with many workers also connected to subcontracting factories that supply these export-oriented RMG units. A significant portion of the workers were aware of the names of the export-oriented factories they were associated with, while others identified subcontracting factories tied to export operations. However, many workers were unable to trace the final destination or specific export markets or Brands for the products they contributed to, highlighting a gap in their awareness of the broader supply chain.

Complex Supply Chain: A significant portion of the workers were aware of the names of the export-oriented factories they were associated with, while others identified subcontracting factories tied to export operations. However, many workers were unable to trace the final destination or specific export markets or Brands for the products they contributed to, highlighting a gap in their awareness of the broader supply chain. However, the study a strong link between HBRMGWs and export-oriented factories. A significant number of workers are directly connected with 100% export- ii oriented factories (Tier-1 & Tier-2), while majority of them also connected to subcontracting factories that supply export-oriented RMG units.

Underlying Factors for Engaging HBRMGWs: The study examines the key factors driving the engagement of HBRMGWs in Bangladesh, focusing on areas like Ashulia, Savar, and Gazipur. Proximity to industrial zones, economic necessity, and the flexibility to balance work with family responsibilities are primary motivators, particularly for women

from low-income households. Home-based work also provides opportunities for marginalized groups, including the elderly, disabled, and those with limited mobility. Socio-cultural norms further reinforce this trend, as many women are culturally expected to remain at home, making home-based work an ideal solution. The outsourcing and subcontracting practices of factories further sustain this workforce, though they obscure workers' rights and conditions. In addition, climate-induced disasters have led to rural-to-urban migration, with displaced women finding accessible and flexible income opportunities in home-based garment work, allowing them to adapt to new environments while earning a livelihood.

Demography: About 15,000 workers are employed in the studied areas (Ashulia, Savar & Gazipur). The study represents the respondents are primarily from Savar (42%) and Ashulia (41.4%), with a smaller representation from Gazipur (16.6%). More than half of the respondents are young adults, with 56.6% aged 18–30, and a high concentration of women (93%), with most workers married (91.7%). The average household size is 3.68, and the average number of earning members per household is 2.05. A majority of respondents migrated from over 50 districts, with the primary reasons being better opportunities (48.3%) and family reasons (15.5%)

Vulnerabilities of HBRMGWs: This study explored different types of vulnerabilities in terms of economic, social, and health which are marginalizing them within the global apparel industry. Economically, they often earn below minimum wages due to piece-rate payments, irregular work orders, and reliance on intermediaries who retain a large share of profits. Lacking formal contracts or legal protections, these workers cannot negotiate

fair wages or access benefits, exacerbating financial insecurity. Socially, the predominantly female workforce encounters gender-specific challenges, as cultural norms confine women to traditional roles, limiting their ability to balance household responsibilities with skill development or career advancement. The informal nature of their work further isolates them, cutting off access to collective bargaining or support networks that could advocate for their rights. This systemic neglect is compounded during economic crises, leaving HBRMGWs disproportionately affected. Despite their crucial contribution to the economy, they remain unrecognized in official statistics and industry dialogues, deepening their marginalization and perpetuating cycles of inequality. Key issues include low wages due to reliance on subcontractors (55.6%), lack of bargaining power (60.5%), and fear of job loss (50.7%). Awareness of formal RMG wage structures is limited, with only 26.2% aware of minimum wages and 32.9% aware of knitting factory piece rates. Workers, particularly women, are heavily dependent on male intermediaries for orders, often facing exploitative practices and discrimination. The absence of written contracts and collective bargaining mechanisms further exacerbates their vulnerability.

Work Patterns: HBRMGWs have an average work experience of 2.64 years, with a median of 2 years, though durations range widely from 0.1 to 15 years. Approximately 55% of workers engage in seasonal work for 5-6 months yearly, while 45% are doing regular basis. Regular work is predominantly concentrated in Ashulia and Gazipur, with each area accounting for 20% of the workforce. Seasonal workers often transition to alternative livelihoods, such as local tailoring or crafting, during off-peak periods. Hand stitching (90%), tipping (80%), and stone work (75%) are the most common

tasks, while specialized tasks like embroidery (35%) and button work (15%) are less frequent. The average working hour is 6.89 hours daily while 13 hours reported as the highest, 2 hours is the lowest. These extended hours are common due to pressure to meet deadlines and secure future orders, often compromising work-life balance.

Order Management and Payment Structures:

The supply chain is dominated by subcontractors (53%) and vendors (35.9%), with factories directly managing only 18.8% of orders. Workers typically receive orders on a piece-rate basis, with 93.6% paid per piece and only 6.4% receiving fixed monthly salaries. Middlemen control 84.3% of rate-setting, leaving workers with minimal bargaining power. Average earnings are 5.26 BDT per piece, with significant disparities (0.60–30.00 BDT per piece). Monthly salaries average 4,863.64 BDT, ranging from 2,000 to 8,000 BDT. Workers earn only 20-25% of the factory rate for the same tasks, highlighting systemic wage inequities.

Challenges in Securing Orders: A significant 61.9% of respondents face challenges in securing work, with the most prominent barriers being limited knowledge (19.1%), skill gaps (15.2%), and strained relationships with contractors (14.1%). Other issues include unavailability of work (9.7%), long distances (1.7%), and health concerns (0.8%). These challenges highlight the need for interventions to improve workers' access to information, skill development, and stronger contractor relationships to enhance job stability.

Payment Methods: Cash remains the dominant payment method, used by 98.9% of respondents, with Mobile Financial Services (MFS) accounting for only 1.1%. Monthly payments are the most common (66.0%), followed by weekly payments (28.2%), while

fortnightly payments are rare (1.4%). Despite these schedules, workers frequently face irregular and delayed payments, exacerbating financial instability. As one FGD participant noted, “We face extremely low wages, irregular payments, and sometimes delays of a week or more.” The informal nature of payments, often handled by vendors without formal documentation, further underscores the vulnerability of workers.

Household Income and Savings: On average, 1.22 family members per household are engaged in home-based RMG work, with average household incomes of 17,874.31 BDT and median incomes of 17,100 BDT. Savings are minimal, with only 13% of households able to save, averaging 1,425.53 BDT per month. To cope with financial hardships, households rely heavily on spending savings (95.9%), selling properties (94.7%), and accessing credit from NGOs or community groups (84.4%). Informal support networks, such as interest-free loans from neighbors (59.0%) and relatives (33.6%), also play a crucial role, though reliance on credit for essentials is less common (44.7%).

Prior Experience in RMG Factories: Half of the respondents (50.6%) had prior experience working in garment factories, with many transitioning to home-based work due to factors such as marriage, childcare responsibilities, health issues, factory shutdowns, and workplace harassment. Despite this shift, home-based work often fails to provide better economic stability or working conditions, as workers remain vulnerable to exploitation and low wages.

Workplace and Working Conditions: The majority of HBRMGWs (71%) work from their own homes, while 22.4% work in subcontractor-provided spaces, and 6.1% in self-arranged group workplaces. Despite most workplaces being reported as clean (91.4%)

and adequately ventilated (86.5%), critical gaps remain. Nearly one-third (32%) lack waste bins, 10.5% lack hygienic toilets, and 74% lack first aid facilities. Only 7.2% of workers use protective equipment, exposing the majority to safety risks. Observations reveal even harsher realities: workers often consume untreated tap water, share unhygienic toilets, and work in poorly ventilated, congested spaces that double as sleeping areas. These conditions pose severe health risks, particularly for children, who are more vulnerable to respiratory and developmental issues.

Barriers Faced During Work: Home-based workers face multiple barriers, including power outages (23.2%), disrupting productivity; work-life balance challenges (18.2%), especially for women juggling domestic responsibilities; delivery pressure (16%), leading to stress and overwork; body pain (15.7%), caused by repetitive tasks in poor ergonomic conditions and dust exposure (7.7%) and lack of equipment (5.5%), further hindering productivity. Only 11.6% of workers reported no difficulties, highlighting the pervasive challenges in their work environment.

Health-Related Issues: While injuries (4.4%) and major diseases (6.9%) are relatively uncommon among workers, they report a wide range of health issues. Infectious diseases (99.4%) and cardiovascular problems (96.4%) are the most prevalent. Mental health issues (94.8%), such as anxiety and depression, are also highly significant, driven by factors like long working hours, an unsuitable home environment, distractions, job insecurity, work-life imbalance, low living standards, uncertainty about the future, and the added pressures of childcare and education responsibilities. Additionally, digestive issues (91.2%), skin conditions (87.6%), and

respiratory problems (86.5%) are frequently reported. Physical pain (77.3%) and eye strain (70.7%) are also common, often linked to prolonged hours of repetitive work. These findings highlight the diverse and widespread health challenges faced by workers.

Workers primarily seek treatment from pharmacies (47%) and government hospitals (35.4%), with annual medical costs averaging 8,174 BDT but varying widely (300–60,000 BDT). The high variability in expenses underscores the financial burden of healthcare on these low-income households.

Family Support and Decision-Making: The majority of respondents (86.5%) reported receiving support from their families, with 92.3% participating in family decision-making processes. This indicates a strong sense of inclusivity and cooperation within households. Qualitative findings further emphasize that women workers often make household decisions jointly with their spouses, reflecting a collaborative approach to family affairs. However, some instances of male dominance in decision-making were noted, suggesting room for improvement in achieving full gender equality.

Harassment from Family Members and Intermediaries: A small but significant proportion of respondents (4.1%) reported experiencing harassment from family members, with verbal and emotional harassment (53.3%) being the most common, followed by physical harassment (13.3%) and restrictions/control (33.3%). Cluster-wise, Gazipur reported the highest prevalence of physical harassment (85.7%), while Savar and Ashulia showed a mix of verbal, mental, and physical harassment. In response to harassment, 40% of workers attempt to resolve issues through persuasion, 33.3%

comply or adapt, and 26.7% resist or conceal their feelings.

Harassment from contractors, vendors, or middlemen was less common, with only 5.8% of respondents reporting such experiences. Gazipur had the highest rate of workplace harassment (11.7%), followed by Savar (7.9%) and Ashulia (1.3%). Most workers (52.4%) address workplace harassment by explaining their position, while 28.6% comply and 19% resist or conceal the issue. These findings highlight the need for stronger mechanisms to address harassment and protect workers' rights.

Financial Autonomy: A significant majority of respondents (94.8%) reported having the freedom to spend their earnings independently, with minimal variation across clusters (Savar: 97.4%, Ashulia: 92.7%, Gazipur: 93.3%). However, qualitative insights reveal that financial decisions are often made jointly with family members, particularly husbands, indicating a balance between individual autonomy and family collaboration.

Skills for the Work: Most of the workers (98.9%) believe they have the necessary skills for the work they do, while only a small percentage (1.1%) feel they do not possess the required skills. On the other hand, about 70.9% workers reported having sufficient skills and 28.5% having moderate skills, and only 0.6% reported poor skills. However, it observed that they are not skilled in multiple tasks, in this case their skills are limited. Skill acquisition primarily occurs through prior experience in the garments industry (50.6%), observation of neighbors (35.9%), and formal training from subcontracting centers (13.5%). Despite their confidence in their skills, workers face limitations due to a lack of access to advanced machinery and opportunities for skill diversification, confining them to repetitive,

low-paying tasks. This underscores the need for structured skill development programs and access to better technology to enhance productivity and income potential.

Need for Training to Enhance Skills: An overwhelming 98.9% of respondents recognize the importance of training, with 91.7% emphasizing the need for awareness of labor rights. However, while most workers are aware of the existence of labor laws (86.8% in Savar, 93.3% in Ashulia, and 100% in Gazipur), their understanding of specific rights and protections is virtually nonexistent. Leadership training is also highly valued, with 91.4% of respondents believing it can improve their involvement in the supply chain, enhance Occupational Safety and Health (OSH) practices, and strengthen advocacy efforts.

Feeling Honored to Be Part of the RMG Supply Chain: A significant 95% of subcontractors acknowledge the contributions of HBRMGWs to the RMG sector, with many workers expressing pride in their role.

Awareness on Labour Laws: Only 10.8% of respondents are familiar with the existing labor law in the country, while the vast majority, 89.2%, have little or no knowledge of it. In terms of trade union awareness, only 1.7% of individuals are aware of trade unions, leaving 98.3% uninformed about these organizations.

Organizing and Worker Unity: Despite the lack of formal organization, an overwhelming 98.1% of respondents believe in the importance of worker unity, with 60.2% viewing it as essential for negotiating wages and 38.7% for negotiating working hours. Qualitative data from FGDs further reinforces this sentiment, with participants expressing strong support for solidarity among workers. This collective mindset highlights the potential for organizing HBRMGWs to advocate for their

rights and improve their economic and working conditions.

Risk Factors: The study identifies a significant risk of child labor, as school-going children often assist their families in home-based work by delivering orders or providing equipment. This involvement disrupts their education, development, and health, perpetuating cycles of poverty and limiting future opportunities. HBRMGWs face the added challenge of a dual burden: they must purchase necessary equipment, cover delivery fees, and handle order rejections caused by Quality Control issues, which creates both financial and emotional strain.

Policy Gaps: This study also identified some highlighting policy gaps for the HBRMGWs in Bangladesh that leave them vulnerable to exploitation, unsafe working conditions, and economic instability. These workers are excluded from the Bangladesh Labour Act of 2006, which covers only formal factory workers, denying them access to minimum wages, overtime pay, health and safety protections, and social benefits like maternity leave and pensions. The absence of formal employment contracts further exacerbates their vulnerability, as they lack job security and legal recourse in cases of wage theft or unfair treatment. In addition, there is no inspection system for the RMG Factory downstream supply chain like HBRMGWs. Furthermore, HBRMGWs are not covered under Occupational Safety and Health (OSH) standards, leading to unsafe and unhygienic working environments. The lack of access to skill development programs confines them to low-paying, repetitive tasks, while the absence of collective bargaining mechanisms leaves them without the power to negotiate fair wages or better conditions. Gender-specific vulnerabilities further compound these challenges, as the majority of HBRMGWs are

women who face discrimination and harassment. The lack of official data on home-based workers makes them invisible in national labor statistics, hindering evidence-based policymaking. Furthermore, Bangladesh has not ratified the ILO Home Work Convention (C177), which would provide international recognition and protection for home-based workers.

Finally, supply chain transparency should be improved by promoting direct relationships between factories and HBRMGWs, bypassing intermediaries/contractors. This can ensure fair value distribution and reduce exploitation. To address these challenges, the report recommends a multifaceted approach. By implementing these recommendations, stakeholders can uplift the lives of HBRMGWs and ensure a fairer, more sustainable RMG sector in Bangladesh in the long run, that would benefit both the labors and the garment industries.

Recommendations

A collective approach needed from government, brands/buyers, employers, CSOs and Trade Unions to uphold the rights of homebased RMG workers.

Government

- **Legal Recognition and Protection:** Enact laws that explicitly recognize home-based workers and grant them labor rights such as minimum wage, social security, and health benefits. This may involve amending existing labor laws or creating new legislation specifically for home-based workers.
- **Expand Inspection to RMG Downstream Supply Chain:** The Department of Inspection for Factories and Establishments (DIFE) should extend inspections to cover subcontracting factories and home-based workers in the RMG sector.
- **Database of Home-Based RMG Workers:** Ensure the registration of home-based RMG workers for formal recognition in policies and social protection programs, and include them in surveys like the Labor Force Survey (LFS).
- **Social Protection Schemes:** Develop and expand social protection programs tailored to home-based workers, including health insurance, pension schemes, and maternity benefits.
- **Access to Credit and Financial Services:** Facilitate access to microfinance and other financial services to enable home-based workers to invest in their businesses and improve their economic status.
- **Ratification and Implementation of C177:** The government should ratify ILO Convention C177, which recognizes home-based workers as legitimate workers entitled to labor rights.

Employers

- **Fair Wages and Contracts:** Ensure that home-based workers receive fair wages and are provided with clear contracts outlining terms of employment, payment schedules, and other conditions.
- **Regular Payments and Transparency:** Avoid delayed payments and ensure transparency in wage calculations. Employers should provide receipts or payment records to prevent exploitation.
- **Safe Working Conditions:** Provide necessary tools, materials, and safety equipment to home-based workers to ensure their health and safety. Educate workers on the safe handling of materials.
- **Corporate Social Responsibility (CSR):** Incorporate the welfare of home-based workers into CSR initiatives, focusing on improving their living and working conditions.
- **Standard Communication Channels:** Establish direct communication channels between employers and home-based workers to foster better relationships and enable negotiations on working conditions.

Brands/Buyers

- **Adopt HREDD Framework:** Encourage factory owners to implement risk-based management systems and ensure transparent supply chains that align with national labor laws and international standards, such as the **EU Corporate Sustainability Due Diligence Directive (CSDDD)**. This will facilitate compliance and promote ethical practices across supply chains.
- **Promote Fair Purchasing Practices:** Adopt fair pricing strategies that enable suppliers to pay living wages to all workers, including home-based workers. Avoid practices that create downward pressure on wages or exploit vulnerable workers.
- **Strengthen Codes of Conduct:** Include specific provisions in codes of conduct to protect the rights of home-based workers, ensuring they receive fair wages, safe working conditions, and access to social protections.
- **Engage Directly with Workers:** Collaborate directly with organizations representing home-based workers to better understand their needs, challenges, and aspirations. This fosters trust and ensures their voices are heard.
- **Recognize and Include Home-Based Workers:** Acknowledge home-based workers as part of the formal workforce and incorporate them into corporate social responsibility (CSR) initiatives. Partner with civil society organizations (CSOs) and trade unions to safeguard workers' rights and promote fair treatment.

Civil Society Organizations (CSOs)

- **Evidence-Based Advocacy and Awareness Campaigns:** Run campaigns to raise awareness about the rights of home-based workers and the importance of ILC 177. Use public education, media engagement, and lobbying to influence policymakers.
- **Capacity Building and Training:** Offer training programs on legal rights, financial literacy, and skill development to empower home-based workers. Facilitate

access to markets and promote entrepreneurship among workers.

- **Sensitization on HREDD:** Sensitize employers on the Human Rights and Environmental Due Diligence (HREDD) framework to promote transparent supply chains and the adoption of risk assessment systems.
- **Networking and Coalition Building:** Build networks and coalitions of home-based workers to strengthen their collective voice. Collaborate with trade unions, employers, and the government to advocate for better policies.
- **Monitoring and Reporting:** Monitor the conditions of home-based workers and report violations of labor rights to relevant authorities. Conduct research and publish reports to highlight the challenges faced by this group.
- **Legal Aid and Support Services:** Provide legal assistance to home-based workers facing exploitation or unfair treatment. Offer counseling, healthcare, and other support services to address their needs.

Trade Unions

- **Organizing Home-Based Workers:** Facilitate the formation of unions or associations specifically for home-based workers to give them a collective voice.
- **Advocacy:** Advocate for the inclusion of home-based workers in labor laws and social protection schemes, and push for the ratification of ILO Convention C177.
- **Awareness Campaigns:** Conduct awareness campaigns to inform home-based workers about their rights and how to access legal remedies.
- **Collective Bargaining:** Negotiate with employers and brands on behalf of home-based workers to secure better wages and working conditions.
- **Grievance Redressal:** Establish mechanisms to address grievances and provide legal support to home-based workers.