

Employment Strategy Papers

The dynamics of the labour market and employment in Bangladesh: A focus on gender dimensions

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With assistance of

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Foreword

This research study *The dynamics of the labour market and employment in Bangladesh: A focus on gender dimensions* was undertaken within the framework of the ILO project, Women's Empowerment through Employment and Health, which is funded by the United States Department of Labor, through the ILO Programme on Promoting the ILO Declaration on Fundamental Principles and Rights at Work. One of the sub-components, Women's Empowerment through Decent Employment has been technically supported by the Employment Policy Unit in the Employment Strategy Department of the ILO.

The objective of the study was to carry out an analysis of the available labour market data (that is, the data collected using the existing data collection systems) in order to examine the gender gaps and differentials that exist in the labour market and so improve understanding of the gender dimensions of labour market dynamics and employment characteristics. Furthermore, the research work was done with a view to providing a sound basis for raising the awareness of statisticians, policy-makers, representatives of employers' and workers' organizations on gender concerns and employment and labour market patterns, as these have direct implications on the income and poverty levels of women.

Despite the overall progress made in narrowing gender gaps, women's position in the world of work remains more disadvantaged compared to that of men in Bangladesh. Women in Bangladesh are not considered to be primary players in the economy, nor are they perceived as primary participants in the labour market, largely because of the traditional views still held by society on the role of women. Yet, there are a substantial number of women working in various categories of employment in both informal and formal economy, while many work as unpaid family workers. Given the country's social milieu, which tends to manifest gender biases in data collection and analyses, however, it is assumed that much of the work carried out by women has either been largely underestimated or simply gone uncounted in national statistics and particularly in the collection and analysis of labour force and household data. Without reliable statistics and a specific gender analysis of socio-economic data, including income and labour force data, the country will not be in a position to formulate the appropriate policies and programmes that take into account the needs of its economic players, especially those who are disadvantaged – in particular income-poor women.

The study has highlighted not only persistent gender gaps in the world of work in Bangladesh, but also a need to further examine the data collection and analysis on women's work in the country, in order to ensure that this be properly counted and analysed, so that results of the data analysis contribute to formulation of more gender-aware socio-economic and employment policies.

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Abbreviations

BBS	Bangladesh Bureau of Statistics
HSC	Higher Secondary Certificate
ILO	International Labour Organization
LFPR	Labour force participation rate
LFS	Labour Force Survey
NGO	Non-governmental organization
RMG	Ready-made garment (sector)
SNA	(United Nations) System of National Accounts
SOE	State-owned enterprise
SSC	Secondary School Certificate
TTC	Technical Training Centre
UE	Unemployment equivalent
VTI	Vocational Training Institute

1 Introduction

1.1 Why undertake an analysis of gender differentials in the labour market?

The labour market is one of the most important mechanisms for transmitting the benefits of economic growth to different groups in society. Female participation in the labour market not only provides women with an access to income, it can also be an effective means of socio-economic empowerment. Women's labour force participation can change the dynamics of the entire labour market and the female labour force can play an important role in the economic growth of a developing country such as Bangladesh.

As the share of women in the formal economy in many Asian countries including Bangladesh has been rising, researchers and policy-makers have recently begun to pay more attention to the implications of this phenomenon. Formal-sector employment of women has special features, such as regular hours of employment and a regular salary, working in a group and so forth, and is expected to increase women's empowerment. Nonetheless, the role of women in the labour market can only be fully understood by analysing the labour force as a whole from specific gender perspectives, since in southern Asian countries (as well as in other parts of Asia), a large segment of both the male and female labour force is engaged in informal employment.

An understanding of the dynamics of the labour force participation of women requires an analysis of the complex interrelationship between employment in the formal and informal economies in modern manufacturing and other traditional sectors, and in various statuses and types of employment. The objective of this study is to examine these inter-linkages and to assess the changes in the female labour force in Bangladesh.

Two different aspects of the female labour force can be highlighted by such an analysis: first, its role in the socio-economic development of the country and, second, the gender differences in labour market outcomes and their implications.

1.2 Scope of the study

The main objectives of this paper are to analyse the gender disaggregated data of the labour market in Bangladesh and to trace the changes in the characteristics of the labour market during the 1990s. A specific focus of this study is to compare the position of women in the labour market with that of men.

In recent years, there have been a number of studies on particular aspects of female labour, such as the gender dimensions of garment-sector workers, for example. The Bangladesh Bureau of Statistics (BBS) has also provided gender-disaggregated statistics of the labour force in a number of reports. However, there has been no macro-level analysis of the trends in male and female labour force characteristics, nor an analysis of the factors behind the gender differences in various aspects of the labour market and their implications; previous studies on the labour force characteristics of women have focused on this issue in isolation from the characteristics of the male labour force. Gender differences in the dynamics of the labour market need be analyzed taking into consideration the differences and links between male and female

labour force characteristics. Moreover, most previous studies were based on micro-level data.

This paper will analyse the macro issues relating to the gender dimensions of the labour market, after which a number of recommendations will be made for improving the generation of data in future Labour Force Survey (LFS) rounds, including suggestions on how to make comparative analyses of the characteristics and patterns of the female and male labour force in the reports.

In particular, this paper will analyse the gender dimensions in the following aspects of the labour market:

- Labour force participation rates (LFPRs);
- Quality of the labour force: education and skills;
- Unemployment and underemployment rates and hours of employment;
- Sector, status and type of employment;
- Wage rates and earnings.

1.3 Data sources

The BBS has completed several rounds of the LFS, based on large nationally representative samples.¹ The last two rounds of surveys (1995-96 and 1999-2000) and some data of the 1990-91 survey have been used so that comparisons could be made. This provides an opportunity to trace changes in the labour market and especially changing patterns in the labour force participation of women during this period.

Secondary data from other BBS reports and published reports have also been utilized, while the household level data of the 1999-2000 LFS have been examined in order to carry out a more in-depth analysis and thereby provide a deeper understanding of the gender dimensions of the labour market.

The analysis of the dynamics of the male and female labour force has been based on data comparisons of three periods of time (1990-91, 1995-96 and 1999-2000), since the BBS and other sources of macro-level statistics do not contain continuous time-series data on the labour market disaggregated by sex. Annual data on wages are available only at the aggregate level and not by male-female disaggregation.

¹ Each survey report provides a detailed description of the sample selection procedure, sample size and so forth.

2 Gender dimensions of changes in labour force participation rates

2.1 Definitional and conceptual problems

Two alternative definitions of “labour force” are used in the LFSs of Bangladesh: the “usual” and the “extended” definitions as they have been termed. As a consequence, two sets of tables on various aspects of the labour force are presented in the published reports, as is the case in the last three reports (1991-92, 1995-96, 1999-2000).²

Furthermore, these reports use two lower age limits for inclusion in the labour force. Until and including 1995-96, the reports used 10 as the lower age limit in their main tables, although some of the reports provided appendix tables using 15 years of age as the lower limit. However, the latest report adopted the more standard definition of “15 years and above” as the lower age limit for inclusion in the labour force.

This paper follows the ILO’s recommendations (ILO, 2002), which were adopted in the latest LFS round. Most of the analysis in this paper has been based on the “usual” definition as it is the one that is most widely used, using 15 years as the lower age limit.

These two definitions greatly affect the LFPR statistics of women. Therefore, the issue deserves attention in any discussion of gender differences in the labour market.

The difference between the “usual” and “extended” definitions lies in:

- (a) the inclusion or exclusion of “household economic activities” as an “economic activity”; and
- (b) the reporting of the main activity during the short reference period.

The second criterion excludes from the labour force those women who report “housework” as their main activity, since they are not included in the labour force, even if they are involved in some form of economic activity. The application of the first criterion can give rise to confusion because production in the family farm or enterprise often closely resembles household economic activity. Women are more affected by this problem than men, since a high percentage of women are engaged in employment in a household-level enterprise or economic activity, often as unpaid family workers. This may lead to certain anomalies, which should be regarded as a form of inequality as women’s work in the labour market often goes unrecognized and is undercounted. The anomaly is illustrated below in box 2.1.

² For details of the definitions, see the BBS’s *Labour Force Survey 1999-2000* and Appendix I of this study (p. 11).

Box 2. 1 Anomalies in the attribution of labour force status

Case 1: Mrs. Amena Begum

Reported activity: household work

Time use during the last week (actual status)

Crop processing and making rice flour for domestic consumption: 14 hours

Household work: 26 hours

Total work = 40 hours

Her activity status is “housework”, so she is not considered part of the labour force on the basis of the usual definition.

Case 2: Mr. Anwar Uddin

Reported activity: self-employment in farm work

Time use during the last week (actual status)

Own farm activities (for domestic consumption), including crop harvesting and processing: 14 hours

Other work (household work, etc.): 0 hours

Total work = 14 hours

He is considered part of the labour force on the basis of the usual definition.

A comparison of these two cases shows that both the individuals engage in 14 hours of production activities for domestic consumption, with Mrs. Begum (Case 1) doing an additional 26 hours of household work. However, Mr. Uddin (Case 2) is listed as a labour force participant, while Case 1 is not. In an effort to remedy this anomaly, the LFS of Bangladesh uses two types of estimates of labour force participation. However, two definitions not only give widely differing LFPR values, they also create difficulties in interpreting labour force characteristics and their determinants, since the two definitions often result in contrasting patterns and trends.

It would be quite logical to extend the definition of economic activity to include women’s household production. This is especially relevant in the context of developing countries, where the distinction between formal and informal employment is often unclear. Therefore, the international organizations responsible for dealing with labour force statistics and the definition of the labour force need to respond to this issue and arrive at a definition that captures the complexities of the production systems of developing countries, that is acceptable to all countries, so that statistics are fully comparable across countries. Until this is done, however, it would be advisable to use the common definition of “economic activity” recommended by the United Nations System of National Accounts (SNA). In those cases where the two definitions provide contrasting data, interpreting the results becomes extremely difficult. The LFPRs based on the two definitions are examined below to illustrate the nature of the problem.

2.2 Changes in LFPRs: 1983-84 to 1999-2000

Compared to other countries, the female LFPR was much lower at 22.8 in Bangladesh (for male at 73.5 per cent) (table 2.1). The data on the LFPRs disaggregated by gender are presented in table 2.2.³ The available data allow comparisons to be made of the LFPR of the Bangladeshi population, aged 10 years and above, between different periods. For the most part, the data based on the usual definition have been used in this study. However, since not all the data in the reports of 1995-96 and earlier LFS rounds were based on the usual definition, in some cases exceptions have been made for the purpose of tracing changes over time.

The male and female LFPRs show contrasting trends (see table 2.2). The female LFPR increased steadily during the period 1984-2000, whereas the male LFPR declined. This pattern conforms to the prevailing hypothesis that, at low-income levels, the LFPR of men is usually high, as is the case in Bangladesh. With increases in per capita income and a rising female LFPR, the male LFPR is expected to decline. Increasing educational opportunities can also lead to a drop in the male and female LFPRs. This is most likely to be experienced by younger workers, especially by teenagers (15- to 19-year-olds).

During the past ten years, the female LFPR increased by 8.7 percentage point, while the male LFPR fell by 6.1 percentage point, resulting in an 0.4 percentage point increase in the LFPR (from 48.8 per cent in 1991 to 49.2 per cent in 2000). Thus it is clear that proportionate to the total economically active population, more women are entering the labour force.⁴

When the extended definition of the labour force is used, the LFPR for women is much higher than under the usual definition. Male and female LFPRs based on the extended definition are 79 and 52 per cent, respectively. The data on the percentage of the female labour force to the total labour force also reveal that more women are entering the labour force: the figures increased from 15 per cent in 1996 to 20.9 per cent in 2000 (calculated from table 2.3a and 2.3b).

Factors such as age, marital status and educational level are all likely to influence male and female LFPRs, and will be examined. The relevant data on these factors are presented in tables 2.4, 2.5 and 2.6.

For both men and women, age-specific LFPRs increase up to a particular age group and then decline (see table 2.4). In 1999-2000, the male LFPR rose from 55.8 per cent among 15- to 19-year-olds to 98.2 per cent among 35-39-year-olds, after which it declined. The range of LFPR is quite wide. The LFPR for men in the 15-24 year age group is much lower than for older men. More men than women in this age group are in full-time higher education, which explains the difference between the male and

³ The sources of all the tables in this paper are LFS data, unless otherwise stated. Tables for which no mention is made of age are based on 15 years and over and the usual definition.

⁴ The data based on the extended definition of the labour force show a much higher female LFPR (which dropped slightly during the ten-year period).

female LFPRs. The inverted U-shape relationship between the LFPR and age for men holds for both urban and rural areas.

By contrast, the range of the female LFPR is much narrower (from a high of 27.1 per cent to a low of 9 per cent), and between the ages of 15 and 49 there is very little variation. The female LFPR peaks for women in the 25-29 years age group. In the three age groups with the highest participation rates, for both men and women, the LFPR is higher in rural areas than in urban areas. Many formal jobs in urban areas have a retirement age of between 55 to 60 years. In rural areas, formal jobs only constitute a small percentage of the total, which results in a higher LFPR for rural workers in these age groups.

Marital status has an impact on the LFPR of men and women (see tables 2.5 and 2.6). The highest female LFPR is for women who have never married, whereas unmarried men have a much lower LFPR than married men. Married men have the highest LFPR, while married women have the lowest LFPR of the three marital status groups.

A disaggregation of the LFPRs of the three marital status groups by rural and urban areas shows that the LFPRs of both married and unmarried men in urban and rural areas are similar. The female LFPR in urban areas is much higher in all three groups, especially in the unmarried group, than for rural women.

The pattern described above reflects society's expectations of the role of married women and men. In 93 per cent of cases, married men perform the role of principal earner, while only 23 per cent of married women are labour force participants. Childbearing and childcare certainly play a role in keeping the LFPR of married women at a low level. Strong support from the state in the form of childcare facilities is, therefore, essential if the LFPR of married women is to rise.

The effect of education on the male and female LFPRs can be seen in table 2.7. Although the LFPR is not directly related to education, a bimodal distribution exists between the two. People with no or little education have a high LFPR, that is, this group usually consists of the poor who cannot afford to spend time at school but have to work from as early an age as possible. This holds for both male and female LFPRs, and in particular for men, who have a LFPR of 90.6 per cent. As the level of education increases, there is a decline in the LFPR. This drop continues up to Secondary School Certificate (SSC)/Higher Secondary Certificate (HSC) level, after which it rises again. However, the absolute value of the LFPR of educated women is low. One explanation for this phenomenon might be that it is usually young women from richer households who complete higher secondary education, although their families are more likely to discourage them from looking for work. Therefore, policies and programmes to increase the LFPR of educated women is a matter of urgency. However, at the same time, the unemployment rate of educated women is high, an issue that is discussed in Chapter 5.

Table 2. 1 A comparison of male and female LFPRs in selected countries (as a percentage)

Country and year	Male LFPR	Female LFPR
Bangladesh (2000)	73.5	22.8
Hong Kong, China (2001)	60.2	42.8
Norway (2001)	77.7	69.2
Pakistan (2000)	83.9	16.3
Philippines (2001)	82.3	52.8
Sri Lanka (2000)	75.7	36.5
United Kingdom (2001) (age 16+)	56.2	44.3
United States (2001)	74.4	60.1

Source: ILO: *Yearbook of Labour Statistics 2002* (Geneva, 2002), using the usual definition.

Table 2. 2 Labour Force Participation Rate of Bangladeshi population aged 10 and over, 1984-2000 (as a percentage)

Using the usual definition						
Year	National		Rural areas		Urban areas	
	Women	Men	Women	Men	Women	Men
1983-84	8.2	78.2	7.7	78.8	12.1	74.3
1984-85	9.9	81.4	9.1	82.0	15.6	78.1
1990-91	14.1	79.6	14.4	80.6	12.7	76.2
1995-96	18.1	77.0	17.4	78.8	20.5	71.1
1999-2000	22.8	73.5	22.0	73.5	25.6	73.5
Using the extended definition						
1989	63.4	85.3	59.6	87.4	29.4	76.4
1990-91	58.2	79.6	65.1	80.6	30.1	76.2
1995-96	50.6	78.3	57.3	80.4	28.6	71.6
1999-2000	51.8	78.7	57.2	79.8	33.7	74.8

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 2.3a Average annual growth rates of labour force and employment by sex, 1991-2000 (as a percentage)¹

Year	Sex	Labour force	Employment
1991 ² -96	Female	7.0	5.0
	Male	3.2	2.3
	M&F	3.3	2.7
1996-2000	Female	14.4	14.7
	Male	1.2	1.1
	M&F	3.2	3.0

¹ Age 15+, usual definition. ² Estimate.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 2.3b Size of labour force and employment, 1991, 1996 and 2000 (in millions)¹

Year	Size of labour force (in millions) ²			Size of employment (in millions) ²		
	M & F	Male	Female	M & F	Male	Female
1991	30.9	26.9	4.0	30.7	26.7	4.0
1996	36.1	30.7	5.4	34.8	29.8	5.0
2000	40.7	32.2	8.5	39.0	31.1	7.9

¹ Age 15+, usual definition. ² Estimate.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 2.4 Labour force participation rate by sex and age group, 1996 and 2000 (as a percentage)¹

Age group	Labour force participation rate (as a percentage)					
	1995-96			1999-2000		
	M & F	Male	Female	M & F	Male	Female
15-19 years	41.7	61.3	18.0	41.66	55.85	23.35
20-24 years	43.5	78.8	15.8	47.04	74.01	26.30
25-29 years	50.2	93.5	16.0	54.22	91.30	27.08
30-34 years	55.4	98.3	15.8	60.77	95.65	26.51
35-39 years	59.9	98.4	18.2	63.66	98.23	25.66
40-44 years	62.3	99.0	17.0	66.58	97.78	26.57
45-49 years	60.9	98.8	14.3	66.01	97.63	23.42
50-54 years	57.4	98.0	14.3	60.51	95.76	18.28
55-59 years	57.9	96.1	14.4	62.38	93.50	18.85
60-64 years	55.2	88.6	11.4	48.83	81.39	11.11
65+ years	43.7	70.2	8.4	37.39	56.56	8.99

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 2.5 Labour force participation rate by marital status and sex, 2000 (as a percentage)¹

Marital status	M & F	Females	Males
	National		
Never married	53.5	27.2	63.4
Married	57.5	23.0	93.0
Other status	28.1	26.5	43.6
Total	54.9	23.9	84.0
Rural areas			
Never married	53.62	25.5	63.2
Married	57.18	22.3	93.0
Other status	27.63	25.7	44.2
Total	54.64	23.1	84.0
Urban areas			
Never married	52.96	31.1	63.8
Married	58.76	25.2	93.4
Other status	30.13	29.1	40.9
Total	55.78	26.5	83.7

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey, 1995-96 and 1999-2000* (Dhaka, GoB).

Table 2.6 Labour force segregated by marital status and sex, 1996 and 2000 (as a percentage)¹

Marital status	Year	M & F	Males	Females
1995-96				
Never married		20.4	21.8	12.0
Married		76.7	77.5	72.0
Other status		2.9	0.7	16.0
Total		100.0	100.0	100.0
1999-2000				
Never married		17.9	23.4	9.0
Married		78.7	76.0	83.0
Other status		3.4	0.6	8.0
Total		100.0	100.0	100.0

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 2.7 Activity rate of Bangladeshi population aged 15 and over by level of education and sex, 2000 (as a percentage)¹

Level of education	National		Rural areas		Urban areas	
	Women	Men	Women	Men	Women	Men
No schooling	25.5	90.6	24.0	90.6	30.3	90.4
Class I-V (primary)	22.4	90.6	21.5	90.1	26.0	93.0
Class VI-VIII (junior secondary)	18.9	85.2	20.2	83.6	23.0	89.6
Class IX-X (secondary)	24.9	63.4	17.4	59.6	21.8	74.1
SSC/HSC equivalent (higher secondary)	32.2	65.5	28.1	62.5	21.6	70.4
Degree and above	23.9	73.8	32.7	68.9	31.9	78.2
Total	24.0	84.0	23.1	84.0	26.5	83.7

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey 1999-2000* (Dhaka, GoB).

Appendix I

Labour market concepts and definitions

The *Report of the Labour Force Survey: Bangladesh 1999-2000* (pp. 5-8) offers the following definitions for clarifying certain concepts of the labour force.

Economic activity is synonymous with the definition of the United Nations SNA and covers all market production and certain types of non-market production, including the processing of primary products for own consumption, own-account construction and the production of fixed assets for own use. It excludes unpaid activities such as unpaid domestic activities and voluntary community services. The production of goods and services as specified in the SNA comprises the following:

- (a) The production of goods and services normally intended for sale on the market at a price that is designed to cover their cost of production.
- (b) The production of other goods and services which are normally at a price intended to cover the cost of production. These items range from government services and private non-profit services to household and domestic services rendered by one household to another.
- (c) Specified types of production for own consumption and fixed capital formation for own use.
- (d) All production of primary products for own consumption, covering the characteristic products of agriculture, hunting, forestry and logging, mining and quarrying.
- (e) The processing of primary commodities by the producers of these items in order to make goods such as butter, cheese, flour, oil, cloth or furniture for their own use, whether or not they sell any of these products in the market.
- (f) The production for own consumption of other commodities, only if they are also produced for the market by the same households.
- (g) All production of fixed assets for own use, that is, own-account construction of buildings, roads and similar work as well as the fabrication of tools, instrument containers and similar items which have an expected life or use of one year or more.

For convenience, the activities corresponding to (a) and (b) were designated as market production or market activities, while those from (d) to (g) were taken as non-market production or non-market activities. The aggregate of market production and non-market production constitutes the set of economic activities. All other activities are non-economic activities.

Labour force or the economically active population is defined as persons aged 15 and over, who are either employed or unemployed during the reference period of the survey (week preceding to the day of the survey).

It includes:

- Employers
- Own-account workers/self-employed persons/commissioned agents
- Employees, salaried employees and wage earners, paid family workers
- Unpaid family workers

- Members of producers' cooperatives
- Persons not classifiable by status

The labour force excludes disabled and retired persons, income recipients, full-time housewives and students, beggars and other persons who did not work for payment or profit for at least one hour during the reference week.

An employed person is a person who either worked for one or more hours for payment or profit or worked without payment in a family farm, enterprise or organization during the reference period or was found not working but had a job or business from which he/she was temporarily absent during the reference period.

An unemployed person is a person who was involuntarily out of gainful employment during the reference period but either:

- (a) had been actively looking for a job; or
- (b) was willing to work but not looking for work because of illness or the belief that no work was available.

There are differences between the "usual" and "extended" definitions of what constitutes a labour force participant in terms of the scope of "economic activities". They are defined as follows:

The usual definition of a person in employment refers to any person aged 15 and over who was either employed (worked at least one hour in the reference week) for payment or profit or with/without payment or profit or was unemployed (seeking/available for work) during the reference period. **This definition excludes own household economic activities.**

The extended definition of a person in employment refers to any person aged 15 and over who was either employed (worked at least one hour in the reference week) for payment or profit or with/without payment or profit or was unemployed (seeking/available for work) during the reference period. **This definition includes own household economic activities (such as care of poultry and livestock, threshing, boiling, drying, processing and the preservation of food and so on).**

3 Gender differences in the quality of the labour force

The demand for female labour is partially determined by the quality and levels of women's skills and education as well as by the differences between men and women in terms of these qualifications. Other factors, such as a country's overall economic performance and its social mores regarding gender roles, also play an important role in the level of demand. The employment level and earnings of workers are influenced by the quality of labour and by the market equilibrium between the supply and demand for labour in various sectors and in the economy. This chapter examines the male-female differences in these fields. In order to understand the dynamics of the labour market, in particular the supply side, two aspects of the market deserve attention: first, the quality of the current labour force and, second, access to education and skills development, which will affect the quality of the future labour force.

Table 3.1 shows the educational levels of the female and male labour force. A much higher percentage of women than men are uneducated. Indeed, more than 50 per cent of the female labour force has received no formal education at all: 59 per cent and 42 per cent of the female and male labour force, respectively, were in this category for 1999-2000. A much larger percentage of the male labour force has received primary education and above. Only 8.5 per cent of the female labour force and 13.6 per cent of the male labour force received SSC to degree-level education. The female-to-male ratio of the labour force is lowest at degree level and above, which is not only the direct result of the lower representation of women in higher education but also of the lower labour force participation ratio of educated women.

The 1990s saw a small improvement in the educational attainment levels of the female labour force; the changes during the last two LFS years (1995-96 and 1999-2000) are shown in table 3.2. Although the percentage of women in the labour force with no education did not see any significant decline (it was 58.8 per cent in 1996 and 58.7 per cent in 2000), the percentage of women with class I to VIII (primary and junior secondary education) attainment increased. The percentage of the female labour force with education from class IX (senior secondary) and above fell during this period.

In 2000, within the educated labour force (SSC level and above), about 14.3 per cent were women. Women constituted 16 per cent and 13 per cent of the educated labour force in rural and urban areas, respectively. In 1995-96, women made up 12 per cent of the total educated labour force, so not much progress has yet been made⁵. However, taking into account all levels, the absolute size of the educated female labour force is significant and the role of women in the economy could substantially rise if more educated women chose to participate in the work force.

The number of women in the female labour force educated to SSC level and above grew by 23 per cent over the period 1996-2000, whereas the number of the male labour force educated up to this level increased by just 14 per cent. A comparison of the literacy rates of men and women in the labour force shows that far fewer women than men are literate (see table 3.3). Furthermore, the literacy rate of the overall labour

⁵ Percentages are calculated from absolute values given in Labour Force Survey reports in different years.

force is falling, which is not very encouraging from the point view of human resource development of the country.

In table 3.4 the educational level of workers in Bangladesh has been disaggregated by age for 1999-2000 in order to illustrate the dynamics of these changes. In rural areas, both male and female workers in the younger age groups have received more years of schooling than older rural workers, and this indicates that improved schooling opportunities are resulting in better educated first-time jobseekers. However, due to slow growth in participation rate of this group, LFPR as a whole has not increased the percentage of women in the labour force educated above class VIII.

In urban areas, the same kind of relationship between the age of the labour force and education holds, especially for women. Within the male labour force, the three age groups have similar numbers of years of schooling, with a slightly smaller average for the lowest age group. This indicates that more boys in urban areas continue with their education and so, unlike girls, do not enter the labour force.

The skills composition of the male and female labour force is shown in table 3.5. Only a small percentage of the female labour force is skilled: in rural areas just 9 per cent of women are skilled compared with 37 per cent of men. In urban areas, the difference is slightly smaller: the percentages are 12 and 35 respectively.

3.1 Access to schooling and skills development institutions

The literacy and school enrolment rates of both men and women have been rising in Bangladesh (BIDS, 2001). The data on the number of male and female students in schools are shown in table 3.6. It is clear that the percentage increase in the number of girls being educated is much higher than that of boys. This is especially true for students in secondary schools, where the rates of increase (over the five-year period 1995-99) in girls' and boys' enrolment were 30 and 14 per cent respectively, whereas in primary schools they were 21.5 and 7.5 per cent.

However, the rise in school enrolment is not necessarily an indicator of overall improvements in the quality of the labour force. The reasons for this include, first, the concern that school enrolment statistics may have an upward bias, although this bias may not affect the comparative picture of male and female students. In addition, in recent years it has been pointed out that one should look beyond the quantitative achievement and examine the quality of education. Many recent studies have noted that, as the number of students per school has been rising, the quality of education has been declining (World Bank, 2002). Moreover, the student-teacher ratio has risen and there is a dearth of facilities, including textbooks. As a result, the actual cognitive ability achieved by students remains poor. The other dimension which reveals gender disparities in access to education is the choice of subject and courses. Vocational education can play an important role in facilitating access to employment. Government programmes in these areas include the training facilities provided by Technical Training Centres (TTCs) and Vocational Training Institutes (VTIs). As table 3.7 shows, the total numbers of female students in vocational training (some vocational courses are offered at SSC level) are extremely small. Furthermore, young women

restrict themselves to courses in dressmaking and food processing, which are traditional women's skills related to domestic work (see table 3.8). Such skills will not help women improve their access to paid employment and enable them to earn higher wages. Of course, breaking gender stereotypes in training will take time, as this will require changes in attitude, not only in Bangladeshi society at large but also among both employers and workers. However, it is clear that action has to be taken to encourage women to choose innovative courses that will develop their skills so that they can meet current market demands and the future economic needs of the country.

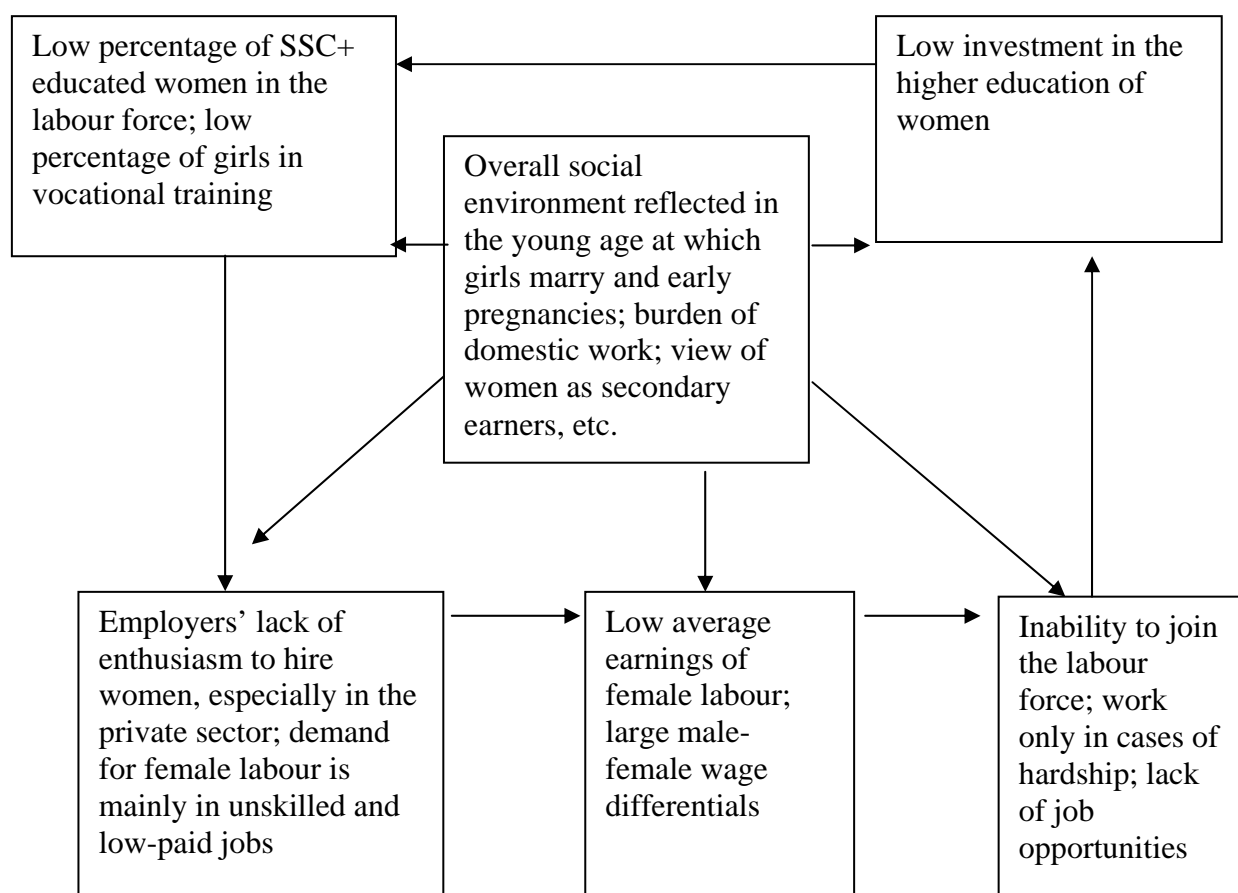
The effectiveness of skills training programmes cannot be solely judged through increased school enrolment. The success of vocational training in terms of generating better-paid job opportunities for women is not impressive. Though a gender-disaggregated assessment is not available, studies show that the success of government technical training programmes is rather limited, since the employability of trained personnel remains low. This may further discourage the enrolment of young women in vocational training courses. In addition, the hostels for girls attending TTCs and VTIs are run extremely strictly, and so they are often very unpopular among girls. Moreover, many underprivileged young women cannot gain entrance into these training institutions without completing a certain level of education, although it is precisely at these young women that vocational training should be targeted. Thus the public-sector training facilities for young women are not reaching those who need them most.

To sum up, although more of the female labour force is being educated, the percentage of highly educated and skilled working women is still very small. The low representation of women in higher education institutions and skills training organizations is partly responsible for this (Rahman, 2003). Moreover, the LFPR of women with higher education is lower than that of similarly educated men, which can be explained by a combination of social and economic factors. In addition, the quality of the education women receive is likely to be poorer than that of men, since parents invest less on the education of girls than on boys (see table 3.9). The traditional view that men should be the bread winners and women can only be supplementary earners and only join the labour force if absolutely necessary, is still wide-spread in Bangladesh. A number of other constraints also act as deterrents to increasing the female LFPR, including a lack of suitable transport to the workplace, lack of appropriate housing (in those cases where the workplace is too far away from workers' homes), lack of childcare facilities and other services, and so forth. The low and declining percentage of educated women in the labour force is also due to women being discouraged from working because of the high and rising rate of unemployment of this group of the population, especially young women with SSC-level education (see Chapter 5).

Another important factor determining the small percentage of educated women in the labour force is the mismatch between access to higher education and the need to join the labour force. Women from well-off households have more access to education above SSC level, although it is the women from poor households who need to find paid employment (Rahman, 1990).

Moreover, the observed pattern of qualifications and wage rates of the female labour force implies that their earnings are also low (see Chapter 6). The current level of earnings in turn adversely influences the aspirations of the future labour force presently at school. This sets off a cycle, which is presented in figure 3.1 below.

Figure 3.1 Inter-linkages between women’s education, social customs and the labour market



3.2 Policy implications for improving the quality of the female labour force

Breaking the above cycle will require several forms of action that will need to be tackled simultaneously. Poorer women need to be encouraged to participate in higher education, and to obtain this goal they need to be given adequate financial support. The quality of basic school education poses a constraint to entry into higher education, so the quality of rural and government-backed schools attended by poorer girls also needs attention. If the quality of the female labour force were to rise, then more private employers might hire women workers. In addition, private-sector employers might start recruiting more women if the public sector were to employ more women at all levels and publicize good performance. The Government’s “affirmative” action of recruiting women who perform well in public examinations (SSC, HSC and above) might also set an example.

Table 3.1 Educational attainment levels of male and female labour force by area, 2000 (as a percentage)¹

Level of education	Bangladesh			Urban areas			Rural areas		
	M & F	Male	Female	M & F	Male	Female	M & F	Male	Female
No education	46.6	42.1	58.7	30.1	25.6	45.0	50.1	46.7	63.3
Class I-V	24.3	25.4	20.4	20.8	21.0	19.9	25.4	26.6	20.6
Class VI-VIII	12.0	13.1	8.0	15.6	16.8	11.7	11.0	12.1	6.8
Class IX-X	5.5	5.8	4.3	7.9	8.3	6.9	4.7	5.1	3.4
SSC/HSC & equivalent	8.5	9.0	6.5	14.9	16.2	10.9	6.6	7.0	5.1
Bachelors degree or above	4.1	4.6	2.0	10.6	12.1	5.6	2.2	2.5	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Figures have been rounded.

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey, 1999-2000* (Dhaka, GoB).

Table 3.2 Changes in educational attainment levels of male and female labour force, 1991-2000 (as a percentage)¹

Level of education	1990-91 (%) ²			1995-96 (%)			1999-2000 (%)		
	M & F	Male	Female	M & F	Male	Female	M & F	Male	Female
No education	57.5	50.0	68.4	46.6	44.3	58.8	46.6	42.1	58.7
Class I-V	21.4	22.8	19.3	23.3	26.4	19.2	24.3	25.4	20.4
Class VI-VIII	12.2	14.6	8.5	9.2	9.6	7.0	12.0	13.1	8.0
Class IX-X				6.4	6.9	4.9	5.5	5.8	4.3
SSC/HSC & equivalent	6.4	8.6	2.9	8.9	9.0	7.4	8.5	9.0	6.5
Bachelors degree or above	2.5	3.6	0.9	3.6	3.8	2.8	4.1	4.6	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Numbers have been rounded.

¹ Age 15+, usual definition. ² Age 10+, extended definition.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 3.3 Literacy levels of the male and female labour force, 1996 and 2000 (as a percentage)¹

Area	sex	1996	2000
National	Male	55.5	53.9
	Female	41.0	38.5
	M & F	53.4	50.6
Urban	Male	74.0	69.6
	Female	54.6	50.2
	M & F	70.3	65.1
Rural	Male	50.3	49.4
	Female	35.4	34.6
	M & F	48.3	46.4

¹ Age 15+, usual definition.Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).**Table 3.4 Years of education of male and female labour force by age group, 2000¹**

Age group	Area	Sex	Years of education
15-24 years	Rural	Male	4.03
		Female	3.53
		Total	3.90
	Urban	Male	6.10
		Female	4.75
		Total	5.66
24-34 years	Rural	Male	3.47
		Female	1.83
		Total	3.06
	Urban	Male	6.43
		Female	4.27
		Total	5.84
35 years and above	Rural	Male	3.07
		Female	1.37
		Total	2.80
	Urban	Male	6.46
		Female	3.64
		Total	5.98
Total	Rural	Male	3.36
		Female	2.15
		Total	3.12
	Urban	Male	6.38
		Female	4.20
		Total	5.87

¹ Age 15+, usual definition.Source: BBS: *Labour Force Survey, 1999-2000* (Dhaka, GoB).

Table 3.5 Distribution of the male and female labour force by skills level and area, 2000 (as a percentage)¹

Area	Sex	Skilled	Unskilled	Total
Rural	Females	8.9	91.1	100.0
	Males	37.2	62.8	100.0
Urban	Females	11.9	88.1	100.0
	Males	34.6	65.4	100.0

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey, 1999-2000* (Dhaka, GoB).

Table 3.6 Number of male and female students in primary and secondary education in Bangladesh, 1995-99 (in thousands)

Level of education	Year	Number of students (in thousands)			Percentage increase during the five years		
		Males	Females	Total	Males	Females	Total
Primary	1994-95	8 720	7 709	16 429	-	-	-
	1995-96	9 118	7 950	17 068	-	-	-
	1996-97	9 194	8 125	17 319	-	-	-
	1997-98	9 288	8 341	17 629	-	-	-
	1998-99	10 245	9 367	19 612	17.5	21.5	19.4
Secondary	1994-95	3 204	2 327	5 531	-	-	-
	1995-96	3 277	2 511	5 788	-	-	-
	1996-97	3 239	2 718	5 957	-	-	-
	1997-98	3 448	2 841	6 289	-	-	-
	1998-99	3 646	3 034	6 680	13.8	30.4	20.8

- = not applicable.

Source: Calculated from the BBS: *Statistical Yearbook of Bangladesh, 1998 and 2002* (Dhaka, GoB).

Table 3.7 Male-female composition of vocational trainees, 1991-95 (in numbers)

Year	Males		Females		Total		Females (as a % of total)	
	TTC	VTI	TTC	VTI	TTC	VTI	TTC	VTI
1991	3 633	3 646	200	52	3 833	3 698	5.2	1.4
1992	3 489	3 867	220	32	3 709	3 899	5.9	0.8
1993	3 470	3 469	260	53	3 730	3 522	7.0	1.5
1994	4 423	3 454	290	191	4 713	3 645	6.1	5.2
1995	3 986	4 890	350	828	4 336	5 718	8.1	14.5

TTC = Technical Training Centre. VTI = Vocational Training Institute.

Source: BANBEIS: *National Education Survey, 1999* (Dhaka, Ministry of Education, 1999).

Table 3.8 Enrolment in SSC (vocational) courses in private schools, 1998 (in numbers)

	Class IX (221 schools)			Class X (131 schools)			Total		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Agro-based food	200	-	200	141	-	141	341	-	341
Building maintenance	2 542	-	2 542	923	-	923	3 465	-	3 465
Dressmaking	-	1 947	1 947	-	794	794	-	2 741	2 741
Electrical	22	-	22	-	-	-	22	-	22
Food processing	-	1 480	1 480	-	565	565	-	2 045	2 045
General mechanics	2 765	-	2 765	1 131	-	1 131	3 896	-	3 896
Radio and TV	22	-	22	-	-	-	22	-	22
Total	5 551	3 427	8 978	2 195	1 359	3 554	7 746	4 786	12 532
(Percentage total)	61.8	38.2	100.0	61.8	38.2	100.0	61.8	38.2	100.0

- = nil.

Source: I. Mahmud: *Study report on vocational education and the training system for employment in Bangladesh* (Dhaka, ILO, 1999).

Table 3.9 Monthly expenditure on education by sex, type of expenditure and area, 1996

Type of expenditure	Average expenditure (in Bangladeshi taka) on education					
	Whole country		Rural areas		Urban areas	
	Women	Men	Women	Men	Women	Men
Tuition fees	2.5	4.6	1.7	3.5	8.0	11.8
Books, papers, etc.	5.0	12.4	3.6	11.2	14.4	21.0
Private tuition fees	2.9	5.4	1.7	3.4	11.2	18.9
Hostel boarding charges	0.5	2.3	0.3	2.1	1.3	3.2
Other charges	0.7	0.8	0.4	0.7	2.1	1.2
Total	11.4	25.3	7.7	21.1	37.0	55.9

Source: BBS: *Household Expenditure Survey, 1995-96* (Dhaka, GoB, 1998).

4 Gender differences in employment characteristics

This chapter examines male and female employment characteristics, focusing on the changing patterns in gender differences during the period 1990-91 to 1999-2000. The characteristics covered include the following:

- the sectoral composition of employment;
- employment status; and
- type of employment.

4.1 Sectoral composition of employment

Sectoral changes in the primary (agriculture), secondary (manufacturing) and tertiary (services) sectors can affect women and men differently, and in particular can help sustain employment growth for women. However, frequent shifts in the sectoral composition of employment can involve adjustment costs, and the prevailing notion is that the female labour force entails greater costs.

The data on sectoral employment growth and on the composition of total employment are shown in tables 4.1, 4.2 and 4.3. The data on the sectoral composition of employment show that the major sectors of agriculture, manufacturing, trade, and community and personal services employ the largest numbers of women (see tables 4.1 and 4.2). Table 4.2 shows that the agriculture sector employs roughly the same proportion of men (50 per cent) as women (46 per cent). The most pronounced difference between male and female employment is in the community and personal services sector.

At the national level, 50.2 per cent of the male labour force is engaged in agriculture, forestry and related work, 16.7 per cent in the wholesale and retail trade and 7.7 per cent in transport, storage and communication services. The agriculture and forestry sector employs the highest share of women (45.6 per cent), followed by the community and personal services sector (18.8 per cent), in which only 3.9 per cent of the male labour force is engaged, then manufacturing (17.7 per cent) and trade (6.3 per cent). In urban areas, the wholesale and retail trade employs 26.9 per cent of men (and only 10 per cent of women), while the second largest share of male workers is in the transport, storage and communication services sector (16.4 per cent for men and 0 per cent for women), indicating that distinct gender differentials exist in the sectoral distribution of male and female employment. In urban areas, the highest percentage of women are employed in the community and personal services and household sector (35 per cent), while manufacturing is the second largest employer of women (25 per cent). In rural areas, these percentages are 17 and 15 per cent, respectively, and the largest percentage of women is engaged in agriculture (56 per cent).

If employment growth in these sectors is examined (see table 4.3⁶), a comparison of

⁶ It should be clarified that, in table 4.3, the sectors with a small percentage of total employment show very high rates of employment growth (for example, the mining and electricity sectors) on account of their small employment base. Moreover, accurately identifying certain sectors in the case of joint activities can be problematic, as ensuring that the same activity is listed in same subgroup in each survey can be extremely

the first and second half of the 1990s shows significant sectoral shifts in the structure of female employment. The most important feature is the positive growth seen in manufacturing employment during the late 1990s, despite the sector's modest average annual growth rate of 2.7 per cent, which was negative in the earlier period. An obvious interpretation of this phenomenon would be that a structural change in the economy led to slow but steady industrialization. However, the conclusion may not be that straightforward if one then looks at employment growth in the trade and agriculture sectors. There was a dramatic change in the annual growth rate of female employment in trade: it slowed down from 61.8 per cent during 1990-95 to just 0.6 per cent per annum during 1996-2000.

Employment growth in the primary sector was also negative during the early 1990s but it increased to 41 per cent per annum during the latter half of the decade. A closer look at the data on the changes in the female labour force in agriculture shows that almost all the growth took place in the poultry and livestock sector, that is, among the self-employed. Indeed, the large increase also suggests that part of it is due to more accurate enumeration in the most recent LFS.

Such fluctuations in sectoral employment growth are expected to reflect the respective sectoral GDP growth rates (assuming that sectoral employment elasticity is not likely to change very much). The sectoral growth trends in GDP experienced fluctuations during these two periods. The primary, secondary and tertiary sector growth rates reversed during the two halves of the decade (see table 4.4). The changes in manufacturing employment contradict the trends in sectoral growth, while the growth trends in agriculture and female employment moved in the same direction. Moreover, the large growth in trade during the early 1990s came to a halt during the latter part of the decade. Growth in agriculture and manufacturing should have created the impetus for growth in the tertiary sector, which was not the case if one looks at the figures for trade. Thus it is impossible to explain the fluctuations in female employment in terms of changes in the sectoral growth rates. A large part of the differences during the two periods may be a result of using the two labour force definitions (extended and usual).

Two factors largely explain the decline in the number of women employed in manufacturing in the early 1990s:

- A large number of loss-making state-owned enterprises (SOEs) were closed down.
- The privatized SOEs shed excess labour, and the chances for re-employment of these workers were poor.

These forces, however, should be weighed against the many jobs created in the ready-made garment (RMG) sector. Therefore, the negative trend of female employment during this period cannot be readily explained.

Given such anomalies, it is not surprising that the quality of data on the sectoral distribution of employment has been questioned by many researchers. Other data sources on employment growth in manufacturing (such as the BBS's Census of Manufacturing Industries) provide somewhat different trends in employment growth.

difficult. For example, women who buy paddy and then sell processed rice can be included either in the food processing (manufacturing) sector or in the wholesale and retail trade sector.

Therefore, the way the sectors are defined and identified need to be verified in the LFS, in order to avoid data problems, such as those reflected in table 4.3.

4.2 Employment status

The distribution of male and female workers by employment status is shown in table 4.5. Between 1991 and 2000, there was a fall in the percentage of self-employed women. Not only is the percentage of women in the “employer” category rather small, but the period also saw a decline. The fall in the number of employers, in fact, holds for both the female and male labour force, although women fare more badly. These are serious matters of concern, since being self-employed or an entrepreneur can enhance a woman’s decision-making powers.

About 40 per cent of female workers are in the hired labour category (consisting of employees and casual day labourers). Regular employment (as employees) is preferable because of its higher earning prospects, better employment security and social standing. However, since 1996 there has been a decline in the percentage of female employees. This conforms with the usual hypothesis that the progress of economic reform policies (which, in Bangladesh, took place during the 1990s) leads to the casualization of the workforce. The casualization of the male labour force started during the early 1990s but was less pronounced. The percentage share of female day labourers increased from 13.3 per cent in the early 1990s to 19 per cent at the end of the decade, while for men the share increased from 21 per cent to 26.1 per cent. More importantly, the largest share of women was found in the “unpaid family worker” category: 33.9 per cent in 1990-91 and 34.1 per cent in the late 1990s.

4.3 Type of employment

The importance of formal employment for women’s empowerment has already been mentioned. The data on the distribution of male and female employees by formal and informal employment in the public and private sectors are presented in table 4.6. Two aspects of job typology deserve attention:

- formal versus informal;⁷ and
- position in the job hierarchy.

In 1999-2000, only 9 per cent of female workers, compared with 27 per cent of male workers, were employed in the formal (private plus public) sector. Within the formal sector, the female-to-male ratio is low in the government/autonomous sector (autonomous organizations are those which come under the Government’s revenue budget but otherwise govern themselves) – the share of this sector in total female LF is at a half the rate for men, and in the private sector it is even lower at 26.5 per cent. This is to the disadvantage of women, since formal-sector jobs have more attractive benefits packages and carry higher status in society. Moreover, the overall percentage of women in formal employment declined substantially – from 20.8 per cent in 1995-96 to 8.9 per cent in 1999-2000, that is, by more than 50 per cent. By contrast, the

⁷ Government, registered non-governmental organizations (NGOs) and private organizations are part of the formal sector; others are informal.

percentage of men in formal employment grew from 17.5 per cent to 26.9 per cent in the same period, reflecting a rise in gender inequalities in the labour market.

A number of factors contribute to the lower representation of women in the formal sector. The overall view of society regarding the role of women in the labour market discourages the recruitment of women in the formal sector. On average, women have lower educational levels than men, which puts them at a disadvantage, even when high levels of education are not required for the job. Moreover, women often wish to re-enter the labour market after their childbearing years, and their age acts as a barrier. In the public sector, women over 30 not already employed by the Government are barred from applying for new government posts.

4.4 Vertical job mobility

Along with the different types of employment taken up by men and women, their vertical job mobility is an important indicator of success in the labour market. Salary levels are linked with position in the job hierarchy and social status, and job satisfaction is also linked with these factors. Therefore, in an assessment of equality in the labour market, these aspects need to be examined.

It is, however, difficult to obtain data on vertical mobility. LFS data do not provide information on job hierarchy or mobility. So in order to indicate the extent of vertical mobility, only the data on government jobs and on the RMG sector (from a BIDS survey) can be given. Table 4.7 shows the ratio of men and women in various categories of public-sector jobs in 1993 and 1997. However, the table needs to be treated with caution. Women's entry into class I, II or III jobs may be direct, such as through a first appointment or promotion.⁸ Nonetheless, if the female percentage in any one class increases by many more points than another class, it is likely that there has been some upward mobility in that class. Table 4.7 does not show a large change in the percentage of women out of total employees during the period 1993-97, within any of these classes, except for a minor increase in class III and IV categories.

Promotion, however, does not necessarily mean a change in job class/rank. Therefore, only direct information on promotion can show this accurately and demonstrate any male-female differences. Such direct information is provided by a survey of workers in the RMG sector (see table 4.8). The survey found that about 35 per cent of the female workers who changed employers at least once experienced occupational upward mobility; 65 per cent of women did not experience any upward mobility, that is, they remained in the same job category even after changing employer. Through job change, 58 per cent of male workers were successful in achieving upward mobility, while 42 per cent failed to move up the job ladder.

The survey also shows that 35 per cent of female workers, compared with about 58 per cent of male workers, secured promotion in their occupations. From table 4.8 it can be seen that the percentage of female workers who were promoted is highest among the supervisors and managers compared with those in other occupations. It can also be seen from the table that male or female "helpers" in the sector are not promoted.

⁸ Government services are categorized into four classes: I and II are officers, III are clerical, etc., IV are service providers.

Table 4.1 Distribution of the male and female labour force by broad economic sectors, 1996 and 2000 (as a percentage)¹

Year	Sex	Percentage of the labour force		
		Total	Agricultural sector	Non-agricultural sector
1995-1996	Male	100.0	52.3	47.7
	Female	100.0	27.8	72.2
	Total	100.0	48.4	51.6
1999-2000	Male	100.0	52.1	47.9
	Female	100.0	48.1	51.9
	Total	100.0	51.3	48.7

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey, 1995-96 and 1999-2000* (Dhaka, GoB).

Table 4.2 Distribution of employed persons by economic sector, sex and area, 2000 (as a percentage)¹

Major sectors	Bangladesh			Urban areas			Rural areas		
	M & F	Male	Female	M & F	Male	Female	M & F	Male	Female
Agri., forestry & related	49.2	50.2	45.6	11.5	10.4	15.0	60.1	61.1	55.9
Fishing	1.5	1.6	1.3	1.2	1.5	0.0	1.7	1.6	1.7
Mining & quarrying	0.5	0.3	1.3	0.0	0.0	0.0	0.3	0.4	0.0
Manufacturing	9.5	7.4	17.7	16.1	13.4	25.0	7.6	5.7	15.3
Electricity, gas, water	0.3	0.3	0.0	1.2	1.5	0.0	0.3	0.4	0.0
Construction	2.8	3.2	1.3	4.6	4.5	5.0	2.3	2.5	1.7
Wholesale & retail trade	14.4	16.7	6.3	23.0	26.9	10.0	12.6	14.0	6.8
Hotel & restaurant	1.3	1.6	0.0	2.3	3.0	0.0	1.0	1.2	0.0
Transport, storage, communication services	6.4	7.7	1.3	12.6	16.4	0.0	4.6	5.7	0.0
Financing & insurance	0.5	0.6	0.0	1.2	1.5	0.0	0.3	0.4	0.0
Real estate, rent, business services	0.5	0.6	0.0	1.2	1.5	0.0	0.3	0.4	0.0
Public administration	2.1	2.3	1.3	5.7	6.0	5.0	1.0	1.2	0.0
Education	2.8	2.6	3.8	3.4	3.0	5.0	2.3	2.5	1.7
Health & social work	0.8	1.0	1.3	1.1	1.5	0.0	0.3	0.4	0.0
Community and personal services, household & others	7.4	3.9	18.8	14.9	8.9	35.0	5.3	2.5	16.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey, 1999-2000* (Dhaka, GoB).

Table 4.3 Average annual growth rate of the labour force by sector and sex, 1991-2000 (as a percentage)

Major sectors	Annual growth rate (%) (a)			Annual growth rate (%) (b)		
	1990-91 to 1995-96			1995-96 to 1999-2000		
	M & F	Male	Female	M & F	Male	Female
Agriculture, forestry, fishing	0.7	2.2	-0.9	4.1	0.8	41.0
Mining/quarrying	10.7	9.3	100.0	172.7	93.7	982.0
Manufacturing	-6.2	-7.8	-2.6	1.3	0.5	2.7
Electricity, gas, water	31.5	26.1	240.0	7.5	7.2	9.6
Construction	18.7	18.6	19.0	2.0	1.7	6.2
Trade, hotel & restaurant	9.5	8.1	61.8	0.7	0.5	0.6
Transport, storage, communications	5.6	6.7	6.7	3.2	3.2	5.3
Financing and business services	33.3	20.6	113.4	22.3	20.3	46.9
Community and personal services, and others	-9.7	-14.8	-1.1	1.6	-0.2	4.8
Total	1.8	2.2	1.1	3.0	1.1	14.7

The data in the columns marked (a) are based on the extended definition, age 10+, those marked (b) on the usual definition, age 15+.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 4.4 Trends in the GDP growth rate in agriculture, industry and services, 1986-2001 (at constant 1995/96 prices)

Period	Growth in share of GDP (as a per cent per annum)			
	Agriculture	Industry	Services	All sectors
1986-91	2.19	5.06	3.58	3.46
1991-96	1.50	7.81	4.62	4.50
1996-2001	5.07	6.42	4.86	5.29

The growth rates are significant at 0 per cent.

Source: R. I. Rahman: "Pattern and sustainability of economic growth in Bangladesh", in Rushidan Islam Rahman (ed.): *Performance of the Bangladesh Economy* (Dhaka, BIDS, 2003).

Table 4.5 Distribution of employed persons by employment status and sex, 1991-2000 (as a percentage)

Employment status	1990-91 ¹			1995-96						1999-2000					
	(b)			(a)			(b)			(a)			(b)		
	M & F	Male		Female	M & F		Male	Female		M & F	Male		Female	M & F	Male
Self-employed	38.6	22.4	21.4	32.2	46.8	8.3	45.4	47.8	31.3	35.1	49.4	10.8	46.7	51.4	26.6
Employer ²	0.4	17.8	7.8	0.3	0.4	0.1	0.4	0.4	0.5	0.2	0.3	0.0	0.3	0.3	0.0
Employee	17.0	15.9	23.7	11.9	14.6	7.6	16.8	14.9	28.5	12.6	15.1	8.2	16.7	15.8	20.3
Unpaid family helper	24.2	22.8	33.9	37.7	12.7	78.3	12.0	11.0	18.6	33.8	10.2	73.2	12.0	6.4	34.1
Day labourer	20.0	21.0	13.3	17.9	25.5	5.7	25.3	26.0	21.2	18.3	25.0	7.8	24.3	26.1	19.0
All	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100	100.0	100.0	100.0	100	100	100

Figures have been rounded. The data in the columns marked (a) are based on the extended definition, those marked (b) on the usual definition.

¹ Age 10+, the rest are for age 15+. ² Includes “employer” and “own-account worker”, although the difference between the latter and “self-employed” was not made clear.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 4.6 Distribution of employed men and women by type of employment, 1996-2000 (as a percentage)¹

Type of employment	Male (M)		Female (F)		$\frac{F}{M} \times 100$
	1995-96	1999-2000	1995-96	1999-2000	
Public/Autonomous	5.8	5.5	6.0	3.7	53.8
Private (formal)	11.7	20.4	14.8	5.6	26.5
Private (informal)	82.5	73.1	79.2	90.7	122.4
Total	100.0	100.0	100.0	100.0	n.a.

n.a. = not applicable. Figures have been rounded.

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 4.7 Number and percentage of female employees by job class in government ministries, 1993 and 1997

Class	1993			1997		
	Total (T)	Females (F)	$\frac{F}{T} \times 100$	Total (T)	Females (F)	$\frac{F}{T} \times 100$
I (officer)	2 000	201	10.1	1 985	220	11.1
II (officer)	40	11	27.5	60	13	21.7
III (clerical)	4 187	363	8.7	4 119	457	11.1
IV (service providers)	2 354	209	8.9	2 377	244	10.3

Source: BBS: *Statistical Yearbook of Bangladesh, 1993 and 1997* (Dhaka, GoB).

Table 4.8 Vertical mobility of male and female RMG workers (as a percentage)

Occupation in RMG sector	Males		Females	
	Received promotion	Did not receive promotion	Received promotion	Did not receive promotion
Manager	100.0	0.0	100.0	0.0
Cutter/cutting master	57.1	42.9	-	-
Supervisor	80.0	20.0	62.5	37.5
Quality controller	100.0	0.0	42.9	59.1
Operator	80.0	20.0	51.9	48.1
Helper	0.0	100.0	0.0	100.0
Ironer/folder	60.0	40.0	20.0	80.0
Others	-	100.0	-	100.0
All occupations	57.6	42.4	35.2	64.8

- = nil or negligible.

Source: P. Paul-Majumdar and S. Begum: *Upward occupational mobility among female workers in the garment industry of Bangladesh* (Dhaka, BIDS, 1997).

5 Unemployment and underemployment: Gender differences

The existence of widespread unemployment in countries with a high population density has been considered axiomatic, and such characterization led to the development of theories that visualized a process of industrial growth through the absorption of excess labour (Lewis, 1954). The assumption of excess labour, or in other words the existence of unemployment and underemployment, should be reassessed before one can be certain that such a strategy will work. The difference between male and female underemployment rates can affect the choice of the strategy for industrialization. In this chapter, the data on the levels of employment, unemployment and underemployment in Bangladesh are given and their implications examined. An analysis of the extent of unemployment and underemployment will help provide a better understanding of the dynamics of the labour market and the livelihood strategies of male and female workers from poor Bangladeshi households.

The conventional definition of unemployment that was developed in the context of the formal labour markets of the industrial economies does not fully reveal the dimensions of inadequate employment in the informal labour markets of developing countries. Both the self-employed and wage employed workers can be without employment intermittently during the year. To capture this particular aspect of unemployment, the term “underemployment” was developed. The next two sections of this chapter focus on unemployment and underemployment respectively.

5.1 Unemployment

Table 5.1 shows the unemployment rates for Bangladesh, based on the usual definition. It can be seen that the unemployment rates are very low for both women and men, which suggests that the conventional definition is unsuitable for a country such as Bangladesh.⁹ Conceptual problems may be more complex for the female labour force. The underestimation of female unemployment may be higher as women often move out of the labour force when they become unemployed – becoming “discouraged workers”. Moreover, the overwhelming majority of the Bangladeshi female labour force is made up of either the self-employed or unpaid family workers. These types of workers do not consider themselves unemployed even if they are without work (Myrdal, 1966). Also, in the case of women employed in the informal economy, open unemployment is less likely to be revealed since women in such employment may not openly seek a job. In the rural labour market there is no formal job search process for such workers. Unemployed workers do not receive any unemployment benefit in Bangladesh, and therefore do not have any incentive to reveal their unemployed status to interviewers.

The data on changes in male and female unemployment rates from 1989 to 2000 can also be taken from table 5.1. Both the male and female unemployment rates increased continuously over the entire decade. Besides insufficient job growth, this state of affairs may be the result of two other factors. First, during this period men and particularly women educated to SSC level and above entered the labour force in larger numbers but failed to find work. This issue will be discussed in further detail in

⁹ The author has examined this issue in greater detail in a recent study (Rahman, 2004).

section 5.3. Second, the formal labour market, where open unemployment is more visible, expanded during the decade.

5.2 Underemployment

Before the empirical data on underemployment is given, the methods for measuring unemployment and underemployment are explained and suitable indicators for analysing underemployment in this context are put forward.

Unemployment can be measured using two methods. The first chooses a norm for the standard hours of employment in a week, and those who work less than this norm are identified as underemployed. The LFS of Bangladesh uses 35 hours as the norm for the standard hours worked in a week.

Second, to take into account the extent of underemployment, the time criterion index of “unemployment equivalent” (UE) can be used. The UE is calculated on the basis of the difference between a hypothetical norm of supply of days over a year and the actual days of employment of a worker (Krishna, 1973; Khan et. al., 1981; Rahman, 1996).¹⁰ Table 5.2 shows the UE rates for both men and women: the rates for women are much higher than for men (20 per cent and 6.2 per cent, respectively, in 1995-96 and 16.8 per cent and 2.2 per cent, respectively, in 1999-2000) in both periods.

Table 5.3 gives the underemployment data for Bangladesh. Female underemployment rates are many times higher than the male rates, the figures being 45.5 and 13.0 per cent, respectively, in 1995-96 and 52.8 and 7.4 per cent, respectively, in 1999-2000.

In urban areas, the underemployment rates for women and men were 38.2 and 4.7 per cent, respectively, while in rural areas the figures were 57.8 and 8.1 per cent in 1999-2000 (see table 5.3). Underemployment is more common in rural areas since employment is more likely to be casual and so many families still share whatever is available for consumption. The female/male unemployment and underemployment rates show much wider gender disparities than any other labour market characteristics.

The average hours of employment are shown in table 5.4. In 1999-2000, men worked an average of 49 hours per week (a slight rise from 1995-96) and women worked on average 33 hours per week (a drop in hours worked since 1995-96). Since women work fewer hours than men and their underemployment rate is also higher, it is possible that the difference in total earnings of male and female workers is much higher than the difference in the wage rates of the two groups.

Any interpretation of female underemployment should take into account the fact that women undertake most of the domestic work (World Bank, 1996). Some of the time not spent in “employment” is, therefore, taken up by household duties, so the methodology for estimating the unemployment equivalent rates in future LFSs needs to take this into consideration (tables 5.2 and 5.3).

¹⁰ For example, if a woman works for 200 days and the standard is 300 days, then that person’s “underemployment” is 100 days. For six workers, total underemployment is, say, 600 days. Then the “unemployment equivalent” for these six persons is $600 \div 300 = 2$ person years.

5.3 Educated and youth unemployment

Unemployment rate data by age show a significant difference between the male and female labour force. In 1999-2000, the unemployment rate was as high as 31.6 per cent for 15- to 19-year-old girls, whereas 3.9 per cent (for those aged 25 to 29) was the highest unemployment rate recorded in the male labour force (see table 5.5). The unemployment rates for young women increased dramatically between 1995-96 and 1999-2000, while the unemployment rates for young men showed a very different pattern: they dropped substantially for the 15-19 (from 8.1 per cent to 0.2 per cent) and 20-24 age groups (from 7.8 per cent to 0.1 per cent) but did not change very much for the 25-29 age group.

One of the most important factors that need to be analysed in relation to unemployment is its link with education. Table 5.6 shows that young educated women are facing rising levels of unemployment, which is in stark contrast to the unemployment pattern of young educated men. The unemployment rates for women with class I-X and SSC/HSC education levels rose sharply between 1996 and 2000. By contrast, the unemployment rate for young men with SSC/HSC level education declined slightly during this period. The supply of SSC/HSC educated women increased substantially during this period, since young women were given incentives (in the form of scholarships) to continue with secondary education. However, this was not accompanied by a commensurate increase in the number of job opportunities, with the resultant rise in unemployment rates. High unemployment levels among the well-educated are not only a concern for the workers themselves but is also a general socio-economic problem: it is a waste of resources, with a consequential loss of returns.

The unemployment rate for young women may continue to rise if no specific measures are taken to generate employment for those who might lose their jobs in sectors facing a drop in demand. This is a distinct possibility in the RMG sector, which employs between 70 and 90 per cent of the female workforce (see table 5.7). The lifting of the Multi-Fibre Arrangement in 2004 and the loss of the quota in garment exports by Bangladesh already has had a negative impact on employment numbers in this sector. Young women workers in the Ready Made Garment (RMG) sector already are facing redundancies on a large scale, and Bangladesh, therefore, needs to take steps to re-skill and reemploy them and generate new employment opportunities. A large percentage of female workers continue to face an uncertain future. Specific measures should be taken to generate more employment, in particular, for young and educated women who are being retrenched from the RMG sector.

5.4 Social factors behind female unemployment and underemployment

A simultaneous rise in both the open unemployment and underemployment levels of female workers and the substantial decline in the underemployment rate for men, imply that it is men who have mainly benefited from new job opportunities. This also indicates that female employment levels will not rise until all unemployed and underemployed men have been absorbed into the labour market. Indeed, as long as there are male workers available, employers in Bangladesh tend to employ them first rather than break with tradition. The employers interviewed for this study revealed that they prefer to continue employing men for jobs that they have traditionally performed

because they feel they would not gain anything by employing women. Moreover, employers believe that men's experience contribute to higher productivity, and that in many activities, including crop agriculture, women have less experience (Rahman, 1990).

A more in-depth examination of the traditional norms of the role of women in society reveals why jobs are segmented according to sex. More male workers will be employed, even if there are women in the labour force willing to work for lower wages, because the traditions and values prevailing in Bangladeshi society support such practices. And preferences based on genders that are not commensurate with profitability and efficiency will continue as long as these strong social forces and traditions are in operation.

An important factor contributing to job segmentation, especially in the country's rural areas, is the relatively greater weight attached to a woman's domestic rather than market activities. These social forces creating gender differentials are based on the age-old patriarchal traditions and values that still prevail in most parts of Bangladesh (except in some tribal areas in the north and south-east). These dictate that the adult male members of a household are the breadwinners and should, therefore, seek employment first (Westergaard, 1983; Cain, 1977). If there is a need to supplement their earnings, only then will the female members of a family consider participating in the labour force. Women are thus viewed as "secondary earners", with society considering the reproductive role of women to be supreme.

The prevailing social view that attaches predominance to the domestic role of women implies that, even if women are engaged in some form of economic activity, whenever a contingency arises on the domestic front, they are required to respond, either by withdrawing from the labour market or by cutting down on the number of hours they work.

The second important implication of traditional attitudes is that only a few types of jobs are considered suitable for women, which continues to enforce the traditional division of labour between women and men. Women are expected to work close to the home, which is especially true of women living in rural areas. Such women are usually engaged in crop processing (rice, jute, lentils and so on), while male workers work in the fields. Women only do field work for crops grown in the vicinity of the home, which enables them to carry out domestic chores alongside their economic activities.

In the industrial sector, women tend to be employed in the "lighter" industries and involved in the more tedious operations that require skills traditionally perceived as "feminine". Most women also prefer jobs close to home, even in urban areas: public transport may be limited, transport costs may be high and commuting time is long if the job is located far from home. Given such job segmentation in the labour market and the gender constraints women continue to face, employment opportunities are generally much more limited for women than for men; as a result, the unemployment and underemployment rates for women are higher than those for men.

5.5 Urban employer attitudes, wage inequality and the prospects for growth in female employment

This section examines the linkages between social factors and wage differentials, and their implications for the expansion of job opportunities for urban women.¹¹ There has been extensive analysis (Amsden, 1980; Boserup, 1970; Gregory and Duncan, 1981; Rahman, 1996) of the presence of gender-related wage discrimination, its measurement and the related welfare implications for female workers. However, there has been far less discussion on the impact of male-female wage differentials on the prospects for female employment.

The presence of pure wage discrimination that is unrelated to skills and efficiency should, in fact, lead to enterprises that de facto practise discrimination by preferring to hire women. One would expect the proportion of female employees to be higher in enterprises with higher wage discrimination. This hypothesis is, in fact, contained in the prevailing notion that a high percentage of women are employed in the rapidly expanding export-oriented sectors because they are willing to work for lower wages, which ensures labour competitiveness in the international market. However, although the ratio of male-to-female wage rates may influence the gender composition of employees in certain enterprises, it should be kept in mind that the non-wage costs and benefits of employing women as well as social attitudes can also influence the decision of who is employed. If wage discrimination only compensates for non-wage costs, a higher level of discrimination will not lead to the employment of more women, because in terms of net value added women may not contribute any more than men.

Women's willingness to accept lower wages is linked, to some extent, to their lower bargaining power. The ratio of women to men among the employees of a given establishment may also affect their bargaining power. Therefore, the positive impact of wage discrimination on female employment may only continue up to certain levels, after which a larger percentage of female workers within an enterprise will be able to increase their bargaining power. Therefore, an employer's incentive to increase the proportion of female employees will not necessarily be sustained after that level. As a result, the association between the ratio of male-female wages and the ratio of the male-female composition of employees could be weakened.

Moreover, the employment of a larger percentage of female workers by an enterprise can also affect the bargaining power of its male workers. If male workers find that their employer can replace them with readily available female workers, they will be in a weaker bargaining situation than men working in enterprises that employ only small numbers of women. Male workers are aware that an employer who has no experience of hiring women will not, suddenly proceed to hire large numbers of female workers. Since little bargaining power results in lower wage rates, male workers in enterprises with a larger percentage of female employees are more likely to be paid less than male workers in enterprises employing a smaller percentage of women. This could act as an incentive to employers to hire more female workers.

¹¹ The nature and extent of wage differentials between male and female workers are examined in Chapter 6. For this analysis, it is enough to state that the differences are large.

The data on male and female wage rates have been used by Rahman (1996) to examine the impact of the proportion of female workers in enterprises on wage rates. It was found that a higher percentage of female employees have a negative impact on both male and female wage rates.

In addition, there are certain non-wage advantages to employing women, which urban employers in particular regard as important (see figure 5.1). Female employers:

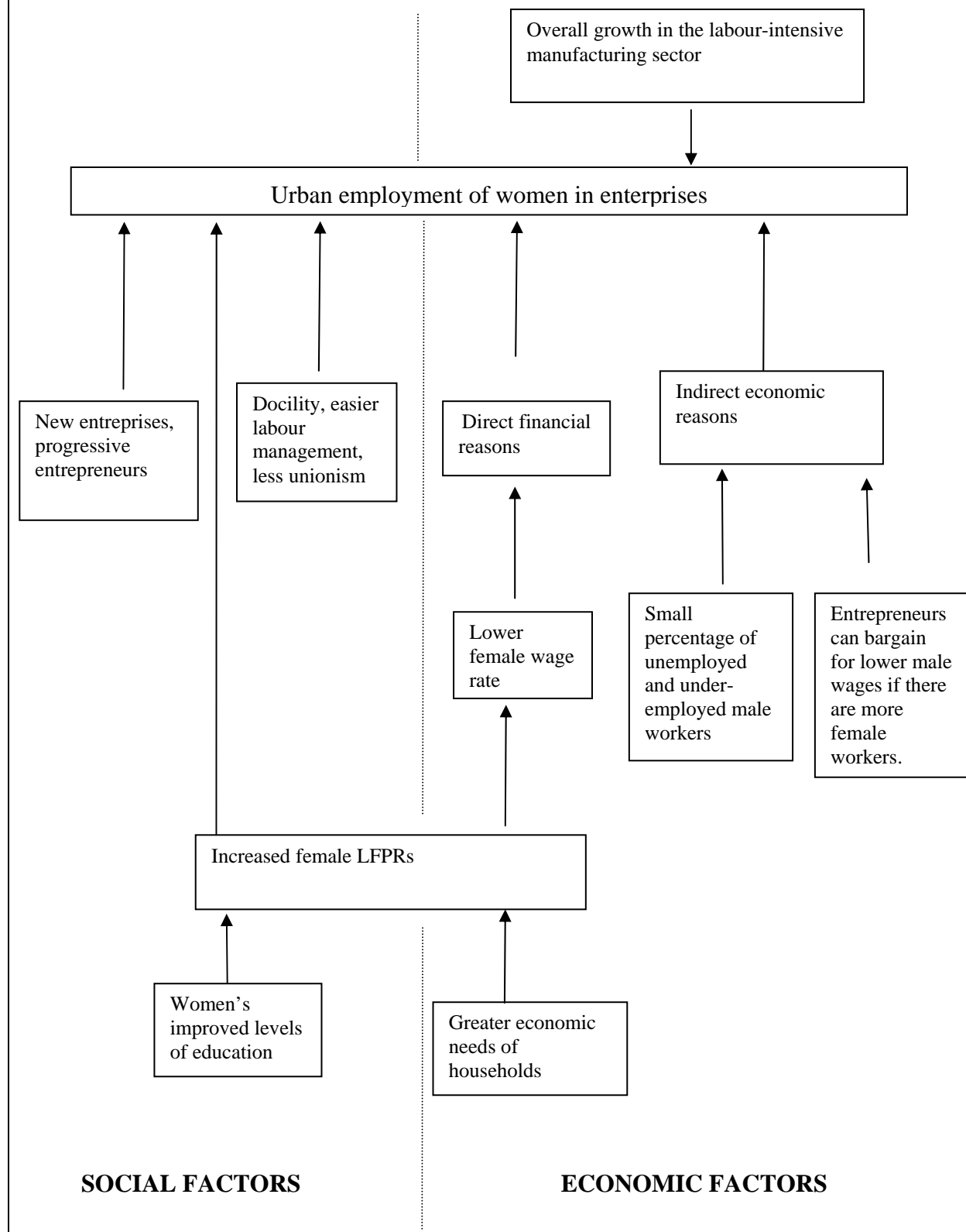
- (a) are docile, thus labour management is easier;
- (b) do not belong to unions;
- (c) are usually secondary earners and so making them redundant may be easier;
- (d) have little bargaining power in the labour market, not only because of the large excess supply of female labour but also because of the fear that losing a job will lead to domestic problems (in the form of ill treatment by the husband, children's frustration, and so on).

Figure 5.1 shows that women gain access to employment in urban areas because employers derive both wage and non-wage advantages from them. These are indirectly linked to the high opportunity costs of male labour in urban areas. Does this mean that a further drop in wage rates would increase female employment levels? The data presented in Rahman (1996) show that, although the ratio of female-to-male wage rates slightly declined over the past decade in a number of manufacturing subgroups, the percentage of female employees fell slightly rather than rose. Moreover, female wage rates are already close to the poverty threshold. Therefore, a drop in wage rates would be neither desirable nor sufficient enough to raise the employment levels of women.

The cost of hired labour, especially in formal urban sectors, consists not only of the direct wage payment but also of a non-wage component. The non-wage costs include a number of elements among which "recruitment costs" are the most important and so have been widely discussed. Recruitment costs include the costs related to the recruitment of new workers as well as the costs arising from the adjustment and training period for each new worker. Therefore, workers who leave a job after only a short while impose a higher recruitment cost to the employer than workers who stay for a few years. A widespread perception is that female workers have a higher turnover rate than male workers. Many employers believe that women leave jobs more readily than men, because of more family responsibilities, marriage, changes in the husband's workplace and so on and, therefore, that employing female workers will entail higher recruitment costs per worker than male workers. However, survey data show that the differences between male and female employees in this respect are small (Rahman, 1996).

A more important aspect of non-wage costs for female employees arises from the need for special facilities, which include utilities and amenities at the workplace, for example, separate toilets, a crèche, and so on. In male-dominated workplaces, the necessary facilities for men already exist, so the addition of women's facilities is viewed as an additional cost.

Figure 5.1 Factors contributing to female employment levels in urban enterprises



Even though empirical evidence shows that the costs of having female employees are not much higher than those of men, employers' perceptions can be very different. Therefore, an examination of how far these perceptions play a negative role in the prospects for female employment is pertinent to this discussion.

To obtain an insight into employers' attitudes on hiring female workers, discussions were held with a number of employers in certain the subgroups in the Ready Made Garment (RMG) sector. Box 5.1 highlights the opinions of RMG entrepreneurs concerning the advantages and disadvantages of hiring male and female labour.

From the description below, it emerges that the advantage of having male workers in urban sectors is rooted in the negative gender biases towards women in society. By contrast, in the current social environment, women can only obtain "preferential treatment" through hard work and on account of their loyal and docile nature.

Box 5.1 Employers' opinions on the positive and negative aspects of employing men and women in the RMG industry

Positive/ negative	Female workers	Male workers
Positive aspects	<ul style="list-style-type: none"> ➤ They are easily available. ➤ They fully abide by employers' directives. ➤ They are docile, so labour management is easier. ➤ They are not aware of labour laws, etc. 	<ul style="list-style-type: none"> ➤ Male workers will work on <i>hartal</i> (strike) days and on holidays. ➤ They are willing to work nights in the factory when there are deadline pressures. ➤ They are willing to travel to other factories to ensure the supply of subcontracted output (if required) and will do any other job outside the factory.
Negative aspects	<ul style="list-style-type: none"> ➤ Sometimes leave on getting married. ➤ They cannot work nights due to labour laws. ➤ They may have to extend leave without authorization for personal reasons (sick children, etc.). 	<ul style="list-style-type: none"> ➤ They are more likely to go abroad for better-paid jobs. ➤ They do not give full attention to the job. ➤ They are not always polite. ➤ They may form trade unions.

Source: Author's case studies.

5.6 Policies for improving female employment levels

Although there is no evidence that female employees take more leave or require the provision of expensive physical facilities at the workplace, an apprehension about these problems prevails among employers, especially in the sectors with few female

workers. Such fears act as a deterrent to the employment of women and can do more harm than the actual costs involved. Therefore, feminist groups and policy-makers need to campaign to change employers' attitudes by publicizing the fact that women workers are dependable and that it makes good business sense to employ them.

There has been a suggestion that the Bangladeshi Government should avoid introducing regulations that increase the costs of female workers and thereby discourages their employment, such as regulations concerning the legal provisions on maternity leave (World Bank, 1996). However, withdrawing the basic facilities provided by labour laws may not be well-advised. Indeed, many studies show that the costs of providing maternity leave are not high. Neither is it desirable to reduce the maternity protection benefits, if at all provided, at the detriment of health of women workers and their children. Hence, there should be increased acceptance by the employers that if they would like to have a stable workforce in the RGM sector, for example, they should be prepared to provide the basic social benefits both for maternity protection and child care.

Non-governmental organizations (NGOs) and government directorates responsible for labour welfare should campaign to encourage raising the age at which women marry, which would create an uninterrupted employment period for young women. They need to introduce facilities and support services to help women carry out their jobs more easily, such as childcare, transport to the workplace, working women's hostels and so forth. Existing facilities are not only inadequate; they are also not available to low-income workers. Most of the support services for female workers are currently provided by the (extended) family. However, if women are to be able to take up proper roles in the labour market, formal and efficient support services will be required.

Policies need to be adopted to raise the ratio of female to male employees in the public sector, which would set an example to the private sector. The current age limit for the entry of women into public-sector employment also needs to be raised or lifted altogether.

Table 5.1 Unemployment rate in Bangladesh by sex, 1989-2000 (as a percentage)

Area and sex	1989	1990-91	1995-96 ¹		1999-2000 ¹	
	(a)	(a)	(a)	(b)	(a)	(b)
Whole country						
Male	1.0	1.3	2.7	2.8	3.2	3.4
Female	0.9	1.8	2.2	7.8	3.3	7.8
Total	0.9	1.5	2.5	3.5	3.3	4.3
Urban areas						
Male	2.2	1.7	4.4	4.4	5.0	2.9
Female	3.1	4.4	4.3	6.5	6.2	7.6
Total	2.3	2.3	4.4	4.8	5.3	3.9
Rural areas						
Male	0.8	1.2	2.2	2.3	2.8	5.0
Female	0.7	1.5	1.9	8.3	2.8	8.2
Total	0.7	1.3	2.1	3.1	2.8	5.8

The data in the columns marked (a) are based on the extended definition, those marked (b) on the usual definition.

¹ Age 15+, the other columns use age 10+.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 5.2 Unemployment equivalent in Bangladesh by sex, 1996 and 2000 (as a percentage)¹

Sex	1995-96	1999-2000
Males	6.2	2.2
Females	20.0	16.8

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 5.3 Underemployment rate in Bangladesh by sex, 1989-2000 (as a percentage)

Area and sex	1989	1990-	1995-	1995-96 ¹		1999-2000 ¹	
	(a)	91 (a)	96 (a)	(a)	(b)	(a)	(b)
Bangladesh							
Male	15.4	15.7	12.4	13.7	13.0	8.4	7.4
Female	83.0	85.3	70.7	79.0	45.5	71.2	52.8
Total	43.4	42.8	34.6	38.5	17.6	31.9	16.6
Urban areas							
Male	6.7	18.9	10.0	10.9	10.5	4.9	4.7
Female	63.6	65.6	44.4	54.2	35.3	52.0	38.2
Total	21.6	29.7	19.6	22.1	17.1	18.2	12.2
Rural areas							
Male	16.8	14.8	13.1	14.5	13.7	9.3	8.1
Female	84.4	87.2	74.6	82.4	49.8	74.2	57.8
Total	46.1	45.6	37.9	42.1	18.4	35.0	17.8

The data in the columns marked (a) are based on the extended definition, those marked (b) on the usual definition. ¹ Age 15+, the other columns use age 10+.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 5.4 Hours worked per week by male and female workers, 1996 and 2000¹

Year	Males	Females
1995-96	48	36
1999-2000	49	33

¹ Age 15+, usual definition.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 5.5 Unemployment rate by age group and sex, 1996 and 2000 (as a percentage)

Age group	1995-96		1999-2000	
	Male	Female	Male	Female
10-14 years	2.2	2.5	n.a.	n.a.
15-19 years	8.1	8.9	0.2	31.6
20-24 years	7.8	3.1	0.1	13.9
25-29 years	3.8	1.4	3.9	3.8
30-34 years	1.1	0.3	1.1	0.8
35+ years	0.4	0.7	0.3	1.2
Total	2.7	2.3	3.4	7.8

n.a. = not applicable.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 5.6 Unemployment rate by educational level and sex, 1991-2000 (as a percentage)¹

Level of education	Male					Female				
	1990-91 ¹	1995-96		1999-2000		1990-91	1995-96		1999-2000	
	(a)	(a)	(b)	(a)	(b)	(a)	(a)	(b)	(a)	(b)
No education	1.0	0.6	1.3	0.9	9.5	1.6	0.8	3.0	2.5	9.5
Class I – X	3.0	2.9	4.0	5.7 ²	4.2	2.1	3.3	12.6	15.0 ²	12.7
SSC/HSC	3.2	9.7	13.6	8.6	8.5	4.6	12.9	21.6	26.6	26.6
Degree +	3.0	8.4	10.6	6.8	9.5	2.2	15.2	16.8	14.3	19.5

The data in the columns marked (a) are based on the extended definition, those marked (b) on the usual definition.

¹ Age 10+, the other columns use age 15+. ² Estimated from grouped data.

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 5.7 Employment in the garment industry by sex, 1992-2000 (in thousands)

Year	Total	Women	Men	Women (as a %)
1992	569	589	104	85.0
1993	815	693	122	84.8
1994	1 014	862	152	85.0
1995	1 218	1 096	122	90.0
1996	1 300	1 170	130	90.0
1997	1 404	1 264	140	90.0
1998	1 500	1 350	150	90.0
1999	1 510	1 360	150	90.1
2000	1 500	1 300	150	90.7

Source: BBS: *Report on the Labour Force Survey in Bangladesh, 1999-2000* (Dhaka, GoB, 2002).

6 Wage rates and family income: Gender differences

6.1 Wage rate differentials

Gender differences in wage rates are an almost universal phenomenon (Boserup, 1970; Gregory and Duncan, 1981). In the case of Bangladesh, the issue of low female wages and wide gender differences assume special significance because of their implications for acute poverty.

The wage rates for female workers are much lower than those for male workers in Bangladesh (see table 6.1). The ratio between the male and female wage rate increased in the rural/agricultural sector – from 1.4 in 1989 to 1.8 in 1995-96 – and was still 1.8 in 1999-2000. In rural areas, the wage rates for men have grown much more dramatically than the female wage rates.

In urban areas, the male-female wage ratio declined – it was 2.2, 1.7 and 1.4 in 1989, 1995-96 and 1999-2000. During this ten-year period there was a rise in job opportunities for women in urban areas, which was instrumental in raising female wage rates. This rise may be due to increases in the skills, experience and educational levels of female workers, which have occurred thanks to the expansion of schooling.

The implications of low female wage rates for the poverty level of households that depend on female earners become clear from table 6.2. The female wage rate is so low that a day's wage cannot maintain a family of three, even if the female worker is employed full time. Rural women face the bleakest situation. On the whole, the wage rate for rural women supports fewer than 1.5 family members above the poverty level. As shown in table 6.2, the real wage rates for rural women in 1995-96 and 1999-2000 were such that they could maintain fewer people than in 1989. The female-to-male ratio of this index improved only for urban areas and the improvement was largest between 1989 and 1995-96 (last column, table 6.2). The observed trend in real wages of female workers implies that rural households depending on the female wage for a substantial part of their income would be left in utter poverty. The wage rates for this group have scarcely benefited from recent growth in the rural economy and in labour productivity in agriculture.

In 1999-2000, the urban male wage rates supported 3.2 members in contrast to the urban female wage rates, which could support only 2.2 people. This is an improvement on the situation in 1989 and the first half of the 1990s, when urban women's wage rates could support only 1.0 and 1.5 people.

The differences between total male and female earnings are likely to be higher than the differences in wage rates, because women work fewer days than men, especially in rural areas, as Chapter 5 showed.

Wage differences vary between micro studies as they focus on different geographical regions with varying levels of labour demand and supply. However, all studies concur that women are paid much less than men and that gender differentials in wage rates are larger in rural than in urban areas.

There are a number of explanations for the low wage rates of women: they include less bargaining power, social factors and job segmentation. Women's poor bargaining power is the result of the following factors:

High unemployment and underemployment

The absolute levels of unemployment and underemployment are high for the female labour force, and these rates are higher for women than for men. The difference is much higher in the case of underemployment. A high underemployment rate leads to less bargaining power. During the past decade, the growth of the female labour force has been much higher than that of the male labour force. This increase occurred because of the rise in poverty levels of households without male workers (female-headed households) and the rise in female educational attainment levels as well as because of social changes, which have led to society gradually beginning to accept that women participate economically.

Household poverty

The poverty level of households with female wage labourers and low female wages reinforce each other through weakening the staying power of women in the labour market. Since uneducated female wage labourers usually come from poor households, their bargaining position is weaker than that of male labourers, which in turn makes them more vulnerable to low wages and poverty.

Social pressures

Once a young woman gets a job, there are family pressures on her not to lose it, however arduous the work and large the male-female wage differential might be. Traditionally, husbands and in-laws preferred young wives to stay at home, although this pattern is gradually changing. It is now preferable in poor households that the wife supplements the husband's income.

Job segmentation

Job segmentation along gender lines is widespread and this helps explain male-female wage differentials as well as the weak bargaining power of women. In most rural districts, women are not hired to work in the fields harvesting the major crops. When employers' views were sought on this issue, they were quite clear about the reasons for job segmentation, stating explicitly that they did not believe they gained anything from breaking with tradition. As long as male labourers are available, employers do not think that it is worth hiring women. And male labourers are usually in abundant supply (Rahman, 1990). By contrast, employees were clearly against such segmentation. Rural women working as wage labourers come from very poor families, and they expressed their willingness to accept any form of remunerated work, including field activity. Thus the total demand for female labour is small and that demand comes from minor crops and crop processing, which are both associated with lower productivity and low remuneration.

6.2 Household income and female labour

The differences between male and female wage rates do not automatically translate into differences in family income. There are two reasons for this. First, the income for workers engaged in a family enterprise or farm comes from the combined efforts of the household members. Second, contributions of labour time by the male and female members in a family enterprise and in domestic activities are interdependent. Therefore, it cannot be assumed that the contributions of male and female members to the family income will be proportionate to their labour input.

Furthermore, although women may equally contribute their labour to the household economic activity, this does not necessarily mean that they will have equal access to the overall household income and resources and equal say in making decisions on all types of household expenditures; intra-household distribution of income and resources and decision-making powers are often skewed more in favour of male members of the household in Bangladesh. It is also true that women on average work less hours on 'productive' activities compared to men (see also Table 5.4); they are likely to obtain less income than men from their labour time and efforts, which is also compounded by the general wage gaps between male and female workers in similar occupations in the country. Gender biases in employers' view that women are secondary workers continue to play against women's position in the world of work.

6.3 Policy measures to raise female wage rates and earnings

Recommending policy measures to help reduce male-female wage differentials in Bangladesh is a complex as well as a sensitive task. Not only does one have to choose between methods of interventions, but to make matters even more complicated, the players in the scenario come from both the private and public sectors.

Wage inequalities are difficult to deal with through policy interventions, since differentiating between the inequality of wages resulting from differences in human capital endowment and from pure gender-based discrimination is particularly troublesome. Moreover, private employers cannot be directly persuaded to increase the wages of their female workers. Therefore, the following suggestions are intended to provide some indirect and direct routes to reducing wage inequalities in various sectors.

- (i) The first and most important indirect measure is to enhance the employability of women, both in self-employment and wage employment. Women need to have greater access to education, training and skills development and to the inputs for self-employment and establishing small and medium enterprises. The latter could take the form of credits – various types of productive assets that could be provided particularly to poorer members of the female labour force. Women need to be given access to marketing support and other physical infrastructures and communication channels. Education should be linked to the needs of the job market. The type and quality of education and vocational training must be improved in line with overall labour market demands so that more and better jobs can be created for women. In addition, support should be provided to ensure a smooth transition between school and work, in particular, for young women

graduates, for example, by improving their access to employment exchange services and job consulting as well as by the adoption of internship programmes.

- (ii) Awareness programmes are needed so that employers learn that wage enhancement can raise motivation and hence the productivity of low-paid female workers. The notion that women are secondary earners and can be paid less than men should also be dealt with.
- (iii) At the same time, the bargaining position of female workers must be improved through the creation of collective funds, which could support them through grants and loans during the bridging period of changing jobs and so forth. For this purpose, special savings schemes could be undertaken by branches of nationalized banks located close to areas with a concentration of factories employing women.
- (iv) Government construction projects need to encourage the payment of equal wages for work of equal value to female and male wage labourers. A higher ratio of female-to-male wages than the current ratio should be included as a condition in the contracts of private firms implementing government projects. This should be publicized at construction sites. Effective monitoring through regular labour inspection is also necessary.
- (v) To reduce the wage gaps between male and female sectors, the Government needs to set wage norms. The tendency of setting lower minimum wages in female-dominated sectors has to change.
- (vi) Without a rise in total employment, it will be difficult to increase women's employment and earnings. Therefore, only an overall growth in employment can offer a long-term solution to the underemployment, unemployment and low wages of women in Bangladesh.

Table 6.1 Ratio of male and female daily wage rates, 1989-2000

Sector	1989 (in taka)			1995-96 (in taka)			1999-2000 (in taka)		
	Male (M)	Female (F)	$\frac{M}{F}$	Male (M)	Female (F)	$\frac{M}{F}$	Male (M)	Female (F)	$\frac{M}{F}$
Agricultural/rural	31.6	22.7	1.4	44.0	25.0	1.8	63.0	35.0	1.8
Non-agricultural/urban	46.0	20.9	2.2	60.0	36.0	1.7	85.0	59.0	1.4

For 1995-96, the wage rates are grouped into rural and urban sectors. For the other years, they are grouped into agricultural and non-agricultural sectors (rural and urban consumer price index using base year, 1985-86 = 100).

Source: BBS: *Labour Force Survey* (Dhaka, GoB, various years).

Table 6.2 Male and female wage rates relative to (moderate) poverty line, 1989-2000

Year	Sector	Number of persons who can be sustained above the poverty level by a day's wage		
		Male (M)	Female (F)	$\frac{F}{M} \times 100$
1989	Agricultural	2.1	1.5	71.4
	Non-agricultural	2.1	1.0	47.6
1995-96	Rural	2.2	1.3	59.1
	Urban	2.5	1.5	60.0
1999-2000	Agricultural	2.5	1.4	56.0
	Non-agricultural	3.2	2.2	68.8

For 1995-96, the wage rates are grouped into rural and urban sectors. For the other years, they are grouped into agricultural and non-agricultural sectors.

Source: Calculated from the BBS: *Labour Force Survey* (Dhaka, GoB, various years); *Bangladesh Economic Survey, 2000* (Dhaka, Ministry of Finance, 2001).

7 Summary of findings, recommendations and research priorities

7.1 Principal findings

This section presents the principal findings of this report on the female labour force and the factors affecting their labour market characteristics. The male-female differences will be highlighted, although in order to avoid repetition a comprehensive summary is not attempted.

Labour force participation

- The LFPR of women increased during the 1990s, while the male LFPR declined slightly.
- The share of unmarried women in the labour force and the LFPR of this group are declining, which may adversely affect the empowerment of young women and the age at which they marry.

Unemployment and underemployment

- During the 1990s, the unemployment rate increased, both for men and women.
- The unemployment rate for both men and women educated to SSC level and above rose, with the largest increase for women. Thus higher levels of secondary school enrolment have led to more unemployed SSC holders. This is not only a waste of resources; it may discourage prospective female students, with the result that secondary enrolment levels may decline again. The mismatch between the supply and demand of the educated labour force could be reduced through the adoption of policies aimed at increasing labour-intensive economic growth and improving the quality of education and skills training.
- Gender inequities also increased in terms of the extent of underemployment. Between 1995-96 and 1999-2000, the underemployment rate for women rose (on the basis of the usual definition), while the underemployment rate for men fell.

The quality of the female labour force

- There was a slight improvement in the educational attainment levels of both men and women during the past decade, although this improvement was smaller for the female labour force. Moreover, there was a drop in the number of literate female workers by 2.5 per cent.
- Only a small percentage of female workers are categorized as skilled. This percentage is much smaller than that of male workers.
- Poorer women have less access to education and skills training, but they are more likely to take up paid employment at a younger age than those who can afford to continue their education. This factor contributes to the slow improvement being made in the educational attainment levels of the female labour force, in particular those of the poor.

Employment status and type

- Both the number and percentage of women with entrepreneurial/employer status declined during the early 1990s. During the second half of the 1990s, the number increased, although the percentage was still lower than that of 1991-92.
- The over-representation of women in unpaid family employment is quite significant and increased during the period under study.
- Gender-based horizontal and vertical segmentation of the labour market works to women's disadvantage.
- The percentage of female workers in casual employment grew during the 1990s.
- The percentage of women in formal employment is much lower than the percentage of men. Moreover, the share of women in formal employment declined during the period 1996-2000.
- Thus several indicators show that a larger percentage of employed women are in poor quality employment and that the percentage of employed women in poor employment has increased over time.

Wage rates and earnings

- Female wage rates in rural areas declined or stagnated during the 1990s.
- In urban areas, the ratio of the female-to-male wage rate increased.
- However, male-female differentials in wage rates remain substantial and the absolute value increased over the period.
- A number of proposals were put forward to help improve women's wages. However, although awareness-raising and specific measures are useful, an increase in the overall demand of labour is essential if female employment and wage rates are to rise.

7.2 Recommendations on how to improve gender-disaggregated labour force data

Definitions

How one defines economic activity and thereby the category of the "labour force" and the LFPR are critical in an analysis of the gender dimensions of the labour market. The BBS uses two different definitions: the "usual definition", that is, the United Nations definition, and the extended definition, which includes "household production" as an economic activity, so that anyone contributing one hour or more to such an activity is included in the labour force. The differences in the levels and trends in LFPRs, underemployment, hours of employment and so on resulting from using two definitions are significant for both the male and female labour force. The usual and extended definitions yield very different conclusions on the trends in female LFPRs, unemployment and underemployment, making it extremely difficult to draw conclusions. However, conforming to the United Nations should not be the grounds behind the choice of definition; the specific context of the country needs to be taken into account. And in the case of Bangladesh, as well as other South Asian and possibly South-east Asian countries, there is a valid rationale for using the "extended definition". Therefore, before a country switches completely to the use of one or other

definition, intensive discussions on the United Nations and ILO definitions and their applicability (or otherwise) in the context of countries with different labour market characteristics are necessary. Once a decision is taken on the definition in accordance with the international standards, BBS should use always the same for all the Labour Force Surveys, so that the data are comparable for various years.

Classification and groups

- The analysis of LFS data requires classifications and grouping of different variables. Groups and categories must be chosen to ensure that comparisons between different periods can be made. At the same time, they should provide meaningful bases for analytical purposes. The examples below highlight the problems and the type of modifications required.
- Δ The internationally recognized lower age limit for the labour force is 15. In the latest LFS report, this lower limit was used, although a set of tables in the appendix used 10 years as the lower limit. This was done for both the usual and extended definitions of the labour force, thus resulting in four different sets of appendix tables. Naturally, this provides a good source of data for a thorough understanding of the labour market characteristics. Nonetheless, few researchers, ILO social partners or government policy-makers use this vast pool of information, so that much of the effort of the BBS in producing these tables remains unused. Therefore, the BBS might consider producing only one or two sets of appendix tables. This should not restrict the intensive use of LFS data, because data sets are being made available for public use. How can this help improve the analysis of gender dimensions? Indirectly, perhaps. There may be a trade-off between with the burden of producing extra tables and the overall quality of the analysis, which may have a cost in terms of the prospect of more meaningful additional tables.
- Δ There are other examples of inappropriate cut-off points – in the groupings of duration of unemployment, weekly hours and monthly earnings. The duration of unemployment, for example, has been divided into five groups: four groups fall within the range of 1 to 11 months, while the last group comprises those who have been unemployed for 12 months or more. However, since 80 per cent of the unemployed belong to this last group, more groups in this range are essential for a meaningful understanding of the duration of unemployment and male-female differentials. Monthly income groups are such that 60 per cent of paid/salaried women and 16 per cent of paid/salaried men are in the two lowest income groups. Likewise, to provide a more accurate picture of female poverty, these groups need to be further disaggregated.

As for weekly working hours, the problem lies in the 20-29 hour range: 30 per cent of the female labour force belongs to this group, while only 8 per cent belongs to the group of 15-19 hours. Shouldn't there be at least two groups within the 20-29 hour bracket? The groupings could be selected in such a way that they provide useful information on the various processes in which the labour force is involved, including gender dynamics and inter-linkages.

- Although the LFS reports give gender-disaggregated data on almost all aspects of the labour force, the analysis of gender-related issues is not always adequate. On some issues, for example, the findings on the male and female labour force are described only briefly and the differences are not highlighted. Nor are there analyses of the particular characteristics of the female labour force. There is no mention of any special feature observed among the female labour force. Overall, the LFS reports do not provide an analysis of gender dimensions or any awareness of the special issues related to the female labour force.

Proposals for an in-depth analysis of gender dimensions in LFS reports

- Δ It is being recommended that, in its LFS reports, the BBS include a separate chapter on the gender issues emerging from the labour force characteristics. In addition, in every survey year an inter-survey comparison and analysis of the dynamics of the female employment situation might be attempted. This could contain a comparative study of the changes in the patterns of the labour force participation of women and men in the labour market. At the end of each decade, a report covering the entire decade could be produced.
- Δ The BBS should seriously consider including a few (two to four) specific questions on female labour force participation in each LFS.¹² Such special modules would provide scope for the analysis of issues relevant for policies in that particular time context. The modules should be based on specialist views and thoroughly discussed before their adoption. Analysis based on such special modules should be linked to policy formulation.
- Δ In addition to the LFS, an in-depth analysis of the gender dimensions of child labour should be undertaken on the basis of child labour survey data. The Child Labour Surveys undertaken recently contain gender disaggregated information on child labour. An analysis of the gender dimensions of child labour could be of critical importance, since job segmentation along gender lines in the labour market prevails and various types of discrimination also affect girls and boys differently, even in the case of child labour. Such segmentation and gender differences are sometimes similar to the adult labour market. However, there may be many new dimensions in the problems faced by female working children in particular.

7.3 Research priorities

The above analyses highlighted some positive changes in the characteristics of the female labour force as well as the constraints faced by women trying to enhance their position in the labour market. Concrete and appropriate policy measures and action to create more employment for women require deeper understanding and more in-depth research and data collection on a number of issues. The issues that deserve priority are as follows:

¹² More intensive discussions with stakeholders and BBS personnel would be required before any proposals for new questions could be given.

- i) A review of government and NGO policies and programmes on promoting employment, with suggestions for improvements;
- ii) The determinants of the female and male child labour situation, gender dimensions and their implications;
- iii) How to expand employment opportunities for female SSC/HSC holders and identifying the causes of their high unemployment rate or their decision to remain outside the labour force;
- iv) The determinants of unskilled rural women's wage rates and their levels and patterns of employment;
- v) Wage employment versus self-employment for women: the problems, prospects and policy and programme proposals to enable growth to take place in each type of employment; and
- vi) The inter-linkages between female employment and household poverty.

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