The Effects of Global Economic Restructuring on Urban Women’s Work and Income-Generating Strategies in Dhaka, Bangladesh*

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ABSTRACT

This research examines women’s work and shifts among factory, domestic service, sex work, and urban micro credit sectors in Bangladesh using a continuum of formal-informal-household labor. We explore women’s income generating strategies and possible alternatives during global restructuring and changes in trade agreements. The end of Multi-Fibre Agreement in 2004 threatens women’s garment employment and Bangladesh’s dependence on garments to produce 76 percent of its export earnings.

Key words: Women workers, Bangladesh, Garment Factories, Global Restructuring, Sex Work, Domestic Service, Micro-credit.

This article reports results of fieldwork in 2001-3 from the larger Nari Jibon (women’s lives) project in Bangladesh. This research examines urban women’s work histories, shifts, and empowerment among factory, domestic service, sex work, and urban micro credit sectors in Bangladesh. We analyze how global and national economic changes have affected women’s income-earning strategies and alternatives in both pre and post Sept 11, 2001.

To appreciate women’s contributions to national economies and impact of socio-economic forces on their lives, researchers should study women’s work comprehensively, spanning the continuum of household, informal, and formal labor (Ward 1993; Ward and Pyle 1995). Research that focuses just on one work area ignores women’s moves among different types of work. Our analyses explore more comprehensive combinations of urban women’s work experiences and can inform policy makers who seek alternative solutions to the current and future economic challenges such as widespread loss of garment jobs with few visible alternatives. Given the extraordinary reliance of the Bangladesh economy on garment factories, micro credit donors, and remittances from migrant workers, the Bangladesh case study has broader implications for understanding consequences of global restructuring, changes in trade agreements, and their effects on women, families, and countries that primarily depend on garment work, micro credit, or overseas jobs.

International aid and financial institutions encouraged Bangladesh and other developing countries to pursue certain socioeconomic strategies, for example, structural adjustment programs, export-oriented production, and micro credit to generate economic development (Bergeron 2001; Marchand and Runyan 2000; Misra 2000; Pyle and Ward 2003; Sassen 2000). Consequently, many countries became net exporters in light
manufacturing, cash crops, migrant labor, and capital via debt service payments (Bandarage 1997).

The Bangladesh government and international agencies have publicized how many women have overcome traditional barriers of purdah household seclusion to take formal work in garment factories and participate in micro credit. In rural and some urban areas, many non-governmental organizations (NGOs) offered no-collateral micro credit to women. Other women have undertaken self-employment and informal sector activities instead of waged formal labor. Meanwhile, many women have participated in the informal sector primarily in domestic service, sex work, and construction work (R.M. Ahsan 1997; M.R. Islam 2003; A.A. Khan 2002; M.R. Khan 2002a; Mayeed, Hussain, and Ameer 1998; Opel 2000). However, most research on labor markets in the region has ignored the informal sector due to research foci on garments and micro credit (Carr and Chen 2001).

Migration has shaped women’s work; almost 1000 girls migrate daily from the rural to urban areas to find work (Khan Foundation 2002; Staff Reporter 2000a). Some migrants enter garment work as helpers with few skills, while others survive as domestic, construction, and/or sex workers. These migrant women shift from one kind of work to another or no work at all. Unlike Filipino and Sri Lankan women who migrate freely to other countries (Gamburd 2000; Parrenas 2000), Bangladeshi women have faced government bans on migrating as nurses and maids to other countries (Islam 1998). Nonetheless, some women have migrated to the Middle East in search of jobs, including garment factories, and by paying lump sums to brokers (T. Islam 2002; Siddiqui 2001; T. Siddiqui 2003). The effects of these employment patterns on urban women’s lives, work strategies, and Bangladeshi economy remain largely unknown.

These work strategies of women have been threatened by recent and pending changes in the global economy, trade agreements, and financial flows. Micro credit donors stressed sustainability of existing programs rather than new funds. Critics noted ongoing problems with repayment rates and recycling of old loans by Grameen Bank (Abedin 2001; Pearl and Phillips 2001). Until recently, most women in the urban formal workforce worked in garment industries, which provided 76 percent of Bangladesh’s foreign earnings (A. Mahmud 2001). In 2001, an estimated 3000 to 3,470 garment factories employed two million people, 90 percent of them women who supported 10 million dependents (Bangladesh Observer 2001; Star Business Report 2001b). In 2003, 3600 garment factories

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1 Bangladesh lacks accurate economic and Census figures. The factories and workers’ numbers have been taken from newspaper accounts and trade associations and should be

employed 1.8 million workers, 80-90 percent women (Mian 2003). What has happened to these women workers?

Bangladeshi women’s work activities have exemplified socio-economic consequences generated by economic restructuring and adjustment programs, especially now with garment factories’ closures. However, other work activities remained hidden by single sector research. Under programs of trade liberalization and the privatization of state owned enterprises, retrenched female industrial and construction workers had a harder time finding work than did male workers (Staff Correspondent 2000). Many women moved from the household economy and in-kind informal labor (domestic service) to participation in informal (domestic service, sex work, and micro credit) and formal sectors (garment factories) (S. Amin 1997; S. Amin, Diamond, Naved, and Newby 1997; Naved, Newby, and Amin 2001). Some women moved into sex work from domestic and factory work where women experienced sexual abuse and/or were trafficked or lured into sex work with promises of better jobs (Paul and Hasnath 2000). Finally, many women workers migrated with or without state approval for work, and sent remittances back to their families (Siddiqui 2001; T. Siddiqui 2003; Siddiqui and Abrar 2001).

Some women simultaneously combined household, informal, and formal sector work or a triple shift of work as a survival strategy (Hossfeld 1988; Ward 1990; Ward and Pyle 1995). Given high levels of unemployment for men and women, the loss of factory jobs without comparable employment already has proven problematic for Bangladeshi women, families, and the economy and affected many gains in empowerment.

Meanwhile, women in Bangladesh must negotiate their work activities and socio-economic changes as less powerful actors and workers relative to men, in women’s control over reproduction, educational advantages, and threats of violence, with little protective legislation (M.E. Khan, Townsend, and D’Costa 2002; S.R. Khan 2001). Child marriage and pregnancies remain widespread as 58% of rural women under the age of 19 had babies or were pregnant (Haq 2002). According to World Bank statistics, women have lower rates of literacy than men’s rates (71 vs. 48%). Although women’s total fertility rates (TFR) have dropped dramatically from 1980 to 1999 (6.1 to 3.2) and women’s contraceptive use has risen since 1985 (from 25 to 54% in 1999), the decline in TFR has begun to level (Cleland, Kamal, and Sloggett 1996). Finally, Bangladesh women experience some of the highest domestic violence rates in the world: 75

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treated as estimates. The estimates vary from article to article. Many subcontract factories open and close depending on orders and time period. The subcontract factories have had the hardest time pre and post September 11, 2002.
to 84% of women reported some domestic violence within the last year (Staff Reporter 2003a). Dowry murders, rapes, and post rape suicides have increased dramatically (M.A. Khan 2002; Staff Reporter 2002f). Many laws cover women’s health, safety, dowry, acid throwing, and rights, but the state weakly enforces laws owing to pressures from factory owners and political and religious groups, despite protests by women’s NGOs. Further, no specific law forbids domestic violence (S.R. Khan 2001).

Our findings shed light on the effects of future job losses and women’s survival strategies during changes in trade agreements that privileged Bangladeshi garment producers. This research provides valuable research data on women’s income-generating strategies for NGOs and policymakers coping with the upcoming changes in trade agreements. In the following sections, we will describe some of the experiences of former and current garment workers and their work strategies along with the work strategies of women in sex and domestic work and in micro credit. This research focuses on the formal sector work of (1) women garment workers and the informal sector work (2) domestic service, (3) sex work, and (4) self-employment through micro credit. In the next sections, we describe our methodology for three waves of fieldwork from 2001-2003. Second, we outline analyses of women’s work histories given recent events in the garment sector. Finally, we outline implications of our research and our ongoing research.

Research Question

In this paper, we focus on what factors have determined Bangladeshi women’s work histories and their shifts to another sector and/or staying in the same sector? How have women workers coped with recent economic changes? What are their strategies for the future?

Methodology

This articles draws upon three waves of interviews, newspaper articles, and scholarly reports: (1) interviews in January 2001 of garment, sex, and domestic workers, and micro-credit recipients; (2) interviews in January 2002 of unemployed garment workers; (3) fieldwork and interviews in December 2002 and Spring 2003 with some of the same garment workers from January 2002, other unemployed garment women from 2002, and some sex workers from 2001.

In January 2001, Ward and other fieldworkers interviewed 44 women workers and four focus groups about their work histories, empowerment as

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Fieldworkers included SIUC graduate students Shyamal Das and Fahmida Rahman and social scientist spouses, Jhumur Das and Shahinur Rashid Shafti who accompanied Ward to Dhaka.
workers in garment factories, domestic service, sex work, and involvement with micro credit. Hereafter we refer to these interviews as the first wave and given the life history focus, the respondents as narrators. S. and J. Das interviewed 14 floating sex workers from Durjoy and Ulka organizations and three rescued women from the Proshanti shelter. Floating sex workers referred to women who contacted their work in the streets, parks, and public places of Dhaka rather than in their homes, residences, or brothels. For micro credit in Dhaka, we interviewed women from two urban micro credit NGOs: Association for Social Advancement (ASA) and SHAKTI. ASA is one of the four largest NGOs in Bangladesh and has a low-cost, low-overhead program in rural and urban areas (Ahmmed 2002). S. and J. Das interviewed ASA women in Dhaka (N = 6) and rural Comilla (N = 5) and Shakti (N = 4). For garment factories, Rahman used contacts from Bangladesh Garment Manufacturing Employers Association (BGMEA) directory and personal contacts to interview workers in Dhaka (N = 6) and Chittagong (N = 5) plants. For domestic workers, we conducted a focus group with 10 women connected with Shoishob, a NGO that has organized domestic workers. We also interviewed four individual domestic workers. Many of the other narrators had done domestic work or self-employed tailoring. Only two narrators had migrated abroad: a garment worker to another south Asian country and a cook to the Middle East.

We used a life history format in our interviews, which included questions on family background, work and migration histories, and empowerment variables. The co-authors prepared the interview questions in English, and the Bangladeshi co-authors and staff translated the questions into Bengali. We audio taped the interviews after obtaining either verbal and/or written consent from the narrators as per SIUC Human Subject policies. We gave the narrators a small gift (sari-a piece of fabric used as a woman’s garb) in exchange for their time and interviews. Bangladeshi project members transcribed the tapes into English after returning to U.S. For data on women’s work after our trip, we relied on English and Bangla newspapers, research from the Internet, and conversations with NGO staff and contacts.

For the second wave of data, in January 2002, two garment worker activists, Sheikh Rumana and Lily Jahan, conducted taped interviews with
24 unemployed garment workers in Bangladesh. Bangladeshi students in the USA prepared interview questions and translated interview tapes. For the third wave of data in December 2002-Spring 2003, the same activists reinterviewed 11 of the 24 women and interviewed around 12 more garment women who had been unemployed in January 2002. Neither Ward nor any of her Bangladeshi graduate students participated in these interviews, although Ward and her students had discussed the questions with the activists in international phone calls and feedback after the first few interviews in 2003. The activists also included knowledge, attitudes, and practice questions from some concurrent research on domestic violence during December 2003 and January 2003. These latter two waves of interviews yielded insights from garment workers of various ages across a variety of large, medium, and small factories as well as unemployed women rather than several groups of younger women from one or two factories as occurred in the first wave. The activists also solicited more responses about organizational memberships and joining in action against factory owners and violence than in the first wave.

During a November 2002-August 2003 visit to Bangladesh, Ward reinterviewed some sex workers from the January 2001 visit. She visited several garment factories, workers’ hostel, and observed workers’ commutes to and from factories, meetings, and demonstrations. She also met and informally interviewed some unemployed garment workers turned sex workers. She utilized several translators among Bangladeshi graduate students\(^4\) and NGO staff working with her. Bangladeshi graduate students in the USA transcribed and translated the tapes. Selected excerpts from the 2001-2003 interviews appear below.

**Results from Fieldwork**

We found that the first wave narrators provided detailed accounts of their work, migration, and family histories. All women performed household duties in addition to any income-generating activities. Nearly all of the workers had spent some time engaged only in household work and most of the women had married except for the younger garment workers. Micro credit women (N = 14) and floating sex workers (N = 15) had the most complicated work histories, including triple shifts. The micro credit women clustered at older ages (late 20s and 30s), while the sex workers clustered at younger (under 20) and older ages (30+). Many garment workers (N = 11) only worked in factories and moved from two to five factories to seek higher wages. Domestic workers in our focus group were older and had sought

\(^4\) SIUC graduate students on RISM fieldwork grant included Rifat Akhter, Reshmi Chowdhury, Rukhsana Ahmed, Mohammed Rahman, and Shafiq Rahman.
NGO work rather than very young females who commonly do domestic work. We focus on how the origins, experiences, and destinations from each work sector have affected women and their empowerment: domestic, sex, and garment work. We also update the latest conditions for the garment workers/sector. We conclude with experiences of micro-credit and migrant women.

**Domestic Service**

Domestic service has been a common work option, particularly for younger females and males, given purdah norms for women and little education. In urban areas, domestic servants consisted of younger poor and homeless children and women and rural residents displaced by natural disasters, domestic violence, and structural adjustment programs. Traffickers lured girls and young women with potential jobs and promises of marriages, and steered these women into domestic work in Bangladesh and in other countries (S.R. Khan 2001). After bans on child garment labor, many child workers moved into unsafe activities, e.g. domestic service, hawking flowers and candy, begging, brick breaking, and sex work (Bissell 2001; Delap 2001). Among 1,000 girl domestic workers in Dhaka, two-thirds were 11-13 years of age (F.I. Hossain 2000). Domestic workers experienced hard working days (15+ hours, physical and sexual abuse, and little state intervention into conditions or wages until a servant received life threatening or deadly injuries. At legal working age, many young women shifted to factory work for wages better than the 1-5$US per month as maids (Islam 1997). Many household employers now pay garment level wages and have better work conditions (conversations with employers).

Many domestic workers transitioned from live-in domestic to day jobs and other work, including garments and/or NGO work as lowly paid aides or organizers. Some women had entered domestic work after their husbands lost their micro credit funds and the women had to repay the NGOs. One young woman, Nasima (age 19), had to leave her garment job when her sister left Dhaka and put her into live-in domestic service. Since starting garment work at age 6, she preferred the freedom of garment work over the restrictions of live-in domestic service.

In a focus group of domestic workers, many married women reported they worked multiple day jobs rather than live-in, an arrangement that enabled them to earn more money and to spend time with their own children versus performing 12+ hours of factory work. Most domestic servants lived in the bastee (slum) areas of Dhaka, and their meager wages provided important household income relative to husbands’ earnings as rickshaw pullers, day laborers, or small business owners (Opel 2000; Salway, Rahman, and Jesmin 1998, 2003). As they aged, those interviewed
reported they had a harder time finding work and few other income-generating options. Sexually abused servants often shifted into sex work. For example, two sex workers reported physical and sexual abuse as young girls (age 7 and older), and they escaped from their homes eventually arriving in urban areas. In turn, older women met them in transportation centers, befriended them, and then sold them to *sardanis* (madams) in brothels. They started their domestic work in brothels as young girls and transitioned into sex work after their first menstruation.

**Sex Work**

Sex work has moved into international industries where formal and informal organizations move women and children around to serve tourists, provide entertainment, and work in sex industries (*Kempadoo and Doezema 1998; Lim 1998; Nagel 2003; Pyle 2001; Pyle and Ward 2003*). Sex work and trafficking have long histories in Bangladesh. Sex workers’ economic status ranged from floating street workers, hotel, residence, and brothel-based workers to highly paid entertainers. Many women had worked in brothels located around large cities, ports, and in Pakistan and India. Sex workers came to the trade by deceptive promises of good jobs, kidnapping, betrayal by husbands/family, economic necessity, and/or choice. All women reported using earnings to pay police, *mastaan* (local miscreants), *dalal* (pimps) and *sardarni*.

After 1999 evictions from two nearby brothels, many evicted sex workers relocated to Dhaka, thereby making now floating sex workers more visible in parks, streets, and hotels of Dhaka and other cities (*BSS 2002b; M.R. Khan 2002a; Khondker 2000; H. Rahman 2001; Star Report 2003*). Although some case studies have traced women after their evictions (*READ 2000*) and/or their rescues from traffickers, only anecdotal evidence exists on active sex workers, women in NGOs-state shelters or HIV/AIDS surveillance surveys conducted collaboratively with NGOs and sex workers’ organizations (*Jenkins and Rahman 2002; H. Rahman 2001*). Some estimate 100,000 sex workers exist in Bangladesh in 19 brothels and 15,000-30,000 workers in Dhaka (*BSS 2002b*).

The evicted brothel turned floating sex workers in our first wave reported huge drops in their income from US$560 per month in the brothels to US$40 in the streets, slightly higher than average wages.
The government moved many evicted sex workers into vagrant homes where they experienced sexual abuse from staff and police. Although the government promised rehabilitation by providing former brothel women with US$100 and only five sewing machines (Jenkins and Rahman 2002; Shonghoti 1999; Shonghoti and READ 2000), many women refused. Other women sent to vagrant centers went into garment factories and could only leave their position with the permission of Social Services. These women believed that they had more freedom in the brothels than in the vagrant centers or garment factories (S. Islam 2000). Ironically, other activists argued that garment factories served as recruiting stations for traffickers who deceptively promised jobs abroad, entertainment work, and/or marriage (Haq 2000).

During their lives, most sex workers moved among domestic work, marriage and household work, and sex work in brothels and now street or floating sex work. All but one of the sex workers had been trafficked against their will into sex work (one was born to a sex worker). In 2001, one-half of the interviewed sex workers did triple shifts of NGO outreach workers, sex work, and housework. Prithi (age 27) had been trafficked at age 12, worked in a brothel, left as a married housewife, returned to brothel, married a second time and left the brothel, entered the brothel a third time, faced eviction, and has been a floating sex worker doing occasional NGO work since then. Agora (age 40) worked as a child laborer, trafficked into brothel sex work, did domestic work, went into a second brothel, and has worked for two different NGOs, most recently as a safe sex educator. Hasina (28) has no idea of her birth home or parents after some one trafficked her at an early age. She has had a life in and out of vagrant homes, crime, begging, crime and floating sex work, and now combines crime, sex work, and NGO work. Finally, Shakti (age 30) has the most complicated work history of marriage and housework (3x), laborer, domestic work, brothel and floating sex work in between marriages and a flood, prison and jail, supervising other sex worker (sardani), NGO micro credit, and work for two NGOs. After the grant funds ran out, she returned to floating sex work in the streets.

However, by 2003, several women had lost their NGO outreach jobs (grants ended) and had returned to full-time sex work. Other women sought micro credit to start small businesses, but few micro credit programs have targeted sex workers. One rehabilitation director told me that “the donors don’t like it,” when Ward queried why her NGO’s micro credit program had no operations in the brothel and urban locations where her NGO had outreach offices (Ward interviews with NGO staff). As a result, sex workers had a harder time moving into other kinds of work than did other workers.
Although the Bangladesh government expressed interest in rehabilitation, it has failed to provide the socio-economic space for reintegration (Dr. Jana, CARE interview with Ward).

Other ‘rehabilitation’ centers teach women sewing, embroidery, and candle making, while educating their children (M.R. Khan 2002b). Other NGOs have tried different strategies of training, schooling, and housing, but training women for sewing work may be problematic given the contraction of garment work. However, some centers provide no training or support for marketing of the women’s work – often of uneven quality – that competes with better equipped training programs and more skilled women in sewing, embroidery, batik, and block printing.6

One rehabilitation center director claimed that his program had no responsibility to the women beyond training, for example, the women could sell their candles at International AIDS day! Even if a woman made and sold 4-6 dozen of decorative candles six days per week, she would have about only 800-1000 tk income per month vs. the higher earnings from sex work.

Alternatively some centers located around brothels claimed that sex workers had moved into other jobs, however, this meant working at the rehabilitation center as cook, maids, and other jobs rather than re-integration into the larger labor market. For example, one program followed women for one year post-sex work, an interval within which most sex workers have dropped out of sex work at various times for marriage and moves to other locales. Hence, little evidence exists on long-term rehabilitation and ability to generate income to support women and their families. Even rehabilitation centers or NGO jobs end after two-year grant cycles.

Finally, these jobs and rehabilitation programs reflect gender-stereotypes as well as misinformation about the capabilities and human capital of sex workers. For example, many hotel-based sex workers have 8+ years of education and can learn computer skills, or alternatively drive cars and work as drivers. Yet donors remain fixed on their rehabilitation via sewing, embroidery, and candles.7

6 During her 2003 visit, Ward visited several so-called rehabilitation and training programs and purchased examples of sewing, block printing, batik, and candle making among other items. She also watched assorted training programs, including the process of candle-making.

7 Habibur Rahman and Kathryn Ward started savings programs, Bangla and English tutoring, computer and driver training with Sathi women in Summer 2003. Twelve have enrolled in computer training, six women have started driving lessons, and nearly 100% of Sathi members have bank-savings accounts. Some women from floating sex worker groups also participate in tutoring, computer, and driving sessions. One donor who had recently
In August/September 2001, bolstered by a Supreme Court decision on illegality of their eviction and citing lack of rehabilitation opportunities, one hundred sex workers and NGO supporters tried to take over their old brothels in Tanbazar, but were repulsed by police and mastaans (Staff Correspondent 2001b). Despite this ruling, other brothels remain under eviction threats as occurred during a cold January 2003 night for the Magura brothel. Nonetheless, sex worker have organized. During summer 2002, Bangladeshi sex workers held their first national conference and formed Sex Workers’ Network of Bangladesh (IPS 2002). Their conference raised visibility for their human rights, end to harassment, and economic consequences of eviction (The Financial Express 2002c). Their second conference is scheduled for fall 2003.

Another route to sex work occurs through trafficking, in particular, the trafficking of young girls and boys within Bangladesh and to brothels in India, Pakistan, and Middle East (Staff Reporter 2002b). Funded by many foreign governments and international NGOs, the Bangladesh National Women’s Lawyers’ Association activists and other NGOs have rescued trafficked women and children within and outside of Bangladesh (The New Nation 2002b). Our respondents and media accounts describe garment and domestic workers deceived by promises of good jobs who landed in brothels or sex work (Paul and Hasnath 2000; U.S. Department of State 2002; UNB 2002d). Some trafficked women return as ‘migrant workers’ and recruit impoverished girls and women with promises of jobs (The New Nation 2002b).

At the same time, little information exists on what has happened to these rescued women and children upon their return to Bangladesh. How many women have been rehabilitated and where? Interviews with some rescued women, activists, and anecdotal accounts indicate that some families have refused to accept their offspring owing to the stigma of trafficking equals prostitution. Others leave their shelters during the day, work their garment factory shift, and return to spend the night under lock and key. This label and characterization of trafficked women as victims has been promoted by anti-trafficking/sex work activists and adopted by the U.S. State Department, which refused world-wide funding to any organization that does not express an anti-sex work philosophy. This has resulted in the end of funding for some safe sex outreach and alternative work programs (Crago 2003; Hughes 2003; O’Neill 1999; U.S. Department of State 2002).

visited one of the previously mentioned rehabilitation centers asked Ward why she wasted her time on sex workers, who only had class 2 of education? Ward told her about the higher education levels of hotel women (class 8, SSC, HSC) as well as some of the floating street workers.
However, some activists have questioned the victim label and rescue strategies and encourage policy makers to look at trafficking and sex work from perspectives of migrating workers’ agency (Blanchet, Biswas, Zaman, Dabu, and Lucky 2002; Davies 2003; Doezema 1998; Wijers 1998). Some sex worker organizations in India and Bangladesh also keep watch for trafficked women coming into their neighborhoods (Ward interviews with Ulka and Durjoy members) (see also Smarajit, Bandyopadhyay, Dutta, and Saha 2002).

Women seeking overseas work have found formal pathways blocked by governments and trafficking-prostitution fears. As a result, they go through informal routes, which increase their vulnerability to employers and traffickers (Agustin 2000, 2002; Ashok 2003; Smarajit et al. 2002). For example, migration researchers such as Tasneem Siddiqui have estimated 50,000 women have gone overseas informally, while the government says 17,542 women have migrated officially (T. Islam 2003a). Despite migrant women’s considerable remittances, some Bangladeshi men and husbands have defined and labeled returning women migrants as sex workers if they show any signs of liberation from traditional gender roles (Dasgupta 2003).

Finally, as a consequence of anti-sex work stances of some anti-trafficking activists, many women trafficked 5 to 20 years ago and who worked as sex workers found their voices and experiences excluded from trafficking forums and rehabilitation schemes (Ward interviews with sex workers aged 25-40+ years). Consequently, the anti-activists excluded these older women’s knowledge and strategies from rehabilitation and policy dialogues. Lessons from so-called rehabilitation and training of sex workers may be important for the future of garment women workers. Many garment women also have low levels of education, few alternative work skills, and some negative social labels from working and living as single women in Dhaka.

**Garment Work**

“Once we were dependent on aid and now on trade.”

Economist Rehman Sobhan (Economic Reporter 2003b)

The Bangladeshi economy has grown increasingly dependent on the 76% of national export earnings generated by garments and knitwear. Of an estimated 3,600 factories that operate in Bangladesh, some 800-900 engage in direct exports, while the remainder works on subcontracts.8 Related service activities generate an additional two billion US$ and

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8Once again, the factories and workers’ numbers have been taken from newspaper accounts and trade associations and should be treated as estimates.

Events in the past two years have demonstrated the vulnerability of Bangladesh’s garment industries to external shocks of trade agreements, international events, and manipulations by U.S. government and buyers. First, changes in trade agreements have threatened the competitive position of Bangladesh garment industries. After 12% growth in the year 2000, economists noticed at the beginning of 2001, a significant decline in garment exports. In August 2001, garment manufacturers reported fewer orders and some factory closures during a usually busy time for production (M. Rahman 2001). More than one-half of factories had no orders. The U.S. Trade Development Act-2000, which gave duty-free access and trade preference to African and Caribbean countries, had diverted garment orders from Bangladesh (Islam 2001; S. Karim 2001). This legislation reinforced the 1990s actions by garment manufacturers in Singapore, Taiwan, and South Korea who already shifted some production to take advantage of trade agreements, quotas, and upcoming changes in 2004 MFA or Multi-Fiber Agreement (Green 1998).

This agreement had provided duty-free and tariff privileges and quantity quotas for garments and textiles to certain developing countries in their exports to developed countries. Local and international investors also took advantage of the MFA to invest in garment factories and related industries. As a result, production and buyers flocked to countries such as Bangladesh that had lower cost garments and cheaper labor than earlier garment producers in South and Southeast Asia. However, the end of MFA means that all garment producing countries will compete with one another without quantity quotas and/or trade barriers, including China whose prices may undercut all other producers (Anson 2003).

Second, declines in garment orders accelerated rapidly after September 11, 2001. By November 2001, two-thirds of the factories (3-3.4 k factories) had no work orders (Sobhan 2001). By December 2001, nearly 1300 factories closed and an estimated 400,000 women lost their jobs (Staff Reporter 2001c). Many women garment workers and their families found few other options for employment, except domestic and sex work (Staff Correspondent 2001b; Staff Reporter 2001c, d; UNB 2001a), and micro credit through BRAC, a large NGO (Economic Reporter 2001). Bangladesh had lost much of its major export earnings with few prospects for diversification. The government and garments trade groups lobbied for duty and quota free access to the U.S. and for new markets in European Union (EU) and newly independent states, including aid for export diversification (BSS 2001a, 2002a, d).
Third, on fall 2002 anniversary of September 11, various articles assessed the ‘fallout’ on the RMG (Ready Made Garments) industries. Earnings from U.S. woven and knitwear exports had fallen, even though sales volume had increased. Hence, large buyers demanded lower prices, i.e. 15 percent lower (Cookson 2003b; M. Mahmud 2002). Out of the estimated 3600 factories, 1276 had stopped production. In June 2003, the Bangladesh Garment Manufacturing Employers Association (BGMEA) president asked for concessions on VAT and duties to assist “1200 sick garment factories to benefit six lakh workers [. . .] and investing banks” (Bashar 2003).9 The BGMEA predicted the dire socio-economic results from ongoing difficulties and end of MFA in 2004:

...maximum number of garment factories will go out of business throwing 800,000 to 1,000,000 of the workers out of jobs... This will bring about a socio-economic havoc to Bangladesh the incidence of which might be felt outside. Because the retrenched women workers will find it difficult to go back to the village home of which they have the bitter socio-economic experiences on the one hand and have adopted to the urban life style on the other. The retrenched male workers will not have any possible alternative of employment elsewhere, but to add to the social evils and anarchy, which will go beyond any boundary measures of the government. That means a total socio-economic imbalance might emerge in the country.

Beyond these recent events, Bangladesh’s Ready Made Garment (RMG) manufacturers have faced major internal and external challenges: (1) lack of backward linkages and long production lead-times; (2) weak commitment by government and manufacturers to infrastructure, incentives, reinvestment, and law & order issues; (3) quality of management and products (A. Mahmud 2002), including issues of worker productivity; (4) external threats of competition from China, India, and Pakistan, and (5) unwillingness of US to extend quota and duty free access and trade concessions to Bangladesh RMG exports.

First, Bangladesh has few backward linkages to its once thriving textile industries that might produce for local garment industries. Bangladesh imports 70 to 90% of its fabrics and related items from competitors India and China (N. Islam 2000; Staff Correspondent 2001a). Two-thirds of Bangladesh’s export earnings pay import bills (T. Islam 2003c). These limited linkages affect crucial production lead-times as buyers place garment orders and expect just-in-time or fast turnaround. For example, after buyers place orders for garments, Chinese factories buy and receive their cloth orders in 45 days and complete garment orders in 40 days;

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9 One lakh = 100,000.
Bangladesh needs 90 days for cloth imports and 140 days for completion (A. Mahmud 2002).

In contrast to competitors such as Mexico, Bangladeshi garment and textile manufacturers have continued their oppositional strategies nurtured by various factions and incentives within the government. Textile manufacturers sought protection from cheap imports. Garment producers wanted inputs from other countries to take advantage of trade agreements that privileged inputs from different countries and low value added assembly (Bair and Gereffi 2001; S. Islam 2002; S. Karim 2002b; The New Nation 2002c). Consequently, Bangladesh has been unable to effectively use trade partners’ criteria and quotas for local fabrics and low-value added to garments (Bhattacharya and Rahman 2001).

Second, these weaknesses intersect with the government and manufacturers ongoing conflicts over incentives and poor infrastructures in transportation and shipping ports, law and order, including frequent hartal (strikes). The Finance Minister invoked the ire of RMG manufacturers with accusations of misusing garment quotas, falsifying export invoices, and understating their earnings, e.g. money laundering (Editorial 2002).

Third, analysts have focused on problems of management and product quality shaped by the bottom line, buyers’ price demands, labor standards, worker turnover, and working conditions such as fire safety. Further, Bangladesh’s diverse garment factories (large, small, and sub-contractors) have a ‘sweatshop’ image fomented by anti-sweatshop activists in the North that may deter consumers from purchasing products made-in-Bangladesh (D.M. Siddiqui 2003).

However, manufacturers have given little attention to improving the skills and productivity of workers and their working conditions in factories in old apartment-office buildings: 8-12 hour days, six days a week, sweltering conditions, and less than hygienic facilities, particularly among the subcontract factories. Some factory owners pay no wages at all, but keep women working through promises of recovering one to five months’ wages (interview with union activist who works on pay cases).

Activist Shirin Akhter noted that garment owners profited from workers but never invested in skills for improved productivity. The Garment Workers Protection Alliance (GWPA) called upon the government to include workers’ concerns in any strategies to cope with end of MFA (Staff Reporter 2002a). Widespread sexual harassment has affected women workers’ productivity (D.M. Siddiqui 2003). GWPA’s international forum on garment workers and end of MFA occurred in August 2003. The Commerce Minister stressed more training and quality production for RMG factories and highlighted free movement of migrant workers (Staff Correspondent 2003c; Star Business Report 2003b). The GWPA forum’s
'Dhaka Declaration' stressed safety nets and insurance for workers, enforcement of labor laws, support for diversification of exports, duty and quota free movement of exports with simple and flexible rules of origin, and mobility of labor to match capital mobility (Staff Reporter 2003b).

Otherwise, garment workers’ voices remained mostly absent from sporadic dialogues on garment industries and MFA among academics, government officials, and RMG manufacturers. One commentator proposed to take 10 percent of a 30 percent tax rebate for garment manufacturers to improve their productivity and also government reinvestment in garments (Alam Rahman 2003). Nine garment workers’ organizations demanded government investment of 5 percent income from RMG exports for ‘labour welfare’ because of concerns over Bangladesh’s ability to meet ‘rules of origin’ with limited local resources. They also sought a bigger role for trade unions in garment industries (Staff Reporter 2003d).

Fourth, external current and future competition have steered some orders away from Bangladesh. Analysts also noted negative effects on Bangladesh garment orders from the 2000 Trade Development Act for African and Caribbean nations. Mexico had improved its garment share in U.S. from 5 to 14 percent since 1994 and NAFTA (North American Free Trade Agreement) (Saila 2002); although growing competition from China and its new WTO membership have already led to job losses in Mexico (Anson 2003; Forero 2003). Cookson estimated that Bangladesh will lose to China 50 percent of U.S. apparel exports and 20 percent of EU exports. Others predicted a 30-35 percent decline in RMG export values over the next five years mostly from low prices demanded by buyers and reduced volume (Cookson 2003a, b; Shefali 2003). Garment activists also have predicted the future job losses with the end of the MFA agreement. Mashuda Khatun Shefali forecasted that 13 of 18 lakh (1.3 M) workers would lose their jobs after December 2004. Others estimated one million workers will lose their jobs (Economic Desk 2003; T. Islam 2003c).

Fifth, the government remained vulnerable to manipulation of economic and anti-terrorist policies by the U.S. in Bangladesh’s market access and the export of gas. Bangladesh government officials sought duty and quota free access to the U.S. such as that granted to Caribbean and African countries and trade concessions to U.S. ‘anti-terrorism’ allies, Pakistan and India. In spring 2002, Pakistan received increased quotas on apparel items already produced by Bangladesh (The Financial Express 2002a). In

\[\text{\textit{However, many recent trade agreements such as the Trade Development Act have strict rules of origin on cloth and supplies used in production. Only 17 out of 77 countries have met all the criteria (Gibbon In press 2003; Shefali 2003).}}\]
a ‘dress rehearsal for apparels,’ the U.S. government had lifted the quota restrictions on 847 (trousers, slacks, shorts) and 331 (gloves) away from Bangladesh (S. Karim 2002a).

Meanwhile, the Bangladesh government and garment manufacturers perceived that the U.S. government had tied gas exports to duty-free status, despite Bangladesh’s support for U.S. anti-terrorism campaign (Islam 2001; Staff Reporter 2001a; UNB 2001b, c). An essay, “Of gas and garment girls,” argued that the Bangladeshi government should exchange of gas reserves with energy developer UNOCAL in return for favorable trade status of garments with the U.S., and save the jobs of one million women garment workers and their earnings (R. Rahman 2002). To date, Bangladesh has yet to make a decision on gas export despite ongoing U.S. pressure.

As a result, the government has limited bargaining power with the U.S. and has tried to play the ‘gender’ card. Some officials requested trade concessions by warning of threats to women workers’ empowerment, which Prime Minister Khaleda Zia labeled “a silent social revolution” (BSS 2001b). In July 2002, five U.S. Congress members unsuccessfully lobbied the U.S. Trade Representative to merge apparel quota categories (some underutilized) to increase Bangladesh’s overall quota limits citing its moderate Muslim status, democracy, and the status of women (The Financial Express 2002b). Ironically, in November 2002, the U.S. government declared Bangladesh a high terrorism risk country and set up strict visa and entry requirements for Bangladeshi men. When the Commerce Ministry allowed RMG producers to overuse their shipment quotas to the US in fall 2002, the U.S. trade representative refused to waive a $50M garment penalty for 2003 (Hasan 2003b). Meanwhile, the U.S. ambassador renewed a threat to remove Bangladesh’s new GSP (generalized system of preference) status, if the government failed to allow trade unions on the export processing zones by 1 January 2004 (N. Ahsan 2003; Hasan 2003a).

Nonetheless, some RMG manufacturers remained optimistic, especially about the prospects of free trade agreements with different countries such as Canada and Australia and increased efficiency in production. Others sought direct deals with buyers such as Wal-Mart and Target instead of going through buyer houses (UNB 2002a). In summer 2003, the Bangladesh government considered signing the controversial U.S. bill ‘Middle East Trade Growth Act’ that could provide duty free access for exports from 18 Middle East countries, Bangladesh, and Pakistan, but came with conditionalities on human rights, democracy, and no boycott of Israel.

As a result, buyers’ demands for lower prices, few backward linkages, poor infrastructure combined with elusive U.S. trade concessions have
had negative consequences for now unemployed women workers. Their lives and families have been transformed by garment work, but they have few other formal work options. In contrast to dire predictions of social chaos, what had happened to women’s work opportunities and the women unemployed in the layoffs of fall 2001 and spring 2002? In informal interviews with current garment workers and women who had been unemployed in Fall 2001 and on, many former garment workers had moved into informal sector work of sari sales, handicrafts, and cooking within Dhaka. Older street sex workers said in interviews that an influx of former garment workers came to the streets about three months after September 11th. Alternatively, women have actively tried to switch factories or employers to achieve better working conditions.

**Life transformations**

Garment industries have altered females’ rural to urban migration and marriage patterns, improved the socio-economic standing of young women and their families, and spurred women’s activism (Zaman 2001). Kibria (2001) found that most women started garment work through a process of household decision-making or what she termed “the sending family households” (p. 68), as female heads for survival, and/or a family member already worked in garments (see also Kabeer 1997:268-9; 1999). Women moved into garment factories from other work (domestic, agricultural, brick-breaking, groundwork, or sewing homework (p. 69)). Other women chose garment work to raise households’ standard of living, finance a family member’s business and/or provide for children’s education. Finally, single rural migrants entered garment work as an improvement over rural options and to reduce their families’ household and dowry burdens.

Once in garment factories, workers generated much of their households’ income. Women garment workers provided 46% of families’ income and 30% of the women were main earners. Women-headed households occurred among 51% of the garment workers versus 10% overall for poor urban households (Karim 2000). Some garment operators who lived with family members sent remittances to families in rural areas and Dhaka to fund siblings’ education. Other narrators used their earnings to remedy financial crises from family members’ migration (Naved et al. 2001; F. Rahman 2002). Garment helpers who earned very low wages often needed some financial subsidies from their families until they could move into more lucrative operator positions (Kibria 2001). Others lived in slum areas so that other household members could access urban micro credit (Karim 2000; Paul-Majumder and Begum 2000).

Few researchers have followed women after they left garment work because of layoffs, retirement, or work hazards. Some women garment
workers averaged five years of employment before quitting because of health ailments. Many retired by age 25 (CAFOD 1998; M.I. Karim 2000:35). Some garment women moved into NGO work after union activism and losing their jobs. Khaleda had worked in four different garment factories before she started her union work. Rashida had started garment work in Bangladesh, went abroad for garment work, but had problems finding work when she returned to Dhaka. She has had a series of mostly part-time jobs with NGOs. Rupali’s life exemplifies the long work history for many garment women. She has worked ever since her family came to Dhaka from their village. As a child she collected wood and paper, started garment work at age 10, but lost her job when the foreigner inspector came. Instead of school, she returned to flower sales in the streets, until her parents married her at a young age and she returned to back to garment work. Her wages improved her situation at home with her husband, because: “I did not have to rely on my husband because I had my own income. I could live with that. Husbands do not give any importance if we do not work.”

In response to our January 2001 queries about the pending trade changes in 2004, our respondents confidently replied that they would retire and use savings to buy land in their villages, start their own sewing and embroidery businesses, and/or as dowry for marriage (F. Rahman 2002). However, for some garment workers, the sudden layoffs in Fall 2001 disrupted these plans. Sari sales and handicrafts have provided incomes well under their previous income and/or their standard of living. Previously unemployed women who have found garment work found their wages suppressed through the surplus of female labor and paucity of overtime hours. Some factory owners now pay their experienced operators wages that they used to pay helpers.

Garment work and earnings had served as dowry substitutes for potential husbands. However, however, recently unemployed women reported that their marriage prospects have dropped, and they may have to pay dowry for marriage. Many women consumed their dowry savings (F. Rahman 2002) or ‘toil to save dowry money to buy husbands’ blurted one headline. Other women reported increases in domestic violence from husbands (Akhter 2002; S. Rahman 2002).

In January 2002 interviews by two garment activists, twenty-four unemployed women workers reported difficulty finding other factory jobs. Many owners had failed to pay the last month’s salary. Some women searched for domestic work, but those jobs were also scarce. Some considered sex work. Nearly all of the women adamantly refused to consider micro credit citing the high interest rates and difficulties in paying off loans. Many women had already gone through their savings and
depended on interest-free loans from friends and family members. Very few considered migration abroad owing to the high costs of acquiring a visa, lack of connections, fraud, and the experiences of many women who returned without money after experiencing physical and sexual abuse by employers (Staff Reporter 2001b). One woman, Prema, had gone to the Middle East for factory work. She had been misled by her employment agency, which her into horrible work conditions. When she fell sick, her employer refused to pay or feed her. She eventually escaped and made her way back to Dhaka where she has had difficulties finding garment work. She works as an office clerk.

Most women cited September 11 as a cause for their layoffs, but also recognized that U.S. trade agreements had diverted orders to other countries. However, some of the unemployed garment women interviewed in 2002-2003 such as Rupali, had different and long work histories of domestic service, selling flowers and candy in the streets, garment work, and then unemployment. In January 2003, among the 11 second wave women located and reinterviewed, nearly all had found some work: garment work (4); sari sales (2), cooked (1), NGO (1), apartment manager (1), and clerk (1). One woman had a baby and no longer sought work outside the home. Among twelve other women who had been unemployed in January 2002, some worked in garments (3), embroidery and handicrafts (5), sold saris (1), cooking and saris, (1), maid, (1), and door to door sales (1). None of the women’s earnings approached their earlier earnings as garment workers.

News accounts indicate that unemployed women garment workers want their jobs back instead of informal sector work in sales, domestic, and sex work. In August 2002, BRAC reported that 1590 women enrolled in their micro credit program, but only 80 women received loans averaging taka 5000/US$100 for agricultural, cleaning, grocery, sewing and tailoring, restaurant, and embroidery activities (Yesmin 2002). By January 2003, BRAC reported on their retrenched garment workers program, which provided alternative skill training to over 1300 workers and 70% have started microfinance activities (BRAC 2003; Economic Reporter 2003a).

Garment activist Shirin Akhter “blamed the garment owners for capitalizing on the issue of international recession to retrench workers indiscriminately” (Yesmin 2002). In August 2002, citing timely response to foreign buyers, Bangladesh Garment Manufacturing Employers Association (BGMEA) tried to increase garment workers’ hours to 66 hours per week versus usual 48 hours per week. However, many women already worked more hours through forced overtime and less than minimum wages (Alam 2002; The New Nation 2002a). During fall 2002 and spring 2003, many garment workers no longer had overtime work as shown by mass exodus of
workers leaving factories at 5 pm instead of 8 or 10 pm at night. However, during summer 2003, more factories started overtime production.

Garment manufacturers and workers have pursued oppositional strategies to deal with the economic crisis and none of these strategies addressed the December 2004 end of MFA (T. Islam 2003c). Despite their vast wealth from ready made garments and BGMEA appeals to pay arrears many garment manufacturers reneged on the last months of wages to unemployed workers despite legal requirements to provide one month’s notice and salary for closure and four months’ salary for no notice (UNB 2002c). Meanwhile, garment manufacturers have agitated for cash incentives and bailouts in 2002 and 2003 (Staff Reporter 2002c, d). During 2002, garment workers and different unions (often affiliated with opposition or ruling parties) held numerous protests over missed wages and working conditions (Staff Reporter 2002c; The Independent 2002; UNB 2002b). By summer 2003; however, demonstrations dwindled to a few. Bangladesh Garments Workers Unity Council threatened and then canceled a hartal to press its demands in late October (Staff Correspondent 2003a, b; Staff Reporter 2003c; UNB 2003a).

Research director of Ain O Salish Kendra, Dr. Hameeda Hossain, aptly observed:

What is often forgotten is that women’s work has sustained the national economy. As a result garment manufacturers whose main job is to manage orders and send goods abroad sit in parliament and in key decision making positions, but over 3 million women garment manufacturers whose labour makes it possible for exports to finance the national economy have not even been given space to talk about the urgency of installing safety and health measures in their factories... A glaring example of the [gender] inequalities... was the urgency with which government aides discussed support to the industry following the drop in import orders from the US, but had no concern for the many women who were laid off, sometimes without compensation or wage dues. (H. Hossain 2002)

Micro credit

Women’s micro credit programs serve as exemplars to the rest of the world (Mizan 1994). Approximately nine million or one half of adult women receive some form of micro credit, but their meager 22 billion taka share of small loans is dwarfed by men’s large capital loans of 653 billion taka (H. Hossain 2002). Almost 60% of rural areas have access to micro credit, but urban areas lack coverage where less than 15% have coverage (The World Bank 2000:34). Several NGOs, e.g. BRAC and ASA have urban programs, as do smaller NGOs such as Shakti. Cross-sectionally, women recipients have high levels of loan repayments (95%), and they
report higher standards of living, more input on decision-making, use of household income, and control over their fertility, housing, and their children’s education and health (Ahmed 2002; R. Amin, Becker, and Bayes 1998; Kabeer 2001; Khandker 1998; P. Mahmud 2002; S. Mahmud 2001, 2002; Naved et al. 2001; Schuler, Hashemi, Riley, and Akhter 1996; Staff Reporter 2003e; Steele, Amin, and Naved 2001). In particular, the World Bank and PKSF have stressed that micro-finance has decreased the poor’s vulnerability more so than reducing poverty (Ahmed 2002; Uy and Zaman 2003).

Global, donor, and policy changes have affected women’s continued access to micro credit. Most NGOs have taken on micro-finance programs and received 20 to 25% of Bangladesh’s foreign aid (Chowdhury 2000). Many donors questioned the dependency and sustainability of the micro-finance programs. Some programs experience lower repayment rates, owing to proliferation of competing micro finance NGOs and recipients who take multiple loans. The Grameen Bank’s loan repayments have declined to 72% (Abedin 2001). Most 1,000 other micro-finance NGOs have limited funds and high 20-30 percent default rates (S.M. Rahman 2000a; Siddiqui 2000). From 1998-2000, micro credit NGOs lost more program participants than gained new members; 40% of rural residents used high interest moneylenders (Star Business Report 2001a). Nonetheless, Palli Karma-Shayak Foundation (PKSF), the government’s micro credit lending program and the World Bank have sought to expand micro-finance services to the ultra poor (Ahmed 2002).

Some NGOs have developed businesses, banks, and even universities to generate capital to support their programs to counteract declining donor funds. Some business capital has come from the interest and savings of micro credit participants. Grameen Phone provides micro credit loans for cell phones in the rural areas (BSS 2002c). Grameen Bank no longer accepts funds from donors and now runs its programs from deposits and even a mutual fund (Yunus 2002).

Other divisions among NGOs, conflict with the government over NGOs’ political roles, and questions about transparency of NGO operations have also led to increased government regulations and control over donor and loan disbursements from the NGO Bureau and Palli Karma-Shayak Foundation (PKSF) (N. Ahsan 2002; Star Report 2002a, b). These conflicts have stalled the work of smaller NGOs who remain dependent on donor funds (Star Report 2002a), and over time may threaten access to micro credit and programming for many participants.

Meanwhile, the government had proposed taxing micro credit NGOs’ businesses, but BRAC and others have argued that NGOs’ businesses generate program funds (Ali 2002; M.T. Islam 2002). In April 2003, the
NGO policy guidelines indicated that (1) Bangladesh Bank would regulate micro-credit operations and interest rates; (2) NGO business activities had to follow business regulations including taxes; (3) NGOs’ schools had to use government curricula; and (4) no political activities for NGOs (UNB 2003b). Although NGO leaders such as Prof. Yunus agreed that NGOs needed a legal framework, none proposed that the Bangladesh Bank regulate NGOs. Instead an independent regulatory commission should be established (Star Business Report 2003a). World Bank staff encouraged that the PKSF stay free of Bangladesh Bank regulation because micro-finance differed from commercial banks. They encouraged the adoption of a system based on size of micro-finance operation (Uy and Zaman 2003).

Our interviews and past research on women and micro credit have provided mixed reports on husbands and male householders’ use of loan funds, repayment, domestic violence, and women’s income generation (Kabeer 2001). Many micro-credit NGOs have dropped their “credit plus” programs, which included education and training on women’s issues and running businesses to roles more like payment collectors. As a result, many women lack business and marketing skills (Hunt and Nalini 2001). Narrators who made best use of their micro credit money had husbands with steady incomes and good business skills, and some women were able to amass land and savings, particularly in the rural areas. Some narrators needed larger loans to expand their businesses (Siddiqui 2000c). The Finance Minister recently called for NGOs to provide larger loans: “Small loans of tk 5,000 and 10,000 make a recipient insolvent form the very beginning as such small credits do not allow implementation of any viable initiative.” He suggested loans up to 50,000 taka (BSS 2003), and ASA has started granting larger loans for women entrepreneurs. NGO members have needed 5-7 years of participation before they began move away from high levels of poverty (Khandker 1998).

Many micro credit urban women started as garment workers, but after marriage and children, pursued micro credit for rickshaw rentals or small family businesses. Rickshaw rental businesses seemed the most popular to combine with parenting, household, and other work activities. Mothers who lacked adequate childcare viewed micro credit or domestic work as more suitable activities than garment work. Several micro credit women combined triple shifts of factory, micro credit, and household work. One woman, Happy, had worked in three garment factories and now combined garment work with micro credit where she rented a rickshaw. Nazma has worked at six garment factories and now combined her garment work with rickshaw rental and one cow. Zena has been less fortunate, after working as a domestic and garment worker and using micro credit, a male family member’s business has failed. At another urban micro credit NGO, several
women had done sari sales, garment work, and midwifery. Some micro credit loans have gone into family businesses producing counterfeit goods, i.e. pens and sundries. However, fires and robbery had demonstrated their vulnerability in making payments.

Some women become trapped in a ‘spiral of debt’ as their NGOs keep providing new loans to keep repayment records high (Khan 2001:233). Thirty percent of loans may go to consumption expenses rather than income-generation or even to dowry (R.I. Rahman 2000). Many narrators prioritized repayment over food to ensure continued loans. Most narrators had very small businesses that teetered on the edge of solvency with few safety nets for theft of rickshaws, fires, bad business decisions by family members, or loan payments stolen from managers by miscreants. Narrators still had to repay their loans. Four narrators in urban and rural areas turned their money over to their husbands or male relatives, who had business failures, which caused women repayment difficulties (Fernando 1997; Aminur Rahman 1999a, b). The husband of one rural narrator, Kabeta, used her money to set up a tea stall and then canceled her enrollment in the NGO. He frequently beat her and enrolled her in a closer NGO program that allowed him to make payments and contacts. Frequent natural disasters hindered women’s use of their money while creditors demanded repayment. Some narrators reported that they or their acquaintances had failed to make payments, and NGOs sold their property or seized their assets for repayment. After experiencing micro credit problems, some narrators preferred jobs rather than own small businesses. Women migrated to abroad to work as maids or in factories to make payments (Aminur Rahman 1999b). Others returned to domestic service to repay loans.

Migration Abroad

Economic migration has reshaped Dhaka where young girls and women migrate for domestic service, factories, sex work, and increasingly construction (R.M. Ahsan 1997; Asfar 2001; Huq-Hussain 1996, 2002; A.S. Islam 2002). Some migrants move on to other countries because Bangladesh has pursued a strategy of exporting labor to ease unemployment and generate foreign exchange (T. Islam 2002). After 1999, Bangladesh banned the overseas migration of female domestic workers citing security concerns. Recently the government has lifted the ban, but only for married women 35 years of age or older could migrate to the Middle East to work as maids [either accompanied by or with the consent of their husbands or

\[\text{Migrant remittances generate more net foreign exchange than garment exports after subtracting cloth import bills from receipts (T. Siddiqui 2003).}\]
families] (T. Islam 2003b)! Despite the ban, Bangladeshi women have engaged in short term migration to the Middle East and Asia, for factory work via private employment agencies, while unofficially other women migrate as maids or nurses (Siddiqui 2001; Siddiqui and Abrar 2001; T. Siddiqui 2003). Such migrants experience increased vulnerability because employment agencies and employers have seized passports, reneged on pay or jobs, and physically or sexually abused workers. Women pursue these options because they experience socio-economic empowerment through international migration, but have difficulties in finding comparable work upon return (Siddiqui 2001). For example, one woman had mortgaged land to pay an employment broker for domestic work. After one year of abuse and no pay in Jordan, she returned empty-handed and her husband and children had disappeared (Staff Correspondent 2001a). The relatives of Tabitha informally had arranged a cook job in the Middle East. The employers abused her, deducted her expenses from her wages, and she returned destitute (A.S. Islam 2002). Work opportunities and remittances from abroad have decreased during the global downturn. Although remittance from overseas workers through banks improved relative to hundi (illegal) channels, prospects for migration have declined from lower demand for Bangladesh’s unskilled laborers and repatriation of more laborers than migrants from receiving countries (Hasan 2002; Sagir 2002). However, some migrant women have organized the Bangladesh Women Migrant Association to lobby for an end to restrictions on women’s migration, educate women considering migration, and address re-entry issues (T. Siddiqui 2003).

Conclusions and Policy Implications

Within the context of the global economic downturn and pending changes in the MFA trade rules, the Bangladeshi economy and women’s socio-economic gains are clearly at a crossroads. The extraordinary dependency of the economy upon women garment workers, micro credit, and remittances from migrant workers abroad have put the economy and women’s lives in a tenuous position. Although government and industry officials use the buzzword ‘empowerment’ of women as a justification for trade concessions and donor institutions, few have defined what empowerment has meant for women’s everyday lives.

Millions of people survive on women’s meager earnings. Few other lucrative opportunities and/or training programs exist for women workers. As Nari Udnoq Kendra director, Masuda Khatun Shefali, has wryly observed, unemployed men do no receive training in handicrafts! Changes in U.S. trade legislation and economic downturns already have disrupted women’s plans and decimated savings that might have funded other
training or work opportunities. Women’s dispersal into many kinds of informal sector work makes collective solutions, training, and action difficult. Opportunities for garment workers through summer 2003 have failed to rebound to previous levels, and former garment workers want their jobs back, instead of domestic and sex work, micro credit, and handicrafts. At the same time, women have actively and creatively sought different work opportunities and better wages for their families’ and own survival, thereby defying stereotypes of passive and obedient women.

**Implications for future policy and research**

This research has important policy implications at local, national, and global levels for countries and regions grappling with changing trade and production regimes, development strategies, and socio-economic lives of women and men. For NGOs and government policy concerns, we need better data on what unmet needs cause women to shift work areas, combine informal and formal sector work, return to the household, or consider legally or illegally migrating abroad. We can assess what socio-economic and health consequences emerge in different sectors, e.g., why garments workers work an average of five years. We need data on those women who may have problems gaining employment in certain sectors or unemployed women who have problems transferring their garment sector skills to other sites, e.g., rehabilitation barriers for sex workers. NGOs can concentrate on different training strategies including micro credit access and other training programs beyond sewing and embroidery.\(^{12}\)

The government and advocacy groups can also use these data to plan programs to prepare women for other kinds of work in both rural and urban areas and provide skills and protections to migrant workers. These data can also assist in formalization of working conditions and enforcement of existing laws for domestic servants, micro credit users, sex workers, and factory workers and those who migrate for work abroad. Finally, this research may highlight the need for diversification of women’s work

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\(^{12}\) To follow women workers’ experiences through the end of MFA in December 2004, Ward and collaborator, Dr. Nashid Kamal of Independent University of Bangladesh have received funding from the National Science Foundation in 2003 for a longitudinal survey of 300 women workers in garments, sex, and domestic work and another group of housewives (“Economic Restructuring, Women’s Work, and Empowerment in Bangladesh” NSF SES-0243215). For the next two years, fieldworkers will contact the women every month to ask questions on their work status, household decision-making, family and organizational affiliations, and other demographic and empowerment variables. This research will assess the longitudinal consequences of changes in trade agreements on women’s work and potential shifts to other kinds of work and effects on household decision-making and empowerment.
beyond garment, domestic, micro credit, and sex work to reduce women’s, families’, and the country’s vulnerability to economic restructuring.

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