

## Preface

This report is an interim outcome of the two-year research project 'Globalization in South Asia: its Impact on Employment and Labor Issues' (Organizer: Hiroshi Sato) conducted at Institute of Developing Economies (IDE-JETRO). We have particularly focused on readymade garment industry, which is an important source of employment in most of the South Asian countries. Moreover, the initial year of the project coincided with the first year after the Multi Fibre Agreement (MFA) was withdrawn. In order to see the changes taking place in the new settings, we conducted interviews with factory owners and workers in India, Bangladesh and Sri Lanka with the help of local experts and organizations who have been working on the issue.

We would like to express our utmost gratitude to our partners. In Bangladesh, Nari Uddug Kendra (Centre for Women's Initiatives) has given extensive support. We would like to appreciate the efficient and compassionate work of Mashuda Khatun Shefali, Executive Director, Riful Jannat, Zafrul Islam (Shimul), Sadia Afrin, Maksuda Sultana, Lilian Rozario, Shahnaz Ritu and Rafiqul Islam. We would like to thank Dr. Prabir De, New Delhi, India, to have organized and conducted the firm survey in India. Danushka Karunaratne, Piyantha Balasooriya and Janaka Kumara worked efficiently for survey in Sri Lanka. Dr. Sampath Amaratunga, Sri Jayawardanapura University offered his resources generously.

The discussions with the project members, Hiroshi Sato, Momoe Makino, Junko Kiso, Takahiro Sato, Yuko Tsujita, Hisaya Oda, Tatsufumi Yamagata, Toshihiro Kudo, Hajime Sato have contributed greatly to formulate the research framework. Mohammad Shoheler Rahman Chowdhury, a Bangladeshi civil servant on internship at IDE-JETRO, provided useful information to the members not only by his knowledge but also by organising trade data and news clippings. Prof. Arup Mitra of Institute of Economic Growth, Delhi who has been at IDE as a visiting research fellow gave timely intellectual and moral support to complete the survey. Above all, an efficient administrative support by Kumiko Sakumoto made a significant contribution in carrying out the research.

Due to time constraints, the papers in this report present preliminary analysis of the issues we intended to discuss. The remaining questions and shortcomings of our report will be clarified and examined in the second, and final year of the project.

Mayumi Murayama

## CONTENTS

<b>List of Contributors</b>	v
<b>Preface</b>	vi
<b>Chapter 1: Phasing Out of MFA and The Emerging Trends in the Ready Made Garment Industry in Sri Lanka</b>	
	<b>W.M. Tilakaratne</b> 1
Introduction	
1. The Current Status of the Garment Industry in the Economy	
2. Geographical Distribution	
3. Employment	
4. Size Distribution of Factories	
5. Contribution to Export Income	
6. Markets	
7. Phasing out of MFA and Major Issues facing the Garment Industry in Sri Lanka.	
8. Market Links and Labour Compliance	
9. Market Trends	
Conclusion	
Appendix	
<b>Chapter 2: Readymade Garment workers in Sri Lanka: Strategy to Survive in Competition</b>	
	<b>Etsuyo Arai</b> 31
Introduction	
1. Strategies of industry groups for increasing competitiveness in the global market	
2. Measures taken by the industry	
3. Survey of workers	
Conclusion	

**Chapter 3: Globalisation and Female Employment in Bangladesh: Readymade Garment Workers in Post-MFA Era.**

**Mayumi Murayama** 53

Introduction

1. Growth of RMG Industry and MFA Implications
2. Structure of, and Changes in, the Female Labour Market
3. RMG Industry as a Source of Alternative Income for Women
4. Survey of Current and Retrenched RMG Workers

Conclusion

**Chapter 4: Garment Industry in India: Study of Firms in Delhi Region**

**Yoshie Shimane** 103

1. Objectives and Background
2. Key Research Questions
3. Labour Laws and Regulations
4. Survey of Garment Industry in Delhi Region
5. Summary of the Survey Results

## **List of Contributors**

Etsuyo Arai (Area Studies Center, Institute of Developing Economies)

Mayumi Murayama (-do-)

Yoshie Shimane (-do-)

W.M. Tilakaratne (Professor of Department of Economics and Statistics, University of Peradeniya)