

IV WOMEN'S EMPLOYMENT IN BANGLADESH: CONUNDRUMS AMIDST PROGRESS

Summary

- *Women's work participation rates have doubled in Bangladesh since 1995 but they are still extremely low at 26 percent.*
- *The dramatic growth in women's employment is led by the health and community service sector.*
- *Younger women's employment has seen the largest increase.*
- *Higher education is an important predictor of both entry into the labor market and wages.*
- *Micro credit has had direct and indirect impact on employment.*
- *Compared to other countries, agriculture does not employ as many women in Bangladesh. This explains a large part of the low participation rates for especially poor women.*
- *Occupational sex segregation is a likely deterrent to moving across jobs for women.*
- *Only 10 percent employed women and 22 percent of employed men aged 20-55 receive any cash wages. Poor access to wage work more generally also explains why women choose to stay out of market work.*
- *Women earn about 60-65 percent of what men do in the agricultural labor market; 81.5 percent of this difference is unexplained and could be due to labor market discrimination.*
- *Some regional patterns appear counter-intuitive and need deeper investigation.*
- *Serious data and measurement issues have hampered the understanding of labor force participation rates in Bangladesh*

4.1 **Bangladesh in the South Asian Context:** It is well known that women's employment in South Asia is lower than in any other part of the world except perhaps the Middle East. Bangladesh is at the lower end of the South Asian spectrum and intuitively to those who know the country this seems inexplicable, given that key catalysts of female employment, viz. secondary school education and fertility rates, have had such impressive performance. Unlike other countries in South Asia, however, there has been a sharp growth – an increase of almost one and a half times - in women's employment in Bangladesh in the last decade (1995-2003) coinciding with economic growth and better opportunities. But rates are still very low at 26 percent for women 15-59 years of age. The gender gap in employment too, while narrowing slightly, still remains very high as male labor force participation is close to universal. However, the prevalence of working for a cash wage is low for both men and women, with less than one fourth of all men and less than four percent of all women working for a cash wage⁸³. Unlike other parts of South Asia urban-rural differences in employment rates in Bangladesh are very small and also unlike other countries, urban women tend to be employed more than their rural counterparts. This is due in large part to the lower importance of agriculture in women's employment as we shall see in the rest of the chapter.

4.2 **Research on Bangladesh's labor market has until now not addressed the issue of female labor force participation rates.** Early studies had tried to address determinants of labor force participation and drivers of household labor supply⁸⁴ and some anthropological work has addressed cultural factors that affected women's work⁸⁵. More recent literature is replete with analysis of the impact of employment on women's status⁸⁶ but few have asked the question – why is women's labor force

⁸³ Calculations based on those working (age 20-55) who received a cash wage in the last week (Bangladesh Labor Force Survey 2002-03)

⁸⁴ Khandekar, 1985; 1987

⁸⁵ Cain, et al, 1979

⁸⁶ See for instance, Kibria, 1995; Amin et al, 1998; Salway et al, 2005

participation in Bangladesh so low? This is beginning to change as even newer work is addressing these questions using special surveys in the context of the “new employment opportunities” in Bangladesh⁸⁷.

4.3 Measurement challenge of women’s work: Measuring women’s work is a challenge in most countries that have not paid special attention to this. Men and women have distinct employment trajectories; women are more likely to be in part-time employment, to undertake market work from the home, or take up work during periods of shock. Standard labor force surveys often fail to capture this as employment. Women’s contribution to the household economy similarly is not monetized. Other factors such as timing of survey can also affect women’s workforce participation, especially in South Asia, where women tend to take up paid work during periods of drought⁸⁸. In Bangladesh as well, most micro studies find higher employment rates of women than do national surveys and there are concerns that national surveys do not capture the full extent of women’s work.

4.4 In this chapter we try to understand the determinants of labor force participation rates, wage differentials between men and women and occupational sex segregation in order to further the understanding on low participation rates. We also compare Bangladesh with West Bengal to test the hypothesis that structures of opportunity rather than religious constraints determine Bangladeshi women’s access to markets. This is related to a commonly cited reason for Bangladeshi women’s low employment rates, one that places inordinately high emphasis on cultural factors, particularly the notion that Muslim women have greater controls on their mobility and hence on market work.

4.5 Bangladesh and West Bengal are two geographical and political entities intertwined in a shared history, culture and historical land systems. The major difference (other than political) is that West Bengal is predominantly Hindu - and if indeed religion was the driving force restricting Bangladeshi women’s employment, we would expect West Bengal to have higher female labor force participation rates. The results are to the contrary. When we look at West Bengal Bangladesh’s female employment rates do not look at all low, since only about 17-18 percent of women in West Bengal are employed with almost no change over the last decade and a half (based on the Indian National Sample Surveys, various years).

4.6 The chapter is divided into three parts. Part A addresses the trends and patterns in female labor force participation compared to that of men. In particular, it pays attention to regional variations and presents a synthesis of the impact of the garment industry on women’s employment. Part B is a summary of the analysis that compares the two Bengals as pointed out earlier. Part C lays out some key recommendations based on the analysis.

**Box 4.1: Voices of Adolescent Schoolgirls
(Mymensingh)**

“Girls now financially contribute to their own families by working in NGOs, engaging in handicraft activities.”

“Girls from Garo community have been engaged in agriculture from the past.”

“Bengali girls are involved in income before marriage such as, “teacher-ship”, garment work, but in comparison to the Garo community this is not very common.”

“I privately teach two Garo students while going home and voluntarily teach Christian children at Church on Sunday.”

⁸⁷ For example, Hossain and Tisdell, 2005; Hossain et al , 2004

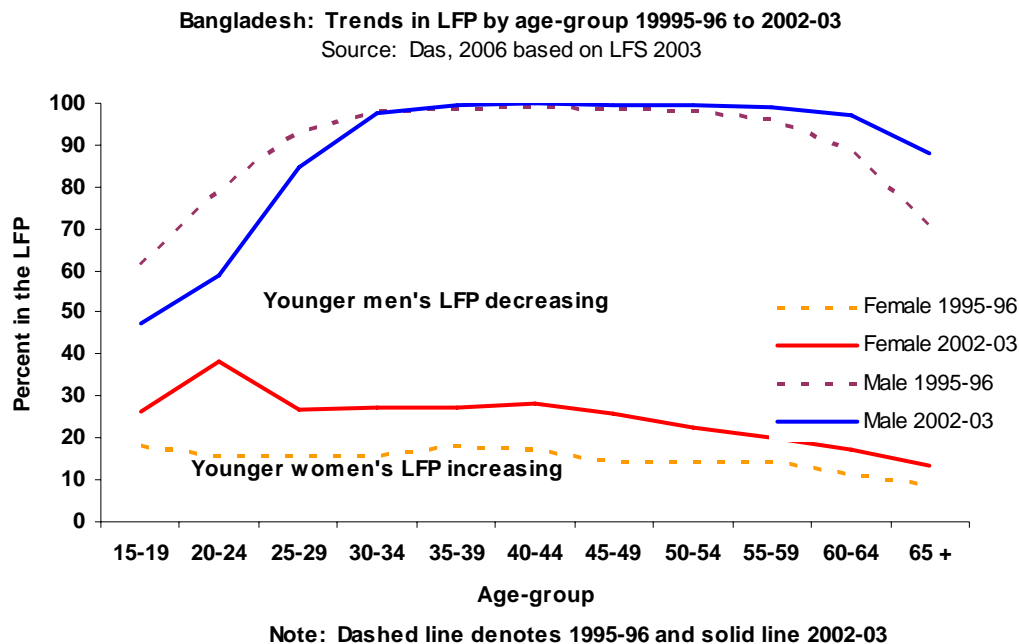
⁸⁸ For a discussion of measurement of women’s work, see Beneria, 1982

A Bangladesh- Trends and Patterns in Labor Force Participation

4.7 **Younger women’s employment has seen the largest increase.** Figure 4.1 shows the trends in labor force participation over almost a decade from 1995. While women’s employment across age groups has seen a growth, the striking increase is for the younger age groups. In contrast, the labor force participation for younger men has seen a decrease. Thus, the labor force participation of the 20-24 year old women has increased almost two and half times over the period 1995-2000, but that of men in the same age group has declined. This is in keeping with the literature on the garment industry which employs women in their late teens and early twenties. The second major change is the growth in labor force activity for the older ages, – over 60 year olds - especially among men. Therefore, while both women and men stay longer in the labor force, this trend is much more pronounced for younger women and older men.

4.8 **Compared to other countries, agriculture does not employ as many women in Bangladesh.** In terms of the sectoral composition of employment the defining feature of Bangladesh is the small proportion of women who work in agriculture when compared to other countries of its income level and to the South Asia in general. Table 4.1 shows the relative composition of employment for different countries, and while Bangladesh has a higher proportion of workers in the manufacturing sector, it mainly has a thriving community and social services sector that employs almost one-fifth of women workers. None of this is surprising, since land-holding size and agricultural productivity in Bangladesh have been historically low, thus leading to low demand for labor in agriculture (except work on own farms). Anthropological work has also addressed the occupational sex segregation within agricultural work which relegates women to certain types of agricultural tasks⁸⁹.

Figure 4.1



⁸⁹ Paris, et al, 2004

Table 4.1: Sectoral Composition of Employment by Gender (2003)

Sector	Bangladesh		India		Nepal		Pakistan	
	Male	Female	Male	Female	Male	Female	Male	Female
Agriculture/Fisheries	49.8	58.7	53.1	74.8	67.1	85.2	36.0	64.2
Mining	0.2	0.0	0.7	0.3	0.1	0.0	0.01	0.01
Manufacturing	7.6	17.3	11.5	10.1	7.7	3.9	14.0	14.6
Utility	0.3	0.1	0.4	0.0	0.5	0.0	1.0	<0.01
Construction	4.2	1.0	5.7	1.7	6.2	1.1	7.5	0.3
Trade, Hotel, & Restaurant	18.6	2.5	13.1	4.3	7.3	3.7	17.3	1.9
Transport, Storage, & Communications	8.7	0.3	5.2	0.4	2.7	0.1	7.3	0.4
Finance & Business	0.6	0.2	1.6	0.5	0.9	0.2	1.1	<0.01
Community, Social, & Personal Services ^(a)	9.9	20.1	8.7	7.9	7.5	5.6	15.7	18.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: (a) Includes domestic occupations such as domestic household work, etc.

Source: BBS (LFS) for Bangladesh. For other countries World Bank, 2004

Box 4.2: Changes in Economic Activity for Men and Women 1987-2000

Both in terms of the proportion of workers and in terms of time women are heavily involved in poultry raising, crop cultivation, animal husbandry, non-farm services and homestead gardening. Since these are mostly homestead-based activities, it is convenient to carry them out in-between conducting domestic duties. The activities in which women are involved relatively full-time are non-farm services. Educated women are mostly engaged in these activities. In contrast, the major economic activities for men are crop cultivation, non-farm services business and shop keeping animal husbandry, and transport operation.

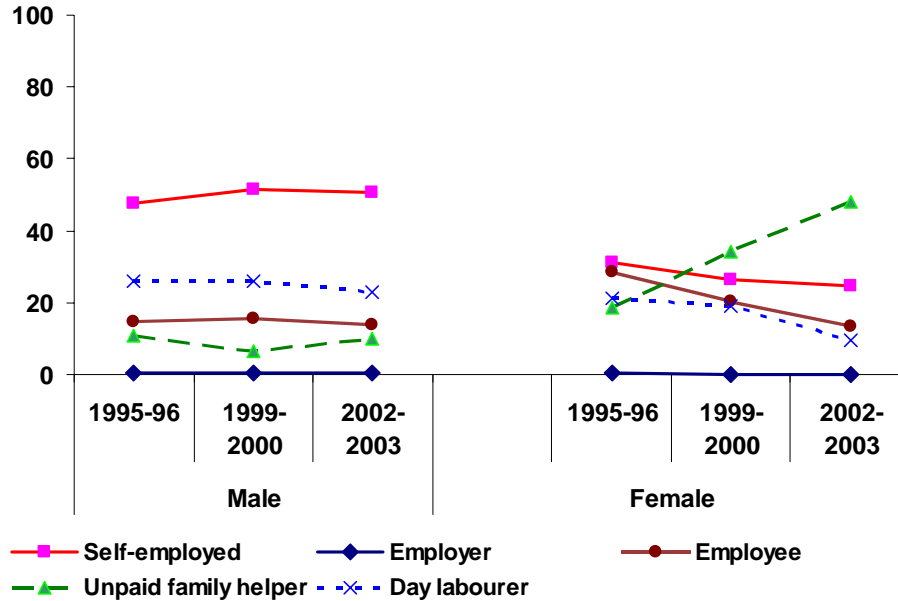
During 1987-2000, women have increased their labor substantially for poultry raising, homestead gardening and non-farm services, but reduced labor on crop cultivation, animal husbandry, and cottage industries. Men have also reduced labor supply substantially on crop cultivation, and construction work but increased it in non-farm services, business and transport operation. The importance of cultivation in generating employment is on the downward trend because of the continuous reduction in farm size under population pressure. Similarly, labor is moving out from low-productive cottage industries with the expansion of rural roads and electrification.

Source: Ad verbatim Hossain et al, 2004

Figure 4.2

Bangladesh: Change in Employment Status 1995/96-2002/03

Note: Proportion of all employed males and females age 15 and above based on BBS calculations



4.9 **The dramatic growth in women’s employment is led by the health and community service sector.** Overall between 1999 and 2003 women’s employment has grown more than twice that of men in various sectors (Table 4.2). While the garment sub-sector has certainly provided a new type of employment yet its contribution to the overall increase in female employment is small compared to other sectors. We find that the predominant growth in women’s employment is from the health and community services and also, though to a smaller extent, the agricultural sector, and to an even smaller extent, in manufacturing. Almost every other sector has registered a decline in the share of women’s employment. Looking at these trends, women’s employment as teachers and health care workers seems to a large extent to be responsible for the growth in employment.

4.10 If the growing importance of agriculture in women’s employment is counter-intuitive, given the decline in the share of agriculture in GDP⁹⁰, recent analysis points to the growth of the livestock sub-sector as a possible reason⁹¹. Women are more involved in livestock rearing now more than they were earlier and this could be related to the impact of micro-credit on women’s livelihoods. While changes in other sectors do not translate into much in terms of actual numbers of women involved, it is worth exploring in future analysis why the share of both fisheries and of wholesale and retail trade in Bangladeshi women’s employment is declining.

⁹⁰ World Bank 2006

⁹¹ Rahman, 2006

Major Industry	Average Annual Growth Rate		
	Both Sexes	Male	Female
Total	4.4	3.5	7.7
Agri. forestry & related works	4.1	0.9	15.9
Fishing	19.1	23.2	-37.3
Mining and quarrying	-7.7	26.2	-72.9
Manufacturing	5.2	4.4	6.5
Electricity, gas, water	-10.4	-8.6	-24.5
Construction	10.7	11.4	2.0
Wholesale and retail trade	2.7	4.4	-22.2
Hotel and restaurant	3.0	3.9	-7.9
Transport, storage, communication service	7.7	8.2	-20.7
Bank, insurance & finance	-0.7	-0.8	0.6
Real estate, rent, business activities	14.5	19.2	-26.9
Public administration	8.8	9.1	5.5
Education services	4.1	3.1	7.0
Health & social workers	18.9	15.5	29.1
Community, personal service, household sector & others	-3.5	-4.0	-3.1

Source: BBS (LFS)

4.11 **But there is also a sharp increase in women's unpaid work.** The truly inexplicable part of the trends in Bangladesh is the sharp rise – about 2.5 times - in employed women reporting unpaid work and a commensurate decline in every other category, including self-employed, employees and day laborers. The proportion of employed women who reported unpaid work rose from 18.6 percent in 1995 to 48 percent in 2003, indicating that about half of all women workers are engaged in unpaid work. Hossain et al (2004) similarly find that during 1987-2000, decline in the participation of women in market activities outside the household, a mild increase in home-based economic activities and a substantial decline in female domestic labor (table 4.3).

Activity	Male (hours per day)		Female (hours per day)	
	1987	2000	1987	2000
Economic labor	7.57	6.73	1.86	1.79
Agriculture	5.29	3.50	1.37	1.41
Non-agriculture	2.28	3.23	0.49	0.38
Domestic labor	0.98	1.34	7.14	6.02
Total labor (average/day)	8.55	8.07	9.00	7.81

Source: Hossain et al, 2004 (Table 2)

4.12 While West Bengal too shows an increase in what are called helpers in household enterprises, the proportion of such workers is comparatively very small – at about 15 percent of all women workers⁹². There is nothing in the trends of employment status of men that gives us any clue as to what may be happening in Bangladesh. For instance, it is not as if men's self-employment has increased so dramatically, that women are required to be unpaid helpers in household enterprises.

⁹² Calculations based on the Indian National Sample Survey 1999/2000

4.13 Therefore, we offer some speculation but no real answers. *First*, this could indeed be a result of better reporting by women who are probed by better trained field investigators. Moreover, it is possible that women who work on household enterprises, instead of reporting themselves self-employed, report themselves unpaid. *Second*, it could be related to the increase in the share of agriculture in women's employment discussed earlier. Thus, women who tend kitchen gardens and maintain livestock may report themselves as unpaid. Or, *finally*, it could indeed be that women are now crowding into unpaid work (such as "housemaids" who get paid only in kind) for any number of reasons that are not possible to explore due to data constraints.

4.14 **Micro credit has had direct and indirect impact on employment**⁹³. Despite the fact that micro credit can finance only relatively low return self employment and therefore have only imperceptible impact on household income poverty, evaluation studies provide evidence that it does lead to employment expansion, particularly for women⁹⁴. The effect of micro credit has been to absorb the growing supply of

married female labor from poor households, contrary to the belief that women did not have the time for income earning activities due to their heavy reproductive work loads. Thus, many women who had previously not been involved in any directly productive activities became self employed with access to NGO loans⁹⁵. In general, returns to micro credit financed activities that women are likely to take up (food processing, bamboo craft, livestock) have lower returns than activities that men take up (tailoring, rickshaw pulling and peddling), but since the opportunity cost of female labor has declined (women have less reproductive and domestic work loads than before) it makes sense for women to pursue micro credit financed employment so long as returns are sufficient for loan repayment at current interest rates.

4.15 There has been a lively and ongoing debate around the relative welfare benefits of micro credit for women and men, often with extreme views. The general welfare benefits to the household are undeniable (improved child nutrition, immunization coverage, higher contraceptive use). The individual benefits for poor women are also widely acknowledged. These include greater role in household decision making, mobility, access to services, enhanced self esteem and greater public participation. Men have also clearly benefited in terms of credit and loans on easy terms. In fact women as borrowers of micro credit is sometimes interpreted as a good strategy for men: "men getting women to obtain loans, attend meetings, contribute savings, and provide labor in return for a little recognition and some increase in social status"⁹⁶. But in reality the situation is rarely one in which women and men within households have

Box 4.3: Microcredit has had diverse impacts on women's lives

"First, I took loan Tk2000 from Grameen Bank and started cow rearing. Then I took loan Tk5000 from Al-Fala and now my family's condition has improved." Poor woman in Dinajpur during FGD

"Poor women are now involved in NGO groups and they are 'doing meetings' with NGOs. They are taking loans from NGOs, though they are not doing business themselves with the loan money. Their husbands, sons are using the loan money for different purposes." School boys in Dinajpur during FGD (emphasis added).

⁹³ This sub-section draws liberally from Mahmud (2006).

⁹⁴ See Hossain 1988; Rahman 1992, 2000; Rahman and Khandker 1994 cited in Mahmud (2006)

⁹⁵ Grameen Bank loans have been shown to have a positive impact on hours of employment for both male and female family workers in borrower households, and employment rates among both borrowers and non borrowers are higher in villages that have a Grameen program compared to non program villages (Rahman and Khandkar 1994 cited in Mahmud, 2006). Another study indicates that there is a difference in this impact on hours worked and unlike male family members in borrower households, women's monthly hours of employment increase with the number of loans taken, but there can be variation according to NGO (Rahman 2004b, cited in Mahmud, 2006).

⁹⁶ Mahmud, 2002:224

diverse and distinct goals. “More often, the reality is a situation in which women and men have different livelihood strategies but shared goals. Within those strategies women may include group membership and men may include a loan financed activity, the shared goal being to obtain a collateral-free NGO loan”⁹⁷

4.16 In the process of bringing loans into the household many women have in fact become entrepreneurs in their own right, contributing to the process of “deepening of entrepreneurship across the different levels of the society”⁹⁸. The “informality” of micro credit and the delivery mechanism through informal women’s groups actually helped to “nurture ... a functional space in an institutional environment’ where not only formal rules and regulations were very exclusionary for the poor but more specifically exclusionary for women”⁹⁹. Thus, the informal group around micro credit emerged as a separate space for poor women that allowed them to recognize their weaknesses and consolidate their own strengths, and provided the launching pad to enter the male dominated public space of entrepreneurship. Within this space they were able to ‘learn’ the rules of the game, how to handle household based micro enterprises in the context of intra household power dynamics, and how to effectively operate larger group enterprises (land lease, water selling, pond fishery) in the context of broader societal power dynamics.

4.17 **Occupational sex segregation is a likely deterrent to moving across jobs.** Like other countries, and similar to West Bengal, men and women are concentrated in certain types of occupations and it is difficult to move laterally across occupations. Some of this has been documented in studies on women’s work in Bangladesh.¹⁰⁰ Tabulations using the Bangladesh Standard Classification of Occupations find that women are concentrated in agricultural occupations, in craft related manual ones (spinning, weaving, tailoring, or garment workers, needlewomen etc) and in domestic services – mainly “housemaids”. Men on the other hand are concentrated in agriculture, trading and low-skilled mechanical occupations. Interestingly, while a very small proportion of either sex is in professional or managerial jobs, the gender gap is small and favors women, mainly due to the fact that teachers constitute a large share of women employed in professional jobs. Occupational segregation is most pronounced in the manual occupations and in the glaring absence of women from trading occupations.

4.18 **Poor access to wage work more generally also explains why women choose to stay out of market work.** Another reason for women’s concentration in non-market work is the poor access to paid work in general as evidenced in the low proportions of all individuals who receive any cash payment. Only 10 percent employed women and 22 percent of employed men aged 20-55 receive any cash wages¹⁰¹. This is also substantiated by Hossain et al’s (2004) survey which finds that that the proportion of hired female labor in total labor force is very small (11.6 percent) compared to the corresponding for men (34.6 percent) in 2000. In 1987, the corresponding figures were 18.6 percent and 42.4. This indicates that women have faced a sharper decline than men in wage employment – 38 percent as against 18 percent. Calculations from the LFS indicate that when they do get paid in cash, women’s wages are on average 60-65 percent of men’s wages. While the gap in rural wages in Bangladesh has declined somewhat from 1995/96 to 2002/03, the gap in urban wages appears to have increased. The issue of wage discrimination in the casual labor market is discussed in box 4.4.

“The demand of agricultural laborers is lower since shrimp gher cultivation has increased. Earlier 50 laborers were required for every 100 bighas of land, whereas now

⁹⁷ Mahmud, 2002:224

⁹⁸ Rahman (2006) cited in Mahmud, 2006

⁹⁹ For an insightful discussion see Rahman (2006).

¹⁰⁰ Paris et al, 2004 ; Salway, 2005; Cain, 1978/1979

¹⁰¹ Current weekly status for those not attending school

*only 3-4 laborers are required for a similar size of land that is used for shrimp gher.”
Poor man, Satkhira during focus group discussions*

“Earlier women only used to work in farmers’ houses. Now they work in rice mill side by side with men.” Poor women, Dinajpur during focus group discussions

“ Most women laborers work at least 12 hours at a stretch, daily in rice mills but earn 50-60 Taka, while their male counterparts and earn almost 100 taka doing the same jobs.” Elite man in Dinajpur during focus group discussions

“For any woman to work outside, leaving her family at home for daily wages and to earn only this meager amount of money for working 12 hours a day....” Elite man in Dinajpur during focus group discussions

“Women from our area did not do these kinds of jobs (in the rice mills) before, though they were very poor and much in need of an earning source. Bengali women of this area used to stay home, and these kinds of jobs were mainly done by the Santal community. But when women of our society (Bengali women) began to take loans from these NGOs, they started to work outside their home and family premises in order to pay off the loans they took.” Elite man in Dinajpur during focus group discussions

	1995-1996			2002-2003		
	Men	Women	Women’s wages as a percent of men’s	Men	Women	Women’s wages as a % of men’s
Nominal Wages						
Rural	44	25	56.8	62	37	59.7
Urban	60	36	60	75	42	56
Real wage (base 1995-96)						
Rural	44	25	-	45.6	27.2	-
Urban	60	36	-	55.2	30.9	-

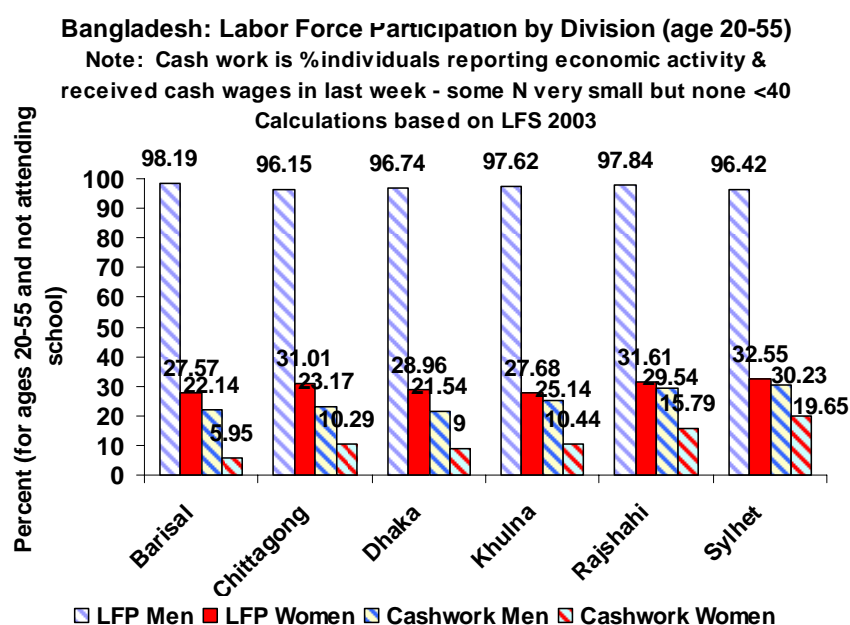
Source: Extracted from Rahman, 2006 based on BBS/LFS

4.19 Regional employment results may appear counterintuitive. Bangladesh is all too often seen as a homogenous entity and regional variations not explored in great detail. However, as we see in the chapters on norms and violence, region is a very important variable. If gender norms drive labor force participation we would expect the norms to be replicated in outcomes. But we find that this relationship is far from clear. There are only small regional differences at the bivariate level, except that the proportion of women employed in Dhaka is a little over 18 percent and in Sylhet over 25 percent. However, these differences become important when we look at those who received cash income. Here, Sylhet and to a smaller extent, Rajshahi, lead over other divisions. Finally, in the multivariate analysis predicting the odds of participating in the labor force, both Sylhet and Rajshahi show a higher and statistically significant probability of women being employed compared to Dhaka (see Table A4.2 in Annex 3).

4.20 Regional results may appear counterintuitive to those who know Bangladesh and who regard Sylhet as having conservative gender norms. The results then may point to a number of other factors – most importantly, the structure of the economy and available opportunities - that trump the impact of gender norms and values. For instance, Rahman (2006) points out that Sylhet is also the area of tea

plantations, which have traditionally employed women in large numbers. A second factor is the larger proportion of tribal groups residing in Sylhet, among whom women's labor force participation has been high. Third, when we tabulate the occupational distribution of workers by division, we find that agricultural work is very important in Sylhet in contrast to other divisions – thus explaining women's participation rates. Finally, the WBSGN 2006 indicates that Sylhet and Rajshahi are not necessarily more conservative in their attitudes to women's mobility or in women's perceived or actual status, leading us to question the widely held belief that Sylhet is necessarily more conservative than the rest of Bangladesh.

Figure 4.3



4.21 **Wage rates by division indicate that for casual laborers, the gap is widest in Rajshahi and Chittagong and narrowest in Barisal.** For salaried workers, Sylhet and Dhaka show the highest wage gaps, but overall, most divisions have similar gender gaps in wages. At the multivariate level, women's wages are largely determined by educational level and to a smaller extent by division. But, for men, division is very significant. Thus, we find that for male workers, Chittagong and to a smaller extent, Barisal have an advantage in wages over Dhaka. On the other hand, Rajshahi workers have a large disadvantage. For women, Dhaka seems to have the greatest advantage and Rajshahi the greatest disadvantage (Table 4.5).

Table 4.5: Male and Female Wages by Division

Division	Wage rate per (Tk day) for male casual/day labour	Wage rate (Tk per) day for female casual/day labour	Women's wages as a percent of men's	Monthly salary (Tk) for regular male workers	Monthly salary (Tk) for regular female workers	Women's wages as a percent of men's
Barisal	61.78	45.17	73.1	3695.53	2356.24	63.0
Chittagong	70.95	36.33	51.2	4141.44	2554.31	61.7
Dhaka	62.67	41.01	65.4	3983.39	2303.34	57.8
Khulna	53.56	39.20	73.1	3708.03	2303.53	62.1
Rajshahi	49.20	32.96	67.0	3723.20	2338.49	62.8
Sylhet	66.16	38.03	57.4	3690.37	1974.75	53.5
Total	59.01	37.35	63.3	3893.89	2329.64	59.8

Source: Extracted from Rahman, 2006 based on BBS/LFS

4.22 **Bangladesh's Female Garment Factory Workers**¹⁰²: The urban garments industry is an important component of the Bangladesh economy, as its earnings constitute approximately three-quarters of Bangladesh's total export earnings. The boom in the urban garments industry has had a major influence on Bangladesh's female labor market, creating more than one million formal sector jobs for women. Previously, women with low educational attainment or from rural areas had been confined to the informal labor market, and female formal sector employment had been the preserve of a small educated elite. However, the garment sector employs only a small share of the total working age population but it has had immense symbolic and real benefits for women's access to labor markets.

	Garment worker	Other worker
Number	862	460
Born in Dhaka %	15.7	26.3
Years in Dhaka (mean)	5.5	11.9
Migrated with parents %	27.5	24.2
Migrated with husband %	21.8	49.5
Migrated with siblings %	20.0	6.6
Migrated with relatives %	23.0	8.4
Migrated alone %	7.9	11.3
Reasons for migration		
Scarcity %	14.9	19.7
To accompany parents %	17.4	19.5
To accompany husband %	5.5	15.0
Seeking job %	23.4	29.7
Seeking garment job %	25.7	3.4
Visit, treatment, study %	7.3	5.3
Family conflict, death, illness of main earner %	5.9	7.4

Source: Mahmud 2004b based on a survey of women workers in Dhaka, 2001

4.23 The speed with which families began allowing unmarried rural girls (who make up a large proportion of garment workers) to take up urban employment, suggests that lack of economically rewarding employment opportunities more than cultural and social beliefs discourages Bangladeshi women from participating in the labor market. The willingness of rural households to send girls to the cities for work also suggests that the geographic mobility of the rural female labor force should not be underestimated. Formal sector employment opportunities for young women have proven to be an attractive alternative to early marriage, contributing to reductions in fertility and health-related problems caused by early marriage. The rise in female

employment brought about by garments industries has also contributed to changing the perception of women's role in the labor market, and narrowing the gender gap in employment, income, enhancing social prestige, control over income, and decision making. However, the story is not without its drawbacks as female garment factory workers continue to have low bargaining power, low wages, occupational segregation, and poor work conditions.

4.24 Women who work in the garment factories are distinct from other types of women workers in urban areas. Table 4.6 presents some of the features that differentiate garment workers from non garment workers from a survey of 1322 women workers in Dhaka city in 2001. Garment workers were younger than other wage workers and self employed workers and started working at a much earlier age (average age of 17 years compared to 23 years for the others). Over 90 percent had started working in garment jobs within the last five years. They were likely to have completed more years of school, to be single, if married to have fewer children and to be new (or "first generation") migrants. About 84 percent had migrated from villages but their pattern of migration was different from the 'associational' pattern typical of female migration in the past, i.e. with husband or parents. In fact, many of them came with the precise purpose of finding employment. While this was also true for a large proportion of women wage workers,

¹⁰² This section draws heavily on World Bank, 2004 and Mahmud, 2006 and 2006b.

self employed women primarily came to accompany parents or husbands. Thus, garment factory workers represent the new generation of women workers and perhaps the future trend setters¹⁰³.

Box 4.4: The casual labor market in Bangladesh: Testing for wage discrimination

Just a little over 4 percent of all women and 13 percent of employed women are casual workers in Bangladesh. Overall, women laborers put in about 80 percent of the hours that men do and receive about 62-65 percent of the wages that men receive in the casual labor market. About 27 percent of women casual workers are housemaids and another 21 percent are agricultural workers. The rest are in other low-paying jobs, such as embroidery, tailoring etc. In contrast, about 20 percent of all men and 24 percent of employed men are casual laborers, and over 60 percent work in agriculture.

Our question is – why are more women not in the casual labor market when poverty rates are so high in Bangladesh? One possibility is that agriculture does not employ large numbers of casual laborers due to small farm size and productivity reasons. But we also wonder if the wage structure in the casual labor market may have anything to do with this. We model the determinants of wages for agricultural laborers using an ordinary least squares method, including a number of variables that denote family and individual characteristics and hours of work. We also include education, but not type of work performed due to limitations in the data set. We then run a simple Oaxaca-Blinder decomposition based on robust standard errors.

**Oaxaca-Blinder Decomposition of Male-Female Wage Gap for Agricultural Laborers 2003
(Individuals aged 20-55 not attending school)**

Men’s nominal weekly cash wages (in Tk.)	340
Women’s nominal weekly cash wages (in Tk.)	197
Women’s wages as a percent of men’s	57%
Oaxaca-Blinder Decomposition	
Gap Attributable to Endowments (%)	18.5
Gap Attributable to “Discrimination” (%)	81.5

Based on the decomposition, we find that 18.5 percent of the difference in agricultural wages is explained by “endowments” and the rest (81.5 percent) is due to “discrimination”. To our knowledge very few studies have measured wage discrimination in Bangladesh and the one that has found it to be highest in the agricultural wage labor market in the selected sites (Akter, 1999), and the Indian casual labor market shows similar results (Das, 2006). We are hesitant to use the term “discrimination” to characterize the part that is not explained by endowments due to the fact that the model may have limited explanatory power in explaining the determinants of agricultural wages. Keeping in mind this caveat, we can hypothesize that women may well do better staying out of a labor market where both entry and wages have significant barriers.

4.25 This new generation of employed women has also adopted more “modern” behaviors in comparison to other types of working women. For example, in a social context where women are seen as dependent on men and young unmarried women living without a male guardian goes against the norm, they have evolved unconventional living arrangements: they more likely to live with siblings, relatives and co workers. They have made women visible in the male dominated city streets when hordes of young women literally march to work and back home in small groups. This acceptance of women in public

¹⁰³ Mahmud, 2006

spaces has actually making the streets of Dhaka and Chittagong safer for all women, including elite women and schoolgirls.

4.26 Garment workers with young children have also devised ways of child care that allow them to accommodate their long work hours: they leave their children behind in the village with parents or in-laws. They are much more likely to use mainstream banking services, plan to buy land with their savings and invest their savings or loan it out¹⁰⁴. Contribution of women workers to the household budget is also relatively more common among garment workers than non garment workers, either in cities or in rural areas. One microstudy based on a survey of garment workers showed that a third of garment workers sent money home compared to 13 percent of urban self employed workers and 10 percent of wage workers¹⁰⁵.

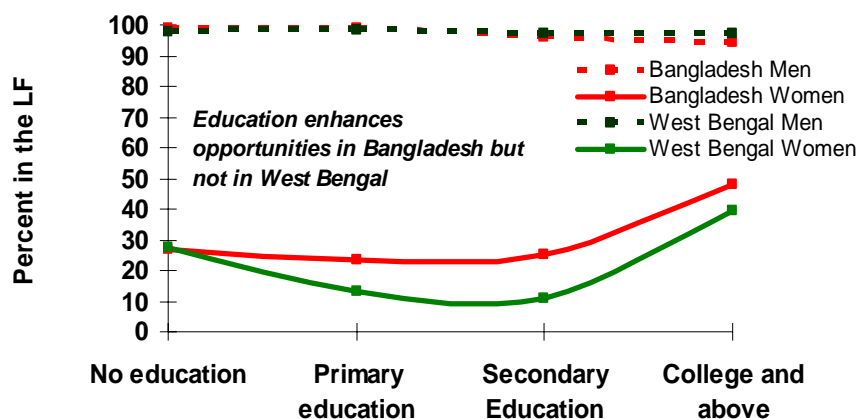
4.27 However, garment work is not seen as a long term occupation and the majority leaves upon getting married. It may well be the case that a significant percentage of the women currently working in the garment industry, who see themselves as temporary migrants, may not in fact return to their villages. They may marry in the city and withdraw from factory work, once they have children and either take up a form of wage work more compatible with their domestic responsibilities or set up their own micro-enterprises. This is evident from the fact that quite a fair proportion of self employed women and even women wage workers in urban areas had been garment workers at an earlier stage in their lives and, as might be expected, many of these women had learnt their skills in the garment industry¹⁰⁶.

B Two Bengals: So Similar Yet So Different

4.28 **Structure of employment for women is similar in the two Bengals but Bangladesh indicates growing demand for female labor¹⁰⁷:** As mentioned earlier, West Bengal has even lower rates of women's labor force participation than Bangladesh – a mere 17-18 percent, with almost no change over the last decade and half for women in the prime working age. Similar to Bangladesh, the proportion of women employed in agriculture is low in West Bengal – in fact, even lower than Bangladesh. The contrast between the two Bengals lies in the change in the labor market for women over time in Bangladesh. Not only are overall rates of labor force participation in Bangladesh increasing, but the proportion of women employed in all three sectors - agriculture, manufacturing and service sector is also increasing. While the role of manufacturing in the employment of West Bengal women is higher than that in

Figure 4.4
Employment in the two Bengals

Source: Das, 2006 based on Bangladesh LFS 2003 & Indian NSS 1999/2000



¹⁰⁴ Mahmud, 2006

¹⁰⁵ Kabeer and Mahmud 2004, pp105

¹⁰⁶ Mahmud, 2006; Kabeer and Mahmud, 2004

¹⁰⁷ All calculations for West Bengal are based on the Indian National Sample Survey data 55th Round 1999/2000 – employment module.

Bangladesh, the latter outstrips West Bengal in the role of the service sector – particularly since the employment of women in health and social welfare sectors has been increasing dramatically.

4.29 Education increases the likelihood of women being employed in Bangladesh. Human capital theories emphasize the importance of education in labor force participation but this positive relationship is not borne out in Pakistan and India where higher education lowers the probability of participation in the labor force¹⁰⁸. Bangladesh and to a smaller extent, West Bengal, show the reverse pattern. In Bangladesh and West Bengal less than 30 percent but in India over 40 percent of uneducated women are in the labor force. Conversely, in Bangladesh almost 40 percent of women who have education above the secondary level are in the labor force. In India, the participation of educated women dips to a little over 20 percent (Figure 4.4)¹⁰⁹.

4.30 Figure 4.4 also shows that for women in Bangladesh at the bivariate level, the relationship between education and labor force participation is almost flat until college. In West Bengal on the other hand, labor force participation dips at the primary and secondary level and picks up at the college level, but it does not pick up as much as it does in Bangladesh. These results also hold at the multivariate level for Bangladesh where college educated women are more than twice as likely as their uneducated counterparts to be active in the labor force. These results on rewards for educated women in Bangladesh are in keeping with previous studies¹¹⁰.

For men education hardly matters in participation rates in either West Bengal or Bangladesh or India as a whole.

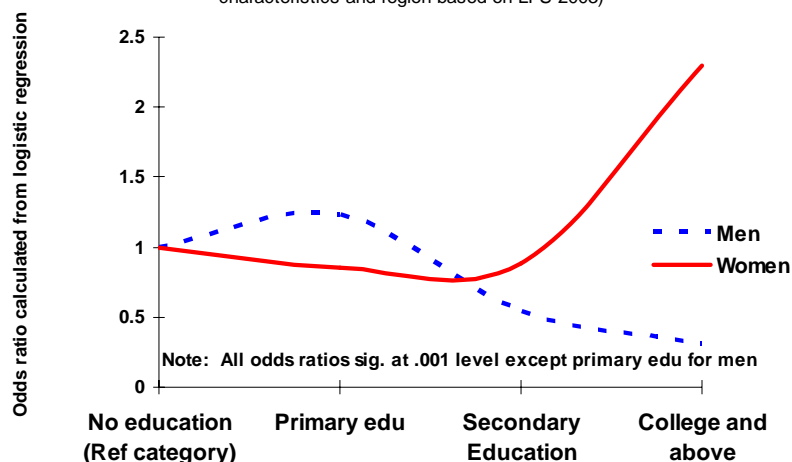
4.31 The relationship between education and labor force participation in Bangladesh has two implications – first, that uneducated women have low access to employment because of low demand for female manual labor in both agriculture and the non-agricultural sector; and second, that the demand of educated female labor in Bangladesh is high compared to its neighbor¹¹¹. Perhaps increasing economic opportunities and better education for women have influenced both demand for and in turn supply of, female labor in Bangladesh.

4.32 That education rewards women’s entry into the labor market is positive, yet the poor women’s low access to labor market opportunities presents a challenge for their status and welfare.

Figure 4.5

Bangladesh: Multivariate relationship between education and labor force participation

(Note: Individuals 20-55 not attending school controlling for background characteristics and region based on LFS 2003)



¹⁰⁸ See Sathar and Desai (2000) for Pakistan and Das and Desai (2003) for India.

¹⁰⁹ Das, 2006

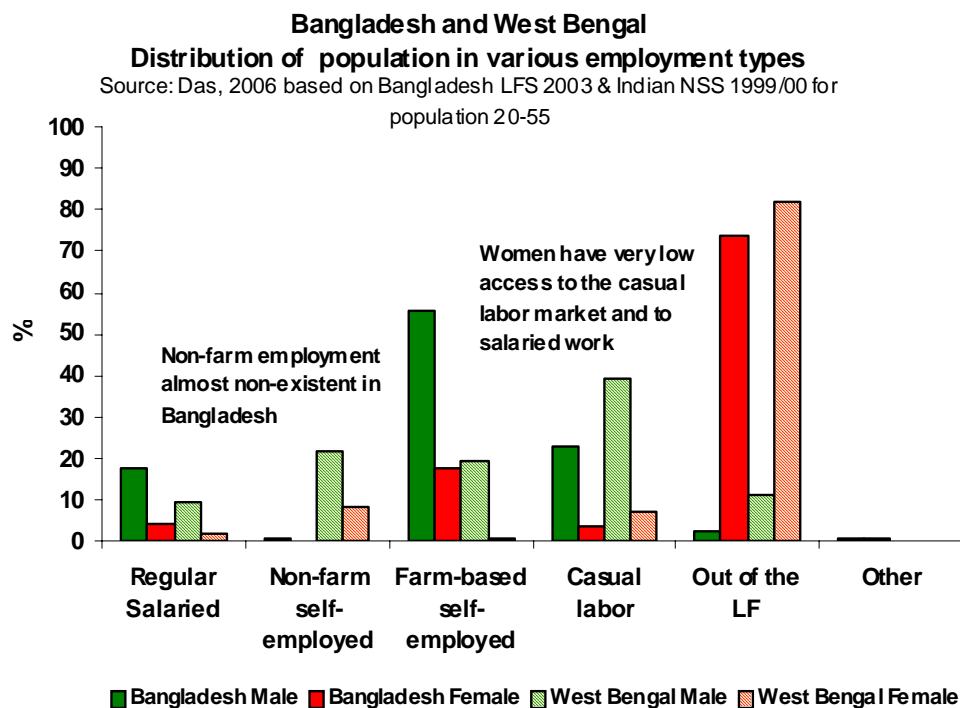
¹¹⁰ Khandker, 1987; Hossain and Tisdell, 2004

¹¹¹ Interestingly, the effect of higher education on Bangladeshi men’s participation in the labor market is negative though not significant, but a similar analysis done by Rahman (2006) finds that returns for men are positive as well. In yet another recent analysis, using BDHS 2004, Amin (2006) finds the returns to education in the form of access to *paid employment* are negative for women.

As noted earlier, poor (uneducated) women’s low participation in the labor market is different in the two Bengals than it is in other low-income countries. Part of this is explained by women’s low representation in agriculture compared to the neighboring countries. Another part is explained by the low demand for female casual labor. In India over 15 percent of all women aged 20-55 work as casual laborers¹¹². In Bangladesh and West Bengal this proportion is 4 percent and 7 percent respectively. Thus, uneducated women who would have crowded into the casual labor market due to poverty do not seem to do so. This appears to support the sense that other studies on women’s employment give of low opportunities for market work for women.¹¹³

4.33 Labor market discrimination in both hiring and wages may explain a large part of Bangladeshi women’s hesitation to enter the casual labor market. Box 4.4 shows that agricultural wages place women at a disadvantage and estimates of decomposition of wages of men and women suggest that “discrimination” may play a part in this. Understanding the manner in which discrimination takes place is important to making policy changes. At the moment we have only anecdotal evidence of types of discrimination. We know from this analysis that aggregate-level “discrimination” is what probably constitutes a large share of the “unobserved” part of the male-female wage gap in the casual labor market. However, we are less clear about type of work women are assigned and other factors that determine wages and wage gaps.

Figure 4.6



¹¹² Das, 2006

¹¹³ Cain et al, 1979; Hossain et al, 2004

C Synthesis and Recommendations

4.34 This chapter shows that a striking feature of participation rates in Bangladesh despite increase over the last decade is the increase in younger women's employment, the low opportunity for employment for poor women and the sharp rise in women reporting unpaid work. But opportunities for educated women are increasing and combined with the increase in educational attainment, it promises to provide better opportunities for women's employment as a whole in coming years. Looking ahead, while low access to agriculture and the casual labor market is particularly problematic for poor women, yet the fact of increasing overall participation rates and better education presents a strong prognosis for women's employment in the long run especially as education levels continue to rise.

4.35 In Bangladesh, as elsewhere in South Asia, the policy response to women's employment has been largely through anti-poverty programs, safety-nets, social protection initiatives, small livelihoods programs, and micro-credit with less attention to the manner in which this links to the macro policy framework. Issues of wage discrimination, links to markets for women's rural groups and their scaling-up have been in the public discourse, but have largely been ignored by policy. In fact, women's employment has been viewed from a welfare/poverty perspective rather than a core growth issue.

4.36 Based on the analysis in this chapter we argue for two kinds of responses in addition to placing the discourse on women's employment squarely in the macroeconomic policy agenda rather than merely the anti-poverty agenda

- a. Enhancing the knowledge base on labor markets so as to make empirically grounded policy decisions
- b. Enhancing the legal framework and enforcement mechanisms

Enhancing the knowledge base on labor markets

- *Strengthen labor force data:* The current version of the LFS does not allow for an in-depth exploration of patterns and determinants in the same way as for instance, the labor force surveys in Sri Lanka, Pakistan or India do. Moreover, accessibility of data is difficult and often documentation is not clear. For instance, it is not clear whether instructions to field investigators changed over survey periods, which in turn influenced the collection of data on several questions. A thorough review of the LFS would be a good starting point to increase its reliability and comparability.
- *Support empirical research on the labor market:* Labor market dynamics and the participation of women in Bangladesh is one of the most understudied parts of the gender and development literature on the one hand, and the labor market literature on the other. The first step to good policy interventions is better understanding and bringing this issue center-stage on the growth and economic policy agenda. Even where data are available, the research on employment in Bangladesh has mostly been conducted through the poverty lens and not the labor market one. While the two are related, they are not the same and research that focuses on labor market issues is extremely important to understand the patterns we are witnessing.
- *Understand regional patterns better to make region-specific interventions:* This chapter like others in this report has shown that Bangladesh is far from a homogenous entity and that regional variations are extremely important. Thus, divisional and sub-divisional

programs need to be designed and implemented to create incentives for women's participation in especially paid work.

Enhancing the legal framework and enforcement mechanisms

- *Enforcement of equal pay for equal work* (as mandated in the Constitution)
- *Galvanize the legal system to respond to complaints about infraction of laws relating to equal opportunity* so as to create a demonstration effect that discrimination will not be tolerated.
- *Create a better legal framework for the service sector in general and the low-end service sector in particular:* Since housemaids constitute a large share of all employed women, laws and institutions that safeguards their rights and wages better need to be put in place.
- *Continue to focus on higher education but also technical education:* Both women's wages and labor force participation are responsive to higher education but quality of education and lack of technical skills are likely deterrents to women's entry at full potential into the new services sectors.
- *Focus on agricultural productivity and enhancing women's participation in public employment programs:* Since the majority of women are employed in agriculture or agriculture based occupations, policy also needs to address issues that would enhance women's productivity in the agricultural sector. Moreover, since poor women's access to wage work is so poor, policy also needs to be based on a better understanding of the manner in which large public employment programs benefit women and what the barriers to greater participation are.
- *Create incentives and support systems to encourage married women to enter or stay in the labor force:* The high odds of married women staying out of the labor force also have to do with reproductive responsibilities. Facilitating mechanisms like mobile crèches and access to information about jobs may also go a long way in attracting them into the labor force.