

## Chapter 3

### **Globalisation and Female Employment in Bangladesh: Readymade Garment Workers in Post-MFA Era<sup>1</sup>**

Mayumi Murayama

#### **Introduction**

Being connected with other parts of the world through the movement of capital, goods and people is nothing new for Bangladesh. In the pre-colonial period, Bengal, the eastern half of which constitutes the present Bangladesh, was once a centre of cotton textile and silk manufacturing. During the Mughal period, these products were exported to meet the demands of the Asian and European markets<sup>2</sup>. Bengali people, meanwhile, went to England as the servants of East India Company officers and as sailors on British ships (Gardner 1995: 36). And women were by no means excluded from the influence of the globalisation of that period. While women's labour, in high demand for production of home spun yarn during the eighteenth century, lost its value when textiles made in British factories began to flood the Indian market (Hossain, Jahan and Sobhan 1990: 14-17), the rise of the export-oriented readymade garment industry (hereafter referred to as RMG industry) has given Bangladesh women a predominant position in the economic and social space opened up by globalisation.

---

<sup>1</sup> The sample survey of this research was financed by 2005 JSPS (Japan Society for the Promotion of Science) Grant-in-Aid for Scientific Research provided for the project 'Globalization of Economy and Changes in Gender Regimes in Asia' (Principal Investigator: Professor Nobuko Yokota, Faculty of Economics, Yamaguchi University). I would like to express deep gratitude to Professor Yokota and other project members.

<sup>2</sup> The export of raw silk and textile began to increase from the 1670s. In the exports to England, textiles constituted 70 or 80 percent followed by raw silk, saltpetre and opium (Chaudhuri, Sushil 1992a, 1992b).

The RMG industry in Bangladesh has grown phenomenally over the past twenty years, belying the initial scepticism about its long-term sustainability. In 2004/05 garment exports amounted to approximately 5.4 billion US dollars, accounting for 66 percent of the country's total export earnings<sup>3</sup>. In its main export markets, the US and the EU, Bangladesh ranked 10<sup>th</sup> and 3<sup>rd</sup>, respectively, in terms of export value at the end of 2004.

Despite this seemingly remarkable performance, however, in the decade from 1995 there was much discussion of the uncertainties looming over the future of the industry. In December 1994, with the conclusion of the Uruguay Round, the Multi Fibre Agreement (MFA) which had governed global trade in textile and clothing since 1974 was succeeded by the Agreement on Textile and Clothing (ATC). The ATC called for a gradual phasing out of all MFA restrictions by the year 2005. As will be discussed in the following section, the MFA regime provided an opportunity for the RMG industry to be implanted in Bangladesh by inducing a structural shift in the sourcing of global exports of textiles and clothing and ensuring guaranteed access to some markets.

There were opposing views about the prospects of the RMG industry of Bangladesh in the post-MFA era. The optimistic view emphasized the solid position Bangladesh had held over the years as a reliable source of cheap garments produced with an abundant supply of skilled, cheap labour. The pessimists, meanwhile, saw no chance for Bangladesh to survive in the global mega-competition. What was certain, however, was that performance of the industry as a whole would to a substantial extent depend on worker performance and that workers' lives would be profoundly affected. The main objective of this paper is to assess the actual impact of MFA withdrawal on RMG workers' lives through a sample survey of workers.

---

<sup>3</sup> According to *Economic Trends*, published by Bangladesh Bank, garment exports and total exports in 2004/05 were Tk.333.33 billion and Tk.508.35 billion, respectively. The yearly average exchange rate of that year was Tk.61.39 = US\$1.

## **1. Growth of RMG Industry and MFA Implications**

In spite of its recent origin, the garment industry has made an unparalleled impact on the socio-economic conditions in Bangladesh. The history of the garment industry dates back to 1977 when the first consignment was exported to then West Germany by Jewel Garments. The number of units, however, remained a meagre 46 until the end of 1983. From a humble beginning the sector has thus made phenomenal growth over the last two decades, the number of units growing to around 3500. The RMG industry achievement is noteworthy, particularly for a country plagued with poor resource endowments and adverse conditions for industrialisation. Exports increased from approximately 32 million US dollars in 1983/84 to 1.4 billion dollars in 1992/93. In 1987/88, the RMG export share surpassed that of raw jute and allied products. The figure further rose to 5.7 billion dollars in 2003/04, representing a contribution of about 75 percent of the country's total export earnings in that year<sup>4</sup>. The employment generated by the sector is estimated to be around 1.5 million workers.

Several factors account for the outstanding 'success' of the RMG industry in Bangladesh.

The country's industrialisation after independence in 1971 followed the same path, from state-led to privatisation, as that of the majority of the developing countries. The state sector, which controlled 92 percent of the modern industrial fixed assets in 1972 as a result of the nationalisation policy, had suffered from a chronic loss due to various internal and external constraints (Sobhan and Ahmad 1980). The main causes of the poor performance were mismanagement, obsolescent machinery, lack of material and foreign exchange, political instability, manipulations of labour unions by political parties and worsening terms of trade for the country's primary export product, jute.

Successive governments from the mid-1970s gradually shifted their policy stance

---

<sup>4</sup> Bangladesh Bank data.

with more emphasis on private initiatives. The policies thereafter implemented included things such as opening up sectors which were previously reserved for the state sector, including banking and insurance sectors, divestiture of state enterprises, beginning with smaller ones, and establishment of export processing zones, ensuring access for private enterprises to credit and foreign exchange facilities. In addition, the industrial policy of 1982 stipulated the return of the nationalised jute and textile mills to their former Bangladeshi owners. The revised industrial policy of 1986 further provided for equity shares of public corporations and enterprises to be floated for public subscription up to a limit of 49 percent.

Export promotion was one of the top priorities of these policy initiatives. Alongside liberal policies offered for foreign direct investment, including allowing 100 percent equity share ownership, export oriented units have been offered with lucrative incentives such as tax holidays, bonded warehouse facilities and a duty drawback system. Thus by the early 1980's the policy environment became quite favourable for export industries, whether of domestic or foreign origin.

Nevertheless, the congenial policy environment would have remained unexploited without external actors ready to make use of it. As in many other countries and industries, foreign multinational companies played a catalyst role in promoting this particular industry in Bangladesh. They brought initial technology and other know-how with respect to the modern production of garments meeting international requirements. Simultaneously, through controlling product development and marketing operations, they have successfully linked Bangladesh as a competitive production base to the international market. They further contributed to diffusing technology and know-how to local firms by generating spin-offs.

Behind the advent of foreign capital lies the economic restructuring that occurred in the foreign companies' respective countries. The relocation of production bases necessitated by rising production costs in their home countries as well as in the countries to which they had already shifted was not limited to the developed

countries alone. Newly industrialising countries, like the NIEs and ASEAN countries, which used to be the recipients of foreign investment, became part of globalisation as sources of direct investment.

The case of Desh Garments, one of the pioneer garment companies in Bangladesh, clearly illustrates the role played by foreign capital in the establishment and the operation of mills. Desh Garments was established by an ex-civil servant with technical collaboration with Daewoo, a leading Korean business group. Daewoo mainly took responsibility for procurement of raw materials and marketing of the company's products in the international market and for training of managers and workers. When Desh's operations proved successful, a large number of local entrepreneurs entered the sector with foreign buyers retaining major control in the marketing operations of the local mills. In other words, Bangladesh was incorporated into the lowest tier of the international subcontracting system.

Prior to its collaboration with Desh Garments, Daewoo's involvement in Bangladesh was limited to trading. Besides the rising cost of labour and a labour shortage in Korea, the main reason for Daewoo to invest in the RMG sector in Bangladesh was the import restrictions against some of its garment products in the US and other OECD markets under the MFA regime (Rhee 1990: 336).

Since its inception in 1974, MFA was extended several times with widening coverage. The history of trade control in the textile sector can be traced back to the 1950s. The US, which had been an exporter of textile articles, had become a net importer by that time. The increased penetration of imported products, particularly Japanese textiles, into the US market prompted the US government, under pressure from the textile lobby, to take a protectionist attitude against free trade in textiles. The US raised the issue at the General Agreement on Tariffs and Trade (GATT) in 1959 and consequently a Short-Term Arrangement on cotton articles was signed in 1961. The arrangement became the Long-Term Arrangement in 1962. In 1973 this was then extended into the MFA, which was enlarged to cover all kinds of textile and clothing articles. Restrictions on exports in general took the form of bilateral quotas negotiated within the MFA

framework.

There have been two contrasting views regarding the effect of MFA on the developing countries. One has criticised increasing protectionism in major OECD markets as neo-protectionism, whereas the other has taken note of the positive impacts of MFA in promoting the textile and garment industry in developing countries. In reality, the actual effects of MFA differed from country to country because of the varying economic conditions and experiences in global trade. The implications of MFA differed particularly between long-standing exporting countries and new exporters of textile and clothing<sup>5</sup>. For new entrants such as Bangladesh, MFA proved a blessing since it induced industrial re-location from more advanced economies to Bangladesh. It can be said that Bangladesh as a garment exporter was created by the MFA regime<sup>6</sup>.

The sudden surge of Bangladesh garments in the OECD markets led in 1985 to a fresh imposition of quotas by some countries like the UK, France, the US and Canada. Later the UK and France lifted restrictions and subsequently only the US and Canada were implementing quotas for Bangladesh RMG exports. The US restrictions affected Bangladesh's RMG sector significantly because the export growth at that time was mainly owing to the US market. Implementation of quotas caused a decline in absolute terms for most items in the first months of 1986. However after a transition period, in 1987 the level of growth increased again, mainly due to diversification into non-quota items (Wiig 1990: 154-159).

---

<sup>5</sup> Raffaelli (1994: 61) delineates the effects as follows: limitation of competitive exports; disruption to individual lines of production; transference of resources to less efficient lines of production; discouragement and /or distortion of investment; switch from less sophisticated products to different, more sophisticated products; improvement in quality; transference of production to third countries; fight for a guaranteed share of the market; quota ownership and attendant problems; costs of quota management and political costs.

<sup>6</sup> Besides the industrial relocation by quota-hoppers, political instability in neighbouring Sri Lanka led to a buyers' shift to Bangladesh (Rahman 1993: 5).

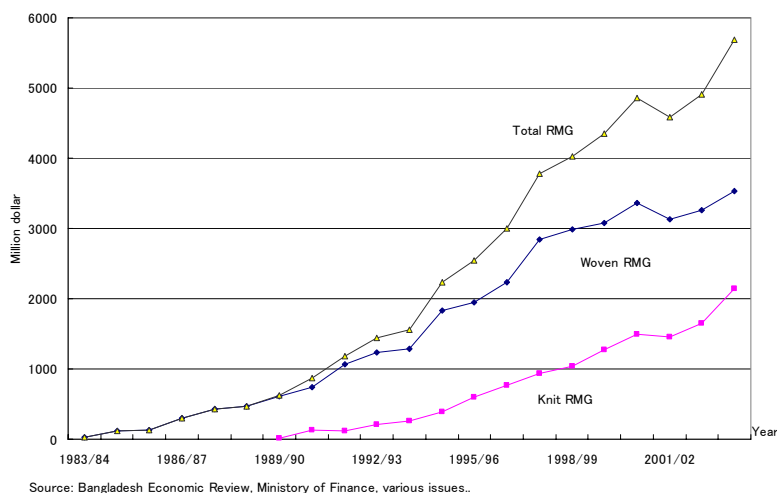
One of the successful areas of product diversification was knit-RMG, which was outside the purview of MFA. Figure 1 shows that there have been two clearly discernible phases in the growth dynamics of the RMG sector: in the initial period it was the woven-RMG sector that dominated the structure of RMG exports, while in recent years it has been the knit-RMG sector which has demonstrated the more robust growth. The growth of knit-RMG was spurred by a growing demand in the EU market and was also stimulated by domestic incentives in the form of cash compensation and duty drawbacks (Battacharya and Rahman 2001:4). In addition, industry-related technical and economic factors promoted the development of the knit-RMG industry<sup>7</sup>.

Despite the high growth rate of RMG exports, 27 percent per year over the period between 1983/84 and 2003/04, the elimination of MFA was considered to have adverse impacts on Bangladesh RMG industry in the coming years. The post-MFA trade environment would pose a dual challenge to Bangladesh: accessing raw materials at competitive prices and competing with hitherto restricted countries in a quota-free context (Battacharya and Rahman 2001:12). The major cause of concern lies in Bangladesh's competitive strength with respect to the limited backward linkages, particularly still heavy dependence on imported fabrics, lower labour productivity, infrastructural constraints such as undeveloped port facilities, corruption and administrative red-tape. All these negative elements were considered to have imposed tremendous constraints on Bangladesh.

---

<sup>7</sup> Dowlah (1998) lists several factors that contributed to the growth of knit-RMG. (1) The capital cost per unit of knitted output is considerably lower than for powerloom weaving. Unit machine costs are lower for knitting and space requirements per kilogram of output are modest. (2) The operating costs per units of knitting output are lower than for weaving. (3) Acceptable quality cotton knitting yarns are available from India and a few Bangladesh mills, and good quality acrylic knitting yarns can be obtained from countries like Korea, Taiwan and Indonesia (Dowlah 1998: 34-35).

Figure 1. Trend of garment exports



## 2. Structure of, and Changes in, the Female Labour Market

These far-reaching impacts on the garment industry are not confined to the economic sphere. The RMG industry is a female dominant industry. According to the latest Census of Manufacturing Industries (CMI), females accounted for 66.5 percent of industry employment in 1999/2000 (Table 1). The female concentration in the RMG industry is much higher than the 35 percent average for manufacturing as a whole.

Although the RMG industry is generally considered to be a female-intensive industry, in the historical and cultural context of Bangladesh, the massive entry of female workers into the formal industrial sector was a totally new phenomenon and bore important social, cultural and political implications.

Historically, the labour market in Bangladesh, as in most other countries, has had two characteristics: segregation based on gender and segregation based on class.



Table 1. Gender-wise employment status in RMG industry (1999/2000, persons)

|                     | Total number employed |                   | Administration, clerical, sales work |                | Production-related work |                   |
|---------------------|-----------------------|-------------------|--------------------------------------|----------------|-------------------------|-------------------|
|                     | Male                  | Female            | Male                                 | Female         | Male                    | Female            |
| (Female share)      |                       |                   |                                      |                |                         |                   |
| Knit-RMG            | 24199                 | 27114<br>(52.8%)  | 6526                                 | 8<br>(0.1%)    | 17092                   | 27106<br>(61.3%)  |
| Woven-RMG           | 336933                | 688445<br>(67.1%) | 55546                                | 1343<br>(2.4%) | 273965                  | 686218<br>(71.5%) |
| Total RMG           | 361132                | 715559<br>(66.5%) | 62072                                | 1351<br>(2.1%) | 291057                  | 713324<br>(71.0%) |
| Total manufacturing | 1699897               | 913667<br>(35.0%) | 250491                               | 4189<br>(1.6%) | 1171234                 | 833795<br>(41.6%) |

Source: Compiled from Bangladesh Census of Manufacturing Industries 1999-2000, Table 16.

The gender-based difference implies that women's participation in production is more limited than men's. Table 2 shows the wide gap that exists between the male and female labour participation rates. Bangladesh women's labour participation is lower than most of the other countries listed here, except for Pakistan and Turkey. Needless to say the low participation rates do not imply that women do not work. Revising the definition of 'work' increased more than double the rate of female labour participation, in 2000, for instance, from 23.9% based on the usual definition to 55.9% based on a broadened definition. In contrast, male participation rates remained more or less the same at 84.0% and 87.3%, respectively. Women's work has been underestimated because it has been mainly unpaid. The broadened definition of 'work' includes household economic activities such as the care of poultry and livestock, threshing, cleaning, boiling, drying, processing and preservation of food etc. with or without pay or profit. In 2000, some 56 percent of total female labour was engaged in these

household economic activities (Labour Force Survey 2000)<sup>8</sup>.

Table 2. Labour participation rates of selected countries (above 15 years, %)

|            | Year    | Male | Female |
|------------|---------|------|--------|
| Bangladesh | 2002/03 | 87.4 | 26.1   |
| India      | 2001    | 78.4 | 37.7   |
| Pakistan   | 2001/02 | 82.7 | 16.2   |
| Sri Lanka  | 2004    | 74.8 | 34.7   |
| Hong Kong  | 2004    | 71.7 | 51.9   |
| Japan      | 2004    | 73.4 | 48.2   |
| Korea      | 2004    | 75.0 | 49.9   |
| Thailand   | 2004    | 81.8 | 65.1   |
| Turkey     | 2004    | 72.3 | 25.4   |

Source: Compiled from LABORSTA Internet.

From the above figures, therefore, it can be stated that while a majority of women are at work, the number of women who have entered the labour market as wage labour is still limited. The main impediment to women's participation in wage labour is considered to be a social norm called *purdah* (seclusion of women. The term literally means 'curtain'). Although the actual compliance and interpretations vary from person to person, particularly in relation to the individual's religion, class, age, position in the family and living environment, *purdah* is an integral part of society as a system and as a symbol and is deeply related to evaluation of status, ownership and inheritance of property, arrangement of marriages, division of labour, and female sexuality (Papanek 1973:290). As an integral part of the value system, *purdah* and associated notions of female space, role and behaviour serve as powerful weapons to control women's choice of work. Thus women have been excluded, whether forcibly or voluntarily, from public spheres, including the labour market.

---

<sup>8</sup> The latest labour force survey of 2002/03 uses only the usual or conventional definition.

Another element which characterises the female labour market in Bangladesh is class. There are some occupations like teacher and doctor that prioritise women because they serve the maintenance of *purdah* of woman in general as well as that of the actual women working in those occupations. Women who work in these 'women's occupations' are from middle or upper-middle class backgrounds. As a whole, however, employment opportunities for women have been severely limited both in numbers and types of employment. In particular, for those who come from the lower-middle and lower class with little or no academic qualifications, few jobs are available except in occupations of an informal nature, such as domestic service, petty trade, daily labour on construction sites and as sex-workers.

While economic imperatives have indeed made many women transcend traditional roles, the social norms and ideologies governing the gender-based division of labour and space and the subordinate position of women as a gender have generally remained intact. Consequently, despite the fact that new patterns of sexual division of labour have been created, it is questionable whether women's subordinate position has improved, and if it has, in what way. The shift in the norms and values that accrue to the gender roles was not in conformity with the shift that occurred in the actual role performances. The norm of *purdah* as a system of social control over women is still a relevant and significant basis for gender identity and gender relations. It not only functions as a norm controlling behaviour and attitudes of women, but also sets the value standard with respect to social status<sup>9</sup>. This implies that a woman who takes up employment outside the home risks losing social prestige for herself as well as her family.

However class plays a role in the impact of employment on status. Recently an

---

<sup>9</sup> Being able to keep one's women in seclusion was a sign of prosperity and family status since it requires households to exert careful management as well as to possess substantial economic and human resources (Feldman and McCarthy 1983: 952).

increasing number of educated women from the upper and the upper-middle classes have begun to participate in non-traditional employment, for instance, as officials and professionals both in the government and private sector, in competition with male counterparts. Their social status has in fact improved, since those occupations are perceived as socially prestigious. The social status of poor women, on the other hand, is degraded by the very fact of taking employment outside the home, despite their contributions to the home in terms of labour and income (Khan 1992: 178-199). This is mainly due to the fact that jobs available for poorer women are accorded low social prestige. Therefore, for a woman of the lower strata of the society, a choice between 'pay or *pardah*' still has to be made. The fact that of all classes middle class women have the lowest economic participation rate indicates that they are placed in the dilemma of choosing between economic gain and loss in social status<sup>10</sup>. In short, in the female labour market, there is a strong co-relation between types of employment and class, social prestige, and social acceptance of working women.

Now let us examine the structure of the labour market on the basis of statistical data. It has been reported that the shift in the conventional division of labour has been accelerating since the early 1970s (Feldman and McCarthy 1983: 955; Hossain, Jahan and Sobhan 1990: 26). The economic crisis that followed the

---

<sup>10</sup> There is no statistical evidence to corroborate the different rate of female participation in wage employment according to class, but some surveys find the least participation among women of middle-class households (for example, Khan 1992). White also mentions that in the village she studied, it was middle-class women that most strictly observe *Purdah* (White 1992: 22). In rural areas, employment options available for women are polarised between jobs with higher prestige, such as services in government and non-government field works, and jobs with low recognition, such as domestic servants and rural construction work. In urban areas where there are so-called middle-status jobs like secretary, typist and nurse, however, there are strong reservations on the part of both family members and the women themselves to take such jobs. See Alam 1975; Banu 1988.

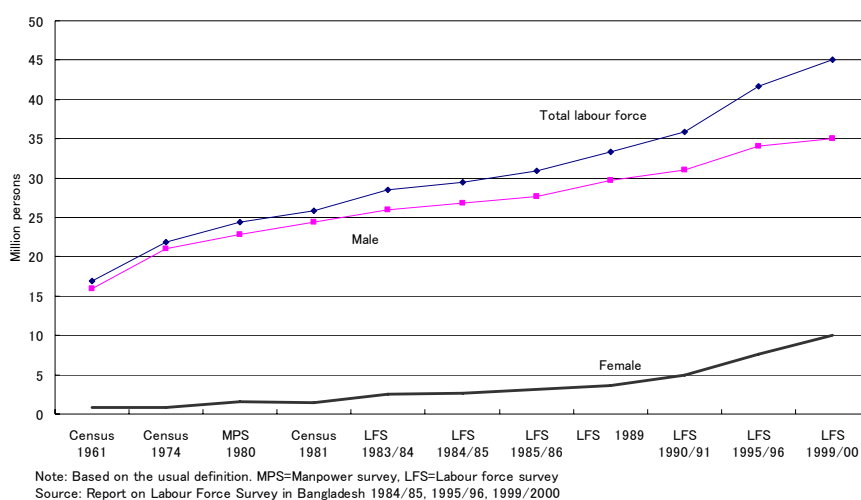
independence war of 1971, a war which caused huge losses in human and physical assets, was further aggravated by a severe famine in 1974. The consequences of the worsening economic conditions marked by increasing landlessness and impoverishment were more severely felt by women than by men. Many women lost their male custodians through death or migration to urban areas by males in search of work, and for poor households the decline in family income meant that women had to contribute economically to meet the family's subsistence needs. An increasing number of women from the lower echelon of society began to participate in economic work outside the home, such as the rural construction work organised under the state sponsored Food for Works Programme (FFW)<sup>11</sup>.

Figure 2 shows the changes in the size of the labour force over the past 40 years. The size of the female labour force, which stagnated between 1961 and 1974, began to make a substantial increase after independence. Between 1974 and 1999/2000, the female labour force increased at an annual average of 10 percent in contrast to the 3 percent and 2 percent registered by the total and the male labour force, respectively.

---

<sup>11</sup> A Food for Work programme was initiated in 1975 by both the World Food Programme and the United States Agency for International Development. The programme has two combined objectives, infrastructure development and employment creation for the poor. It distributes wheat as wages in kind to the participants of various infrastructure development projects such as construction of roads, embankments, canals and tanks.

Figure 2. Growth of labour force (10 years and above) between 1961 and 1999/2000



The majority of the female labour force lives in rural areas (Table 3). The issue of wage earning opportunities for women was first addressed in the rural context. Besides the FFW programme, various NGOs incorporated income-generating activities targeting poor women in their development programmes. There were two approaches, production enhancement based on women's traditional skills and employment expansion (Chen 1986). The production enhancement scheme was mainly conducted within the sphere of rural women's everyday life and was based on skills already existing among women in the fields of horticulture, animal husbandry, poultry rearing, fish culture, paddy husking, and so forth. The employment expansion scheme, on the other hand, tried to expand women's skills and work traditionally bound by gendered norms. It sought new markets beyond the women's communities and external expertise was hired for things like product design, skill upgrading and merchandising. While the second type of scheme generates steady income, returns to the producers are said to remain relatively low, and independent production by women is highly unlikely to succeed, without an institutionalised programme network (Feldman and McCarthy 1983: 217). Also,

the number of beneficiaries could never reach the actual number of needy women because this type of programme requires close monitoring at each stage of production up to marketing, necessitating large operational costs. The first type of scheme is less costly because it utilises the existing skills and markets in and around the potential beneficiaries. It is this type of self-employment work that has been promoted by Grameen Bank and other micro-credit providers that followed, and this has become the major approach to addressing the issues of poverty and empowerment of women.

Table 3. Distribution of labour force by residence

|              | Million persons | Share (%) |            | Million persons | Share (%) |
|--------------|-----------------|-----------|------------|-----------------|-----------|
| Total female | 10.3            | 100.0     | Total male | 36.0            | 100.0     |
| Urban female | 2.7             | 26.2      | Urban male | 8.6             | 23.9      |
| Rural female | 7.6             | 73.8      | Rural male | 27.4            | 76.1      |

Note: Labour force 15 years and above based on usual definition

Source: LFS 2002/03

The positive impacts on women of micro-credit have been extensively researched. Here let us investigate the implications for 'women's work' and the rural labour market. The implied mechanism of micro credit as a tool for reducing poverty is the generating of self-employment among the poor. Most studies emphasize a positive impact of micro credit programmes on women's self-employment and labour participation. There are numerous anecdotes describing how the programmes have enabled women to take up various income-generating works (Yunus ed. 1982, Counts 1987, Bornstein 1997, to mention a few).

Rahman and Khandker (1994) have examined the impact of micro credit programme placement on the employment situation of the poor. Studying three such programmes by Bangladesh Rural Development Board (BRDB, a semiautonomous government agency), BRAC (the largest NGO in Bangladesh) and Grameen Bank, the paper states that micro credit programmes have increased

employment in terms of labour participation rates and employment per worker<sup>12</sup>. Both indices are higher among programme participants than among the target group population in the control area. Also, self-employment per worker is much higher and, conversely, wage employment is lower among programme participants than among non-participants. Thus self-employment has taken the place of wage employment among participants. This study also found that the impact of programmes extends to non-participants in the area as well. Reduction in the supply of labour hours to wage employment by programme participants creates an upward pressure on wages. A higher wage rate has influenced the level of wage employment in two ways: it has attracted labour from non-participating households and it has induced replacement of hired labour by one's own labour. Thus, programme placement induces an increase in labour use among all groups of households. Rahman and Khandker found that the micro credit programme has contributed to a net increase in the level of overall employment.

The increase in self-employment in the rural labour force at the national level is reflected in labour force survey data (Table 4). Between 1983/84 and 1999/2000, the self-employment share increased both for males and females, but the increase was larger in the case of male labour. On the other hand, the employee share declined substantially in the case of female labour while remaining almost the same for male labour. A noteworthy gender-based difference is observed with respect to unpaid worker employment. Whereas the share of unpaid workers among male labourers declined during the decade of the 1990s after an increase in the preceding period, that of female labour has continuously expanded. In 1999/2000 the largest number of rural women were working as unpaid workers. Therefore while it can be said that the rural female employment situation has seen a positive shift from employee to self-employment status, there is a *larger* increase of employment as unpaid workers. In addition, there are discernible differences in the shift of employment status between male and female labour. As stated above, the number of self-employed males has increased on a larger scale

---

<sup>12</sup> Employment per worker is calculated in terms of working hours per month.



than that of females, and the information in the table suggests that the incremental change in male self-employment results from shifts from the employer and unpaid labourer groups. Although these tendencies need further in-depth investigation to elucidate the implications, the limitations of micro-credit in employment creation should be noted.

Table 4. Employment status in rural areas (10 years and above)

|               | 1983/84 |        | 1990/91 |        | 1999/2000 |        |
|---------------|---------|--------|---------|--------|-----------|--------|
|               | Male    | Female | Male    | Female | Male      | Female |
| Employer      | 43.4    | 17.5   | 20.9    | 9.1    | 0.2       | 0.1    |
| Self-employed |         |        | 18.5    | 22.8   | 50.1      | 25.2   |
| Employee      | 9.8     | 51.6   | 11.1    | 13.8   | 11.4      | 14.1   |
| Day labourer  | 30.9    | 17.3   | 23.5    | 14.8   | 29.1      | 19.7   |
| Unpaid worker | 17.7    | 13.2   | 25.4    | 37.8   | 9.2       | 40.8   |
| Other         | 0.4     | 0.3    | 0.4     | 1.8    | -         | -      |
| All statuses  | 100     | 100    | 100     | 100    | 100       | 100    |

Note: Figures may not add up to 100 due to rounding.

Source: LFS 1983/84; 1990/91; 1999/2000

Another noteworthy limitation of micro-credit is the exclusion of the poorest households from the programmes. The failure of micro-credit programmes to reach the poorest has become an issue of concern in recent years (Wood and Sharif 1997; R. I. Rahman 2000; Rahman and Razzaque 2000). Inclusion of non-target or non-poor households, generally defined in terms of land-holding size, is said to be on the rise. Between 27 and 71 percent of new members of various credit programmes in Bangladesh are found to come from non-target groups (R. I. Rahman 2000: 50-51). The large-scale inclusion of non-target households in recent years is in stark contrast to the situation reflected in a 1985 survey which found that only 4.2 percent of Grameen Bank members belonged to non-target groups (Hossain 1988: 44). And exclusion of the poorest has become a rather general phenomenon of micro-credit schemes in other countries as well (Hulme and Mosley 1997).

The constraints of micro credit schemes in extending services to the poorest have been grouped by R.I. Rahman (2000: 54-67) into two sets of factors, those on the client side and those on the lender side.

On the client side, lack of labour, land (a homestead, at least), and capital discourage the poorest to borrow money. A micro credit programme is basically a banking service, although the scale of each transaction is small and the mode of transaction is quite different from the ordinary banking system. Thus the money borrowed has to be invested in a way that will produce some profit and ensure repayment. In order to invest the borrowed money in a viable venture, one must have labour as input. In a household with a good number of income-earning members there is a good balance of dependents and labourers, while destitute households usually have more dependents than labourers. Land (homesteads or houses) is necessary to undertake self-employed work like livestock rearing, paddy husking or providing storage space for a rickshaw. Possession of one's own capital to use in addition to loans broadens the scope of investment. Moreover, the weekly/fortnightly/monthly repayment instalments, which start shortly after the loan disbursement, are difficult to meet unless there is extra capital and flow of income because loan-financed activities may take some time to get off the ground or may not have a high return.

The constraints on the lender side are concerned with the overriding objectives and terms of services offered by the micro-credit programmes, the group-based credit system and the management procedures. First, the very mission of micro-credit programmes, i.e., poverty alleviation and extension of credit services to the poor, prompts the lender to accept as clients those just below the poverty line, not the hardcore poor, because economic improvement is more easily attained with the former than with the latter. Furthermore, financial sustainability of the programme, about which donors are becoming increasingly vociferous, can be more easily maintained with the 'better-off' poor, since they are good borrowers and reduce the operation costs for the micro-credit organisations. Interest rates and repayment schedules are also often criticised for creating entry

barriers for the poorest. The second constraint is that the system of group responsibility, although effective in many ways to overcome the problems of transaction costs that arise when dealing with large numbers of poor clients, works against the inclusion of the poorest. The group screens out the poorest from the time of group formation because of their high financial risks. The third constraint is concerned with the personnel management of the micro credit institutions. Instead of emphasis on conscientisation or social awareness of the members, quantitative results such as loan recovery rates have increasingly become the central concern, especially at the field level. As a result, field workers in the micro credit programmes tend to shun the poorest and admit non-poor members instead.

The tendency of exclusion of the poorest has an important bearing on women, for a woman without male family members of active working age is likely to be left out of these programmes. The proportion of female-headed households varies in the different population studies. An official estimate suggests that around a tenth of households are headed by women (BBS 1999). The extensive poverty survey conducted by the Bangladesh Institute of Development Studies in 1990/91 estimated that 9 percent of rural households were managed or headed by women (Hamid 1995)<sup>13</sup>. Others take the view that the actual proportion could be around 20 to 30 percent (Asian Development Bank 2001: 19). These studies corroborate the view that poverty is more severe among female-headed households than male-headed households. Female-headed households have a lower number of income-earning males than male-headed households. The income level of female-headed households was only 55 percent of that of the

---

<sup>13</sup> Hamid's definition of female headed households includes both *de jure* and *de facto* female-head households. *De jure* households are those with no males over 18 years of age present in the home. The women household heads include widowed, divorced and abandoned women. *De fact* households are those where the male head of household normally works and lives outside the village and there are no close male relatives between the ages of 18 and 70 living as permanent members of the household (pp. 178-179).

average household (Hamid 1995: 180). The degree of access to micro-credit for female-headed households with few active males has not been substantiated through surveys, but our general understanding of the situation of the female-headed household would suggest their under-representation among micro-credit clients. It is an undeniable fact that many poor women have to seek some means other than micro-credit to alleviate their poverty.

### **3. RMG Industry as a Source of Alternative Income for Women**

Men who can not find a viable source of income frequently resort to migration to urban centres. This is not such an easy option for women, however. Migration is a highly gender-differentiated population movement. There are differentiated responses based on gender towards individual factors concerned with migration, entailing different consequences. There are diversities in migration patterns in different countries and regions, reflecting diverse macro as well as micro structural forces along with individual agencies.<sup>14</sup> Although a preponderance of males in the migration stream prevails in most of the world, some countries such as the Philippines and those of Latin America have demonstrated female dominance, especially in migration to urban areas. Conversely, in South Asia it has been reported that independent female migration to towns is still rare. According to Chant and Radcliffe (1992: 4-7), the differences in female migration are caused by the lack of employment opportunities in low-wage industry and service sectors in towns and cultural barriers such as female seclusion which prohibit any independent movement of women.

---

<sup>14</sup> Thandani and Todaro (1984:50-51) give five key variables to account for female migration in general: first, the differential between expected urban income and average rural income, second, probability of marriage to a male engaged or actively searching for work in the modern sector, third, relative probability of marriage to a male in an urban as opposed to a rural area, fourth, the strength of sex-role constraints on any kind of spatial mobility for women and lastly, all other residual factors, such as distance, amenities and extended family contacts.

Bangladesh was considered to be a typical example of low incidence of female migration. This is corroborated by the high sex ratio (number of males per 100 females) in urban areas compared with rural areas (Table 5). Nevertheless the gap has been closing over the years, as shown in the same table. The sex-ratio of Dhaka also decreased from 150 in 1961 to 123.4 in 2001, indicating a relatively greater increase in the female population in Dhaka in recent years. Table 6 also indicates the large decrease in the sex-ratio for the age groups between 20 to 40 over the period between 1981 and 2001, with the largest decline for the 25 to 29 age group. This is considered to be a clear indication of increasing migration of women of working age. This is corroborated by labour force survey data. The urban female labour force demonstrated the highest rate of increase throughout the period between 1974 and 1999/2000 (Table 7).

Table 5. Sex-ratio of rural and urban population

| Census year | Rural | Urban |
|-------------|-------|-------|
| 1941        | 106.3 | 150.1 |
| 1951        | 108.5 | 150.7 |
| 1961        | 106.0 | 142.3 |
| 1974        | 105.9 | 129.4 |
| 1981        | 103.3 | 125.8 |
| 1991        | 103.4 | 118.1 |
| 2001        | 103.6 | 117.2 |

Source: Analytical Report of Population Census 1991 and Population Census 2001: National Report (Provisional).

Table 6. Changes in urban sex-ratio by age group

| Age group | 2001  | 1991  | 1981  | Change (in % point) 1981 to 1991 | Change (in % point) 1991 to 2001 | Change (in % point) 1981 to 2001 |
|-----------|-------|-------|-------|----------------------------------|----------------------------------|----------------------------------|
| Total     | 117.2 | 118.1 | 125.8 | -6.1                             | -0.8                             | -6.8                             |
| 0 to 4    | 109.9 | 103.6 | 101.6 | 2.0                              | 6.1                              | 8.2                              |
| 5 to 9    | 110.6 | 106.0 | 103.9 | 2.0                              | 4.3                              | 6.4                              |
| 10 to 14  | 111.2 | 108.3 | 111.8 | -3.1                             | 2.7                              | -0.5                             |
| 15 to 19  | 110.5 | 107.5 | 119.7 | -10.2                            | 2.8                              | -7.7                             |
| 20 to 24  | 101.3 | 108.1 | 131.6 | -17.9                            | -6.3                             | -23.0                            |
| 25 to 29  | 106.5 | 114.3 | 149.9 | -23.7                            | -6.8                             | -29.0                            |
| 30 to 34  | 120.1 | 133.5 | 153.0 | -12.7                            | -10.0                            | -21.5                            |
| 35 to 39  | 132.0 | 159.8 | 168.5 | -5.2                             | -17.4                            | -21.7                            |
| 40 to 44  | 152.9 | 161.6 | 154.9 | 4.3                              | -5.4                             | -1.3                             |
| 45 to 49  | 159.4 | 161.2 | 166.9 | -3.4                             | -1.1                             | -4.5                             |
| 50 to 54  | 147.1 | 139.9 | 134.1 | 4.3                              | 5.1                              | 9.7                              |
| 55 to 59  | 152.3 | 151.3 | 164.6 | -8.1                             | 0.7                              | -7.5                             |
| 60 to 64  | 132.9 | 129.9 | 137.5 | -5.5                             | 2.3                              | -3.3                             |
| 65 to 69  | 142.7 | 145.3 | 150.9 | -3.7                             | -1.8                             | -5.4                             |
| 70 +      | 127.2 | 133.3 | 141.5 | -5.8                             | -4.6                             | -10.1                            |

Source: Computed from figures obtained from Analytical Report of Population Census 1991 and Population Census 2001: National Report (Provisional).

Employment in the garment industry has played an instrumental role in the increase of independent migration of women (Afsar 2000: 123). Table 8 presents a list of the major female occupations in urban areas. Doctor, teacher and other professional jobs, which are socially recognised as suitable for women, constitute only a small segment of the urban female labour market. The tailor, dressmaker category, which covers jobs in garment factories, constitutes the dominant occupation, accounting for 30 percent of the total female urban labour force.

Table 7. Annual average growth rate of labour force, 10 years and above (%)

|                    | 1974-1999 | 1974-1980 | 1980-1990/91 | 1990/91<br>-1999/2000 |
|--------------------|-----------|-----------|--------------|-----------------------|
| Total labour force | 2.9       | 1.8       | 3.9          | 2.5                   |
| Male               | 2.1       | 1.4       | 3.1          | 1.4                   |
| Female             | 10.1      | 10.1      | 11.8         | 8.2                   |
| Urban Total        | 6.6       | 6.1       | 9.6          | 3.6                   |
| Male               | 5.6       | 5.8       | 9.0          | 1.9                   |
| Female             | 13.9      | 12.2      | 16.2         | 12.5                  |
| Rural Total        | 2.3       | 2.8       | 2.0          | 2.3                   |
| Male               | 1.5       | 2.5       | 1.0          | 1.3                   |
| Female             | 9.4       | 9.8       | 11.1         | 7.2                   |

Source: Calculated from LFS 1995-96; 1999-2000

This is followed by housemaid, and the two occupations together make up half of urban female employment. These are also the few occupations in which female workers outnumber male workers. Male employment in the tailor, dressmaker category is 2,68,000, compared with 7,18,000 for females. In the case of housemaids, the difference is much larger, 62,000 male and 4,54,000 female workers.

The predominant position that the RMG industry occupies in urban female employment is indicated by the fact that 78.3 percent of female employment in the manufacturing sector is provided by the RMG industry alone (Census of Manufacturing Industries 1999/2000)<sup>15</sup>. This figure is significantly higher than that for male workers, which is 21.2 percent. (For males, the next highest occupation is in the manufacture of bricks, tiles and non-clay products (13.5%).) For both male and female workers in the manufacturing sector, RMG is the

---

<sup>15</sup> In the case of India, the employment concentration of male and female in the RMG industry is 2 percent and 17 percent, respectively (Annual Survey of Industries 1999/2000). However, this data underestimates the size of RMG-related employment as it covers only directly employed workers.

largest source of employment. But while male employment is distributed across various sub-sectors, female employment is highly concentrated in the RMG industry. Thus the performance of this sector has an extremely important bearing on the employment prospects and welfare levels of women.

Table 8. Major female occupations in urban areas (10 years and above)

|  | thousand | %     |
|--|----------|-------|
| Medical, dental, veterinary              | 20       | 0.9   |
| Teachers                                 | 142      | 6.0   |
| Professional technical and related works | 22       | 0.9   |
| Clerical and related workers             | 20       | 0.9   |
| Wholesale and retail                     | 37       | 1.6   |
| Salesperson and street vendors           | 88       | 3.7   |
| Cooks and waiters                        | 29       | 1.2   |
| Maids and housekeeping                   | 454      | 19.3  |
| Building caretaker and cleaner           | 30       | 1.3   |
| Laundry, dry cleaner                     | 37       | 1.6   |
| Guards                                   | 31       | 1.3   |
| Farmers                                  | 325      | 13.8  |
| Livestock, dairy and poultry             | 32       | 1.4   |
| Spinner, weaver and knitter              | 56       | 2.4   |
| Food and beverage processors             | 34       | 1.4   |
| Tobacco preparers                        | 20       | 0.9   |
| Tailor, dressmaker                       | 718      | 30.6  |
| Others                                   | 254      | 10.8  |
| Total                                    | 2349     | 100.0 |

Source: Compiled from LFS 1999/2000

Needless to say, the RMG industry has brought significant economic benefits to poor women who were previously deprived of any means of income generation or had only limited choices with low economic and social remuneration, for instance, as domestic servants, construction workers and sex-workers (Zohir and



Paul-Majumder 1996; Kabeer 2000). In addition to immediate improvement in income levels, resulting in the improvement of diet, housing conditions, and purchasing power, the steady income provided by RMG employment has contributed to a longer term improvement in their living conditions. The dynamics of the poverty reduction mechanism for RMG workers functions through savings, accumulation of assets such as land and housing, investment in business and education of children and siblings.

#### **4. Survey of Current and Retrenched RMG Workers**

##### **A. Survey design**

In order to grasp the situation of workers after the MFA withdrawal, a sample survey of workers was conducted with the cooperation of a Bangladesh NGO called Nari Uddug Kendra (Centre for Women's Initiatives, hereafter referred to as NUK). See Appendix for further information on NUK.

Information on two sample types, current and retrenched workers, was collected on the assumption that the impact of MFA elimination was likely to be perceived differently depending on whether the worker was currently at work or not. NUK has been engaged in various support programmes for RMG workers, and since the beginning of 2004 it has been monitoring the situation of retrenched workers. Their monthly reports, compiled from the information collected by their field-workers, were unfortunately not well maintained due to the transfer of the person in charge. Nevertheless, the rapport that the fieldworkers have established with workers and ex-workers has given NUK an advantage in gaining access, particularly to retrenched workers.

Due to time and financial constraints, the size of the samples is limited to 100 each, i.e., 100 current and 100 retrenched workers. Since the number of samples was limited, we did not try statistical sampling. Instead, we have used purposive sampling based on location of workplace and inclusion of both Export Processing

Zone (EZP) factories and non-EPZ factories. In addition, the sample of retrenched workers was collected using a snow-balling technique, starting with ex-workers with whom the NUK was already acquainted.

The workers' samples were taken from three different locations, Dhaka, Savar and Chittagong (Table 9). These three places are where most RMG factories are concentrated. Another area, Narayanganj, where knitwear factories are clustered, was initially marked for collection of samples but was later dropped because knitwear factories were found to be better-off than woven-garment factories. Thus the majority of samples are of workers at woven-garment factories (Table 10). Since there are differences in terms of size and management between factories located in, and outside of, Export Processing Zones (EPZ), workers who work or worked in both types of factory were covered (Table 11).

Table 9. Female sample by residence

|            | Current workers | Retrenched workers |
|------------|-----------------|--------------------|
| Dhaka      | 52              | 54                 |
| Savar      | 25              | 24                 |
| Chittagong | 23              | 22                 |
| Total      | 100             | 100                |

Table 10. Type of factory

|                        | Current worker | Retrenched workers |
|------------------------|----------------|--------------------|
| Woven                  | 79             | 86                 |
| Knitwear               | 2              | 1                  |
| Total no. of factories | 81             | 87                 |

Moreover, although it would have been desirable to make a balanced gender analysis of the impacts by taking both male and female samples, given time and financial limitations, only female samples were taken. Also, preliminary information provided by the fieldworkers indicated that most retrenched workers were women.

Table 11. Location of workplace

|               | Current worker | Retrenched workers |
|---------------|----------------|--------------------|
| EPZ           | 44             | 27                 |
| Non-EPZ       | 56             | 73                 |
| Total workers | 100            | 100                |

Data collection was conducted between November and December 2005 by four NUK field workers, one male and three female, on the basis of separate structured questionnaires. Table 12 shows that a large number of interviews were conducted in workers' residences. For retrenched workers, the next most frequent place of interview was at factory gates, where they had gathered looking for work, but for current workers it was the women's hostels run by NUK.

Table 12. Place of Interview

|                        | Current workers | Retrenched workers |
|------------------------|-----------------|--------------------|
| Residence              | 43              | 43                 |
| Factory                | 8               |                    |
| Factory gate           | 0               | 39                 |
| Hostel                 | 38              |                    |
| Street                 | 10              | 9                  |
| Market                 | 1               | 2                  |
| Residence of neighbour | 0               | 7                  |
| Total                  | 100             | 100                |

Table 13 shows the distribution of the sample by employment size of factory. Since the information on the number of workers employed in the factories where they now work and where they last worked was taken from the workers, it may not be precisely accurate. Nevertheless it indicates generally that the currently employed workers tend to work in larger factories than the retrenched workers. The smallest factory in the case of the retrenched workers sample employs 100 workers whereas the figure is 470 for the current workers. The largest

concentration is in the range between 1000 to 2000 workers in both samples.

Table 13. Distribution of sample by employment size of factory

|            | Current workers | Retrenched workers |
|------------|-----------------|--------------------|
| 100<       | 0               | 0                  |
| 100<500    | 2               | 4                  |
| 500<1000   | 21              | 33                 |
| 1000<2000  | 42              | 53                 |
| 2000<5000  | 23              | 10                 |
| 5000<10000 | 8               | 0                  |
| 10000<     | 4               | 0                  |
| Total      | 100             | 100                |

Note:

- (1) In the case of retrenched workers, the size of the last factory where they worked is presented.
- (2) The total number of factories covered is 81 for the current workers' sample and 87 for the retrenched workers' sample.

## B. Profile of workers

### (1) Age

The largest number of both current and retrenched workers is in the age cohort 20 to 24 years old (Table 14), but the age distribution of retrenched workers is skewed towards the lower ages. The average age of current and retrenched workers is 24.1 and 21.6 years old, respectively. It should be noted that there are 9 child workers who are less than 15 years old among the retrenched workers. This indicates that although hiring child labour has been strongly discouraged under international pressure as well as by the joint initiatives of Bangladesh Garment Exporters and Manufacturers Association (BGMEA), the apex organisation of the garment (mostly woven) industry, UNICEF, ILO and some NGOs, there are still a sizable number of child workers. These workers may

have concealed their real ages at the time of hiring. However it indicates the insecurity of their job status.

Table 14. Age distribution

| Age range          | Current workers | Retrenched workers |
|--------------------|-----------------|--------------------|
| Less than 15 years | 0               | 9                  |
| 15-19 years        | 14              | 31                 |
| 20-24 years        | 47              | 34                 |
| 25-29 years        | 28              | 15                 |
| 30-39 years        | 10              | 11                 |
| 40-49 years        | 1               | 0                  |
| 50 and above       | 0               | 0                  |
| Total              | 100             | 100                |

## (2) Education

The educational level of the retrenched workers sample is on the whole lower than that of the current workers sample. The largest number of retrenched workers (42 persons) studied only at the primary level while the largest number of current workers studied at the lower secondary level (class 6 to 9) (Table 15). However the difference is not very significant. It is notable that there are substantial numbers of retrenched workers with secondary level education.

Table 15. Educational status

|                                    | Current workers | Retrenched workers |
|------------------------------------|-----------------|--------------------|
| No schooling                       | 0               | 0                  |
| No schooling but able to sign name | 3               | 5                  |
| Class 1-5                          | 20              | 42                 |
| Class 6-9                          | 37              | 39                 |
| Class 9-10                         | 12              | 9                  |
| Secondary School Certificate       | 25              | 4                  |
| Higher Secondary Certificate       | 3               | 1                  |
| Bachelor                           | 0               | 0                  |
| Master                             | 0               | 0                  |
| Others                             | 0               | 0                  |
| Total                              | 100             | 100                |

## (3) Marital status

In terms of marital status, both samples show similar characteristics (Table 16). Around half of the workers are married with a slightly higher share of married women among the retrenched workers. The average age of marriage of current and retrenched workers is 18.9 years and 18.1 years old, respectively.

Although the sample size is too small to make any judgement, it should be noted that there are a greater number of current workers who are separated from their husbands. Separation, or abandonment by one of the spouses, is more often observed than legal divorce in the Bangladesh context. As has been mentioned, the RMG industry offers an important means of earning a living for women with no financial support from a man. Our data may indicate that separated women cannot afford to be unemployed. Since the period of being unemployed was not very long at the time of our survey, further research is needed to analyse the longer-term effect of retrenchment on the marital status of workers.

Table 16. Marital status

| Marital Status | Current workers | Retrenched workers |
|----------------|-----------------|--------------------|
| Married        | 49              | 56                 |
| Unmarried      | 44              | 42                 |
| Divorced       | 0               | 0                  |
| Separated      | 6               | 2                  |
| Widowed        | 1               | 0                  |
| Total          | 100             | 100                |

## (4) Migratory status

Almost all the sample workers are of rural origin except two of the current workers and four of the retrenched workers. They come from various districts, but it is noteworthy that the Barishal district provided the highest number of workers in both samples (16 of the current workers and 26 of the retrenched workers). Other major districts of origin are Pirojpur, Mymensingh, Narsingdi, Comilla, Faridpur and Jamalpur. This is in conformity with the general migration trend in Bangladesh (Afsar 2000).

Table 17. Time of migration

|                        | Current workers | Retrenched workers |
|------------------------|-----------------|--------------------|
| Less than 6 months ago | 1               | 0                  |
| 6-12 months ago        | 5               | 0                  |
| 1-3 years ago          | 17              | 34                 |
| 3-5 years ago          | 31              | 32                 |
| 5-10 years ago         | 33              | 22                 |
| More than 10 years ago | 11              | 8                  |
| Total                  | 98              | 96                 |

Table 17 shows when the migrant workers moved to Dhaka. Those who have resided more than ten years in cities constitute only one tenth of the total sample. As for the retrenched workers, the highest number migrated between one and

three years ago. The reason for migration is predominantly to seek work (78 percent of current workers and 87 percent of retrenched workers); family-induced migration is limited to 10 and 3 percent, respectively.

### C. Work experience

#### (1) Designation of workers

Table 18. Position of workers

| Position           | Current workers | Retrenched workers |
|--------------------|-----------------|--------------------|
| Production manager | 0               | 2                  |
| Floor-in-charge    | 0               | 0                  |
| Supervisor         | 2               | 1                  |
| Cutting master     | 1               | 1                  |
| Cutter             | 0               | 0                  |
| Engineer           | 0               | 0                  |
| Sewing operator    | 65              | 68                 |
| Helper             | 5               | 23                 |
| Quality controller | 25              | 2                  |
| Ironer             | 0               | 0                  |
| Finishing operator | 2               | 1                  |
| Finishing helper   | 0               | 0                  |
| Others             | 0               | 2                  |
| Total              | 100             | 100                |

Table 18 shows the distribution of workers by position. For the retrenched workers, the last position held is presented. Nearly 70 percent in both samples are sewing operators. The ‘helper’ share is much higher among the retrenched workers.

In terms of employment status, 92 percent of the current workers are regular



workers and the remaining 8 percent are on probation. On the other hand, 78 percent of the retrenched workers were regular workers and 22 percent were on probation in the last factory where they worked. There are no contract workers in the sample<sup>16</sup>.

(2) Work history

Only four current workers and six retrenched workers had wage work experience other than that in the RMG industry, all of them as domestic servants. The rest had previously either been students or had been helping with household chores at home. Of the ten ex-domestic servants, nine gave better income prospects as the reason for changing to the RMG industry and one cited better physical environment as the reason.

Table 19. Year of first factory employment

|             | Current workers | Retrenched workers |
|-------------|-----------------|--------------------|
| Before 1985 | 1               | 0                  |
| 1985-1989   | 1               | 0                  |
| 1990-1994   | 2               | 8                  |
| 1995-1999   | 30              | 18                 |
| 2000-2005   | 66              | 74                 |
| 2000        | 18              | 9                  |
| 2001        | 26              | 16                 |
| 2002        | 8               | 17                 |
| 2003        | 6               | 14                 |
| 2004        | 6               | 15                 |
| 2005        | 2               | 3                  |
| Total       | 100             | 100                |

Table 19 shows that the majority of both current and retrenched workers entered

---

<sup>16</sup> Contract work is generally practiced in knitwear factories.

their first RMG factory after 2000. The share is higher among the retrenched workers. It can be said that there are more inexperienced workers in the retrenched workers sample than in the other.

The relatively high turnover of garment workers is generally attributed to various reasons. Some of the economic reasons are poor promotion prospects (especially from helper to operator) and the attraction of higher wages and better facilities in other factories. Family related reasons include such things as marriage, childbirth, and sickness of family members. On average, the current and retrenched workers had worked at 2.3 and 2.4 factories, respectively. Thirty-five percent of current workers had experienced promotion, in 30 cases promotion being from helper to either operator or quality controller. Some 73 percent of current workers believe that their work experience and desire to become a supervisor will lead to promotion in the future. Although openings for promotion to supervisory positions are in fact limited, it can be said that becoming a supervisor is perceived by many workers to be an attainable goal.

### (3) Work conditions

Regular working hours for 80 percent of current workers and 95 percent of retrenched workers are, or were, from 8 in the morning to 5 in the evening. Overtime work was said to be normal, except for 15 current workers and one retrenched worker. Average overtime per day is 2.7 hours for the current worker group and was 3.9 hours for retrenched workers at the last factory where they worked. Of the retrenched workers, the largest number, 36 persons, did 5 hours overtime regularly. Of the current workers, 31 said they regularly worked 2 hours overtime. The long overtime could be the reason why many retrenched workers left their job.

The harder working conditions the retrenched workers experienced are reflected also in the lack of paid weekly holidays. Whereas 81 percent of the current workers enjoy paid weekly holidays, only 43 percent of the retrenched workers had that benefit. Although most of the workers have Eid holiday with pay, other

paid holidays are extremely limited, except for sick leave, general leave and maternity leave. And these were mentioned only by current workers, none of the retrenched workers citing the availability of such leaves.

#### (4) Wage structure

Payment system is summarised in Table 20. Although fixed salary plus overtime is the dominant payment type for both samples, it is clear that more retrenched workers than current workers received fixed salary without overtime. Given the fact that the retrenched workers did longer overtime, the exploitative nature of this mode of payment is obvious. However, if we look at average monthly wages including overtime for both samples, we see that the wages of retrenched workers (the amount they received at the last factory where they worked) are higher than those of current workers, i.e., Tk.2483 in the case of the former and Tk.2073 in the case of the latter. For both categories, operator and helper, the average wages are higher for the retrenched workers. This should be investigated with a more through survey. The average monthly wages are presented in Table 21.

Table 20. System of payment

|                               | Current workers | Retrenched workers |
|-------------------------------|-----------------|--------------------|
| Fixed salary plus overtime    | 70              | 59                 |
| Fixed salary without overtime | 23              | 38                 |
| Piece rate                    | 7               | 3                  |
| Contractual                   | 0               | 0                  |
| Total                         | 100             | 100                |

Table 21. Average monthly wages including overtime (Taka)

|               | Current workers | Retrenched workers |
|---------------|-----------------|--------------------|
| Operator      | 2154            | 2771               |
| Helper        | 1006            | 1354               |
| Total workers | 2073            | 2483               |

#### D. Impact of MFA withdrawal

Before going into an analysis of findings from the survey, let us take a look at the RMG export performance after the MFA withdrawal.

As was expected, China and India recorded robust growth in both the US and EU markets. In this highly competitive context, the performance of Bangladesh was mixed. Table 22 shows the changes in export value of Bangladesh garments in the US and EU markets over the corresponding periods in 2004. The data up to October or November 2005 displays several distinct tendencies in export performance: better performance in the US market, and better performance by knitwear than by woven garments in the EU market. The negative growth of exports in the EU market does not bode well for the future prospects of the Bangladesh RMG industry. Although knitwear is Bangladesh's major export item in the EU market, it too entered a decline after April.

Table 22. Export performance of Bangladesh garments in EU and US markets in 2005

|       | Jan.  | Feb.  | Mar.  | Apr.  | May    | Jun.   | Jul.   | Aug.   | Sep.   | Oct.   | Nov.  |
|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|-------|
| To EU |       |       |       |       |        |        |        |        |        |        |       |
| Knit  | 14.81 | 8.01  | 5.86  | 9.18  | 8.68   | 4.92   | 2.01   | 1.57   | 0.98   | -0.31  | na    |
| Woven | 5.13  | -4.41 | -7.08 | -10.2 | -12.25 | -13.77 | -14.61 | -15.11 | -14.41 | -14.37 | na    |
| To US |       |       |       |       |        |        |        |        |        |        |       |
| Knit  | 18.14 | 15.58 | 23.38 | 27.16 | 36.41  | 30.03  | 29.72  | 24.17  | 18.86  | 14.88  | 14.95 |
| Woven | 4.34  | 12.04 | 22.77 | 20.89 | 23.09  | 21.85  | 20.62  | 20.82  | 21.77  | 20.98  | 21.46 |

Note: Each figure gives the growth percentage of the period between January and a particular month over the corresponding period in 2004.

Source: Compiled from World Trade Atlas

It is beyond the scope of this paper to investigate the decline in exports to the EU market. Here I would like to identify from our sample data changes being experienced by workers.

(1) Changes in workloads and wages

All the workers, whether current or retrenched, reported a decrease in the workload after January 2005 in terms of working hours, overtime and production targets. A large decrease in workload was reported by 90 percent of retrenched workers and 55 percent of current workers. On the other hand, 11 of the current workers reported a slight increase and 30 said there was no change in the workload.

Asked if they had experienced a wage change after January 2005, 87 of the current workers said there was no change and the remaining 13 (2 quality controllers and 11 operators) stated that their wages had increased. The range of increase was less than Tk 200, with most (7 workers) reporting an increase of Tk.100. Except for one worker who works in a factory with 400 workers, these workers are employed in relatively large factories with more than 1000 employees.

(2) The timing and reasons for quitting the RMG factory

Almost all the retrenched workers left their factories within less than one year. The majority of them had been unemployed for two to three months at the time of the survey (Table 23).

Contrary to what I had expected, a majority of them said that the decision to quit was their own (Table 24). Twenty-seven had been dismissed by the factory. Further investigation would be needed to determine whether this figure is significant. Although the above replies must be interpreted cautiously, my general observations lead me to believe that the workers basically want to continue their work in garment factories as long as possible because their earnings are the most important source of their power at home and in society. However, due to the lack of formal structures for leaves and for pursuing career advancement, including wage increase, many workers have little choice but to quit.

Table 23. Time since leaving factory

| Month and year  | Respondent |
|-----------------|------------|
| 1 month         | 15         |
| 2 months        | 38         |
| 3 months        | 30         |
| 4 months        | 7          |
| 5 months        | 3          |
| 6 months        | 4          |
| 7 months        | 1          |
| 9 months        | 0          |
| 1 year          | 1          |
| 2 years         | 1          |
| 1 Year 6 months | 0          |
| Total           | 100        |

Table 24. Reason for leaving factory

|                      | Respondent |
|----------------------|------------|
| Personal decision    | 63         |
| Dismissal by factory | 27         |
| Family decision      | 10         |
| Total                | 100        |

The distinction between leaving on one's own volition and being dismissed is not always clear-cut. A look at reasons for dismissal (Table 25) shows that there was only one case of dismissal due to factory closure. Most respondents said they were dismissed after being absent due to sickness. From their answers alone, it is difficult to determine whether or not declining production influenced the management decisions to fire them. Their responses do, however, indicate the insecure employment status of RMG workers. But workers' own behaviour may contribute to some extent to the informal or illegal style of management. My field observations lead me to believe that workers often take leave without

giving prior notice to management. While this may be due to the lack of a formal system for leaves, it is the workers, not management, that suffer negative consequences.

Besides the one case of factory closure, in which 500 workers were fired, three respondents cited relocation of the factory as reason for dismissal. Recently many larger factories have begun to move from congested Dhaka to suburbs such as Savar where larger plots are available and buildings with better physical facilities can be constructed. This enables expansion of production lines and also satisfies social requirements increasingly emphasised by foreign buyers by providing a better working environment. Two of the three respondents had worked in the same factory. Both the factories were located in Rampura, Dhaka, an area where RMG factories are concentrated. Factory relocation is a survival strategy for management in the post-MFA competition, but it has significant impacts on the livelihoods of individual workers.

Table 25. Reason for dismissal by factory

|                          | Respondent | Percentage (%) |
|--------------------------|------------|----------------|
| Factory closure          | 1          | 3.7            |
| Absence without notice   | 6          | 22.2           |
| Absence for sickness     | 16         | 59.3           |
| Factory relocation       | 3          | 11.1           |
| Conflict with management | 1          | 3.7            |
| Total                    | 27         | 100.0          |

### (3) Livelihoods impacts

The immediate impact that losing a factory job has had on former workers' livelihoods is a decrease in earnings. Sixty-six workers still have wages due them. In many factories basic salary and overtime are paid separately, and overtime payment is often delayed to keep workers from leaving for other factories and to retain working capital. In all 66 cases overtime is yet to be paid, and in 20 cases both basic salary and overtime are outstanding. On average,

Tk.1191 is due per person, with the highest outstanding amount being Tk 5000.

Of the 100 retrenched workers, 81 are currently unemployed. The other 19 are engaged in work such as embroidery at home (15 cases), embroidery in a shop (3), as domestic servants (2) and other (1) (Two are engaged in more than one job.). Their current jobs entail less working time and less income than their former RMG factory jobs, so their income level has significantly declined, ranging now between Tk.200 and Tk.700 per month. Due to the loss of income, only 11 said they could contribute to family income, while in the past 87 of them had been able to contribute. Moreover, their contributions now are substantially reduced, whereas before the income of 49 of the workers (56 percent of those who made financial contributions to their families) accounted for more than half of total family earnings.

How has the reduced income level affected their livelihoods? Except for one woman who said she experienced no problem, 99 cited negative effects. Ninety-six of these stated that reduced food intake was the most serious. As second most serious consequence, housing condition (68) lead, followed by education of family members (10), savings (10), medical expenditures (5), remittances (4) and relations with family members other than husband (2). As the third-ranking negative consequence, taking loans from others was mentioned by 40 samples. This was followed by impact on savings (27), remittances (7), relationship with husband (5), housing condition (4) and relationship with family members other than husband (3). These replies show that the loss of their factory job has affected the workers in multiple ways.

The most severely felt problems are related to basic needs such as food intake and housing conditions, and their worsened financial situations have forced many retrenched workers to borrow from others. It will take a long time for the workers as well as their households to improve their financial conditions, for the job loss also interrupted the dynamic of the poverty reduction mechanism mentioned in section 3 by making investment in education of family members and savings difficult, if not impossible.



In the past at least 28 of the ex-workers had savings ranging between Tk.3000 and Tk.30000 which were used for various purposes, including lending to others, purchase of furniture, their own or their children's marriage and investment in a family business. However now only three said that they had savings, in contrast to the current workers, 67 of whom can save on a regular basis.

#### (4) Social effects of job loss

Family members of 58 of the 100 retrenched workers were interviewed to seek their opinions regarding the job loss of the RMG worker in their family. Fifty-three of them are husbands of ex-workers and the others are brothers (3), father (1) and mother (1).

As was the case for the families of the currently employed, these family members were asked to give negative effects in order of significance. For these respondents too, food intake was overwhelmingly mentioned as the area most seriously affected (50 answers), followed by education of family members (6). Housing condition topped the list (32 answers) of second-order significance, followed by savings (8), education (7) and medical expenditures (7). In the third order, having to take a loan was mentioned by 21 family members, followed by impact on savings (15) and remittances (8). These answers by family members coincide with those given by the workers themselves. The only notable difference is the reference to relationships with family members, including spouse. Although five ex-workers had said that their relationship with their husbands had turned bad and another five referred to worsened relationships with family members other than husbands, only one family member, and that a worker's brother, mentioned a worsened relationship with the ex-worker.

General discussions with the ex-workers indicate that many workers, whether young or old, agree that money makes family relationships peaceful. When asked if they knew of any case of a husband leaving after a woman lost her job at an RMG factory, they answered in the affirmative. Information about marital

relationships is hard to obtain in the context of a formal interview. The ten ex-workers who cited worsened family relationships may represent what is in fact a more general problem of deterioration of gender-relationships in retrenched garment workers' households.

## **Conclusion**

In recent years many foresaw a gloomy future for Bangladesh in the post-MFA era, experts frequently predicting a loss of 1 to 1.5 million jobs in the Bangladesh RMG industry (International Confederation of Free Trade Unions 2004; Steps Towards Development 2004; Fritsch 2003; Siddiqi 2003).

In August 2005, when I visited Bangladesh in order to prepare for this survey, Professor Mustafizur Rahman, a reputed expert on the RMG industry, stated that information about closure of factories and retrenchment of workers remained anecdotal. In his opinion, 'smart factories', which account for 10 to 15 percent of all the RMG factories, are expanding their production. They have already completed repositioning of production in the form of factory restructuring, increase in production machinery and expansion of their design sections, targeting high-end markets. According to him, it will be the sub-contracting factories which will first face closure, and this will have gender implications because the share of female workers is particularly high in those factories. He also mentioned that the growing importance of knitwear exports would likewise work negatively against women. This is because knit RMG is more male-intensive, and a capital-intensive restructuring is in progress in which machinery with multi-skills is being introduced. Male workers are generally employed to operate such machinery.

In another interview conducted in August 2005, an owner of woven RMG factories and an executive of BGMEA pointed out the sharp reduction of Cutting and Making (C & M) charges after the MFA withdrawal. Under the MFA regime, quotas gave Bangladesh factories a bargaining edge in negotiations on C

& M with buyers. After the elimination of quotas, the scope for manoeuvring was severely limited, buyers often threatening to shift their orders to China. Asked whether the reduction of C & M would lead to reduction of wages, the owner stated that so far they had not cut wages but that if the situation did not improve, at least the simultaneous payment of basic salary and overtime might be suspended.

At the end of the first year in the non-MFA world, the Bangladesh RMG industry is generally considered to have performed much better than expected. Our findings from the survey also show that retrenchment due to factory closure was minimal. The majority of the ex-workers left their jobs on their own. Nevertheless, as already stated, the workers' responses have to be interpreted with caution. In many cases working conditions forced workers to decide to leave their jobs. It is not possible to definitively state at this point to what extent the MFA withdrawal directly or indirectly affected the business environment in the individual factories at which individual decisions of workers were made. The decrease in workload after January 2005 mentioned by 90 percent of the ex-workers and 55 percent of current workers may be interpreted as a direct consequence of MFA elimination.

A comparison of current and retrenched workers suggests a widening gap between those who are able to keep their job and those who are forced to leave. Among the current workers at least, none mentioned a decrease in wages after January 2005. On the other hand, the adverse consequences of job loss are affecting the basic needs of ex-workers and their households. The deterioration of the economic conditions of their households is likely to cause a deterioration in family relationships and particularly in terms of a weakening of the position of the women workers.

From the pre-dominance of the RMG industry in the manufacturing sector as a source of female employment, we can see that a job in an RMG factory is still a better option than others and, especially for less educated women, may be the only option. The vulnerable position of women workers makes possible the

informal and arbitrary practices found in what are formal sector factories. Nevertheless, we should not overlook the fact that the workers' own arbitrary behaviour, while it can be interpreted as a coping strategy under harsh working conditions, reinforces the persistence of informal and arbitrary management practices.

It remains to be seen how the Bangladesh RMG industry will carve out a share in today's highly competitive market. The relocation of factories being carried out by forward-looking factory owners may lead to creation of new jobs but it also implies retrenchment of old workers who cannot cope with the change. Future actions by firms and policy makers should therefore be carefully observed in terms of their impacts, not only on the firms' and the industry's survival, but also on the workers as well.

## References

- Afsar, Rita 2000. *Rural-Urban Migration in Bangladesh: Causes, Consequences and Challenges*, Dhaka: University Press.
- Alam, Bilquis A. 1975. 'Women in Nursing: A Study of the Nurses of Dhaka Medical College Hospital', *Women for Women*, Dhaka: University Press.
- Asian Development Bank 2001. *Country Briefing Paper: Women in Bangladesh*, ADB.
- Banu, Nilufar 1988. *Some Socio-economic Problems of the Educated Working Women of Dhaka City*, Dhaka: Bureau of Economic Research, University of Dhaka.
- Bhattacharya, Debapriya and Mustafizur Rahman 2001. "Bangladesh's Apparel Sector: Growth Trend and the Post-MFA Challenges" in Pratima Paul-Majmder and Binayak Sen, eds. *Growth of Garment Industry in Bangladesh: Economic and Social Dimensions*. Dhaka: Bangladesh Institute of Development Studies. pp. 2-26.
- Bornstein, David 1997. *The Price of a Dream: The Story of the Grameen Bank*. Chicago: The University of Chicago Press.
- Chant, Sylvia and Sarah Radcliffe 1992. 'Migration and Development: The Importance of Gender, in Sylvia Chant, ed., *Gender and Migration in Developing Countries*, London, New York: Belhaven Press, pp. 1-29.
- Chaudhuri, Sushil 1992a. "General Economic Conditions under the Nawabs", in Sirajul Islam ed., *History of Bangladesh: 1704-1971*, Dhaka: Asiatic Society of Bangladesh, pp. 30-66.
- Chaudhuri, Sushil 1992b. "European Companies", in Sirajul Islam ed., *History of Bangladesh: 1704-1971*, Dhaka: Asiatic Society of Bangladesh, pp. 183-224.
- Counts, Alex 1996. *Give Us Credit*. New York and Toronto: Times Books
- Dowlah, C.A.F. 1998. *The Consequences of the GATT Uruguay Round for the Textile and the Garments Sector in Bangladesh*, Research Report prepared for the GTZ/DCCI Business Advisory Services: Dhaka.
- Feldman, Shelly and Florence E. McCarthy 1983. 'Purdah and Changing Patterns of Social Control among Rural Women in Bangladesh', *Journal of*

- Marriage and the Family*, Vol. 45, No. 4, pp. 949-959.
- Fritsch, Peter 2003. "Bangladesh Stares Into the Abyss", *Far Eastern Economic Review*. Nov. 27 issue. pp. 46-9.
- Gardner, Katy 1995. *Global Migrants, Local Lives: Travel and Transformation in Rural Bangladesh*, Oxford: Clarendon Press.
- Hamid, Shamim 1995. 'Female Headed Households' in Hossain Zillur Rahman and Mahabub Hossain, eds., *Rethinking Rural Poverty: Bangladesh as a Case Study*, Dhaka, University Press , pp. 178-190.
- Hossain, Hameeda, Roushan Jahan and Salma Sobhan 1990. *No Better Option? Industrial Women Workers in Bangladesh*. Dhaka: University Press.
- Hossain, Mahabub 1988. *Credit for Alleviation of Rural Poverty: The Grameen Bank in Bangladesh*, Research Report No. 65, Washington, DC: International Food Policy Research Institute.
- Hulme, David and Paul Mosley 1997. 'Finance for the Poor or Poorest? Financial Innovation, Poverty and Vulnerability' in Wood, Geoffrey D. and Iffath A. Sharif, eds. (1997) *Who Needs Credit? Poverty and Finance in Bangladesh*, Dhaka: University Press, pp. 97-130.
- International Confederation of Free Trade Unions 2004. "Tension is mounting in Bangladesh", *Trade Union World Briefing*. July issue. No.5.
- Kabeer, Naila 2000. *The Power to Choose: Bangladeshi Women and Labour Market Choices in London and Dhaka*. Verso: London.
- Khan, Zarina Rahman 1992. *Women, Work and Values: Contradictions in the Prevailing Notions and the Realities of Women's Lives in Rural Bangladesh*, Dhaka: Centre for Social Studies.
- Papanek, Hanna 1973. "Purdah: Separate Worlds and Symbolic Shelter," *Comparative Studies in Society and History* XV, No. 3 (June, 1973). pp. 289-325.
- Raffaelli, Marcelo 1994. 'Some Considerations on the Multi-Fibre Arrangement: Past, Present, and Future,' in Saha Dhevan Meyanathan, ed., *Managing Restructuring in the Textile and Garment Subsector*, Washington D.C.: The World Bank. pp. 59-81.
- Rahman, Atiur and Abdur Razzaque 2000. 'On Reaching the Hardcore Poor: Some Evidence on Social Exclusion in NGO Programmes', *Bangladesh*

- Development Studies*, Vol. 26, No.1, pp. 1-35.
- Rahman, M. Kaiser 1993. *Study of Export Prospect for Garment Industry*, Draft report submitted to the World Bank.
- Rahman, Rushidan Islam 2000. *Poverty Alleviation and Empowerment through Microfinance: Two Decades of Experience in Bangladesh*, Dhaka: Bangladesh Institute of Development Studies.
- Rahman, Rushidan Islam and Shahidur R. Khandker 1994. 'Role of Targeted Credit Programmes Promoting Employment and Productivity of the Poor in Bangladesh', *The Bangladesh Development Studies*, Vol. 22, June-Sept., Nos. 2 & 3. pp. 49-92.
- Rhee, Yung Whee 1990. 'The Catalyst Model of Development: Lessons from Bangladesh's Success with Garment Exports', *World Development*, Vol. 18, No.2, pp. 333-346.
- Siddiqi, Dina M 2003. "Beyond the doomsday scenario: Bangladesh garment workers prepare for a post-MFA world" *HIMAL*. July issue.
- Sobhan, Rehman and Muzaffer Ahmad. 1980. *Public Enterprise in an Intermediate Regime: A Study in the Political Economy of Bangladesh*, Dhaka: Bangladesh Institute of Development Studies.
- Steps Towards Development 2004. "Bailing out Women Garment Workers", *Steps*, Issue 4.
- Thadani, Veena N. and Michael P. Todaro 1984. 'Female Migration: A Conceptual Framework' in James T. Fawcett, Siew-Ean Khoo and Peter C. Smith, eds., *Women in the Cities of Asia: Migration and Urban Adaptation*, Boulder: Westview Press, pp. 36-59.
- White, Sarah C. 1992. *Arguing with the Crocodile: Gender and Class in Bangladesh*, London: Zed Books.
- Wiig, Arne 1990. 'Non-Tariff Barriers to Trade and Development: The Case of the Garments Industry in Bangladesh' in Ole David Koht Norbye, ed., *Bangladesh Faces the Futuer.*, Dhaka: University Press, pp. 139-166.
- Wood, Geoffrey D. and Iffath A. Sharif, eds., 1997. *Who Needs Credit? Poverty and Finance in Bangladesh*. Dhaka: University Press.
- Yunus, Muhammad, ed., 1982. *Jorimon and Others: Faces of Poverty*. Dhaka: University Press.

Zohir, Salma Chaudhuri and Pratima Paul-Majumder 1996. *Garment Workers in Bangladesh: Economic, Social and Health Condition*. Dhaka: Bangladesh Institute of Development Studies.

Government publications:

Bangladesh Bureau of Statistics (BBS) 2004. *Report on Bangladesh Census of Manufacturing Industries 1999-2000*.

----- *Labour Force Survey*, Various issues.

----- 1999. *Gender Dimensions in Development: Statistics of Bangladesh*. BBS and Ministry of Women and Children Affairs.

----- *Analytical Report of Population Census 1991*.

----- *Population Census 2001: National Report (Provisional)*.



## **Appendix**

Nari Uddug Kendra (Centre for Women's Initiatives)

NUK, established in June 1991, is a non-governmental, women's development support organisation. Their brochure states that the aim of the organisation is to establish women's human rights based on an increased awareness and on programmes to alleviate women's suffering from violence and insecurity, the dowry system, extreme vulnerability to poverty, various forms of discrimination and overall marginalisation in the development process. The development intervention of NUK concentrates on efforts to ensure genuine integration of women along with men into social leadership, access and control over family and public resources, development objectives and policy formulation.

One of the main programmes of NUK is the Garment Working Women's Development Project. The majority of women working in the industry are recent migrants who have left the sheltered life of a village family in search of employment in the city. More than 80 percent are single and in their twenties. In cities, they have to adjust to a rigid time schedule and to face harassment and intimidation on their jobs, on the streets and at their residences in the slum areas. To counteract these difficulties, NUK has set up a Shelter and Development Centre program combining various social and educational services with housing. Currently NUK runs 4 hostels in various parts of Dhaka, namely Mohakhali (since 1991), Mohammadpur (1994), Mirpur (1997) and Rampura (1997). Each centre provides accommodation for 100 to 150 women, and together the centres house about 400 women. NUK has also been monitoring the situation of retrenched workers through their network and is conducting training in things such as embroidery and job search techniques for retrenched workers.