Report on Employment Security System and Labour Policy in Asian Countries

-Bangladesh-

March 2000

Asian Population and Development Association

Report on Employment Security System and Labour Policy in Asian Countries

-Bangladesh-

March 2000

Asian Population and Development Association

1) Embassy of Japan

Center

H.E. Mr. Yoshikazu Kaneko, Ambassador

Rear from right

Mr.Koichi Fujita Team Member

Ms. Machiko Watanabe, Team Member

Mr. Akihiko Ohno, Team Leader,

Mr. Osamu Kusumoto, Team Member

2) Ministry of Foreign Affairs

Right

Mr. M.A. Samad,

Director General, East and South East Asia

3) Ministry of Labour and Employment

From left

Mr. Muhammad Ahsan Ali Sarkar, Secretary

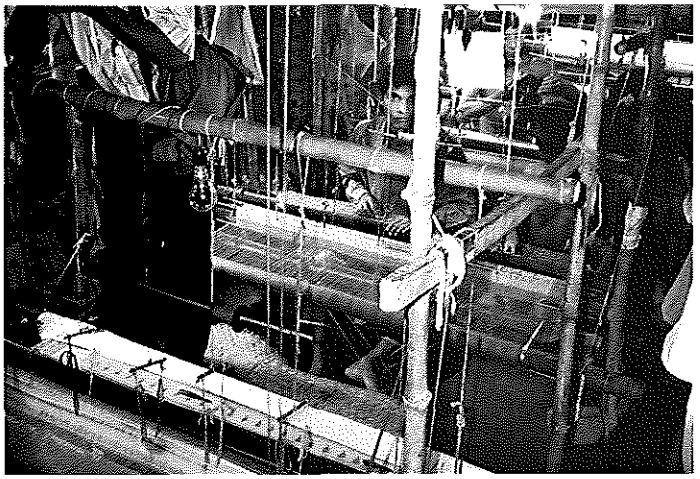
Mr. Md. Dalil Uddin Mondal, Joint Secretary

Mr. Latifur Rahman, Deputy Secretary

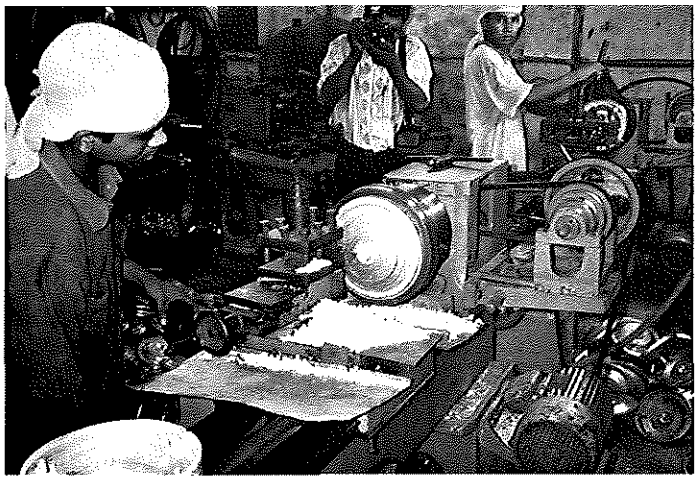
4) Ministry of Education

Second form right

Mr. Sk. Nurul Islam, Joint Secretary,

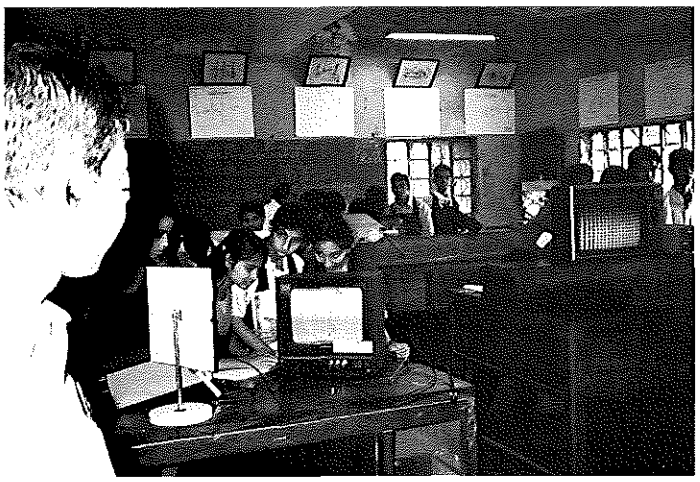


5) Bengal Muslin textile factory
(Traditional textile industry in Bangladesh)



6) Bangladesh Small & Cottage Industries Corpn.
at Fan Factory

7) at Hosiery Factory



8) Bangladesh- German Technical Training Center

Foreword

This report comprises the results from a study conducted in Bangladesh by the Asian Population and Development Association (APDA) entitled the Study on Employment Security System and Labour Policy in Asian Countries. Compilation of the study results was carried out by the members of the research committee that was formed within APDA (Chairman: Dr. Toshio Kuroda, Director Emeritus, Nihon University Population Research Institute, and a Board of Directors of APDA).

Proper implementation of employment security system and labour policy is deeply connected with securing social stabilisation of respective countries and has now become one of the fundamental conditions for maintaining social stability in the Asian region amidst the advancement of international interdependence. Studying the actual employment security system and labour policy in respective countries will play an important role in understanding the present situation of the Asian countries and their relationship with Japan.

Therefore, the purpose of this study lies in grasping the present situation and predicting the future of each country in South Asia, Southeast Asia and East Asia with regard to the realities of employment security system and labour policy as well as their relationship with demographic, social and economic structures with the aim of utilising them in Japan's future policy making for international cooperation as the need for advancement of internationalisation and international cooperation increases.

The field study was conducted under full cooperation from Mr. Muhammad Ahsan Ali Sarkar, Secretary, the Ministry of Labour and Employment of Bangladesh. In addition, Mr. Yoshikazu Kaneko Ambassador of Japan and the Embassy of Japan in Bangladesh offered guidance and cooperation on the overall field study. In Japan, guidance regarding the content of the survey and assistance in arrangement of field survey were offered by Mr. Jamil Majid, Ambassador of Bangladesh to Japan had done over all arrangement for field survey in Bangladesh. I would like to take this opportunity to extend my deepest gratitude for their support.

In conclusion, I hope that this report will contribute to development of the Asian countries including Bangladesh and effective international cooperation of the Japanese government.

This report has been prepared under the responsibility of APDA.

March 2000

Taro Nakayama
Chairman,
The Asian Population and Development Association

Table of Contents

Chapter 1 Overview:

Is it Possible to Break Away from the Vicious Cycle of Poverty?

1. Introduction

It is said that among the 6 billion world population exists 1.2 billion starving population and a nearly same number of satiated population. Nine out of 48 countries that have been designated by the U.N. as least developed countries exist in Asia, and Bangladesh is one of such countries.

The country's GNP per capita in 1995 amounted to $240 (which translates to only $20 per month) with 60 million people said to be in the state of extreme starvation. Since Bangladesh has a population almost equal to Japan of 120 million, nearly half of the country's population is suffering from such poverty.

Political situation is extremely unstable with strikes called *hartar* breaking out across the country. Occurring on top of such man-made calamity are the ferocious natural disasters. Bangladesh is a country where the majority of land would sink under water as the sea level rises due to global warming. The country also incurred serious damage from the deluge of 1998 that flooded two-thirds of the country.

On the other hand, Bangladesh is a country with extremely high population density, with about the same number of people as Japan living in an area of 147,570 km^2 (which is less

than 40% of Japan's land area of 378,000 km^2). At 847 (1997), Bangladesh's population density per square kilometre is nearly twice as large as 463 (1997) of Japan. The fact that Japan's high population density is often considered as a serious obstacle for development suggests the magnitude of socio-economic impact originating from the population density in Bangladesh.

The most fundamental factor at the source of difficulty in Bangladesh's socio-economic takeoff is the fact that the country is unable to get out of the second stage of demographic transition. In other words, high population increase rate originating from sustained high fertility rate and lowering mortality rate is still persisting.

Table 1-1 shows the population dynamics and demographic structure of Bangladesh. For instance, a high fertility rate (CBR) exceeding 45 continued from 1971 to 1980. On the other hand, mortality rate (CDR) has shown a slow but steady declining trend and dropped from 24 in the 1950-1955 period to 19 in the 1975-1980 period. As a result, population increase rate (which differs from natural increase rate) showed an increasing trend and reached an abnormally high level of 2.8% in the 1975-1980 period. This figure, however, takes international migration into consideration and does not indicate the natural increase rate that corresponds to the difference between fertility rate and mortality rate. Briefly, natural increase rate is calculated in Table 1-2.

Table 1-1 Some population indices of Bangladesh

Year	Population increase rate (%)	Crude birth rate (‰)	Crude death rate (‰)	Total Fertility Rate	Percentage of population aged 65 years and above	
1950-55	1.70	47.0	24.2	6.66	3.6	(1950)
1955-60	2.45	46.8	22.9	6.62	3.7	(1955)
1960-65	2.52	46.7	22.0	6.68	3.7	(1960)
1965-70	2.68	47.5	21.0	6.91	3.7	(1965)
1970-75	2.70	48.5	20.8	7.02	3.5	(1970)
1975-80	2.83	47.2	18.9	6.66	3.6	(1975)
1980-85	2.38	45.8	17.5	6.44	3.4	(1980)
1985-90	1.94	38.1	13.9	5.17	3.3	(1985)
1990-95	1.61	27.8	10.8	3.40	3.1	(1990)
					3.2	(1995)

Source: United Nations "*World Population Prospects The 1998 Revision Volume 1: Comprehensive Tables*", 1999

Table 1-2 Comparison of natural increase rate and population increase rate

Year	Natural increase rate (%) (A)	Population increase rate (%) (B)	(A)-(B) (C)
1950-55	2.28	1.70	0.58
1955-60	2.39	2.45	△ 0.06
1960-65	2.47	2.52	△ 0.05
1965-70	2.65	2.68	△ 0.03
1970-75	2.77	2.77	0.00
1975-80	2.83	2.83	0.00
1980-85	2.83	2.38	0.45
1985-90	2.42	1.94	0.48
1990-95	1.70	1.61	0.09

The relationship between natural increase rate and population increase rate can be divided into three periods. The first period lasted from 1955 to 1970 and can be characterized by population increase rate exceeding natural increase rate. Needless to say, this was attributable to in-migration outnumbering out-migration in international migration. Then population increase rate and natural increase rate coincided in the 10-year period from 1970 to 1980, presumably as a result of in-migration and out-migration being equal or non-existent. Then the previous trend was reversed as population increase rate fell below natural increase rate by 16% and 20% for each quinquennium in the recent 10-year period from 1980-85 to 1985-90. However, the impact of international migration declined enormously in the 1990-1995 period. Population increase rate was only 5% lower than natural increase rate.

The predominantly Islamic state of Bangladesh has experienced major political changes including independence from India along with the present day Pakistan that led to founding of East Pakistan and West Pakistan, and another independence from West Pakistan that resulted in the founding of Bangladesh and Pakistan. Various attempts for reform were aborted every time such political transformation occurred. The prevalence of poverty also gave rise to large number of overseas migrant workers.

2. Characteristics of fluctuations in vital rates and population increase rate

The trends of fertility rate and mortality rate in Bangladesh are extremely unique as they reflect the particularities of natural and politico-economic conditions. The population increase rate including vital rates and international migration are as shown in Table 1-1, and Figure 1-1. A noteworthy feature is the continuation of a very high level fertility of nearly 50. A high fertility rate that is even rare among developing countries had lasted until recently. However, a remarkable decline in fertility has been realised in the latter half of the 1980s. On the other hand, mortality rate continued to decline consistently and demonstrated a marked drop in the first half of the 1980s in particular. Natural increase rate reflects the different declining trends of fertility and mortality mentioned above. It reached a peak of nearly 3% in the first half of the 1980s by reflecting the expanding gap between fertility level, which remained high during this period, and declining mortality. However, natural increase rate has dropped thereafter to almost 2% as decline the in fertility level exceeded that of mortality.

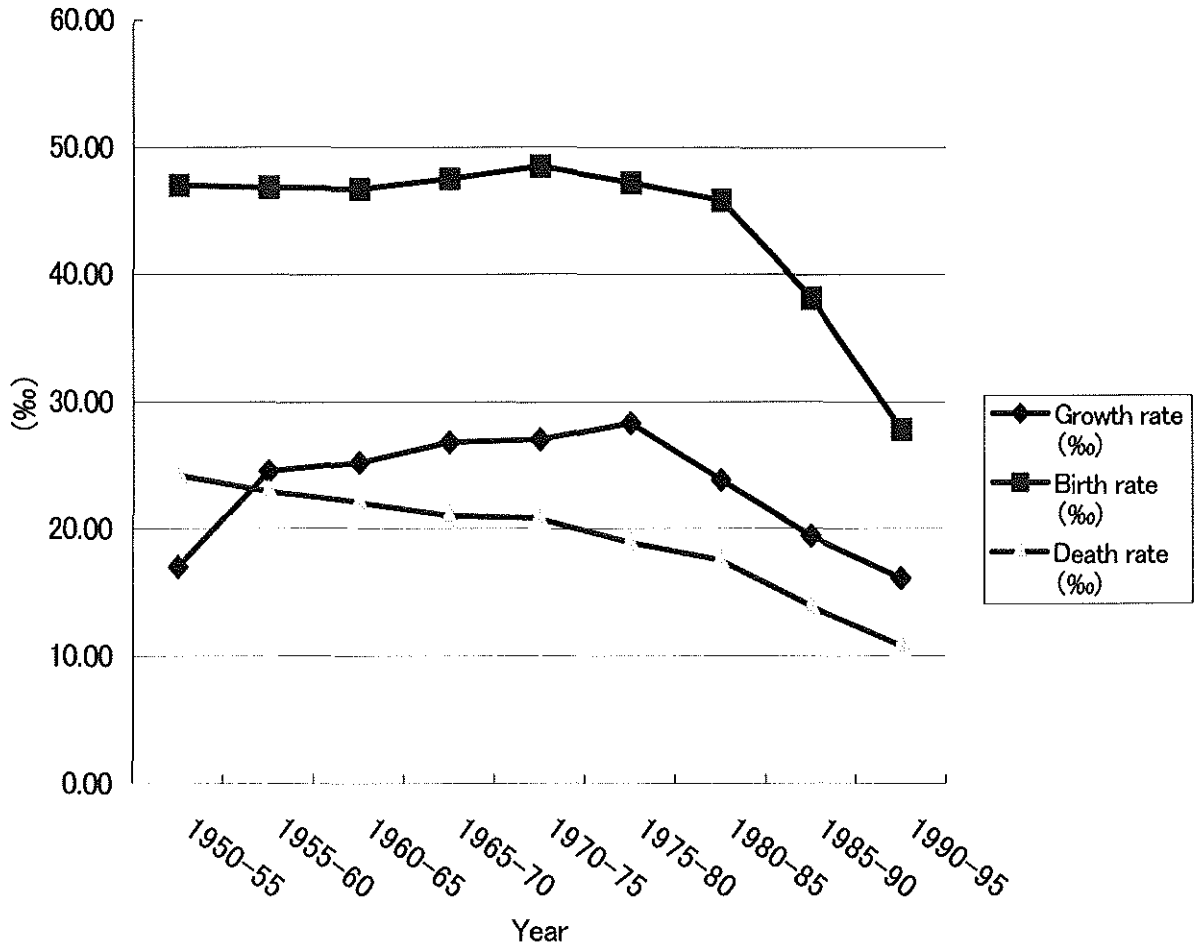
Considering the socio-economic condition of Bangladesh, however, the speed of decline in both fertility rate and mortality rate in only 15 years in the 1980s and first half of the 1990s is noteworthy. Mortality rate dropped 38% from 17.5 to 10.8 while fertility rate went down 39% from 45.8 to 27.8. Attention must be given to outstanding changes in demographic behaviour under low development as it poses a new subject in the demographic transition theory.

A noteworthy point in assessing the fertility decline in Bangladesh is the comparison with India and Pakistan, which are heavily populated countries of South Asia and in nearly similar stages of development. In this study, comparison will be made simply in terms of total fertility rate (TFR) (Figure 1-2). The TFR of Bangladesh remained parallel to that of Pakistan during the 1980-1985 period as it remained at a high level of 7.0 but started to decline rapidly thereafter. According to a 1990-1995 statistics, the TFR of Bangladesh went down as far as 3.40, a figure slightly lower than 3.56 of India which had always maintained far lower level of TFR than Bangladesh and Pakistan (The foregoing TFR figures are from the 1998 United Nations "World Population Prospects, The 1998 Revision").

3. Breaking away from poverty—the last challenge

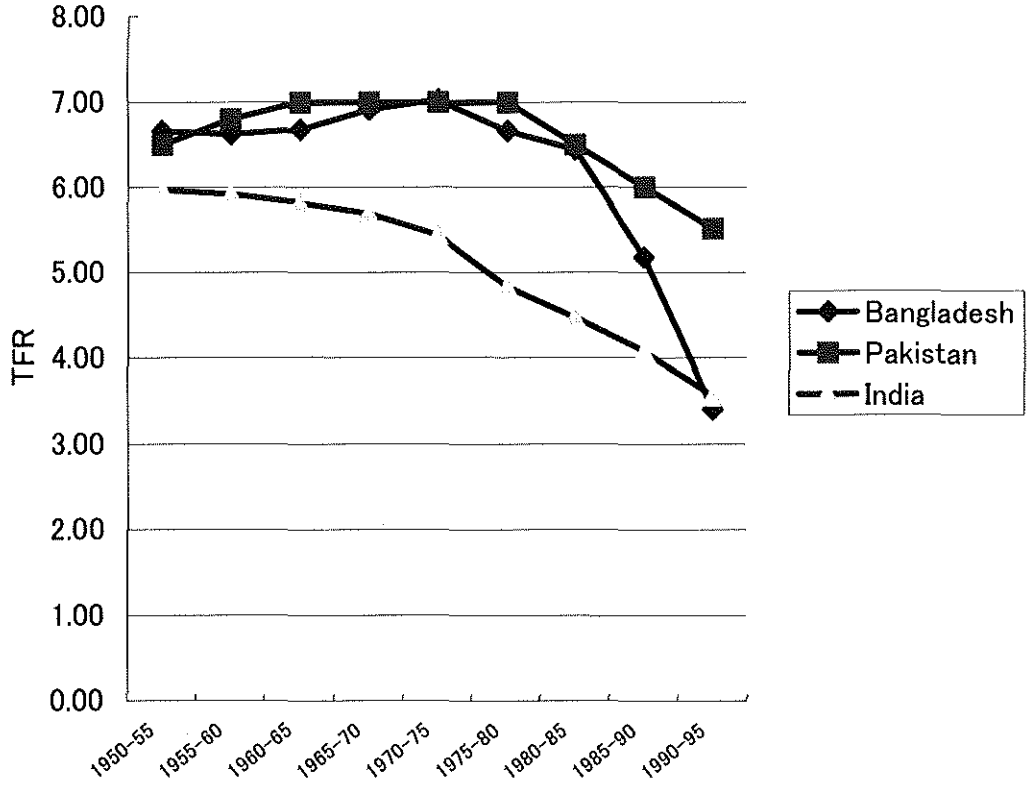
Bangladesh is in a phase of new historic experience at which it is searching for a new breakthrough from the vicious cycle of poverty. The pre-modern demographic pattern of high fertility and high mortality aggravated by natural disasters and unstable political situation amplified the vicious cycle of poverty in Bangladesh. However, the fact that Bangladesh is ahead of Pakistan and India in realising low fertility/declining death rate gives rise to a hope that the country may realise a pattern of demographic transition that could overcome the vicious cycle of poverty by the early periods of the 21st Century. Much is expected from Japan in offering assistance in the area of demographic transition without being bound by tradition and custom.

Figure 1-1 Changes of Vital Statistics of Bangladesh



Source: United Nations: *World Population Prospects The 1998 Revision Volume 1: Comprehensive Tables, 1999*

Figure 1-2 Trends of total fertility rate in the three heavily populated countries of South Asia --Bangladesh, India and Pakistan--



Source: United Nations: *World Population Prospects The 1998 Revision Volume 1: Comprehensive Tables, 1999*

Chapter 2

General Outline

1. Land, Topography and Climate

Bangladesh, formally called People's Republic of Bangladesh, is an Islamic nation located in South Asia. The name means "a country of Bengali-speaking people." The Bengali-speaking population is distributed throughout the present-day Bangladesh and an Indian state of West Bengal, which together formed a single administrative district during the British India period as the State of Bengal. This Bengal-speaking region broke up into Bangladesh (predominantly Muslim) and West Bengal (predominantly Hindu).

Bangladesh has a total land area of 147,570 km^2, which is about twice the size of Hokkaido in Japan, and is located between 20 degrees 34 minutes and 26 degrees 38 minutes north latitude and between 88 degrees 01 minutes to 92 degrees 41 minutes east longitude. The country faces Myanmar and India in the east, India and the Bay of Bengal in the north and the west.

Bangladesh, a country known for being prone to cyclones and floods, is mainly comprised of alluvial plain formed by deposit of sediments that were carried by huge rivers such as Ganges, Brahmaputra and Meghna. The hilly area is limited to the southeast part of the country around Chittagong. Ganges and Brahmaputra—the two rivers that formed

Bangladesh—change their names to Padma and Jamuna after entering Bangladesh. Originating from India and Tibet, these huge rivers branch into 230 tributaries and feeders after reaching Bangladesh. Bangladesh is a country that can be likened to an island floating on these huge rivers. The area classified as river totals 8,236 km^2, which means they account for more than 5% of the national land. The drainage area of these rivers experience large seasonal fluctuations with dwellings scattered throughout the flooded area when water level rises in the rainy season.

According to a 1999 estimate, Bangladesh has a total population of 128.10 million, surpassing Japan's total population in a 1999 estimate of 126.65 million to become the country with eighth largest population in the world. Bangladesh's population density of 868 persons/km^2 is highest in the world with the exception of city-states and regions such as Singapore and Hong Kong. It is startling that this level of population density is reached in an agrarian country.

From the viewpoint of natural conditions, the fact that 90% of the land is alluvial plain formed by sediments deposit from rivers has given Bangladesh large cultivable land for her land area and high agricultural productivity per unit area. Climate-wise, Bangladesh belongs to tropical and subtropical climate. These conditions were the major factors behind the birth of productive land referred to by the poet Tagore as "Golden Bengal", a land capable of supporting such large population. However, this once fertile land of Bangladesh could not support the rapid population increase that took place in the present century and has become an enormous burden for the country.

2. History

Bangladesh is a young country that gained independence on December 16, 1971, which means the country has less than 30 years of history as an independent state. However, the oldest record about the region dates back to the 9th Century B.C. Indian epic Mahabharata. Buddhism enjoyed extensive protection by King Asoka from 262 B.C. and gave prosperity to the region as a Buddhist state until Pala Dynasty was replaced by the Hindu Senas from south-Indian of in the 12th Century. Then came the Muslim rule by Mohammed Bakhtiar under the rule of the Sultanate of Delhi in 1201 that gained independence from the Sultanate of Delhi in 1342 and continued until it was annexed to the Mughal Empire in 1575.

After the founding of East Indian Company in 1600, a British trading base was built in Calcutta. The subsequent decline of Mughal Empire led to an establishment of effective British rule after the Battle of Plassey. Although numerous independence movements

emerged under the British rule, the people of this region had to wait until the India and Pakistan gained separate independence after World War II in 1947 to achieve their goal.

Tied by the bond of Islamic religion, the present-day Pakistan and Bangladesh gained independence as a detached nation of West Pakistan and East Pakistan with India in between. However, dissatisfaction grew among the people under the situation in which administration and industry were placed under the oligopolistic rule of West Pakistan, culminating in strong hostility against Jinnah's policy that prohibited use of language other than Urdu, the official language of West Pakistan. The death of students that occurred during the oppression of the movement to use Bengali as official language by West Pakistan fuelled the independence movement. The resistance against West Pakistan that possessed overwhelming military power over East Pakistan continued until the latter gained independence in December 1971.

The path that awaited Bangladesh from that point onward was not by any means flat. The period from independence until military coup d'etat in 1975 was the period of civil government centred around the Awami League in which the independence hero Mujib Rahman served as the first prime minister. The shift from parliamentary cabinet system to presidential system took place in January 1975 by the fourth constitutional amendment. However, disappointment increased among the people due to the great flood of 1974, corruption of the government, rising prices originating from misadministration, famine and deterioration of public order. The assassination of Mujib Rahman triggered a rapidly changing power struggle which included the counter coup by the Awami League faction and another coup that was launched by the military to counteract the earlier coup.

It was amidst this process that Ziaur Rahman recovered control within the military and formed the Bangladesh Nationalist Party (BNP) to realise a civilian government. However, President Ziaur Rahman was assassinated in 1981 at Chittagong. After Vice President Sattar succeeded the presidency, Army Chief General Ershad from the Ziaur Rahman (Zia) Administration staged a coup d'etat in 1982 to seize power.

The Ershad Administration continued for eight years but was forced to step down at the end of 1990 due to the pressure of democratisation movement. In February 1991, Khalida Zia, the wife of former President Ziaur Rahman, led BNP to win the general election and brought the country back to the parliamentary cabinet system for the first time in 15 years through the 12th Constitutional Amendment. This was followed by the 1996 victory by Sheik Hashina, the daughter of Mujib Rahman, who fought the general election by leading the Awami League and currently serving as the prime minister. In terms of political system, Bangladesh has been maintaining a democratic parliamentary cabinet system since 1991.

It is not difficult to imagine that this political instability and confusion that followed presented a major inhibiting factor for the development of Bangladesh. In fact, rapid decline in total fertility rate and infant mortality rate, as well as rapid improvement in average life expectancy, literacy rate and school enrolment rate have occurred since 1991.

Table 2-1 Changes since the switchover to civilian government

	1991	1996	1997	1998	unit
Total fertility rate	4.24	3.41	3.1	2.98	
Infant mortality rate (per thousand births)	92	67	60	57	‰
Average life expectancy	56.1	58.9	60.3	60.8	Years
Adult literacy rate (ages 15 and above)	35.3	44.0	51.2	51.3	%
Female literacy rate (ages 15 and above)	25.8	35.1	42.2	42.5	%
Enrolment rate (ages 5 through 24)	42.9	48.8	52.3	55.9	%

Source: BBS1999

3. Politics

(1) Administrative system

President Justice Shahabuddin Ahmed has been in office since October 9, 1996 as Bangladesh's head of state, and Sheik Hashina has been in office since July 24, 1996 as the country's administrative chief. The president is a symbolic figure whose authority is generally limited to performing acts in matters of state, although he or she will be in charge of election administration and administrative procuration during the dissolution of the parliament in accordance with the provision of the 13th constitutional amendment. The president's duties are executed by the chairman of the parliament in the event the president is unable to perform his or her duty due to trip abroad or illness.

Prime minister is the leader of the political party that commands a majority in the general election and is appointed by the president. Prime minister appoints other ministers and forms the cabinet.

(2) National Assembly (Jatiya Sangsad)

The National Assembly consists of 330 seats of which 300 are elected through small electoral system and 30 are reserved for women. The term is five years. The last election was held on June 12, 1996 and the next election is scheduled in 2001.

As for the present power relation among political parties under Speaker Mr. Humayun Rashid Chowdhury, the ruling party Awami League holds 176 seats (33.87%), BNP led by

Former Prime Minister Zia holds 113 seats (30.87%), JP (Nationalist Party) led by Ex-President Ershad holds 33 seats and other independent members together hold 7 seats.

(3) Local administration

The present governing majority Awami League won public support in the 1996 general election by appealing the strengthening of local autonomy. Bangladesh is divided into six major districts under which exist Zira (corresponding to prefectures) and Thana/Upazila (corresponding to counties) and unions (corresponding administrative villages).

Table 2-2 Administrative divisions by area

Administrative divisions	Average area (km^2)	Number (1998)
Entire country	147,570	1
Division	24,595	6
Zila (prefecture)	2,306	64
Thana/Upazila	3.01	498
Union(administrative village)	31.52	4479
Mauza	4.46	59,990
Village	1.63	86,038
Municipality	23.33	189
Ward*	4.54	1,690
Mahallah	0.64	NA.

Source: BBS 1999

* "Ward" is for urban areas only.

4. Society

Bangladesh has a population of 128.10 million (tentative figure for 1999), of which 38% is young population of ages 15 years and below. Labour population is about 56 million and unemployment rate is as high as 21.1% according to the official figure.

While Bengali-speaking Bengali people comprise the vast majority of the Bangladesh population, there are also about 250,0000 Bihari people that emigrated from an Indian state of Bihar at the time of India-Pakistan break-up. They speak Urdu which is the official language of Pakistan and worked as a tool for West Pakistan by oppressing the Bangladesh independence forces during the movement to make Bengali the official language and gain independence. There are also a little less than a million population of predominantly-Mongoloid minority groups that are living around Chittagon Hills. Since roughly 10.5% of Bengali-speaking population are Hindu, the Muslims account for 88.3% of the national population.

Despite the support from international community and efforts made by the Bangladeshi Government, Bangladesh remains as one of the poorest countries in the world with 49.67% of the population below the absolute poverty line of 2,122 Kcal in daily calorie intake.

Table 2-3 Percentage of poor population

Classification	Entire country	Rural areas	Urban areas
Absolute poverty (2122 Kcal or less)	47.53	47.11	49.67
Hardcore poverty (1805 Kcal or less)	25.06	24.62	27.27

Source: BBS 1999

Having annual expenditure of 5.8 billion dollars including 3 billion dollars for interest payment against annual revenue of 3.8 billion dollars, Bangladesh is relying on foreign aid to barely make up for her revenue deficit. Largely affected by natural disasters such as flood, drought and cyclone, agriculture—the country's major industry—is forced to go through drastic fluctuation in its output from year to year. Jute, the country's main export item, has lost considerable export competitiveness due to backwardness of its production technology. Since the amount of import is 7,524 million dollars and the amount of export is 5,172 million dollars, the country is losing 2,352 million dollars in trade balance. Bangladesh's foreign debt has reached a total of 17,100 million dollars in 1996.

The percentage of employed population by sector is 65% agriculture, 25% service and 10% mining and manufacturing, indicating that agriculture is responsible for a large portion of employment. However, Bangladesh is confronted with a severe structural employment issue owing to the difficulty agriculture is having in absorbing further employment, low proportion of manufacturing industry that would lead to labour absorption in the country's economy and the population increase rate that has declined considerably but remains at a high level.

Table 2-4 Employed population by industrial area/GDP percentage

Area	Employed population by area	GDP percentage
Agriculture	63.2	30.0
Mining and manufacturing	10.6	16.9
Service	26.2	53.1

Chapter 3

Population Growth and Structure

Bangladesh has the eighth largest population in the world and is one of the most densely populated countries in the world. As of 1998, 126 million people, a number slightly exceeding that of Japan, is living in an area of 147,570 km^2, which corresponds to about 40% of Japan's land area. Table 3-1 shows population, health and educational indicators for the four major South Asian countries from the World Bank's *World Development Report 1999/2000.* While South Asia is a region ranked at the lowest level of economic development from the viewpoint of economic and social indices, Bangladesh has the lowest income level among the four countries and has various problems that hinder economic development. Population is one of the most serious problems among them.

The level of fertility in Bangladesh started to decline from the latter half of the 1980s as total fertility rate (TFR: average number of children a woman is expected to give birth to in her lifetime) declined from the high level exceeding 6 in 1980 to 3.2 in 1997. Bangladesh has demonstrated excellent results compared to India and Pakistan whose figures during the same period declined from 5.0 to 3.3 and from 7.0 to 5.0, respectively. However, the problem is serious when seen in terms of human development indices such as health and education. For instance, the country's life expectancy at birth as of 1997 is the shortest

among the four countries at 58 years for both men and women. The figure is particularly short for women.

Table 3-1 Population, Health and Education Indices for South Asian Countries

Item	Unit	Year	Bangladesh	India	Pakistan	Sri Lanka
Total population	(million)	1998	126	980	132	19
Population density	(person/km^2)	1998	965	330	171	290
GNP per capita	(dollars)	1998	350	430	480	810
Infant and child mortality rate	(‰)	1997	104	88	136	19
Life expectancy at birth male	(years)	1997	58	62	61	71
Life expectancy at birth female	(years)	1997	58	64	63	75
Infant mortality rate	(per 1000 live births)	1980	132	115	127	34
		1997	75	71	95	14
Maternal mortality rate	(per 100,000 live births)	1990-97	850	440	340	30
Total fertility rate (TFR)		1980	6.1	5.0	7.0	3.5
		1997	3.2	3.3	5.0	2.2
Adult illiteracy rate/male	(%)	1997	50	33	45	6
(15 and above) /female	(%)	1997	73	61	75	12
Female % of labor force	(%)	1998	42	32	28	36
Child labor aged 10-14% of labor force	(%)	1980	35	21	23	4
		1998	29	13	17	2

Source : World Bank, *World Development Report 1999/2000*, 1999.

Bangladesh also has the worst maternal mortality rate of 850 per 100,000 live births.[1] Improving the difficult situation of women is a challenge Bangladesh is facing today when the importance of empowerment for women in economic development is pointed out. This chapter will discuss the present situation of population which conditions the possibility of economic development and future trend of labour market in Bangladesh from four points consisting of population growth, population structure, aspects of human development and urbanisation.

1. Population and population growth

According to the most recent census (1991), Bangladesh has a total population of 111.46 million. Total population and population growth rate between censuses are shown in Table 3-2. Population growth rate reached a high level of 2% after entering the 1950s and total population doubled over a 30-year period from 44.17 million in 1951 to 89.91 million in 1981. In the 1974 census, which was the census to be conducted after gaining independence from Pakistan in 1971, total population reached 76.40 million and increased by 35 million (an increase of a little less than 50%) by the time the next census was carried out in 1991. In 1997, total population according to government estimate reached 122.56 million, corresponding to an annual average growth rate of 1.56% from 1991, which is a slight decline from the previous level exceeding 2%.

Table 3-2 Total Population and Population Growth Rate Between Censuses

Date of census	Total population (1000 persons)	Average annual growth rate (%)	Population density (persons/km^2)
1901/3/1	28,928	—	196
1911/3/10	31,555	0.94	214
1921/3/18	33,254	0.60	225
1931/2/26	35,604	0.74	241
1941/3/1	41,997	1.70	285
1951/3/1	44,166	0.50	299
1961/2/1	55,223	2.26	374
1974/3/1	76,398	2.48	518
1981/3/5	89,912	2.35	609
1991/3/11	111,455	2.17	755
(Reference) 1997	122,564	—	831

Note: Population in 1997 is government estimate. National area is 147,570km^2

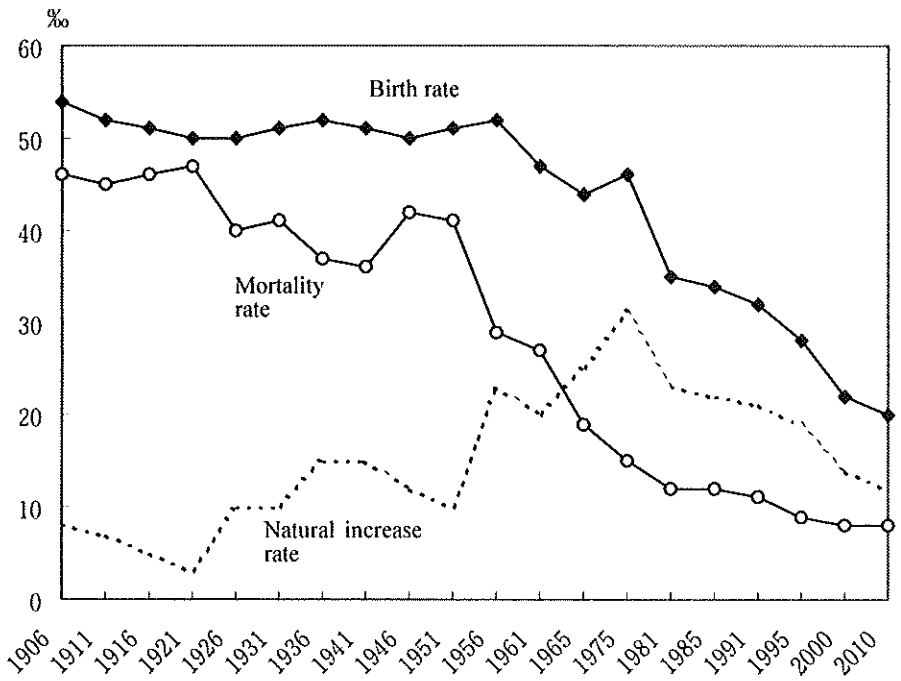
Source: Bangladesh Bureau of Statistics, *Bangladesh Population Census 1991, vol.1 Analytical Report*,1994.

Assuming that net international migration (i.e. population inflow from overseas minus outflow to overseas) can be ignored, population growth rate is determined by natural increase rate, which is the difference between birth rate and death rate. Figure 3-1 shows the long-term changes in birth rate, death rate and natural increase rate since 1906, including future

projection up to 2010. As shown in this figure, death rate in Bangladesh declined rapidly from the high level exceeding 40‰ in the early 1950s to the 10‰ mark in the 1970s. Introduction of advanced medical and healthcare skills and medicine from the advanced Western countries contributed greatly to such rapid improvement. Meanwhile, clear decline in fertility was 25 to 30 years behind that in mortality and did not manifest until the 1980s. Birth rate still exceeded 40‰ in the mid-1970s and had to wait until the mid-1990s to fall below 30‰. As a result, natural increase rate started to rise rapidly in the latter half of 1950s and reached its peak of 30‰ in 1975. It gradually declined thereafter and fell below 20‰ in the latter half of 1990s. However, fertility decline was slower than mortality, and natural increase rate is predicted to still exceed 10‰ in 2010. These trends in fertility and mortality explain the movement of population growth rate between censuses.

An empirical law of economic development being accompanied by a shift from "high fertility - high mortality" to "high fertility - low mortality" and finally to "low fertility - low mortality" is referred to as "theory of the demographic transition". A look at changes of fertility and mortality in Bangladesh from this perspective seems to lead to a conclusion that the country has finally started making its shift from the "high fertility - low mortality" phase to the next "low fertility - low mortality" phase.

Figure 3-1 Process of Demographic Transition



Source: Ministry of Health and Family Welfare, *Population and Development Issues in Bangladesh,* 1997.

TFR declined from a high level of 6.3 in 1975 to 3.3 in 1996. The government estimates that this decline in fertility has resulted in reducing population by about 18 million compared to the level of population that the country would have if the TFR of 6.3 had continued.[2] This result is attributed to social changes such as the improvement of infant mortality rate and participation of women in gainful jobs (owing to expansion of employment for women in garment industry and electronics industry, diffusion of micro credit and others) as well as to family planning programs that were carried out through maternal and child health programs and promoted strongly by the government, NGOs and international organisations.[3] As shown in Table 3-3, implementation rate of family planning jumped from only 7.6% in 1975 to 48.7% in 1995. In addition, female mean age at marriage changed little between 1981 and 1992 (17.8 years and 18.2 years respectively) but rose to 20.0 years in 1996 (according to BBS, Survey Vital Registration 1996).

Table 3-3 Status of Family Planning Implementation (married women aged 10-49)

(%)

	1975	1983	1985	1989	1991	1993	1994	1995
Percentage of implementers	7.6	19.1	25.3	30.8	39.9	44.6	46.3	48.7
Modern method	5.0	13.8	18.4	23.2	31.2	36.2	39.3	42.3
Pills	2.7	3.3	5.1	9.6	13.9	17.4	23.5	27.3
IUD	0.5	1.2	1.8	1.2	1.2	1.1	0.6	0.6
Sterilization (male)	0.5	1.0	1.4	1.4	1.8	2.2	1.6	1.5
Sterilization (female)	0.6	6.2	7.9	8.5	9.1	8.1	4.7	5.4
Injection	0.0	0.2	0.5	0.6	2.6	4.5	3.8	4.2
Condom	0.7	1.5	1.8	1.8	2.5	3.0	4.8	3.3
Others	0.0	0.3	0.2	0.1	0.0	0.0	—	—
Traditional method	2.7	5.4	6.9	7.6	8.7	8.4	6.9	6.4

Source: Bangladesh Bureau of Statistics, *Population, Health, Social and Household Environment Statistics,* 1996, September 1997, Table 1.

However, the TFR level of 3.3 is by no means low and if this fertility level should continue, the population will increase to 1.2 billion, which is same as the present level of China, by 2091. Before reaching this size, the number of supporting persons per hectare of cultivated land will increase by 8 persons from the present level and reach 19 persons by 2020.[4] For this reason, the government set the target in the current Fifth 5-Year Plan of raising the family planning implementation rate to 68% by 2005, lowering TFR to the replacement level (2.2) and achieving stable population by 2045. At any rate, everyone agrees that the greatest challenge for the future of Bangladesh is how to reduce the high

population pressure on food production, labour market and various public services such as education, healthcare and housing.

2. Population structure

An important feature of the age structure of population in Bangladesh is that the population in the younger age groups constitutes a considerably high proportion of the total population. It is the result of high level of fertility that has lasted up to now. This feature brings the economy various difficult challenges.

Age structure of population is shown in Table 3-4. The percentage of young population aged below 15 years peaked in the mid-1970s and has been gradually decreasing thereafter, although it still accounted for 41.4% in 1995. The percentage of this age group is predicted to drop to 32.2% by 2010. However, the proportion of this young population being so high has serious socio-economic implications: it increases the dependency ratio, require resource allocation to various public services including MCH, nutrition and education to come at the expense of allocation of resources in areas needed for economic development.

The dependency ratio which is the percentage of young population aged below 15 years and elderly population aged 60 years and above to productive-age population aged 15 to 59 years,[5] indicates the number of persons that each population engaged in productive activities must support. Mainly due to the large size of young population, the dependency ratio in Bangladesh has exceeded 1 as of the most recent census conducted in 1991. This means that each labourer must support two or more people including him/herself.[6]

Table 3-4 Changes in Demographic Structure (3 age groups)

	1961	1974	1981	1991	1995	2000	2010
Population (1000 persons)							
Total	55,223	76,398	89,912	111,455	119,730	129,243	146,382
0～14	25,461	36,738	41,914	50,529	49,570	46,398	47,135
15～59	26,880	35,324	42,886	54,881	62,860	72,893	85,926
60 and above	2,882	4,336	5,112	6,045	7,300	9,952	13,321
Percent 05 total population (%)							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0～14	46.1	48.1	46.6	45.3	41.4	35.9	32.2
15～59	48.7	46.2	47.7	49.2	52.5	56.4	58.7
60 and above	5.2	5.7	5.7	5.4	6.1	7.7	9.1
Average annual growth rate (%)							
Total	2.25	2.48	2.32	2.15	1.87	1.53	1.25
0～14	3.17	2.81	1.88	1.87	0.50	-1.32	0.16
15～59	1.31	2.08	2.77	2.46	2.44	2.96	1.64
60 and above	3.86	3.15	2.35	1.67	6.38	6.20	2.92
Age dependency ratio							
Total	1.05	1.16	1.10	1.03	0.90	0.77	0.70
Young	0.95	1.04	0.98	0.92	0.79	0.64	0.55
Elderly	0.11	0.12	0.12	0.11	0.12	0.14	0.16

Note 1: Population for 1961-1991 from census. Figures for 1995 from government estimates. Figures for 2000 and 2010 are government forecasts.
Note 2: Age dependency ratio is calculated as
Total = (Population of ages 0-14 + Population of ages 60 and above)/Population of ages 15-59)
Source: Bangladesh Ministry of Health and Family Welfare, *Population and Development-Post-ICPD Achievements and Challenges in Bangladesh,* 1999.

Table 3-5 takes a look at the population of special age groups. Children aged below 5 years increased by 8.6 million in 30 years, from 10.06 million in 1961 to 18.70 million in 1991. This age group needs various public services including MCH and vaccination. Meanwhile, the number of children aged 6 through 10 years that are eligible for primary education (classes I through V) more than doubled from 8 million in 1961 to 17.4 million in 1991. Enrolment rate of primary education was 82% in 1997 (85% for boys and 77% for girls), which means that large financial burden is inevitable just to maintain the present enrolment rate, not to mention improving it.

Worthy of note is female population in reproductive age of 15 to 49 years. Number of females in this age group increased by 2.1 times from 11.61 million in 1961 to 24.59 million

in 1991. The high fertility rate that lasted until the 1970s continues to affect the size of this age group population; it is estimated that their number will reach 32.49 million in 2000 and 38.35 million in 2010, which is 3.4 times of the level in 1961. For this reason, a decline in fertility of individual woman may not lower national average birth rate for some time. Moreover, expansion of population size for this age group will increase the government financial burden to offer family planning services.

Since productive age population, that is population aged from 15 through 59 years or 64 years, is expected to engage in productive activities of its society, societies with high proportion of this age group are generally considered to have the advantage for economic development. However, the situation becomes serious when that society is not capable of offering sufficient employment opportunities. That is, increase in productive age population signifies increase in labour supply and will generate large number of jobless and underemployed persons in the event that labour demand does not increase correspondingly. The increase rate of productive age population in Bangladesh exceeded 3% at its peak in the 1990s. Productive age population has increased by about 8 million between 1991 and 1995 and by about 10 million between 1995 and 2000, and will increase by another 13 million during the 10-year period thereafter. Providing sufficient employment opportunities for labour supply pressure that continues to expand at such rate is a very difficult task for the government. It is clear that failure to do so will exacerbate the problems such as social unrest and poverty caused by unemployment and underemployment.

Table 3-5 Changes in Population Scale of Specific Age Groups

	1961	1974	1981	1991	1995	2000	2010
Population (1000 persons)							
All ages	55,223	76,398	89,912	111,455	119,730	129,243	146,382
Children 0-4	10,063	12,904	15,333	18,695	15,800	14,734	14,784
Children 6-10	8,007	13,180	14,043	17,401	17,380	15,561	15,780
Female 15-49	11,605	15,167	18,882	24,591	28,580	32,485	38,347
Working age 15-59	26,880	35,324	42,886	54,881	62,860	72,893	85,926
Population 15-64	29,762	37,120	44,916	57,255	65,490	75,866	88,853
Percentage distribution (%)							
All ages	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Children 0-4	18.2	16.9	17.1	16.8	13.2	11.4	10.1
Children 6-10	14.5	17.3	15.6	15.6	14.5	12.0	10.8
Female 15-49	21.0	19.9	21.0	22.1	23.9	25.1	26.2
Working age 15-59	48.7	46.2	47.7	49.2	52.5	56.4	58.7
Population 15-64	53.9	48.6	50.0	51.4	54.7	58.7	60.7
Average annual growth rate (%)							
All ages	2.25	2.48	2.32	2.15	1.87	1.53	1.25
Children 0-4	4.50	1.90	2.46	1.98	-4.41	-1.40	0.03
Children 6-10		3.80	0.90	2.14	-0.03	-2.21	0.14
Female 15-49		2.14	3.12	2.64	3.94	2.56	1.66
Working age 15-59		2.08	2.77	2.46	3.56	2.96	1.64
Population 15-64		1.71	2.72	2.42	3.52	2.94	1.58

Note: Population for 1961-1991 from census. Figures for 1995 from government estimates.
Figures for 2000 and 2010 are government forecasts.
Source : Bangladesh Ministry of Health and Family Welfare, *Population and Development-Post-ICPD Achievements and Challenges in Bangladesh*, 1999.

Working age population as of 1996 is shown in Table 3-6. Working age usually starts from age 15, which is the age for completing lower secondary education. However, working age population applied by Bangladesh Bureau of Statistics (BBS) starts from age 10 to suit the country's reality. Working age population amounted to 86.40 million (44.20 million male, 42.10 million female). As there are 56 million persons in working population with will to work, i.e. labour force population, labour force participation rate is 64.8% (78.5% for men and 50.6% for women). In the labour force population, 54.50 million persons (33.70 million male, 20.80 million female) have jobs and 1.4 million persons are unemployed (0.9 million male, 0.5 million female); unemployment rate is 2.5%. Urban unemployment rate is higher at 4.5% (0.46 million) than rural unemployment rate at 2.1% (0.96 million).

In Bangladesh, underemployment is more serious problem than unemployment. According to the labour force survey conducted by BBS in 1995/96, there were 7.81 million

unpaid family workers (1.54 million male, 6.27 million female) that worked less than 15 hours a week on the survey week in addition to 1.4 million unemployed persons, 7.12 million (1.41 million male, 5.71 million female) of which live in rural areas. Unemployment rate will rise to 16.5% (7.1% for men, 31.7% for women) if these people are counted as jobless persons in a broad sense. There are also workers whose working hours fall short of 35 hours a week (4.2 million male, 14.70 million female). If these people are categorized as underemployed persons, underemployment rate will increase as high as 34.6%. If limited to women, 70.7% of employed persons are underemployed. The rural underemployment rate is 37.9% and is considerably high compared to the urban rate of 19.6%. In population aged 15 years and above, unemployed persons in a broad sense and underemployed persons together account for 39.2% of labour force population. The percentage is higher in rural areas at 42.5%, although the percentage for urban areas of 24.6%.

Table 3-6 Working Age Population (as of Jan. 1, 1996)

(million persons, %)

	Bangladesh			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total population	121.8	62.1	59.7	26.8	13.7	13.1	95.0	48.4	46.6
Working age population (ages 10 and above)	86.4	44.2	42.1	20.1	10.3	9.8	66.2	33.9	32.3
Population of ages 10-14	16.9	9.0	7.9	4.0	2.0	2.0	12.9	6.9	6.0
Population of ages 15~64	65.8	33.2	32.6	15.5	7.9	7.6	50.3	25.3	25.0
Population of ages 65 and above	3.6	2.0	1.5	0.6	0.4	0.2	2.9	1.7	1.3
Working age population (ages 10 and above)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Population of ages 10-14	19.6	20.3	18.8	19.9	19.4	20.4	19.5	20.4	18.6
Population of ages 15~64	76.2	75.1	77.6	77.1	76.7	77.5	76.1	74.6	77.4
Population of ages 65 and above	4.2	4.5	3.6	3.0	3.9	2.1	4.4	5.0	4.0
Working age population (ages 10 and above)	86.4	44.2	42.1	20.1	10.3	9.8	66.2	33.9	32.3
Total labour force	56.0	34.7	21.3	10.2	7.4	2.8	45.8	27.3	18.5
Employed	54.5	33.7	20.8	9.7	7.0	2.7	44.9	26.7	18.2
Unemployed	1.4	0.9	0.5	0.4	0.3	0.1	1.0	0.6	0.4
Not in labour force	30.4	9.6	20.8	9.9	2.9	7.0	20.5	6.7	13.8
Working age population (ages 10 and above)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total labour force	64.8	78.5	50.6	50.7	71.8	28.6	69.2	80.5	57.3
Employment rate	(97.3)	(97.4)	(97.7)	(95.1)	(94.6)	(96.4)	(97.8)	(97.8)	(97.8)
Unemployment rate	(2.5)	(2.6)	(2.3)	(4.9)	(5.4)	(3.6)	(2.2)	(2.2)	(2.2)
Not in labour force	35.2	21.7	49.4	49.3	28.2	71.4	31.0	19.8	42.7

Source: Bangladesh Bureau of Statistics, *Report on Labour Force Survey in Bangladesh 1995-96,* December 1996.

Although "child labour", working children aged below 15 years, is prohibited in many countries, considerable number of children are working in Bangladesh as a result of poverty and poor educational institutions.[7] While many of them help their family farm work without pay, there are also cases where they work long hours in poor working conditions of the informal sector in urban areas. In the recent years, however, the number of child labour is decreasing as a whole because of the trend observed mainly in the garment industry (which is an export industry) to refrain from hiring child labour to avoid penalty from developed countries. However, it is pointed out that children that were driven away from their workplace start taking jobs in inferior conditions instead of going back to school. The measures for prohibiting child labour may worsen the situation unless the poverty issue that exists at the background of child labour is solved.

3. Present situation of human development: health and education

We have compared the health and education indices for the four South Asian countries using the World Bank' data and already confirmed that the condition in Bangladesh is most backward among them. In this section, we will take a closer look at the present situation of human development in Bangladesh in terms of health and education by using government statistics.

It is clear from the experience of various countries that accumulation of human capital is as important as that of physical capital for economic development. Existence of healthy and highly educated population realised through sufficient provision of nutrition, healthcare and education is indispensable for further advancement of economic development. From this viewpoint, Bangladesh is in difficult situation. Due to high population growth that has continued up to now, economic development has brought little income increase and failed to alleviate poverty. Providing food and offering public services for the increasing population and improving people's health and educational levels have been a heavy burden on the economy.

Table 3-7 shows the changes in health-related indices observed during the 1990s. Although life expectancy at birth had improved from 55.9 years in 1990 to 60.7 years in 1998, it is short compared to other countries.[8] Moreover, life expectancy is generally longer for women than for men but the situation is reversed in Bangladesh. To suggest the difficult position that women are placed. As of 1998, urban life expectancy is 62.5 years– 2.6 years longer than rural life expectancy. The difference between urban and rural areas has been reduced from 4.7 years in 1990 (55.5 years in rural areas and 60.2 years in urban areas). Difference between men and women has recently been increasing in urban areas. This change may reflect the fact that many migrants from rural to urban pushed by population pressure in rural areas have been absorbed by urban slums and are compelled to live in poor living environment.[9]

Infant mortality rate, which is a good index representing the sanitary condition of a country, has dropped from a high level exceeding 100 (per 1,000 live births) in the 1980s to 85 in 1993 and to 57 in 1998, even though much room is left for improvement. For reference, it was back in 1951 that infant mortality rate in Japan was 57 and the figure has dropped to 3.6 in 1998.

Maternal mortality rate, which reflects the sanitary condition as well as the position of women in a country, has improved from 4.5 (per 1,000 live births) in 1993 to 3.0 in 1998 but still remains at a high level. Furthermore, as shown in Table 3-1 using the World Bank's

data (original source is UNICEF/WHO), maternal mortality rate in Bangladesh was 8.5 in the 1990s, which is much higher than the figure in the government statistics and is the worst among the four South Asian countries as mentioned already. Urban areas are in better condition compared to rural areas for both infant mortality rate and maternal mortality rate, although the difference has narrowed slightly throughout the 1990s. It is likely that expansion of urban slums exists in the background as well.

Table 3-7 Life Expectancy, Infant Mortality Rate and Maternal Mortality Rate

(%)

	Bangladesh			Urban			Rural		
	Both sex	Male	Female	Both sex	Male	Female	Both sex	Male	Female
<Average life expectancy, years>									
1990	55.9	56.4	55.4	60.2	60.3	59.7	55.5	56.0	55.0
1995	58.7	58.9	58.0	60.9	61.4	60.7	57.9	58.0	57.8
1996	58.9	59.1	58.6	60.9	61.7	60.9	58.2	58.0	58.2
1997	60.3	60.5	59.7	62.3	62.7	62.0	59.4	59.6	59.2
1998	60.7	60.8	60.5	62.5	62.6	60.3	60.0	60.0	59.8
<Infant mortality rate, per 1000 live births>									
1993	84	86	82	61			88		
1995	71	73	70	53			78		
1996	67	68	66	50			69		
1997	60	61	59	49			69		
1998	57	58	56	41			66		
<Maternal mortality rate, per 1000 live births>									
1993	4.5			3.9			4.7		
1995	4.4			3.8			4.6		
1996	4.4			3.8			4.6		
1997	3.5			3.1			3.8		
1998	3.0			2.9			3.4		

Source: Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998,* 1999.

Table 3-8 Changes in Literacy Rate

(%)

	Bangladesh			Urban			Rural		
	Both sex	Male	Female	Both sex	Male	Female	Both sex	Male	Female
<All ages>									
1961	17.0	26.0	8.6	38.7	47.7	26.1	16.5	24.5	7.8
1974	20.2	27.6	12.2	37.7	45.3	27.9	18.5	25.7	10.8
1981	19.7	25.8	13.2	34.8	42.3	25.5	17.0	22.6	11.2
1991	24.9	30.0	19.5	40.3	46.2	33.3	21.2	25.8	16.3
<Population 15 +>									
1974	25.8	37.2	13.2	48.1	62.5	33.1	23.4	34.6	12.1
1981	29.2	39.7	18.0	48.1	58.0	34.1	25.4	35.4	15.3
1991	35.3	44.3	25.8	54.4	62.6	44.0	30.1	38.7	21.5
1997	51.2	59.4	42.2	68.2	75.4	60.0	47.1	56.1	36.2

Source: Bangladesh Bureau of Statistics, *Bangladesh Population Census 1991, vol.1 Analytical Report,* 1994.
Bangladesh Bureau of Statistics, *Women in Development Data Sheet,* 1998.

Literacy rate obtained from the census results is shown in Table 3-8. Adult literacy rate (for ages 15 years and above) rose from 26% in 1974 to 35% in 1991, but the rate for women is low at 26% as opposed to 44% for men. Although there is difference in statistical base, adult literacy rate has been significantly improved in the recent years to 43% in 1995 (51% for men, 34% for women) and to 51% in 1997. However, the gender gap continues to exist as the rate registered 59% for men and 42% for women in 1997.

Table 3-9 shows the educational level of population aged 5 years and above as of the end of 1995. On a national level, 40% of the people are receiving no education at all. The percentage is lower at a little less than 30% in urban areas and a little over 40% in rural areas, and about 12% points higher for women in both urban and rural areas. The majority of educated people do not go beyond primary education level (Class I through V) with only 6.0% of them moving on SSC (Secondary School Certificate: a certificate issued to those that have completed Class X and passed the national examination) or HSC (Higher Secondary Certificate: a certificate issued to those who have completed Class XII and passed the national examination). A large regional gap of 12.2% for urban areas and 4.2% for rural areas as well as gender gap of 8.1% for men and 3.8% for women also exists. The percentage of higher education and beyond is extremely low at 1.7%. Although the figure for primary education enrolment has seen some increase in the recent years,[10] educational level of the people as a whole continues to be low and requires considerable effort to accumulate human capital for modernisation.

Table 3-9 Educational Level of Workers Aged 15 and Above

(%)

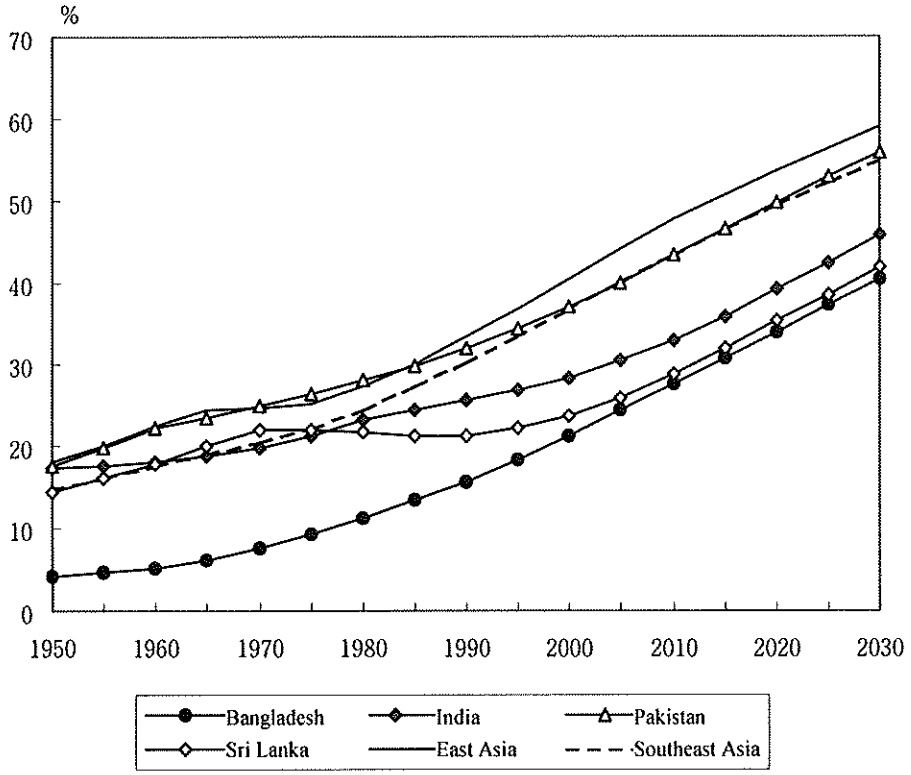
Educational level	Bangladesh			Urban			Rural		
	Both sex	Male	Female	Both sex	Male	Female	Both sex	Male	Female
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No education	40.4	34.6	46.5	27.7	21.8	33.9	44.1	38.4	50.2
Class I-V	35.7	36.8	34.6	32.6	33.2	31.9	36.6	37.8	35.4
Class VI-VIII	10.5	11.1	9.7	14.1	14.2	13.9	9.4	10.2	8.5
Class IX-X	5.7	6.7	4.7	8.3	8.6	8.3	4.9	6.2	3.6
SSC/HSC & equivalent	6.0	8.1	3.8	12.2	14.7	9.5	4.2	6.1	2.1
Degree & above	1.7	2.7	0.7	5.1	7.5	2.5	0.8	1.3	0.2

Source: Bangladesh Bureau of Statistics, *Report on Labour Force Survey in Bangladesh 1995-96,* December 1996.

4. Trend of urbanisation

Bangladesh is still an agrarian state, where agricultural accounts for about 30% of gross domestic product and about 60% of total employed persons and manufacturing accounts for less than 10% in both production and employment. About 80% of population still live in rural areas. Figure 3-2 shows the trend of urbanisation in major South Asian countries based on United Nations estimate. As of 1995, the urbanisation rate for Bangladesh remained low at 18.3%, compared to Asian average at 34.7% and South Asian average at 28.7%. However, the pressure on rural population to migrate to urban areas is recently increasing as relatively high natural increase rate in rural areas is rapidly deteriorating the land-population ratio, farmland is often suffered from natural disaster such as flood and shortage of job opportunities in rural areas is getting worse.[11]

Figure 3-2 U.N. World Urbanization Prospects



Source: U.N., *World Urbanization Prospects: The 1996 Revision,* 1998.

Table 3-10 shows the trend of urbanisation using the census results. Urban population has increased rapidly.[12] In contrast to annual growth rate of 2.2% for national average over a 10-year period from 1981 to 1991, urban population increased by 5.4%. In particular, population growth rate in the capital city of Dhaka was very high at 9.8%. As a result, urbanisation rate increased from 8.8% in 1974 to 20.2% in 1991. Population of Dhaka accounts for 30% of total urban population.

Table 3-10 Trends of Urbanisation

	Urban population (1000 persons)	Population of Dhaka (1000 persons)	Average annual increase rate (%)			Urbanisation rate (%)
			National population	Urban population	Population of Dhaka	
1901	702	129	—	—	—	2.43
1911	807	154	0.9	1.4	1.8	2.55
1921	878	169	0.6	0.9	0.9	2.64
1931	1,073	196	0.7	2.0	1.5	3.02
1941	1,537	296	1.7	3.6	4.2	3.66
1951	1,820	336	0.5	1.7	1.3	4.33
1961	2,641	557	2.3	3.8	5.2	5.19
1974	6,274	2,004	2.5	6.6	10.4	8.78
1981	13,228	3,454	2.4	10.6	8.1	15.18
1991	22,455	6,844	2.2	5.4	9.8	20.15

Definition of urbanisation was changed in the 1981 census. About 30% of increase in urban population from 1974 to 1981 can be explained by the expanded definition of urban area.

Source: BBS, *Bangladesh Population Census 1991,vol.1 Analytical Report,* 1994.
Nazrul Islam ed., *Recent Urban Studies, Bangladesh,* USP, University of Dhaka, 1998.

Urbanisation is generally a result of internal migration from rural to urban and it is thought to be a natural process with economic development in which surplus labour is gradually withdrawn from rural agricultural sector to provide needed manpower for urban industrial sector. When combined effectively, the push factor in rural areas and the pull factor in urban areas will concurrently realise economic development and urbanisation through changes in industrial structure. However, high population pressure in rural areas push labour force to urban areas even when job opportunities do not exist there. In such an event, migrants will end up in slums and squatter settlements which generally lack minimal public services such as electricity, water, drainage and health and educational services. They will find temporary employment in the urban informal sector as day labourers and hawkers. In other words, it will transfer the poverty of rural areas to the city as it is.

As far as one can see from the facts such as industrialisation ratio and increase in number of persons engaged in manufacturing sector, urbanisation in Bangladesh is not an outcome of industrialisation. It is poverty-driven caused by unsustainable rural economy. The 1991 census showed that 85% of migrants were from rural areas, among them, two out of every three persons migrated to urban areas (Table 3-11). According to the result of study conducted by Bangladesh Institute of Development Study (BIDS), most common reasons for rural-urban migration between 1961 and 1990 were "search of better jobs" and "lack of job opportunities in rural areas". The two combined accounted for a little less than 50% of all

reasons.[13] Farmers head for cities caused by increase in landless poor, expansion of underemployment and loss of land due to natural disaster such as flood. As a result, number of slums and slum dwellers are rapidly increasing in urban areas. In the latter half of the 1980s, 25% of urban residents lived in slums and there is a report predicting that slum residents will account for half of urban population by the year 2000.[14]

Table 3-11 Internal Migration Rate by Direction (1991)

	Migration rate (‰)	Duration of migration (%)			
		Total	1 to 10 years	11 to 20 years	More than 20 years
Urban⇒Rural	1.10	9.91	1.47	0.43	8.01
Rural⇒Rural	3.42	30.44	9.71	6.01	14.72
Rural⇒Urban	51.80	55.00	13.43	6.02	35.55
Urban⇒Urban	4.36	4.65	2.12	0.88	1.65
Total	60.68	100.00	26.73	13.34	59.93

Note: Results of sample census. Lifetime migration rate was 10.02%.
Source: Bangladesh Bureau of Statistics, *Bangladesh Population Census 1991, vol.1 Analytical Report*, 1994.

Changes in number and proportion of population below poverty lines are shown in Table 3-12. Definition of population below Poverty Line II is population with daily calorie intake of 1,805 kcal or less and is referred to as "hard core poverty". The proportion of population below Poverty Line II was 30.7% in urban areas and 52.2% in rural areas as of 1981/82; the rural poverty was more serious. In 1985/86, the proportion of population below Poverty Line II declined significantly to 19.0% for urban and 22.0% for rural areas but increased thereafter to about 25% for both urban and rural areas. Urban poor population has been increasing in absolute number since the latter half of the 1980s with conspicuous increase being observed from 3.8 million in 1991/92 to 5.2 million in 1995/96.

A detail investigation into situations of poverty and urban slums is needed to draw any conclusion. Nonetheless, urbanisation in Bangladesh can be summarized as "slumisation as the consequence". And it can be said that internal migration from rural to urban directly conveys poverty of rural areas to urban areas"[15].

Table 3-12 Number and proportion of population below poverty lines

	Poverty line I		Poverty line II	
	Urban	Rural	Urban	Rural
<Absolute number of poor, million persons>				
1981-82	6.4	60.9	3.0	43.1
1983-84	7.1	47.0	3.8	31.3
1985-86	7.0	44.2	2.4	19.1
1988-89	6.3	43.4	3.5	26.0
1991-92	6.8	44.8	3.8	26.5
1995-96	9.6	45.7	5.2	23.9
<Percentage of poor %>				
1981-82	66.0	73.8	30.7	52.2
1983-84	66.0	57.0	35.0	38.0
1985-86	56.0	51.0	19.0	22.0
1988-89	47.6	48.0	26.4	28.6
1991-92	46.7	47.8	26.2	28.3
1995-96	49.7	47.1	27.3	24.6

Note: Figures were estimated on the basis of direct calorie intake method.
Poverty line I = Recommended intake (2122kcal/day/person)
Poverty line II = "Hard core poverty" (1805kcal/day/person)

Source: Bangladesh Bureau of Statistics, *Statistical Pocketbook Bangladesh 1998,* 1999.
(Original data: BBS, Report of the Bangladesh Household Expenditure Survey)

Note

1. According to the statistics from the Government of Bangladesh, maternal mortality rate declined from 440 in 1996 to 300 in 1998. Based on BBS (1999)Table 3.14 (BBS, Birth Death Sample Registration).
2. Bangladesh Ministry of Health and Family Welfare (1999), p.76.
3. Bangladesh Ministry of Health and Family Welfare (1999), p.78.
4. Bangladesh Ministry of Health and Family Welfare (1999), p.189.
5. Productive age population is usually aged 15 through 64, although the government statistics in Bangladesh use aged 15 through 59 to suit the reality.
6. Incidentally, the dependency ratio of Japan for the same age group in 1998, i.e. productive age population aged 15 through 59, was 0.60, indicating the burden imposed by the dependent population in Bangladesh.
7. According to *Child Labour Survey 1995/96*, total number of children aged 5 through 14 amounted to 34.46 million (17.86 million male, 16.60 million female, 0.77 million male and female population aged 5 through 9), of which 6.58 million (3.92 million male, 2.66 million female) were counted as child labour and 6.30 million (3.77 million male, 2.53 million female) were actually working. In addition, 4.12 million, which corresponds to two-thirds of 6.30 million, are working in the agricultural sector. BBS (1999) Table 4.12.
8. According to the World Bank, life expectancy at birth as of 1997 is 62 years for men and 64 years for women in the low-income countries. World Bank (1999)
9. According to the survey conducted in 1991, infant mortality rate among the urban slum population is higher that that among rural population Infant mortality rate (per 1000 live births) is as follows (according to Bangladesh Ministry of Health and Family Welfare 1997, p170).

National average 90, Urban 68, Urban slums 134 , Rural 93

10. Primary education enrolment rate reached 81% in 1997 (male 80%, female 83%) but the figure drops to 59% when the count is limited to those attending school on a regular basis. Based on BBS-UNICEF (1998).
11. Crude birth rate (CBR) and crude death rate (CDR) for urban and rural areas in 1991, 1995 and 1998 are as follows (BBS 1999, Tables 3.10 and 3.11)

		1991	1995	1998
CBR	rural	32.9	28.5	21.4
	urban	23.9	19.4	14.0
CDR	rural	11.4	9.0	5.4
	urban	7.8	6.7	4.0

12. The definition of urban area was changed in the 1981 census and brought about an increase in urban population between 1974 and 1981
13. Based on Bangladesh Institute of Development Studies (1992).
14. Nazrul Islam (1998) p.92.
15. Refer to Abul Barkat (1997).

Bibliography

Abul Barkat (1997). "Population Distribution, Urbanisation and Internal Migration," Bangladesh Ministry of Health and Family Welfare, *Population and Development Issues in Bangladesh,* 1997.

Bangladesh Bureau of Statistics (1994). *Bangladesh Population Census 1991 , vol.1 Analytical Report.*

Bangladesh Bureau of Statistics (1996). *Report on Labour Force Survey in Bangladesh 1995-96.*

Bangladesh Bureau of Statistics (1999). *Statistical Pocketbook Bangladesh 1998.*

BBS-UNICEF(1998) ASHA *The Status of Women and Children.*

Bangladesh Institute of Development Studies (1992). *Urbanisation and Urban Poor in Bangladesh.*

Bangladesh Ministry of Health and Family Welfare (1999). *Population and Development : Post-ICPD Achievements and Challenges in Bangladesh.*

Bangladesh Ministry of Health and Family Welfare (1997). *Population and Development Issues in Bangladesh.*

Nazrul Islam ed.(1998). *Recent Urban Studies, Bangladesh,* Urban Studies Programme Department of Geography and Environment University of Dhaka.

World Bank (1999). *World Development Report 1999/2000.*

Chapter 4

Economy and Employment Situation

1. Economic situation tasks ahead

(1) Process of economic development

This chapter begins with a description of the situation of overall economy that represents a minimum requirement for understanding the employment and labour situation in Bangladesh.

Bangladesh had GNP per capita of $350 in 1998 and belongs to the group of poorest countries in the world. Changes in industrial structure has followed an unhealthy path of development in which the share of manufacturing industry showing sluggish growth at a little over 10% share and the only growth taking place in the tertiary industry and not in the manufacturing industries (Table 4-1). From the viewpoint of aggregated level of economic growth rate, however, Bangladesh economy is moving in a direction of considerable improvement in the recent years. As can be seen in Table 4-2, Bangladesh has attained economic growth rate of a little less than 4% to the end of 1980s after recovering from the severe slump of the economy that followed the independence from Pakistan in the beginning of 1970s. Attention must be given to the fact that the growth accelerated to mid-4% mark in

the first half of the 1990s and to 5 to 6% in the latter half of the 1990s, which means per capita growth rate of 3 to 4%.

Table 4-1 Changes in industrial structure (GDP share by sector)

Fiscal year	Agriculture	Manufacturing industry			Other sectors
		Large-scale	Small-scale	Total	
1950	65.2	0.6	3.3	3.9	30.9
55	63.0	1.4	3.3	4.7	32.3
61	62.6	3.0	3.4	6.4	31.0
70	55.3	6.0	2.9	8.9	35.8
75	54.6	5.8	4.7	10.5	34.9
80	49.5	6.2	4.6	10.8	39.7
85	41.7	5.3	4.6	9.9	48.4
90	38.3	5.8	4.1	9.9	51.8
95	32.8	7.4	4.0	11.4	55.8
96	32.2	7.4	3.9	11.3	56.5
97	32.4	7.2	3.9	11.1	56.5
98	31.6	7.6	3.9	11.5	56.9
99	31.5	7.4	3.8	11.2	57.3

Note 1: 1950 refers to fiscal year 1950 (July 1949 through June 1950). The same rule applies hereafter.
Note 2: The value for 1999 is tentative.
Source: 1950-90: Hossain, A., *Macroeconomic Issues and Policies: The Case of Bangladesh,* Sage Publications, 1996, p.34.
1995～98: Bangladesh Bureau of Statistics (BBS), *Statistical Pocketbook of Bangladesh 98,* 1999, p.291.
1999: Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1999* (Bengali), p.14.

Let us summarize the economic development process of Bangladesh in more concrete terms by referring to Table 4-2. Bangladesh won her independence from British colony and became a part of Pakistan in 1947. Prior to independence, the region was positioned as pure rural area (hinterland of Calcutta) that had no jute processing factories even though it was the main production area for jute. Industrialisation advanced to a certain extent during the East Pakistan period, particularly in the 1960s but the structure of dominance by West Pakistani capital was created. Namely, although the state-operated East Pakistan Industrial Development Corporation owned 34% of fixed assets in the manufacturing sector in 1970 just before the independence from Pakistan, in the private sector, the share of non-Bengali capital was 48% while Bengali capital's share was only 18% of assets. Furthermore, domination by West Pakistan took place also outside the manufacturing industry and extended to all areas of key economic sectors including finance, insurance, external and internal trade.

Table 4-2 Economic growth rate

Period	GDP growth rate	Growth rate per capita	Agriculture	Manufacturing industry			Other Sectors
				Large	Small	Total	
1950-60	2.3	-0.7	1.5	19.4	5.1	9.6	2.0
60-70	4.3	1.6	3.0	6.8	7.2	7.0	5.8
70-71	-5.5	-8.4	-4.5	-9.8	-24.0	-15.2	n.a.
71-72	-14.0	-16.6	-10.7	-46.1	-43.4	-45.2	n.a.
72-73	7.5	4.1	-0.3	63.6	72.1	65.7	n.a.
73-80	3.9	1.3	2.1	20.2	2.9	10.3	4.8
80-85	3.8	1.4	2.9	2.8	2.9	2.8	5.1
85-90	4.0	2.1	2.4	6.2	2.9	4.8	5.3
90-91	3.4	1.5	1.6	2.0	2.9	2.4	4.9
91-92	4.2	2.3	2.2	10.5	2.9	7.3	5.1
92-93	4.5	2.6	1.8	13.2	2.9	9.1	5.5
93-94	4.2	2.4	0.3	10.2	4.0	7.8	6.1
94-95	4.4	2.6	-1.0	11.2	4.2	8.6	7.1
95-96	5.4	3.6	3.7	6.0	3.9	5.3	6.5
96-97	5.9	4.1	6.4	3.3	3.9	3.5	6.1
97-98	5.7	3.9	2.9	11.0	6.8	9.5	6.5
98-99	5.2	3.4	5.0	2.2	3.0	2.5	5.9

Note: Fiscal years are same as those in Table 4-1.

Source: 1950-70: Alamgir, M., and L.J.J.B. Berlage, *Bangladesh: National Income and Expenditure 1949/50-1969/70,* Bangladesh Institute of Development Studies, 1974, pp. 167-168.
1971-73: Mitsue Osada et al., "Banguradeshu no Nogyo," Kokusai Noringyo Kyoryoku Kyokai, 1980, p.15
1973-90: BBS, *Twenty Years of National Accounting of Bangladesh 1972/73 to 1991/92,* 1993, pp. 108-109.
1990-95: BBS, *Statistical Pocket Book of Bangladesh 96,* 1997, p.274.
1995-98: BBS, *Statistical Pocketbook of Bangladesh 98,* 1999, p.292.
1998-99: BBS, *Preliminary Estimates of Gross Domestic Product, 1998-99 (Second Estimates) and Final Estimates of Gross Domestic Product, 1997-98,* 1999, p.6.

Considering such historical background, it was inevitable that the Awami League headed by Mujibur Rahman took steps to nationalise major manufacturing industries as well as banking, insurance and external trade sectors. In March 1972, there were 392 state owned manufacturing factories (which accounted for 92% of fixed assets in the manufacturing sector) that were supervised under 10 public corporations. Meanwhile, agriculture, small/cottage industry and small-scale trade sectors were left in the private while areas related to distribution of agricultural modern inputs was controlled by the government through Bangladesh Agricultural Development Corporation by succeeding the system in East Pakistan.

However, the economy fell into considerable negative growth after the managers, engineers and bureaucrats from West Pakistan that had played the central role in the economy went back home. Employment in the pubic sector increased rapidly and tax revenue dropped sharply, creating a serious fiscal deficit. The deficit in 1973 reached 16% of GDP and gave rise to serious inflation as the only choice left for the government to make up for the enormous loss resulting from the decline in capacity utilisation and inefficiency of management at state enterprises was to print more money. Inflation reached an annual rate of nearly 40% between 1972 and 1975 and seriously hit poor households in urban and rural areas. Real wages for agricultural labourers was reduced by about 20% compared to the pre-independence period and plunged by more than 50% from the 1970 level in 1974 when famine struck the nation. Real wages for employees in government agencies and state enterprises also declined considerably and diminished their morale. Real interest rate for bank savings also dropped to negative and dampened the willingness of the people to save money.

Amidst such economic turmoil, Mujibur Rahman was assassinated in August 1975 and gave birth to a de facto military regime led by Ziaur Rahman in November of the same year before being subsequently succeeded by the "civilian government" of the Bangladesh Nationalist Party (BNP). Zia turned around the socialist system and deliberately carried forward the economic liberalisation, putting an end to economic turmoil and putting the economy back on the recovery path. Thus the economy recovered to the pre-independence level (although recovery of real wages was not realised until the mid-1980s).

After the assassination of Ziaur Rahman in May 1981, Ershad seized power finally through bloodless coup that followed. Ershad remained in power for nearly 9 years, a rare phenomenon in the history of this country. Ershad took Zia's policy a step forward and hammered out numerous economic liberalisation policies including drastic privatisation of state enterprises, encouragement of private investment, promotion of direct foreign investment and promotion of export-oriented industrialisation. However, the manufacturing sector stagnated in spite of such variety of encouragement measures, as clearly indicated by the fact that the sector's share in GDP dropped from 10.8% to 9.9% in the 1980s (Table 4-1). Meanwhile, the agricultural sector (particularly the staple food, rice) performed well throughout the 1980s and played an important role of supporting the economic development. The Green Revolution technology diffused with the introduction of tubewells (mainly STW (shallow tubewell)), and accomplished the country's long-awaited dream of rice self-sufficiency at the beginning of the 1990s. It is a well-known fact that in the background of this was the deregulation and privatisation of the state monopoly system for agricultural input

supply that had been started since the end of the 1970s. Such agricultural development in the 1980s was crucial in the sense that it activated the rural economy through forward and backward linkage effects and final demand effect, and it increased the rural purchasing power and set the stage for full-scale economic development from the 1990s onward.

Macroeconomic indices for Bangladesh were extremely poor in general until the end of the 1980s. After Ershad stepped down, however, the figures were rapidly improved under the civilian government in the 1990s, i.e. the BNP government (from February 1991 to November 1995) led by Khaleda Zia (wife of the late Ziaur Rahman) and the Awami League government (from June 1996 to present) led by Hasina (eldest daughter of late Mujibur Rahman). Improvement extended to a wide range of indices and gave rise to increase in saving rate, increase in investment rate (particularly private investment), increase in government revenue, increase in government spending on the Annual Development Plan (ADP) and conspicuous decline in their degree of dependence on foreign aid, increase in export, improvement in current balance, increase in foreign currency reserves, termination of inflation and conversion of real interest rate from positive to positive (although the figures are not shown on the table), and deepening of the financial market (Table 4-3).

Table 4-3 Main macroeconomic indices (ratio against GDP)

	1973 -75	1976 -81	1983 -90	1991	1992	1993	1994	1995	1996	1997	1998	1999
GNP per capita ($)	n.a.	n.a.	n.a.	279	280	283	294	324	341	348	350	n.a.
Population growth rate (%)	2.5	2.4	2.0	1.9	1.9	1.9	1.8	1.8	1.8	n.a.	n.a.	n.a.
Gross domestic savings	-0.1	1.1	2.4	4.1	5.8	7.0	7.5	8.2	7.5	7.5	8.6	8.4
Gross domestic investment	5.5	12.7	12.9	11.5	12.1	14.3	15.4	16.6	17.0	17.3	17.8	18.5
Public investment	2.0	6.1	6.2	5.7	5.5	6.4	7.6	7.2	6.3	6.5	6.6	7.0
Private investment	3.5	6.6	6.7	5.8	6.6	7.8	7.8	9.4	10.7	10.8	11.2	11.5
Savings- Investment gap	-5.6	-12	-11	-7.4	-6.3	-7.3	-7.9	-8.4	-9.5	-9.8	-9.2	-10
Government revenue	5.1	8.3	8.5	9.6	10.9	12.0	12.2	12.1	11.9	12.2	12.1	11.9
Government expenditure	13.5	15.8	15.2	16.8	16.8	17.9	18.2	18.9	17.2	17.3	17.5	17.2
Fiscal deficit	-8.4	-7.5	-6.7	-7.2	-5.9	-5.9	-6.0	-6.8	-5.3	-5.1	-5.4	-5.3
ADP aid dependency rate (%)	n.a.	n.a.	n.a.	99.8	77.4	78.4	57.9	57.0	48.2	47.4	43.3	n.a.
Export	4.3	4.9	6.3	7.3	8.4	9.8	9.8	12.0	12.2	13.5	15.2	15.9
Import	11.2	16.6	16.8	15.0	14.8	16.8	16.2	20.2	21.6	21.8	22.1	n.a.
Trade balance	-6.9	-12	-11	-7.7	-6.4	-7.0	-6.4	-8.2	-9.4	-8.3	-6.9	n.a.
Current balance	-2.6	-5.0	-3.9	-4.2	-2.4	-2.6	-1.6	-3.7	-5.0	-1.6	-1.5	n.a.
Foreign exchange reserves ($100 million)	n.a.	n.a.	n.a.	8.8	16.1	21.2	27.7	30.7	20.4	17.2	17.4	17.4
Foreign debt ($100 million)	n.a.	n.a.	n.a.	129	132	136	154	168	152	150	159	n.a.
Debt service ratio (%)	n.a.	n.a.	n.a.	12.6	9.0	11.2	12.9	11.2	10.7	9.5	7.9	n.a.
Exchange rate (Tk/$)	n.a.	n.a.	n.a.	35.7	38.2	39.1	40.0	40.2	40.9	41.7	45.5	47.9
CPI increase rate (%)	41.9	9.5	10.1	8.9	5.1	1.4	1.8	5.2	4.1	3.9	6.4	n.a.
Real wage of industrial labourers (1970=100)	56	74	102	107	107	113	114	111	114	120	122	n.a.
Real interest rate on deposit (%)	-38	-4.7	-1.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Real interest rate on loan (%)	-31	2.0	4.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Financial deepening(M2/GNP)	15.8	15.2	24.2	30.0	31.5	33.3	35.3	36.1	35.1	36.1	36.1	34.2

Note 1: Fiscal years are same as those in Table 4-1.
Note 2: Government revenue corresponds to current revenue. Government expenditure is a total of current expenditure and development expenditure (ADP).
Source: Up to 1990: Hossain, A., *Macroeconomic Issues and Policies: The Case of Bangladesh,* Sage Publications, 1996, pp. 90-91, 94-95.
1991 onward: Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1999* (Bengali).

The Bangladeshi economy appears to have started a sort of structural change after the 1990s (or after the mid-1980s to be more accurate). A typical example of such change is the rapid rise of new manufacturing sectors such as the garment industry (and knit product industry that came slightly afterwards). There are at least three significant meanings to this. Firstly, it was a breakthrough in the sense that a promising manufacturing sector capable of leading economic development emerged for the first time amidst the situation in which the country was still suffering with her inefficient and excess state enterprises sector which, despite gradual advancement of privatisation, was markedly hindering the development of manufacturing sector. Secondly, it grew to become an exporting industry and drastically changed Bangladesh's export items that were mostly comprised of traditional products such as raw jute, jute products, tea and leather (Table 4-4). Thirdly, it offered job opportunities mainly to young women. It must be said that this fact has an extreme significance in Bangladesh society where women rarely worked outside of their homestead areas.

Table 4-4 Changes in composition of export items (%)

	Raw jute	Jute products	Leather	Tea	Frozen foods	Garment / Knit products	Others
1985	16.1	41.7	7.5	6.5	9.3	12.4	6.5
86	15.1	35.8	7.4	4.0	13.8	16.0	7.9
87	9.7	28.1	12.6	2.8	12.5	27.8	6.5
88	6.6	24.5	11.9	3.2	11.4	35.3	7.1
89	7.5	21.8	10.6	3.1	10.9	36.5	9.6
90	8.2	21.7	11.7	2.6	9.1	41.0	5.7
91	6.1	16.9	7.8	2.5	8.3	50.4	8.0
92	4.3	15.1	7.2	1.6	6.6	59.4	5.8
93	3.1	12.3	6.2	1.7	6.9	60.6	9.2
94	2.2	11.2	6.6	1.5	8.3	61.4	8.8
95	2.3	9.2	5.8	1.0	8.8	64.1	8.8
96	2.1	8.5	5.5	0.8	8.1	65.6	9.4
97	2.6	7.2	4.4	0.9	7.3	67.8	9.8
98	2.1	5.4	3.7	0.9	5.7	73.2	9.0

Note: Fiscal years are same as those in Table 4-1.

Source: Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1998,* 1998, p.126.
Ministry of finance (Gov. of Bangladesh), *Bangladesh Economic Review 1999* (Bengali), 1999, p.150.

Meanwhile, it is worthy of note that the amount of expenditure for the Annual Development Plan (ADP) has increased dramatically since 1994. Namely, according to Table 4-5, the amount of expenditure (real value with 1985 as the base year) rose sharply by more than 30% from 1993 to 1994 and its high level has been maintained ever since. The table also shows that, judging from the share of allocation on a sector basis, priority is being given on transportation/communication and education sectors in the recent years. Most

recent emphasis placed after 1997 on agricultural/rural/water resources development (particularly water resources) and electricity/natural resources is also noteworthy. At present, priority of public investment in Bangladesh is given on the infrastructure (roads, bridges, electricity and water resources) and on the human resource development (education).

Table 4-5 Amount of expenditures (actual) of Annual Development Plan (ADP) and their sector-wise share

	Amount of expenditure (100 million Tk)		Percentage by sector (%)								
	Nominal	Real	Agriculture/ Rural/Water resource	Industry	Electrification/ Natural resources	Transportation/ Communication	Regional planning/ Housing	Education	Health/ Population/ Welfare	Local government	Others
1981	236.5	347.8	33.4	11.7	15.9	22.5	6.6	4.1	5.4	—	0.4
82	239.1	310.5	32.7	11.3	21.4	18.8	6.1	3.6	5.4	—	0.7
83	268.8	331.9	31.2	9.2	21.5	18.4	4.8	3.9	5.4	—	5.6
84	300.6	319.8	31.1	7.8	23.2	9.8	5.5	4.3	5.7	10.6	2.0
85	316.8	316.8	24.4	4.5	27.3	10.7	3.6	3.9	6.7	12.8	6.1
86	342.9	312.3	20.9	15.7	27.7	8.7	3.3	3.7	4.9	5.0	10.1
87	443.9	364.2	17.1	15.7	26.0	10.8	3.1	4.5	4.5	7.7	10.6
88	415.0	316.3	19.3	10.4	23.6	13.6	4.0	5.1	5.8	9.9	8.3
89	461.5	326.4	22.0	10.4	21.3	18.4	3.5	4.5	6.3	4.4	9.2
90	571.7	385.5	25.9	7.5	17.8	16.2	5.0	4.0	6.0	5.8	11.8
91	527.0	324.9	22.9	1.8	14.2	14.1	4.4	3.3	8.7	2.8	27.8
92	602.4	356.2	21.2	2.0	17.8	16.6	5.2	5.0	6.8	5.2	20.2
93	655.0	387.1	20.7	1.1	22.7	17.0	3.6	8.1	7.4	8.2	11.2
94	898.4	509.3	17.4	1.7	21.1	23.2	3.5	10.2	7.6	7.6	7.7
95	1,030.3	536.9	18.1	1.3	17.1	23.3	4.7	14.2	8.2	4.0	9.1
96	1,001.6	493.8	16.9	1.5	17.8	23.0	4.3	13.0	6.8	n.a.	16.7
97	1,104.1	533.7	21.6	1.4	17.9	24.2	5.4	13.2	7.9	n.a.	8.4
98	1,103.7	513.5	23.3	1.0	25.2	21.0	5.0	12.2	9.6	n.a.	2.7

Note 1: Fiscal years are same as those in Table 4-1.
Note 2: Real amount of expenditure was obtained through deflating nominal one by GDP deflator (1985 price)
Source: World Bank, *Bangladesh: Managing the Adjustment Process- An Appraisal,* 1990, p.194.
World Bank, *Bangladesh: Public Expenditure Review,* 1996, p.75.
Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1999* (Bengali), 1999, p.25.

As already shown in Table 4-3, the rapid decline in foreign aid dependency rate in ADP's source of revenue is another point worthy of special mention with regard to the trends of ADP. Until very recently, Bangladesh, whose ADP had been funded almost 100% by foreign aid, was under an "abnormal" situation as the country was unable to finalise the domestic budget until the amount of aid was decided at the donor conference held every year in Paris. However, this situation was rapidly improved, supported by increase in government revenue accompanied by the introduction of value-added tax (VAT) in 1991.

Table 4-6 shows the amount of aid that has been offered to Bangladesh and its details (food aid, commodity aid, project aid). The first characteristics that can be pointed out is the fact that the amount of aid inflow in dollar terms has been declining after peaking at 1.6 billion dollars in 1990. While it is also a reflection of "aid fatigue" among developed countries, it should be regarded as more of an indication of the aforementioned positive side of Bangladeshi economy's move towards self-reliance. The reason for this lies in the fact that decline is observed in food aid and commodity aid, and that project aid, although it has passed its peak, has not entered an obvious declining phase. The second point is the clear shift in the content of aid from food aid to commodity aid, and from commodity aid to project aid. Inflow of large amount of aid to Bangladesh began with the humanitarian assistance from the entire world society that was offered in response to severe economic recession immediately after the independence from Pakistan in December 1971. Naturally, the assistance at the time mainly consisted of grant food and commodity aid. Many of the NGOs that play active roles in Bangladesh started their activities from their experience in distributing gratuitous relief goods at this period. However, in the process of the country's economic recovery and development the shift from food and commodity aid to project aid took place naturally and the grant element in the aid for Bangladesh steadily declined in the process.

Table 4-6 Aid to Bangladesh

	Amount of aid implemented ($million)	Food aid ($million)	Percentage	Commodity aid ($million)	Percentage	Project aid ($million)	Percentage
1980	1,223.1	374.7	30.6%	378.5	30.9%	469.9	38.4%
81	1,146.5	194.1	16.9%	392.5	34.2%	559.9	48.8%
82	1,239.6	230.5	18.6%	419.9	33.9%	589.2	47.5%
83	1,177.3	255.4	21.7%	452.0	38.4%	469.9	39.9%
84	1,268.4	276.4	21.8%	439.2	34.6%	552.8	43.6%
85	1,267.0	244.5	19.3%	431.6	34.1%	590.9	46.6%
86	1,305.6	202.8	15.5%	393.0	30.1%	709.8	54.4%
87	1,595.1	225.4	14.1%	402.5	25.2%	967.2	60.6%
88	1,640.4	300.5	18.3%	509.4	31.1%	830.5	50.6%
89	1,668.5	226.9	13.6%	537.7	32.2%	903.9	54.2%
90	1,809.6	187.5	10.4%	456.7	25.2%	1,165.4	64.4%
91	1,732.6	268.6	15.5%	408.1	23.6%	1,055.9	60.9%
92	1,691.2	241.2	14.3%	386.0	22.8%	1,064.0	62.9%
93	1,595.0	121.0	7.6%	372.1	23.3%	1,101.9	69.1%
94	1,558.6	117.8	7.6%	451.3	29.0%	989.5	63.5%
95	1,739.1	137.4	7.9%	332.8	19.1%	1,268.9	73.0%
96	1,443.8	138.0	9.6%	229.4	15.9%	1,076.4	74.6%
97	1,553.1	110.9	7.1%	263.1	16.9%	1,179.1	75.9%
98	1,241.4	89.2	7.2%	119.6	9.6%	1,032.6	83.2%

Note: Fiscal years are same as those in Table 4-1.
Source: World Bank, *Bangladesh: Managing Public Resources for Higher Growth,* 1991, p.185.
World Bank, *Bangladesh: From Stabilisation to Growth,* 1994, p.194.
World Bank, *Bangladesh: Key Challenges to the Next Millennium,* 1999, p.78.

In sum, the Bangladeshi economy, although gradually approaching the path of sustained growth, still has numerous structural problems that are very difficult to solve. For this reason, it is necessary to stress at the same time that its future is not necessarily optimistic.

First of all, macroeconomic indices have been improved after the 1990s but are far from being sufficient. I-S gap remains as large as ever and calls for the need to raise the 8% private saving rate still further. In addition, fiscal deficit has yet to see full improvement. As mentioned earlier, government revenue has been increasing through policy efforts including the introduction of VAT. However, a close observation reveals that the country is still largely dependent on custom duties and VAT imposed on imported goods (including relief goods) despite cutting tariff rate (from 24% in 1992 to 16% in 1998 in weighted average), and that the government has hardly been able to collect enough income tax and corporate tax (Table 4-7). Trade deficit also remains at high level, and the big issue of how to diversify the export structure that is highly dependent on garment and knit products has

also emerged. Foreign currency reserve has also been declining after peaking at 3.07 billion dollars in 1995 while inflation that had settled down after the 1990s has recurred following the steep rise in food prices after the devastating flood of 1998.

Table 4-7 Breakdown of tax revenue for the central government (%)

	Import related				Domestic related			
	Tariff	VAT	Others	Total	VAT	Income tax	Others	Total
1993	33.7	20.3	0.3	54.3	9.7	19.0	17.0	45.7
94	33.2	19.0	0.8	53.0	11.5	19.0	16.5	47.0
95	34.9	21.1	1.8	57.8	11.9	14.2	16.1	42.2
96	33.2	22.5	3.1	58.8	11.5	13.5	16.2	41.2
97	32.2	22.4	3.7	58.3	12.2	13.2	16.3	41.7
98	32.9	21.0	4.1	58.0	12.2	14.3	15.5	42.0

Note: Fiscal years are same as those in Table 4-1.
Source: World Bank, *Bangladesh: Key Challenges for the Next Millennium,* 1999, p.83.

Secondly, there remains the serious issue of state enterprises. State enterprises have been recording large amounts of loss every year especially in manufacturing and electricity industries (Table 4-8). They represent "hidden deficits" that are not included in the fiscal deficit shown at the lowermost column of this table. While the amount fluctuates largely from year to year, they accounted for 21% of fiscal deficit in 1992, 18% in 1993 and 18% in 1997 to speak for seriousness of the problem. The shifting of burden to financial institutions through inflation is the reason why the cumulative amount of bad debt incurred by state enterprises is rather small (Table 4-9).

Table 4-9 Loan and bad debt incurred by state enterprises

	1992	1993	1994	1995	1996	1997	1998
Manufacturing	-6,197	-8,760	-3,273	-2,886	-4,513	-8,198	-5,961
BJMC	-3,175	-5,734	-641	-314	-962	-2,517	-2,759
BTMC	-554	-1,447	-1,539	-1,170	-1,344	-1,633	-927
BSEC	-1,078	-1,292	-1,102	-684	-645	-1,033	-1,124
Others	-1,390	-287	9	-718	-1,562	-3,015	-1,151
Public utility	-7,878	-4,585	-4,748	-7,339	-821	-3,464	-886
BPDB	-7,482	-4,262	-3,892	-6,469	-765	-3,234	-687
DESA	-853	-1,005	-1,851	-1,985	-1,392	-1,442	-1,514
Others	457	682	995	1,115	1,336	1,212	1,315
Transportation/communication	232	897	1,059	1,339	1,438	498	550
Commerce	1,860	1,669	4,736	1,217	725	-3,829	1,162
Agriculture/fisheries	-114	-124	-131	-127	-124	-160	68
Construction	169	170	253	301	261	154	109
Service etc.	504	665	746	876	1,051	911	950
Total	-11,424	-10,068	-1,358	-6,619	-1,983	-14,088	-4,008
(Reference) Budget deficit	-53,500	-55,600	-61,500	-79,700	-74,600	-78,100	-81,400

Note 1: Fiscal years are same as those in Table 4-1.

Note 2: BJMC: Bangladesh Jute Mills Corporation, BTMC: Bangladesh Textile Mills Corporation, BSEC: Bangladesh Steel and Engineering Corporation, BPDB: Bangladesh Power Development Board, DESA: Dhaka Electric Supply Authority.

Source: Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1998,* 1998, p.113.
Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1999* (Bengali), 1999, p.137.

Table 4-9 Debts and bad debts of state enterprises (million Tk)

	Debt balance	Bad debt
Manufacturing industry	37,433	14,875
BJMC	17,307	1,897
BTMC	6,972	6,752
BSEC	8,955	5,495
Others	4,199	731
Transportation/communication	267	9
Commerce	1,004	639
Agriculture/fisheries	1,869	1
Construction	2,336	2,161
Service etc.	426	301
Total	43,335	17,986

Note: As of December 1998.
Source: Ministry of Finance (Gov. of Bangladesh), *Bangladesh Economic Review 1999* (Bengali), 1999, p.140.

Thirdly, there is the sluggish growth of foreign direct investment (FDI). The government has made due efforts to invite FDI by establishing export processing zones (EPZ) in Chittagong and Dhaka and has achieved certain degree of success. In fact, there were a total of 596 foreign affiliated firms registered in Bangladesh as of June 1996 not including those registered at EPZ, 459 (corresponding to 77% of all such firms) of which were registered from 1991 onward. In addition, 71 firms and 20 firms are registered at EPZ in Chittagong and Dhaka, respectively. According to the World Bank data, however, the ratio of FDI against GDP in 1993 was only 0.07% for Bangladesh (although it has increased dramatically from 0.01% in 1990). This is amazingly small compared not only to Malaysia (6.75%) and China (5.43%) but also to Sri Lanka (1.79%), India (1.64%), Philippines (1.41%), Indonesia (1.38%), Thailand (1.20%) and Pakistan (0.60%).[1] This is attributable to major bottleneck factors such as underdevelopment of infrastructure, low quality of labourers including educational level and frequent occurrence of general strikes (hartar) due to political instability and labour dispute.

Fourthly, there is the vulnerable growth, although it has accelerated in the recent years, of manufacturing sector that stands on an extremely narrow footing. Despite the diversification of export items, the structural problem of highly disproportionate concentration in export as ever in small number of items (with garment and knit products

accounting for 70%) has not been resolved. In addition, value added ratio is only 30% for garment (and knit products) due to high dependence on imported materials. Furthermore, since it is based on a protectionist policy of export quota that has been allocated by multilateral fibre trade agreement, there is a pressing need to increase the country's export competitiveness as the quota is gradually reduced towards its abolition in 2005.

(2) An inquiry into the constraints to economic development in Bangladesh

A regular donor consortium for Bangladesh (Bangladesh Development Forum) is held in Paris every year in April and reports for discussion at the consortium have been presented by the Bangladeshi government and the World Bank. At the consortium held on April 19 and 20, 1999, "Memorandum for Bangladesh Development Forum 1999-2000" and "Bangladesh: Key Challenges for the Next Millennium" were presented by the Bangladeshi government and the World Bank, respectively. Reading these two reports by comparing the two is interesting in that the difference in perception between the two is clearly manifested. Let us begin by comparing the table of contents.

The report prepared by the Bangladeshi government consists of the following chapters.

Chapter 1 Recent Economic Conditions and Outlook for Fiscal 2000
Chapter 2 Fiscal Management and Sector Development Plan
Chapter 3 International Balance of Payments and Foreign Aid
Chapter 4 Development Issues That Need to Be Taken Up in Particular

To explain the content of Chapter 4 in greater detail, it consists of topics such as poverty alleviation, micro-credit, human resource development, GO-NGO consultation, Chittagong Hill Tracts, women in development, environment, food security, financial sector and banking reform, good governance, private sector development and new approaches to development. However, Chapter 4 is short and abstract, and resembles a sutra. The intention of the government to make everyone happy and prudently obtain as much aid as possible while taking into account the need to be in line with the area of interest of donor countries is clear.

In contrast, the World Bank report consists of the following chapters.

Chapter 1 Implementing Good Policies
Chapter 2 Strengthening Human Development
Chapter 3 Improving Governance
Chapter 4 Facilitating Export
Chapter 5 Managing Foreign Investment
Chapter 6 Reforming the Financial System

What is noteworthy here is the fact that, with the exception of Chapter 1 at the beginning, it takes up issues outside economic proper such as human resource development and governance before going into economic proper issues from Chapter 4 onward and places emphasis on the former. While the World Bank and IMF are well known for uniformly "imposing" austere macroeconomic management and the so-called structural adjustment policy devoted exclusively to deregulation and liberalisation, the World Bank is making a clearly different proposal for Bangladesh.

The worthy of special note is the improvement of "governance" mentioned in Chapter 3. In concrete terms, the chapter makes reference to the judicial system, the police system, the tax collection system and the economic plan/budget system. Regarding the judicial system, it is understood that only 0.6% of the national current budget is allocated to judicial-related matters and that the fragile nature of the system is at the root of the major issue of the collapsing financial system resulting from chronic, unconscionable and intentional default of obligation. Under the present system, enormous amount of time and money must be invested before the court decides on a malicious defaulter taken to court by a financial institution. In addition, the corrupt nature of the police allows crimes such as murder, sexual assault, kidnapping and campus strife to take their own course in effect while "racketeering" of truck drivers by policemen is said to be hindering smooth transportation of goods and materials. As for the tax collection system, its corruption and vulnerability are hindering the collection of income tax and corporate tax. The fact that 56% of income tax is paid by only 731 persons and 55% of corporate tax is paid by only 300 companies (1.1% of 28,500 companies) goes to show that overwhelming majority of wealthy individuals and corporations with tax-bearing capacity are evading taxation through illegal means. (Comments on the economic plan/budget system will be omitted here.)

The author believes that the aforementioned understanding of issued by the World Bank, i.e. that the Bangladeshi government is far from having the semblance of a government and that it is the most important inhibiting factor of economic development, is truly relevant and will add a few more comments for the sake of amplification.

Firstly, the resolute attitude of trying to evade taxes is conspicuous among individuals and corporations. To take the example of local tax, low tax collecting capacity can be clearly seen in the method of tax collection. In Bangladesh, an administrative unit of 200,000 to 300,000 population referred to as Thana serves as the de facto terminal administrative machinery. It has its own small revenue source, mainly comprised of taxes imposed on traders that gather at public markets. Although an official tax rate for traders

has been determined, revenue agents do not have the capacity to make the collection and therefore calls for bids on the right to tax the public market every year. The local "boss" that made the successful bid can put in his pocket any amount that he collected in excess of the bidding price. Another example is a unit of 20,000 to 30,000 population under Thana known as Union. It is "an administrative machinery" comprised of a Union Chairman, 9 Members, a secretary and several security guards. It is granted with the right to collect a sort of resident tax called Union tax for running the Union, particularly for paying salary to its staff. The amount is nominal and each household is only required to pay every year an amount corresponding to a fraction of rural daily wage. However, the Union does not even have the capacity to collect the tax and hires temporary employees on a commission basis who can collect only about half of the total amount due. A chronic delay in delivery of salary exits as a result, making it impossible for Unions to raise any development budget for infrastructure improvement.[2]

There are two more points that need to be mentioned in connection with the aforementioned facts.

The first point, even though privatisation of inefficient state enterprises is inevitable, is the clear existence of "excessively small" public sector as symbolised by the population size of the aforementioned Thana/Union and their disproportionately weak administrative machinery. In the pre-war Japan and in the present-day Southeast Asian countries, administrative unit for 20,000 to 30,000 population generally hires a large number of specialised administrative staff. A system consisting of a secretary alone in the Union in Bangladesh is therefore too small. In Southeast Asian countries, Tambon in Thailand, Barangay in the Philippines and Desa in Indonesia are playing the function corresponding to the Union in Bangladesh, although their population size is only a fraction to one-tenth compared to the Union. This problem exists at the backdrop of poor performance in social sectors (including education, healthcare, family planning and public health) of Bangladesh. It is quite natural that very large number of large and small NGOs—including mega-NGOs such as BRAC that outperform even the national government—gain popularity in this country. It is also true that certain improvements in the social sector would not have been realised without the effort of these NGOs. In a way, NGOs are shouldering the responsibilities of "small and inefficient" Bangladesh government.[3] A vicious cycle in which low awareness among people regarding tax payment gave rise to weakening of public sector, which, in turn, hinders economic development from the bottom has been created. It is not that Bangladesh cannot maintain a solid public sector because of her poverty; Bangladesh is poor because she has failed to establish her public sector properly. At the pinnacle of this problem is the

relationship between the Bangladesh government and donor countries. Bangladesh government has a strong tendency to rely on unilateral benefit (assistance) without aiming to establish bilateral relationship of interdependence, which is the same attitude her people have towards the government. Although donor countries (including international financial institutions) will naturally become disgusted with such situation, they are unable to discontinue their assistance because people are caught in a "hostage" situation.

Another issue is that which exists at its extension, i.e. the issue concerning village (gram). Villages in Bangladesh have very weak character as a community. Even the private community aspects such as mutual help and cooperation among neighbours and relatives that can be widely found in the villages of Southeast Asian countries hardly exist, not to mention "autonomous villages" of Japan with the superstructure (having "public" authority beyond individual members such as legislative power, fiscal power, administrative power, judicial power and property right). People are not even willing to cooperate in voluntarily repair of the trails in their villages and depend instead on resources they occasionally receive from Unions and Thanas. Nor does Islamic religion necessarily have any cohesive power. Where else in the world is there a government that uses the wheat sent as food aid for wages to repair religious facilities? People quarrelling at the top of their voice are often seen in villages and samaj (which is the unit for ceremonial occasions) continue to split up for trivial reasons with no way to put the brake on their fragmentation. Relationship between landlords and tenants, and between rich farmers and agricultural labourers is extremely fluid, with tenants and agricultural labourers often parting in anger with landlords and rich farmers over short-term conflict of interest.[4] Although the so-called patron-client relationship does exist to some extent, it is extremely unstable and temporary.

Secondly, while the vulnerability of the public sector from the central government all the way down to villages was attributed to the lack of awareness regarding tax payment, there is also a lack of intention to honestly pay the consideration for the services received. It is manifested in the form of widespread intentional default of obligation that is paralysing the country's financial sector, non-payment by private entrepreneurs that purchased state enterprises, and chronic failure to pay public utility charges for electricity and water (the fiscal difficulty of the electricity authority in Table 4-8 has occurred as a result and an unlaughable situation of water authority being the major defaulter also exists). Moreover, there is possibly no satisfactory explanation to the situation in which the government has to pay daily allowance (sometimes in addition to exemption of tuition) to trainees taking the technical training courses offered to promote overseas employment. However, an abnormal situation exists in which such payment is not limited to technical training for overseas

migration but is found in all technical training courses offered by the government through the help of foreign aid. It is natural for aid-related specialists that stay in Bangladesh for long period to be exposed to high level of stress and very few experts leave Bangladesh with good impression of the country.

Thirdly, there exists a strong tendency for uniting to protect vested interest (or obtain it and get a slice of their take) with the knowledge of its illegality or having even lost the conscience to have such knowledge (sense of jealousy called hinsha in Bengali). The problem of "powerful" labour union that is troubling state enterprises and private enterprises alike is a plain example of such sentiment. Labour unions often demand pay raise with no regard for deterioration of business performance and resort repeatedly to general strike called hartar by tying up with political parties that share common interest. Once a hartar is declared, the traffic network of buses, trucks, private cars and trains is completely paralysed and brings economic activities to a near standstill. In addition, flow of commodities is often interrupted when longshoremen at Chittagong Harbour go into strike. According to a field study hearing, it is not rare for students at Dhaka University to break into garment factories that are "making good profit" in groups for the purpose of extortion. The corruption of policemen and tax collectors indicated by the World Bank report is merely a tip of the iceberg. It can also be pointed out that social climate of this sort is uncongenial for producing industrial (not commercial) capitalists that would actively invest in factory and equipment for long-term profit.

Fourthly, there is the serious problem of political instability. Owing to lack of forum for ironing out the interests of the ruling and opposition parties, the latter frequently resort to the tactics of hartar for the sake of obstruction. Its destructive impact is as mentioned above. Common response from intellectuals in Bangladesh to a question "What is the greatest inhibiting factor of economic development in Bangladesh?" is "political instability" and "poverty" that exists in the background of such instability. In my view, however, the causal relationship is other way around. The country is unable to escape from poverty because of the cultural and social background of unceasing political instability. This is also related to the fact that military regime existed without military rule in Bangladesh, i.e. development dictatorship was never accepted by the people.

It is easy to raise numerous factors that explain the poverty in Bangladesh. They include extremely high population density, frequent occurrence of crop damage and infrastructure destruction resulting from flood in delta, lack of natural resources with the exception of natural gas and influence of "colonial" rule by United Kingdom and Pakistan. However, as Maloney aptly argued in his book entitled "Behaviour and Poverty in

Bangladesh,"[5] these factors are secondary at best and the true cause must lie in the Bengal-Muslim behavioural pattern, which he expressed, softly in diplomatic language as "pragmatic individualism."[6] And such lack of discipline, self-control and moral is being reproduced day to day by domestic upbringing that can only be expressed as "extreme pampering." A serious problem of negligence among primary school teachers (it has been estimated that their average working hours is between one to two hours) also exists, which points to a hopeless situation of having to educate parents and teachers before children.

As far as can be seen from the World Bank report submitted to Bangladesh Development Forum in April 1999, they appear to notice (at least have started becoming aware) of these serious problems. However, there is no sign of self-awareness in the report submitted at the same time by the Bangladesh government.

Although this may be slightly superfluous, this fact may also apply to an intelligentsia at a first-class institute that seriously expected positive response from our mission regarding the future of tourism industry in Bangladesh. This is not to say that Bangladesh lacks attractive tourist resources. Rather, it is about the fact that there are hardly any accommodations and restaurants (and even foreign exchange banks) that cater to foreign tourists in local cities and that foreigners (particularly women) are stared at by locals from point-blank range. In short, there is a good reason for the Bangladesh edition of Globe Trotter series (a popular travel guidebook in Japan) not having been published. Why is Bangladesh is so lacking in ability of self-awareness to the extent that even the first-class intellectuals are not aware of such simple and plain fact? This may be a cynical way to put it, but it may not be altogether wrong to say that, in this sense, the true benefit that increase in direct investment from foreign-affiliated firms (and also the increase in number of emigrant workers) brings to the Bangladeshi society is the precious opportunity that enables the people of Bangladesh to recognize themselves in an objective manner and transform themselves in such a way that they can associate with other countries with pride as one of the members of the world community.

2. Employment and Employment Expansion Policies

(1) Employment/labour situation

Bangladesh is a country where economic development with industrialisation lagged behind. The country has unusually high population density for a region in which rural population accounts for about 80% of total population with Java in Indonesia being the only

comparable region. The room for extensive expansion of farmland was already depleted by the end of the 19th Century. The "population explosion" that started becoming apparent around the 1930s exerted additional population pressure to limited farmland and average farm size per farm household consistently declined through segmentation of farms.

As shown in Table 4-10, average farm size, which amounted to a little over 3 acres in 1960 during the East Pakistan period, was reduced to 2 acres in 1983/84 and 1.5 acres in 1996 with small farms having less than 1 acre of land accounting for nearly half of all farm households in the same year. Moreover, rural areas also have non-farm households mostly comprised of poorer people engaged in agricultural daily labour and other miscellaneous jobs that exceed these small farms in number. In 1996, there were a total of 11,823 thousand households that belonged to small farm and non-farm households and accounted for as many as 66% of 17,828 thousand rural households in total. Meanwhile, Bangladesh does not have the corresponding number of large landowners on the other end of rural poor class that are found in countries such as the Philippines and Myanmar. There are only 298 thousand households of "rich farmer" class that owns 3 hectares (7.5 acres) or more land and accounts for only 1.7% of rural households and 17.6% of cultivated area. It must therefore be said that there is no meaning in carrying out a land reform at the expense of significant political and administrative cost.

How has the structure of employment in Bangladesh changed amidst the difficult situation described above? Let us take a look at Table 4-11. The agriculture, forestry and fisheries accounted for as much as 84.7% of employed population in 1961, but the percentage dropped to 51.1% in 1996 as a result of remarkable growth in the tertiary industry including trade/hotel/restaurant (14.8%), public and private service (12.5%) and transportation/ communication/warehouse (5.7%) while manufacturing industry showed sluggish growth with its employment share of only 9.9%.

Table 4-10 Changes in rural household composition over the years

	1960	1983-84	1996
Non-farm households	299.3	377.3	603.0
Agricultural labourers		237.6	338.1
Others		139.7	264.9
Farm households (acres)	613.9	1,004.5	1,179.8
～0.49	80.3	241.7	335.6
0.50～0.99	69.0	164.4	243.7
1.00～2.49	167.7	300.5	362.9
2.50～4.99	161.5	181.3	207.8
5.00～7.49	69.8	67.0	
7.50～	65.6	49.6	29.8
Rural households total	913.2	1,381.8	1,782.8
Average farm size of farm households (acres)	3.19	2.03	1.50

Note: Unit (10,000 households)
Source: Koichi Fujita, "Noson no Atarashii Henka" (eds. Usuda, Sato Taniguchi, "Motto Shiritai Banguradeshu," Kobundo, 1993, p.216.
BBS, *Census of Agriculture 1996,* 1999.

Table 4-11 Changes in employment structure by industry

	1961		1974		1985/86		1995/96	
	Number of workers (10,000)	Percentage	Number of workers (10,000)	Percentage	Number of workers (10,000)	Percentage	Number of workers (10,000)	Percentage
Agriculture, forestry and fisheries	1,424	84.7%	1,684	78.7%	1,746	57.3%	2,061	51.1%
Manufacturing	81	4.8%	103	4.8%	302	9.9%	399	9.9%
Construction	9	0.5%	4	0.2%	65	2.1%	103	2.6%
Electricity, gas, water	1	0.1%	1	0.0%	4	0.1%	10	0.2%
Trade, hotel, restaurant	62	3.7%	84	3.9%	383	12.6%	598	14.8%
Transportation, communication, warehouse	20	1.2%	35	1.6%	132	4.3%	230	5.7%
Finance, real estate	1	0.1%	6	0.3%	37	1.2%	21	0.5%
Public/private service	77	4.6%	224	10.5%	256	8.4%	505	12.5%
Domestic etc.	7	0.4%	—	—	121	4.0%	106	2.6%
Total	1,682	100.0%	2,141	100.0%	3,046	100.0%	4,033	100.0%
Growth rate of labour force(%)	—		1.87		3.01		2.81	

Note: The percentage of women in labour force jumped after the definition of labour was changed starting from the labour force survey 1995/96. Old definition is used in this table to follow the changes over the years.
Source: Koichi Fujita, "Noson no Atarashii Henka," (ed. Masayuki Usuda et al. "Motto Shirita Banguradeshu," Kobundo, 1993, p.222
BBS, *Report of the Labour Force Survey 1995-96,* 1996, p.159.

The characteristic of Bangladesh lies in the fact that the share of labour force employed in agriculture, forestry and fisheries had already declined to a little over 50% when its GDP share is still as high as 33%, which means that "absorbing power of surplus labour" of agriculture, forestry and fisheries in Bangladesh is clearly small compared to other developing countries in Asia. To anticipate the conclusion, this is partly attributable to the manner in which statistics are taken. However, this is not sufficient to explain the matter. As will be explained in the following, labour force in agriculture, forestry and fisheries is indeed small in the case of Bangladesh.

Definition of labour force in Table 4-11 is slightly narrower. Once a broader concept of labour force[7] is adopted, total labour force increases by 35% from 40.33 million to 54.60 million as shown in Table 4-12. The majority of the increased labour force corresponds to female labour that was deemed to be engaging in agriculture, forestry and fisheries in rural households. In Bangladesh, women rarely conduct farm work other than post-harvest (such as rice husking). To be more a little more specific, the amount of time they spend on farm work is clearly small compared to other developing countries in Asia as they rarely work outside the homestead area, even though they play an important role in farm work including post harvest, kitchen garden and livestock rearing (refer to Table 4-15). A question remains as to whether they should be included in labour force. At any rate, the percentage of population employed in agriculture, forestry and fisheries increases to 63.2% and comes closer to "commonsense" figure when Table 4-12 based on a broad concept of labour force is used. However, the tendency of tertiary industry, particularly that in rural areas, being an important labour-absorbing entity instead of manufacturing industry remains unchanged.

Table 4-12 Employment status by industry (1995/96) (10,000 people)

	Whole country				Rural areas			Urban areas		
	Men	Women	Total	Percentage	Men	Women	Total	Men	Women	Total
Agriculture, forestry and fisheries	1,838	1,615	3,453	63.2%	1,748	1,521	3,269	90	94	184
Mining	2	0	2	0.0%	1	—	1	1	0	1
Manufacturing	259	150	409	7.5%	154	96	250	104	54	158
Construction	94	8	102	1.9%	66	7	72	28	2	29
Electricity, gas, water	9	1	10	0.2%	5	1	5	5	1	5
Commerce, hotel, restaurant	557	49	606	11.1%	351	35	386	206	13	220
Transportation, communication, warehouse	226	5	231	4.2%	129	3	131	98	2	99
Finance, real estate	20	2	21	0.4%	6	1	7	14	1	15
Public/private service	334	175	509	9.3%	186	99	285	149	76	224
Domestic, etc.	37	79	117	2.1%	26	52	79	11	27	38
Total	3,377	2,083	5,460	100.0%	2,672	1,814	4,486	705	269	974

Note: Estimate based on "expanded definition" with broad concept of labour force. Employed persons of ages 10 and above.
Source: BBS, *Report on Labour Force Survey in Bangladesh 1995-96,* 1996, p.122.

Let us now take a look at the above employment status by industry from various angles.

Table 4-13 Number of employed persons in public/private sectors (10,000 persons)

	Public sector			Private organised sector			Private unorganised sector		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Agriculture, forestry and fisheries	12	3	15	32	14	46	1,571	1,460	3,030
Percentage (%)	0.7%	0.2%	0.5%	2.0%	1.0%	1.5%	97.3%	98.8%	98.0%
Mining	0	—	0	1	0	1	2	—	2
Percentage (%)	9.1%	—	8.7%	22.7%	100.0%	26.1%	68.2%	—	65.2%
Manufacturing	16	1	17	115	45	159	98	89	187
Percentage (%)	6.9%	0.9%	4.7%	50.1%	33.2%	43.8%	43.0%	65.9%	51.5%
Construction	3	1	3	10	1	10	82	7	88
Percentage (%)	2.7%	8.8%	3.2%	9.8%	10.0%	9.9%	87.5%	81.3%	87.0%
Electricity, gas, water	5	0	5	1	0	2	3	1	4
Percentage (%)	53.8%	30.8%	51.5%	14.3%	15.4%	14.6%	31.9%	53.8%	34.0%
Trade, hotel, restaurant	7	4	11	96	3	99	454	42	496
Percentage (%)	1.3%	7.4%	1.7%	17.3%	5.7%	16.4%	81.4%	86.9%	81.9%
Transportation, communication, warehouse	13	1	14	18	0	19	184	3	188
Percentage (%)	5.9%	20.0%	6.2%	8.5%	4.4%	8.4%	85.6%	75.6%	85.4%
Finance, insurance	10	0	11	6	1	6	4	0	4
Percentage (%)	51.5%	26.7%	49.3%	28.6%	46.7%	30.0%	19.9%	26.7%	20.7%
Public/private service	108	22	129	70	20	91	107	125	232
Percentage (%)	37.8%	13.0%	28.6%	24.6%	12.2%	20.1%	37.5%	74.8%	51.3%
Domestic etc.	1	0	1	1	1	2	16	23	38
Percentage (%)	3.5%	1.3%	2.2%	6.9%	2.1%	4.2%	90.0%	96.6%	93.6%
Total	174	32	205	349	84	433	2,520	1,749	4,269
Percentage (%)	5.7%	1.7%	4.2%	11.5%	4.5%	8.8%	82.8%	93.8%	87.0%

Estimate based on "expanded definition" with broad concept of labour force. Ages 15 and above.
Source: BBS, *Report on Labour Force Survey in Bangladesh 1995-96,* 1996, p.127.

Firstly, Table 4-13 concerns the employment status by public sector, private organised sector and private unorganised sector. When viewed as a whole, private unorganised sector accounts for the vast majority of 87.0% against 4.2% of public sector and 8.8% of private unorganised sector. Sectors in which public sector accounts for large percentage include electricity/gas/water (51.5%), finance/insurance (49.3%) and public/private service (28.6%). The percentage held by public sector in manufacturing has dropped to 4.7%, reflecting the advancement of privatisation and increase in private factories for garment/knit products that has been growing remarkably since the mid-1980s. While it is natural for the agricultural

sector dominated by unorganised sector, the high percentage held by unorganised sector in areas such as construction, trade/hotel/restaurant and transportation/communication/ warehouse is also understandable. The large percentage of women's private unorganised sector in public/private service appears to reflect the large number of employees.

Secondly, Table 4-14 shows the employment system, i.e. the employment status by self-employment, employer, employee, unpaid family labour and daily labour. To raise a few characteristic points, self-employment accounts for overwhelming majority in trade/hotel/restaurant and transportation/communication/warehouse to indicate the existence of large number of petty traders and rickshaw pullers in these sectors. The small percentage of self-employment (24.6%) and large percentage of unpaid family labour (54.1%) and daily labour (20.3%) in agriculture points to the existence of large population in rural areas engaging in petty and miscellaneous jobs that are hired as agricultural labourer during busy farming season and engage in their own small business or work as casual construction worker during agricultural slack season. Large number of daily labourers in manufacturing industry (21.4%) is also worthy of note.

Table 4-14 Employed population by employment system (10,000 persons)

	Self-employed	Employer	Employee	Unpaid family	Day hire	Total
Agriculture, forestry and fisheries	761	3	28	1,672	627	3,091
Percentage (%)	24.6%	0.1%	0.9%	54.1%	20.3%	100.0%
Mining	0	—	1	0	1	2
Percentage (%)	8.7%	—	34.8%	8.7%	52.2%	100.0%
Manufacturing	78	2	147	60	78	363
Percentage (%)	21.5%	0.6%	39.9%	16.7%	21.4%	100.0%
Construction	15	—	5	1	80	102
Percentage (%)	14.8%	—	5.1%	1.2%	79.0%	100.0%
Electricity, gas, water	1	1	8	0	0	10
Percentage (%)	8.7%	9.7%	77.7%	1.0%	2.9%	100.0%
Trade, hotel, restaurant	458	5	62	67	13	606
Percentage (%)	75.6%	0.8%	10.3%	11.0%	2.2%	100.0%
Transportation, communication, warehouse	144	1	42	3	30	220
Percentage (%)	65.5%	0.5%	19.1%	1.4%	3.5%	100.0%
Finance, insurance	4	—	17	0	1	21
Percentage (%)	17.8%	—	77.5%	0.5%	3.8%	100.0%
Public/private service	107	1	276	25	42	451
Percentage (%)	23.6%	0.3%	61.1%	5.6%	9.4%	100.0%
Domestic etc.	13	0	2	18	7	41
Percentage (%)	32.5%	0.5%	5.1%	44.3%	17.6%	100.0%
Total	1,581	14	585	1,847	880	4,907
Percentage (%)	32.2%	0.3%	11.9%	37.6%	17.9%	100.0%

Estimate based on "expanded definition" with broad concept of labour force. Ages 15 and above.
Source: BBS, *Report on Labour Force Survey 1995-96,* 1996, p.129.

Table 4-15 Percentage of employed population by working hours

	Men			Women			Total		
	~14	15~34	35~	~14	15~34	35~	~14	15~34	35~
Agriculture, forestry and fisheries	3.5	12.8	83.7	9.9	77.7	12.4	6.6	43.8	49.6
Mining	—	9.1	90.9	—	—	100.0	—	8.7	91.3
Manufacturing	3.1	4.9	92.0	7.0	43.9	49.1	4.5	19.4	76.1
Construction	5.4	6.7	87.9	6.3	15.0	78.7	5.5	7.3	87.2
Electricity, gas, water	13.3	1.1	85.6	6.3	15.4	84.6	11.7	2.9	85.4
Trade, hotel, restaurant	2.9	10.2	86.9	13.5	44.1	42.4	3.8	12.9	83.3
Transportation, communication, warehouse	3.3	3.7	93.0	15.6	28.9	55.5	3.5	4.2	92.3
Finance, insurance	3.6	1.0	95.4	0.0	25.0	75.0	3.3	2.8	93.9
Public/private service	3.2	6.7	90.1	5.3	30.5	64.2	4.0	15.4	80.6
Domestic etc	26.0	10.4	63.6	53.8	27.5	18.7	42.1	20.5	37.4
Total	3.5	10.2	86.3	9.9	69.0	21.1	6.0	32.6	61.4

Estimate based on "expanded definition" with broad concept of labour force. Ages 15 and above.
Work hours 1 week before the survey.
Source: BBS, *Report on Labour Force Survey 1995-96,* 1996, p.133.

Thirdly, employment status by working hours is shown in Table 4-15. As is well known, it is not possible to fully reveal the reality of employment in developing countries characterised by seasonal fluctuations and multi-job structure in one-spot labour force survey because it is based on working hours one week prior to the time of survey. If we categorize those who worked 14 hours or less in a week under de facto unemployment and those who worked between 15 and 34 hours in a week under the so-called underemployment, 38.6% of employed persons fall under these categories when men and women are combined. The percentage is as high as 78.9% when confined to women (13.7% for men only). Attention must be given to the existence of a large number of people that are employed but are partially unemployed in reality. In the case of women, this is true in a wide range of industries and can be found not only in agriculture, forestry and fisheries (87.6%) but in manufacturing (50.9%), trade/hotel/restaurant (57.6%), transportation/communication/warehouse (44.5%), public/private service (35.8%) and domestic and others (81.3%). Meanwhile, industries in which the percentage is high for men include agriculture, forestry and fisheries (16.3%), electricity/gas/water (14.4%) and trade/hotel/restaurant (13.1%).

Table 4-16 Distribution of monthly income for wage/salaried workers

	~1,000	~2,000	~3,000	~4.600	4,600~	Total
Men	11.8	33.8	19.8	16.6	17.8	100.0
Women	51.6	27.0	9.3	7.4	4.7	100.0
Total	21.5	32.2	17.3	14.4	14.6	100.0

Note: Original data was weekly wage/salary and the above figures were obtained by multiplying them by four.
Exchange rate at the time of the survey was about 35 taka to a dollar.
Source: BBS, *Report on Labour Force Survey in Bangladesh 1995-96,* 1996, p.139.

Table 4-17 Distribution of monthly income for self-employed persons

	~749	~999	~1,499	~1,999	~2,999	~4,999	5,000~	Average amount (taka)
National								
Men	9.3	10.7	20.2	20.8	27.3	12.6	4.8	2,240
Women	63.7	16.4	7.2	5.2	3.5	3.6	0.5	827
Total	14.6	11.3	19.0	19.2	19.8	11.7	4.4	2,101
Rural								
Men	9.9	11.6	21.7	21.4	21.2	11.3	3.1	2,073
Women	65.0	15.9	6.1	5.4	3.4	3.6	0.5	821
Total	15.2	12.0	20.2	19.8	19.5	10.5	2.8	1,954
Urban								
Men	7.0	7.4	14.5	18.5	23.2	17.8	11.6	2,899
Women	58.5	18.3	10.6	4.3	4.3	3.7	0.3	847
Total	12.6	8.6	14.1	16.9	21.2	16.3	10.4	2,678

Estimate based on "expanded definition" with broad concept of labour force. Ages 15 and above.
Exchange rate at the time of the survey was about 35 taka to a dollar.
Source: BBS, *Report on Labour Force Survey 1995-96,* 1996, p.140.

Lastly, let us take a look at the reality of employment from the viewpoint of income. Table 4-16 shows the distribution of monthly income for full-time wage/salaried workers. More than half of women cannot earn 1,000 taka and the percentage goes up to nearly 80% when those earning less than 2,000 taka are included, indicating that they are reconciled to poor working conditions. To look at monthly income distribution of self-employed persons in Table 4-17, working condition deteriorates further with the percentage of those earning less than 1,000 taka reaching 76.8% in urban areas and 80.9% in rural areas for women, and 20.0% in urban areas and 21.5% in areas for men. In addition, one can see from Table 4-18 that the daily wage rate averages at 46 taka (1.3 dollar) for men and 26 taka (0.7 dollar) for women, which means that women earn less than 60% of what men earn. This only amounts to 1,150 taka for men and 650 taka for women per month even if they could work full 25 days and are less than the average monthly income of self-employed persons (which is

2,240 taka for men and 827 taka for women). Although the amount of income is extremely small, the existence of self-employment opportunities has significance in its own way when the fact that daily hired job opportunities for women are very limited.

Table 4-18 Distribution of daily wage rate (%)

	~20	21~30	31~40	41~50	51~60	61~70	71~80	81~	Average amount (taka)
National									
Men	13.0	16.0	21.9	26.1	11.5	3.3	3.0	5.3	46
Women	43.4	30.2	18.5	5.1	1.0	0.0	0.6	0.9	26
Total	16.6	17.7	21.5	23.5	10.3	2.9	2.7	4.8	43
Rural									
Men	11.3	18.6	23.8	27.5	11.4	2.6	2.1	3.2	44
Women	41.2	33.2	18.6	5.0	0.8	—	0.4	0.7	25
Total	14.8	19.9	23.2	24.8	10.1	2.3	1.9	2.9	41
Urban									
Men	25.1	1.4	8.3	15.9	12.3	8.1	9.0	20.0	60
Women	58.0	11.2	18.2	5.6	2.1	0.7	1.4	2.8	36
Total	29.4	2.6	9.6	14.6	11.1	7.1	8.0	17.7	57

Estimate based on "expanded definition" with broad concept of labour force. Ages 15 and above.
Exchange rate at the time of the survey was about 35 taka to a dollar
Source: BBS, *Report on Labour Force Survey 1995-96,* 1996, p.140.

Table 4-19 shows the unemployment rate by academic level (unemployment referred to here does not include de facto unemployment of 14 work hours or less referred to in Table 4-15). It is noted that unemployment rate is extremely low at 2.5% for the whole country (2.7% for men and 2.2% for women) but is higher in urban areas (4.4%) than in rural areas (2.1%). The table also reveals the fact that unemployment rate is quite high among those having relatively high academic level (particularly in rural areas and among women), reaching roughly 10% among SSC (those who received 10 years of education and passed the national examination) and HSC (those who completed additional 2-year college education and passed the national examination) qualifiers and among those with university degree and above. As will be mentioned in Section 5 of Chapter 5, they are the major source of overseas migrants from Bangladesh.

Table 4-19 Unemployment rate by academic level (%)

	Whole country			Rural areas			Urban areas		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Uneducated	0.6	0.8	0.7	0.5	0.7	0.6	1.5	1.6	1.5
Class 1～10	2.9	3.3	3.0	2.4	3.0	2.6	2.9	3.3	3.0
SSC･HSC	9.7	12.9	10.9	10.9	15.0	11.8	7.8	8.8	7.9
College graduate and above	8.4	15.2	9.2	12.7	15.4	12.7	6.0	15.3	7.3
Total	2.7	2.2	2.5	2.2	1.9	2.1	4.4	4.3	4.4

Estimate based on "expanded definition" with broad concept of labour force. Ages 15 and above.
Source: BBS, *Report on Labour Force Survey 1995-96,* 1996, p.63.

Those having attained relatively high academic level and therefore chose to remain unemployed to look for good job opportunities, not to take up jobs with poor working conditions are the reserves for overseas emigrant workers.

It must also be mentioned that NGOs (and also various donor-financed projects) are equally important labour absorbing entity as emigrant labour for highly educated unemployed persons. According to 1996/97 statistics, NGOs absorb employment for 140,000 people[8]. Although their percentage in total employed persons is insignificant, NGOs provide important employment opportunities that highly educated persons cannot ignore considering the fact that only 9.32 million persons have academic background of SSC and above (13.6% of men, 7.3% of women, 10.8% of men and women combined) among labour force of ages 10 years and higher.

(2) Employment promotion policy

Bangladesh hardly has any policy that can be called an employment promotion policy. However, it seems necessary to make some reference to micro credit that is attracting worldwide attention as a useful measure against poverty since the "success" of Grameen Bank and to micro finance as a concept including the savings aspect.

Grameen Bank has its origin in the action research project conducted by its founder, the then Professor Yunus of Chittagong University, and has rapidly expanded its influence after being officially recognised in 1983. Grameen Bank means "village bank" in Bengali and is renowned for offering loans without collateral mainly to women of landless and functionally landless households (households owning less than 0.5 acre of farmland) in an effort to promote self-employment and realising tangible alleviation of poverty as a result. It attracted worldwide attention for having achieved alleviation of poverty and WID (women in development) at the same time. As of 1996, Grameen Bank had a membership of 2.06

million while that of major NGOs such as BRAC, Proshika and ASA amounted to 1.84 million, 1.30 million and 0.57 million, respectively[9], reaching a total of 5.77 million. This means that more than 6.00 million women are under the influence of micro credit when similar programs offered by other NGOs and GOs are included. The system has very widely diffused considering the fact that there are only 9.40 million poor households that are regarded as targets in the whole rural areas (Table 4-10 above).

The basic idea supporting the activities of Grameen Bank is that "even poor households have the capacity of becoming small entrepreneurs and therefore have the potential to break away from poverty by simply offering loans at proper conditions and nothing more." BRAC, a major NGO, takes a slightly different approach and has been offering micro credit (finance) by combining it with training based on the notion that technical training must be offered in conjunction with loan. Shapla Nir, a Japanese NGO, is also offering micro credit (finance) based on the idea that loan and training are not sufficient. It therefore places emphasis on consciousness raising and promotes joint enterprises through loans to groups called samity. Thus, although considerable difference exists among NGOs and GOs that implement the program, they all share the same goal of improving economic and social status of the rural poor through promotion of self-employment. And all of such efforts seem to have attained considerable success in varying degrees.

As mentioned earlier, the condition of labour and employment surrounding the rural poor, particularly women, is extremely difficult. Rapid development of the garment industry (including knit products) has generated some 1.3 to 1.5 million jobs for young women at roughly 3,000 factories. A large number of poor women have started migrating from rural areas (including remote areas) to garment factories located in urban areas and are about to create a major socio-economic transformation, although it has not reached the point of changing the very difficult employment situation. If it is possible to seek promotion of self-employment through credit under these circumstances, the magnitude of its achievements will have to be appreciated in a proper manner.

However, a brief comment will have to be made with regard to micro credit (finance) from the viewpoint of striking a note of warning against the misunderstanding about its poverty alleviation mechanism and lack of understanding that originates from it.

First of all, micro credit is based on a major premise that the loan enables promotion of self-employed business and that repayment is made possible by labour income and/or profit generated from it. In extreme terms, however, this is a "myth." According to a study conducted by the author, a large portion of disbursed loan does not go to self-employed business. It may be used as working capital for existing business run by husbands and/or

sons but it is very rare for the woman that received the loan to launch a new self-employed business. Nor is the fund used for the purchase of livestock in any significant amount. It is often used for consumption and attention will also have to be given to on-lending. While straightforward on-lending does exist, a more common form is to lend money to landowners in return for cultivation right of farmland that would allow the farmers to continue cultivating without paying rent until the loan is repaid.[10] In a way, the creditors are using the interest on the loan to write off the land rent. It is through this system that the poor can become self-sufficient to a considerable degree on rice they consume at home.

It is natural for the aforementioned phenomenon to occur when you come to think of it. As long as self-employed business is a business offering some kind of commodity or service, its market size is naturally limited and not everyone will succeed in it. It is necessary to recognize the plain fact that successful people are more of a minority.

When such reality is taken into consideration, one cannot help but wonder how poor women can continue her weekly repayment. The key to unlocking the secret can be found by thoroughly observing who are receiving the micro credit. They are households that have regular income sources (its amount does not necessarily have to be high). In other words, loan and repayment are "disconnected"; borrowers can manage to cover their repayment with their regular income and the credit is an "advances for savings," so to speak. They can spend on anything as long as it is a saving.

To anticipate the conclusion, micro credit has achieved poverty alleviation by raising the willingness towards work and also propensity to save of the rural poor that now has the chance to break away from poverty. To give a plain example, handloom industry is widely practiced in the village studied by the author. There are several small handloom workshops in the village where handloom labourers were hired and earned piece-rate wages once a week. In the past, they would go in to town on payday with their colleagues to enjoy movie. After the wife joined the Grameen Bank, however, they stopped going into town and started working longer hours to make more money. A look at the composition of Grameen Bank member households, the participation rate of households in which the husband is handloom labourers is significantly high while that of agricultural labour households is significantly low. This is a natural result considering the abovementioned fact.

If the poverty alleviation mechanism of micro credit is as described above, its limitations are self-evident—it is not effective in villages where non-agricultural job opportunities are not well developed. Even in villages where non-agricultural job opportunities are developed, it is not effective for the poorest households (in rural Bangladesh, they are usually women headed households and households that are de facto widowed due to

illness or injury of husband). A recent study has indicated that, infrastructure development would be more effective and social welfare projects such as VGD are needed for the poorest households and that micro finance that offers means for small savings is more effective than micro credit in villages where non-agricultural job opportunities are undeveloped.

---

[1] Since it has stagnated at 310 million dollars, 230 million dollars and 320 million dollars after reaching 420 million dollars in 1993, its ratio against GDP has decreased instead of increased from 0.07%.

[2] Refer to Koichi Fujita and Keiko Itagaki, "Shokibo Noson Infra Jigyo ni Miru Gyosei to Sonraku," (ed. Hiromi Yamamoto, "Keizai Kaikakuka no Ajia Nogyo to Keizai Hatten," Asian Economic Institute, March 1998) for details on such vulnerability of local administration and the aftermentioned characteristics of village society which is indivisible with such vulnerability.

[3] According to a survey by the Government Statistics Bureau (BBS, Report on Survey of Private Non-Profit Institutions in Bangladesh 1996-97, 1999), the number of NGOs reached 1,195, generating 128,145 full-time jobs and 12,923 part-time jobs. As will be mentioned later, it is offering more job opportunities than indicated by these figures to highly educated young people. In fiscal 1994, these NGOs invested 8.41 billion taka, accounting for as much as 12.1% of ADP. Micro credits offered by NGOs will be mentioned later. For here, it will suffice to say that BRAC's non-formal primary education program owns 34,175 schools in 22,602 villages and is offering primary education to 1.10 million children in place of the government.

[4] Inefficiency of the so-called marshal over sharecropping system inevitably remains in these rural society environment. Refer to Koichi Fujita, "Banguradeshu Nogyo Hattenron Josetsu," Nogyo Sogo Kenkyujo, 1993, for details.

[5] Maloney, C., Behavior and Poverty in Bangladesh, Dhaka: University Press Limited, 1986.

[6] This conclusion is generally considered as taboo. Researchers of Bengal culture would probably regard this as outrageously arrogant and irrelevant attitude. However, the author would like to go ahead and dismiss the "cultural relativism." It is obvious that such behavioral pattern clearly exists and that it has become an inhibiting factor for economic development. What is important here is to figure out from a historical perspective how the Bengali society failed in what the author refers to as "establishment of the public sector." The author's request to Bengali historians is to identify this extremely important point instead of focusing solely on how the British colonial management nipped India's development in the bud.

[7] Those engaged in domestic economic activities such as poultry/livestock raising, hulling, dry-blowing, parboil, drying, processing and food storage in the last week at the time of the survey were included without asking about the payment.

[8] BBS, Report on Survey of Private Non-Profit Institutions in Bangladesh 1996-97, 1999, p.26

[9] Based on World Bank, Bangladesh: From Counting the Poor to Making the Poor Count, 1998, Chapter 5 NGO Programs.

[10] Refer to Koichi Fujita, "Banguradeshu Noson Hiseido Kin'yu no Shindoko---Kaisokan Kin'yu Furo no 'Gyakuten' wo Megutte," ("Nogyo Sogo Kenkyu" Vol. 49, No.3, July 1995).

Chapter 5

The System Concerning Employment and Its Operation

1. The System of Human Resource Development and Its Actual Condition

(1) Education system

Under the Hasina administration, education policy was positioned as the foundation of social development. It was given particularly high priority in the Fifth 5-Year Plan (1997-2002) with very ambitious goals including achievement of 75% literacy rate by the year 2000 and 100% literacy rate within 10 years, and enabling all children of ages 5 to 11 to receive primary education. It strongly appeals the expansion and qualitative improvement of basic science education and technical/vocational training education at all levels based on the idea that education is the foundation of social development that generates employment and leads to eradication of poverty.

The school system in Bangladesh consists of 5-year primary education that starts from age 6 in the form of general education, secondary education that has been divided into lower secondary course (LSC: 3 years), intermediate secondary course (SSC: 2 years) and high secondary course (HSC: 2 years), and 1- to 5-year higher education as well as madrashahs education based on the Islamic religion. Primary education is compulsory at present.

Madrashahs education is offered alongside general education and its student can go on to general educational institution at the higher education level.

An examination for promotion is conducted every year in Bangladesh starting with primary education, and students must remain in their present grade until he or she passes the examination. In addition, students will have to take the examination called SSC (Secondary School Certificate) after completing the secondary education that they have to pass to qualify for high school. Likewise, high school students will have to pass the preliminary test and the HSC (High School Certificate) before going on to college.

Improvement of education is being actively carried out as the number of students for every teacher in primary education was reduced from 63 in fiscal 1992/93 to 54 in fiscal 1997. Enrolment has also been improved as the rate for children of ages 6 to 10 years was improved from 82.0% in 1997 to 85.2% in 1998, with the enrolment rate of girls showing dramatic improvement in only one year from 77.1% to 82.1%. Literacy rate is also rapidly improving in response. According to 1998 BBS statistics, female literacy rate has improved from 25.8% in 1991 to 42.5% for ages 15 years and above. While there is doubt as to whether they can actually read and write fully (because those who can only write their name are included among the literate), it is a promising change for the future of human resource in Bangladesh since there is no doubt that literacy rate is improving under the same yardstick.

Table 5-1 Changes in literacy rate (ages 15 years and above)

	1991	1996	1997	1998
Total	35.3	44.0	51.2	51.3
Male	44.3	57.2	59.4	59.4
Female	25.8	35.1	42.2	42.5

However, it would not be so easy to continue and maintain the improvement of educational environment in the future. The reasons include: a) heavy burden placed on stationery and other education-related expenses amidst the situation in which 47.53% of the people are unable to take in 2,122 Kcal of food per day; b) children being important labour force not only in factories that are under the management of the Ministry of Labour and Employment but in agriculture and at home even though the activities for eradication of child labour are under way through the discussion with ILO; c) difficulty in commuting to schools from remote areas owing to shortage in number of schools (since it is practically impossible for girls to enrol in school away from home, it is giving rise to a gap in percentage of boys and girls going on to higher stage of education).

Another factor is low quality of education attributable to limited awareness about education among parents who are uneducated in many cases, problems related to curriculum,

shortage of professionally-trained teachers, and negligence of regular curriculum arising from sectionalism, attachment to vested interest and low salary among faculty.

In particular, raising the academic level women is also important from the viewpoint of restraining population growth and alleviating poverty. However, it is presumed that the difficulty of women in going out of their home due to the problem of security and a social custom called parda that blocks women from the eyes of people other than their family has become an obstacle to this.

Meanwhile, wealthier households are benefiting more from primary and secondary education in the same village. Households in the lowest 20% income bracket benefit only from 14% of public expenditure for education in rural area while those in the highest 20% income bracket benefit from 29% of such expenditure. This gap is clearly reflected in the poverty-stricken household and non-poverty-stricken household as only 40% of households in desperate poverty (those in hard core poverty and below) are receiving education as opposed to 75% of non-poverty-stricken households.[1] The gap expands further in secondary education as households in the lowest 20% income bracket benefit from only 6% of such expenditure while those in the highest 20% income bracket benefit from 35%. Such gap in learning opportunities arising out of difference in income further deprives from the rural poverty-stricken households the means to break away form poverty. Dropout rate is also high due to poor learning environment and reaches 12.9% for ages 6 through 10. It is lower for urban male students at 6.3% but reaches 16.9% for rural female students.

Table 5-2 Dropout rate

	Country	Rural areas	Urban areas
Total	12.9	15.4	6.6
Male	11.9	14.1	6.3
Female	14.1	16.9	7.0

(2) Vocational training system

Vocational training consists of those offered by the Ministry of Labour and Employment and those offered by the Ministry of Education. Vocational training by the Ministry of Labour and Employment is also currently offered based on the program formulated by the Bangladesh Technical Education Board of the Ministry of Education. There are Ministry of Education-affiliated vocational training institutes (VTI) at 51 locations

and Ministry of Labour and Employment-affiliated technology training centres (TTC) at 11 locations throughout the country that are taking on institutional vocational training.

As a result of integration of educational curriculum, it has become possible to obtain SSC from vocational training schools under the jurisdiction of the Ministry of Labour and Employment provided that the student completes a 2-year course at the Ministry of Labour and Employment vocational training school following completion of lower secondary school (LSC). Like Malaysia and Sri Lanka, Bangladesh is a country that has introduced the British school system in which the job title is determined by the acquisition of diplomas and degrees. Many have indicated that little emphasis is placed on vocational training at vocational training schools and that most time is spent on preparations for the examination. More than 80% of trainees obtain their SSC qualification and desire to go on to polytechnic institute. Moreover, a contradiction exists in that construction engineer is regarded as "dirty work" owing to vestiges of the caste system despite their large demand with few students applying for the course.

A list of organisations offering vocational training in Bangladesh is shown in the following. Generally speaking, 17) and 18) correspond to vocational training offered by the government.

Table 5-3 Vocational training organisations in Bangladesh

Institute	Number	Intake at entry point	Authority
Technical Teachers Training College	1	120	Ministry of Education
Vocational Teachers Training Institute	1	200	Ministry of Education
Polytechnics Institute	20	4400	Ministry of Education
Organisations attached to university	2	410	Private university
Polytechnics Institute/Academies/Centres	7	520	Private
Bangladesh Institute of Marine Technology	1	40	Private
Institute of Glass & Ceramics	1	80* 40**	Ministry of Education
Graphic Arts Institute	1	50	Ministry of Education
Forestry college	1	50	Ministry of Forestry
Agriculture Training Institute	11	1000	Ministry of Agriculture
Agriculture Institute/ Academies/ Centres	7	1240	Private
Textile Institutes	6	300	Ministry of Textile Industry
Bangladesh Survey Institute	1	40	Private
Engineering & Survey Institute	1	80	Local government
HSC (Business management) institutions (College/ School/ Academy)	285	11460	Private
Commercial institutes	7	560	Private
Vocational Training Institute	51	2720	Private
Technical Training Centre	11	3065	Private
Bhola Technical Training Centre (Interlife-Bangladesh)	1	40	NGO
Textile Vocational institute	28	1120	Ministry of Textile Industry
SSC (Voc) Schools/Centres	413	24780	Private/NGO
Women Career Training Institute	2	80	Private
Basic Trades (Institutions/Centres)	36	1440	Government/private/ NGO

Note: * diploma, ** SSC

Source: Bangladesh Technical Education Board 1999

Table 5-4 List of vocational training courses

No.	Course	Education period	Admission requirements
1	Diploma –in– Technical Education	1 year	Diploma –in– Engineering
2	Diploma –in– Engineering	3 years	SSC or equivalent
3	Diploma –in– Marine	3 years	SSC or equivalent
4	Diploma –in– Printing	3 years	SSC or equivalent
5	Diploma –in– Engineering (Glass & Ceramics)	3 years	SSC or equivalent
6	Diploma –in– Agriculture	3 years	SSC or equivalent
7	Diploma –in– Textile	3 years	SSC or equivalent
8	Diploma –in– Forestry	3 years	SSC or equivalent
9	Diploma –in– Survey	1 year	Final approval qualification of the survey
10	Diploma –in– Vocational Education	1 year	Approval qualification for vocational training and education
11	Certificate –in– Vocational Education	1 year	SSC with trade approval qualification
12	HSC(Business management)	2 years	SSC or equivalent
13	HSC(Vocational)	2 years	SSC (vocational training)
14	Diploma –in– commerce	2 years	SSC or equivalent
15	SSC (vocational)	2 years	8th grade
16	SSC (vocational) Textile	2 years	8th grade
17	Certificate –in– Secretarial Science	1 year	SSC or equivalent
18	Certificate –in– Leather Technology (Foot Warming)	1 year	Leather skill approval qualification Part 1
19	Certificate –in– Leather Technology (Leather Tanning)	1 year	SSC or equivalent
20	Survey Final Certificate	1 year	Aminship approval qualification
21	Aminship Certificate	1 year	SSC or equivalent
22	SSC (Vocational)/ Textile	1 year	8th grade
23	National Skill Standard Grade-II Certificate	1 year	Approval qualification for level 3 national proficiency measurement
24	National Skill Standard Grade-III Certificate	1 year	8th grade
25	National Skill Standard Grade-Basic Certificate	360 hours	Ability and read and write, preferably 8th grade
26	Training Business Typing Certificate	6 months	SSC or equivalent

Note: Aminship: elementary survey engineer
Source: Bangladesh Technical Education Board 1999

(3) Hearing surveys at vocational training schools

Hearing surveys conducted at the Ministry of Education's Vocational Training Institute and at the Ministry of Labour and Employment's Technical Training Centre are described in the following.

1) Vocational Training Institute A

Vocational Training Institute A (VTI) is the Ministry of Education's training centre located in Dhaka. The regular course offered by this vocational training centre founded in 1985 is divided into four departments, i.e. welding skill department (2 years), car mechanic skill department (2 years), cooling/freezing skill department (4 years) and radio/television skill department (2 years). LSC (lower secondary school/completion of 8th grade) diploma is needed for admission and those completing the 4-year cooling/freezing skill course will qualify for HSC while those completing other courses will qualify for SSC. School hours are from 8:00 to 14:00 and there is a 15-minute recess every hour. Its cost includes 500 taka for enrolment fee and 15 taka per month for tuition. Sixty-five percent of students are receiving 100 taka per month as scholarship. Full quota is 88 students, although the institute accepts a larger number of students in anticipation of those who turn down the admission and those who drop out. In the case of last year, all but 10 out of 150 applicants were accepted. However, a considerable number of students decline the admission for reasons including long commuting distance from their home to the institute.

The institute has 25 instructors and about 88 trainees for each year. Among them there are 8 female students currently enrolled in radio/television skill department. An examination is given every 6 months and an examination for promotion is given every year. Many of the graduate go to Middle East and Malaysia to work after obtaining their qualification. They can earn 10,000 to 30,000 taka outside the country. Instructors are required to have at least a polytechnic degree. They are recruited through newspaper advertisement and hired from the applicants directly by the government.

2) Bangladesh-German Technical Training Centre

This Technical Training Centre of the Ministry of Labour and Employment is also located in Dhaka. Three members from Japan Overseas Cooperation Volunteers (JOCV) are currently teaching at this centre. It is one of the two vocational training centres that were built in 1965 through assistance from West Germany (one in West Pakistan and one in East Pakistan). The other centre is located in Lahore, Pakistan. A total of 12 JOCV members are currently working at vocational training centres in Bangladesh. Through a memorandum signed with JOCV in 1973, Bangladeshi instructors received 10-month training at vocational training centres in various prefectures of Japan.

The purpose of the activity is to train people who cannot find jobs after graduating from school education and to offer required human resources in response to request from industrial circles. The centre offers 12 courses that mostly last for 2 years. Graduation from a 2-year

course qualifies the students for polytechnics. In addition, the centre offers special evening courses such as a 3-month computer-training course intended for those who work during the day.

2. Labour Law, Labour Policy and Labour Administration

(1)Labour law

Labour law was basically laid down based on the English Law during the British rule period. Bangladesh is currently stepping up her child labour eradication activities for children of ages 5 and below under the cooperation with ILO and the law is in conformity with the ILO Treaties.

However, the law is not necessarily explicit and orderly because of its English common law origin. In particular, it is said that various provisions concerning the labour law and the reality of the actual system are difficult to grasp. For instance, ILO received response to only 2 out of 23 requests it made in connection with provisions on labour union.

Under the present labour law, working conditions and rules are provided through accumulation of numerous laws and ordinances.

For instance, working hours, health and hygiene, safety provisions and welfare are provided by the 5 laws and ordinances consisting of:

(1)The Dock Labourers Act, 1934
(2)The Road Transport Workers Ordinance, 1961
(3)The Tea Plantation Labour Ordinance, 1962
(4)The Factories Act, 1965
(5)The Shops and Establishments Act, 1965

Acts regulating service conditions: 11 laws and ordinances including:

(6)The Railway Act, 1980
(7)The Children (pledging of labour) Act, 1938
(8)The Employment of Children Act, 1938
(9)The Weekly Holidays Act, 1942

Acts regulating wages are provided by 4 laws and ordinances including:

(18) The Payment of Wages Act, 1936
(19) The Minimum Wage Ordinance, 1961

Acts regulating social security is provided by 9 laws and ordinances including:

(22) The Fatal Accident Act, 1955

(23) The Workmen's Compensation Act, 1923

(24) The Employers Liability Act, 1939

Acts regulating industry-related regulation consist of 13 laws and ordinances including:

(31) The Industrial Relation Ordinance, 1969

(32) Industrial Statistics Acts, 1942

Labour and employment-related legal system consists of a total of 43 laws and ordinances.

Since 1992, the National Labour Law Committee reviewed the labour law for the purpose of simplifying the labour law and making amendments in line with the actual situation. At present, the new labour law is in the stage of waiting for approval by the Diet.

(2) Labour policy

It has been pointed out that the lack of clear labour policy in the Bangladeshi government is the greatest challenge for the labour policy of Bangladesh. The labour policy that has been announced by the Ministry of Labour and Employment is as follows.

"The existing labour law was declared on March 1, 1980. The basic purpose of labour law is to abide by and harmonize with the basic principle of the Constitution of the People's Republic of Bangladesh. Healthy labour relations improve the conditions for development of national economy in general by increasing productivity and betterment of conditions while raising the living standard of the people and workers. The most prominent features of labour policy is the emphasis it places on division of powers among workers, employers and administration, productivity and incentive, wages, employment and training, liaison with the industrial circles and workers' welfare."

It is certainly an abstract generalisation that hardly offers any concrete description or labour policy. Needless to say, the importance of securing employment for workers has been fully understood. However, identifying the actual content of the policy is not an easy task because of the staggering number of people that are unemployed and searching for a job. It is believed that the enormous unbalance between supply and demand brought about by oversupply of labour is making it very difficult to adopt a concrete labour policy.

Bangladesh currently has strong desire to introduce foreign capital, and has created a special immigration counter for investors at Dhaka Airport and is catering for companies that are moving into export and processing zone (EPZ).

3. Function and organisation of the Ministry of Labour and Employment

Let us take a look at the functions and organisation of the Ministry of Labour and Employment through its literature.

(1) Areas covered by the Ministry of Labour and Employment

According to information provided by the Ministry of Labour and Employment, the Ministry makes policy decisions and has overall management responsibility for organisations affiliated with the Ministry. The Ministry also plays a total of 35 functions including the following.

1) Welfare of labour including labour and non-agricultural employment.
2) Industrial unemployment and social security.
3) Trade unions, Industrial and labour disputes, labour courts, Wages Boards and Industrial Workers wages commission.
4) Labour statistics.
5) Administration of Labour Laws, and Rules made there under.
6) Labour research including compilation of labour statistics.
7) Dealing and agreements with international organisations in the field of labour and manpower.
8) International Labour Organisations (ILO)
9) Labour Conferences.
10) National policy regarding labour and industrial welfare.
11) Employees Social Security and Social Insurance laws.
12) Labour Administration and Training.
13) Administration of Essential service (Maintenance) Ordinance.
14) Administration of laws connected with safety and welfare in mines and quarries.
15) Administration of Minimum wages legislation.
16) Workers Education.
17) Discipline in Industry.
18) Constitution of Wages Boards for individual industries.
19) Regulation of working conditions of industrial workers.
20) Evaluation of the implementation of labour and industrial welfare laws and policies.

21) Social security measures.
22) Coordination of activities of other Ministry and organisations in connection with labour and industrial welfare.
23) Administration of Labour Wings in Bangladesh Missions abroad and appointment of officers and staff thereof;
24) Manpower research including compilation of manpower statistics.
25) National policy regarding manpower employment;
    (a) Resettlement and employment of demobilised personnel;
    (b) Administration of Essential personnel (Registration) Ordinance, 1948.
26) Employment (Record of service) Act. 1952.
27) National manpower problems including monitoring of overseas employment of overseas employment of all levels.
28) National council for skill Development and Training.
29) (a) Apprenticeship and implant training.
    (b) Skill training policy including standardisation testing and certification.
    (c) National Committee for skill Development and Training.

(2) Organisations of the Ministry of Labour and Employment

The Ministry of Labour and Employment is under the control of the Minister of Labour and Employment designated by the Prime Minister. In addition, one secretary is responsible for the management and operation of the Ministry. The Ministry is comprised of 20 sections that share numerous offices with each section being placed under the control of assistant secretary/senior assistant secretary. Branches are comprised of two or more sections, and five branches are placed under the supervision of one deputy secretary. In addition, two deputy chiefs who are on the same duty position as deputy secretary control two different cells (advisory cell, planning cell) for working on development plans in the Ministry. These five branches and two cells are placed under the supervision of two joint secretaries (Figure 5-1).

(3) Execution agencies of the Ministry of Labour and Employment

Under the umbrella of the Ministry of Labour and Employment are the following execution agencies.

1) Department of Labour
2) Department of Inspection for Factories and Establishment
3) Bureau of Manpower, Employment and Training (BMET)

4) Minimum Wages Board
5) Labour Appellate Tribunal and seven Labour Courts.
6) Labour attache offices attached to the Bangladesh embassies in Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, Oman, Libya, and Malaysia.
7) Plantation Employment provident Fund.

These functions and duties of the Ministry of Labour and Employment have been decided through the Cabinet decision of 1996 with the general rules of the Ministry being applied for its management. Implementing bodies are unified under the Minister of Labour and Employment, and the Secretary assumes the administrative and management responsibilities. Implementing bodies are independent from the Ministry of Labour and Employment organisations with the director of each implementing body assuming the responsibility and Secretary of Labour and Employment offering supervision. A director is at almost at the same duty position as deputy secretary at the Ministry.

Among them, the functions of BMET, which is in charge of vocational training and sending labour force to overseas will be listed in the following.

(4) Functions of the Bureau of Manpower, Employment and Training (BMET)

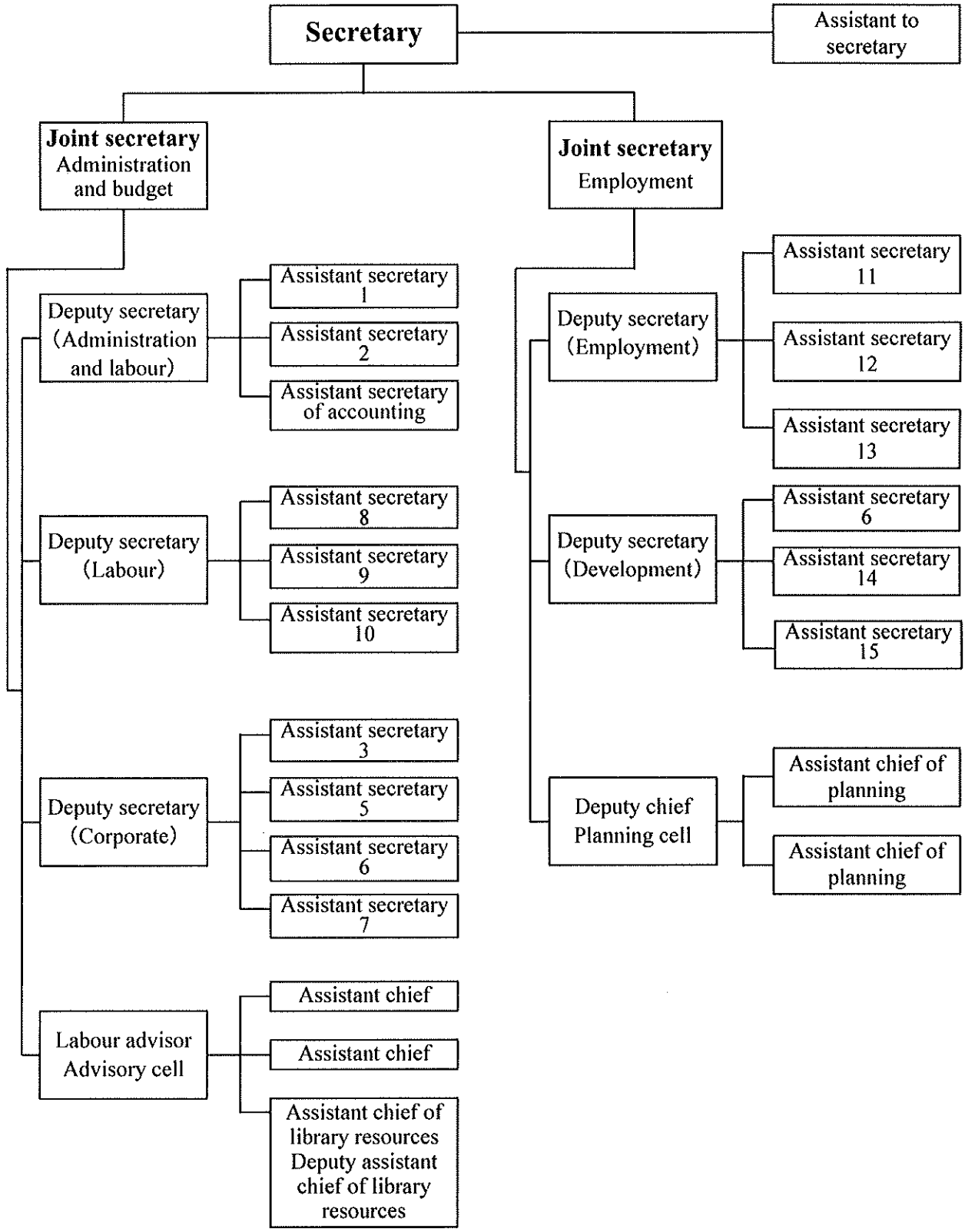
BMET plays the following functions in Bangladesh by cooperating with local and district offices.

1) To promote employment opportunities at home and abroad.
2) To protect emigrants.
3) To see to the welfare and ensure remittances of Bangladeshis serving abroad.
4) To provide vocational guidance and employment counselling.
5) To promote self employment both in rural and urban areas, through distribution of tool kits, organisation and preparation of investment schedule etc.
6) To organise apprenticeship training programmes in industries and implement the provisions of the Apprenticeship Ordinance, 1962 and the Apprenticeship Rule 1967.
7) To maintain liaison with international agencies like ILO UNDP world Band etc. regarding training and employment.
8) To plan and formulate training policies.

Overall picture of vocational training in Bangladesh is controlled by BMET.

[1] Bangladesh Human Development Report 1998, UNDP Bangladesh

Figure 5-1 Organisation chart for the Ministry of Labour and Employment



4. Social security system

Social security system of Bangladesh is a very limited one consisting of a government-controlled life insurance company (Jiban Bima Corporation) and a government-controlled comprehensive insurance company (Sddharan Bima Corporation). A private insurance company was nationalised in 1972 and led to establishment of Jiban Bima Corporation in 1973. Entry of private insurance companies was approved in 1984. This state-operated insurance company has the exact same work content as private companies and basically requires personal instalment of pension. The government is not directly involved. In many cases, the system for pension is secured by each company selecting the services offered by insurance companies and sharing the cost between labour and management. These insurance operations are supervised by the Insurance Bureau of the Ministry of Commerce. According to the provision of the existing law, state-operated insurance companies are to administer 50% of insurance business.

Institutional pension system only exists for government officials and employees of government corporations such as Jiban Bima Corporation who can select from either retirement allowance (lump-sum) or pension. If the retiring person selects retirement allowance, he or she receives an average of 300,000 taka in lump-sum payment. Pension can be received for lifetime and is paid to the spouse in the event the retired person is deceased. The amount of pension is calculated according to the base pay at time of retirement. Pension system does not exist for private enterprises except in cases where the company signs a contract with an insurance company.

A social security provision for protection of workers exists even though the social security system is very limited in scope. In the case of Bangladesh Clothing Association, for instance, 60,000 taka is paid in the event the employee of a member company of the association dies or suffers from severe mental/physical disability. The fund for this system is secured by the funds provided by the member companies of Bangladesh Garment Industry Association.

In addition, compensation is paid according to the Worker's Compensation Act to the worker of companies registered under the Companies Act or lawful heir in the event he or she dies or suffers from severe mental/physical disability on duty. The amount of compensation is 31,000 taka for severe disability and 21,000 taka for death.

In such an event, certification of disaster is brought to the labour court comprised of representatives of employers, workers, lawyers and the Ministry of Labour for deliberation. Discontentment about the results of deliberation will be brought to the appeals court. The source of this compensation is the capital deposited at the time of registering a company and

the decision of the labour court has legal force.

Compensation for damages incurred while on board certified buses is another disaster compensation system available in Bangladesh. An amount of 20,000 taka is paid in the event a person dies from an accident while riding a bus. Compensation for accidents in connection with rickshaws and small businesses that are not registered as companies is decided through discussion between the parties without any government intervention.

5. Overseas migration

(1) Outline of overseas migration

Bangladesh has a long history of overseas migration. It is said to have started around the turn of this century and the emigrants mainly went to United Kingdom in the beginning. One of the groups of such emigrant workers were the home servants that the English tea plantation owners took with them from Sylhet in the northwestern region of Bangladesh when they returned home. Another group consisted of those hired by merchant ships that connected United Kingdom and Bangladesh, and settled in United Kingdom thereafter. Outflow of emigrants continued thereafter through the so-called chain migration in which families, relatives and friends of these original emigrants migrated to United Kingdom in search of jobs.

During the Pakistan days, overseas migration expanded to United States and Australia. This, however, mainly consisted of brain drain-oriented migration in which the emigrants studied abroad under scholarship and remained in that country after graduation. Naturally, a considerable number of work force also migrated to West Pakistan. In particular, many Bangladeshi natives were hired by the service sector including cooks and waiters at hotels and restaurants in Karachi. Emigrant workers of the Chittagong region also started migrating to the Middle East from the early 1960's.

However, emigrant workers up to that time remained at a small level of less than 5,000 persons per year, and most of them did not return to Bangladesh. Therefore, their remittances hardly had any effect on the national economy of Bangladesh. It was after the first oil shock when rapid increase in labour demand occurred at oil-producing countries in the Middle East that emigrant workers from Bangladesh started going abroad in full scale.

At the time, Bangladesh had achieved her long-cherished independence in December 1971 but was going through a series of political instability that led to the assassination of Mujibur Rahman in August 1975 after experiencing substantial negative growth in the economy and being hit by a famine that was triggered by the flood in 1974. It was after

1976 when such a disorder started settling down that large number of Bangladeshi workers started going to the Middle East in search of work.

According to data announced by the Bureau of Manpower, Employment and Training (hereafter "BMET"), number of workers that departed from Bangladesh in one year amounted to only 6,087 in 1976 but rapidly increased every year after the second oil shock and reached a little less than 70,000 in 1982 (Table 5-5). In other words, their number increased by more than tenfold in just 6 years after 1976. The amount of remittances by these emigrant workers also increased steeply and became an important source for acquisition of foreign currency almost equivalent (92%) to the amount of export in 1983 (ibid.).

Their number slightly stagnated thereafter until 1988 but started to increase again around 1989 and passed the 100,000 mark in 1990, exceeded 200,000 in 1993 and reached 240,000 in 1998. In other words, based on the 1988 figures, their number more than tripled again in the successive 10 years. The amount of remittances also increased, although its ratio against the amount of export continued to decline since, as mentioned in Chapter 4, the amount of garment (including knit products) export increased at a higher rate than the amount of remittance. Its ratio fell below the 30% mark in 1998 but remains as an important source of foreign currency.

Table 5-5 Number of emigrant workers and the amount of their remittances

	Number of Emigrant workers (thousand)	Amount of remittances		Amount of export (million dollars)	Percentage of remittance Against the amount of export
		(million taka)	(million dollars)		
1980	28	438	283	n.a.	—
81	38	619	281	711	39.5%
82	68	840	418	627	66.6%
83	64	1,500	631	687	91.8%
84	50	1,491	598	822	72.7%
85	69	1,153	444	936	47.4%
86	78	1,661	555	819	67.8%
87	61	2,136	696	1,074	64.8%
88	74	2,304	737	1,231	59.9%
89	87	2,477	771	1,291	59.7%
90	110	2,496	761	1,524	49.9%
91	97	2,726	764	1,718	44.5%
92	185	3,242	848	1,993	42.5%
93	238	3,698	944	2,383	39.6%
94	192	4,355	1,089	2,534	43.0%
95	200	4,814	1,198	3,473	34.5%
96	181	4,978	1,217	3,882	31.3%
97	228	6,304	1,475	4,427	33.3%
98	243	6,951	1,525	5,172	29.5%

Source: World Bank, *Bangladesh: Recent Economic Development and Short-Term Prospects,* 1989, p.93.
Ministry of Finance, *Bangladesh Economic Review 1998,* 1998, pp. 126-127.
Ministry of Finance, *Bangladesh Economic Review 1999* (Bengali), 1999, pp. 150-151.

Table 5-6 shows the yearly changes in the destination of emigrant workers. Oil-producing countries in the Middle East account for an overwhelming majority. Among them, United Arab Emirates (UAE), Qatar, Bahrain and Kuwait held large shares at the beginning, but Saudi Arabia's share gradually increased and exceeded 50% in 1987. Saudi Arabia maintained high share for some time after 1988 when the number of workers departing from Bangladesh turned to increase again, reaching 54% in 1990. The Gulf War erupted just around that time and the number of Bangladeshi migrant workers temporarily decreased not only in Iraq and Kuwait but in the entire Middle East as many of them were compelled to return to their home country. However, the number recovered immediately after the war ended and a new development of Malaysia rapidly emerging as their new destination. Malaysia suddenly appeared as the new destination for workers with a little less than 28% of the share in 1993 and exceeded 40% in 1997 (153,844) to become the most popular destination by surpassing Saudi Arabia. Emergence of Singapore is also worthy of note (27,401 at peak period in 1997). Although small in scale, Brunei and South Korea (3,315) also cannot be overlooked.

Table 5-6 Changes in destinations of emigrant workers

	Saudi Arabia	Kuwait	UAE	Oman	Iraq	Qatar Bahrain	Libya	Malaysia	Singapore	Brunei	S. Korea	Others
1976	3.6	10.6	32.7	1.9	9.6	25.6	2.8	—	—	—	—	13.3
77	8.8	8.4	37.0	9.5	7.9	19.9	4.6	—	—	—	—	4.0
78	14.1	9.8	32.9	12.6	6.4	9.1	10.5	0.1	—	—	—	4.5
79	26.4	9.4	20.7	15.4	9.6	9.0	8.0	—	0.4	—	—	0.9
80	28.9	12.3	16.1	15.8	6.4	9.3	9.9	0.0	1.3	—	—	0.0
81	24.0	9.8	11.5	13.2	23.6	6.6	7.5	—	1.9	—	—	2.0
82	26.0	11.5	10.9	13.1	20.6	13.2	3.3	—	0.5	—	—	0.8
83	21.8	17.4	11.2	18.8	8.3	16.9	3.7	0.0	0.3	—	—	1.5
84	36.0	9.9	9.1	18.4	8.3	8.9	6.0	—	1.3	—	—	2.2
85	47.8	9.5	10.7	11.9	6.5	9.9	1.9	—	1.0	—	—	0.7
86	39.7	15.0	12.8	9.1	6.9	10.8	4.5	0.8	0.0	—	—	0.4
87	53.1	12.9	13.4	0.6	5.2	10.7	3.1	—	—	—	—	1.0
88	40.5	9.6	19.7	3.3	6.2	15.6	4.1	0.0	—	—	—	1.0
89	39.3	12.2	14.9	15.2	2.5	13.1	1.6	0.4	0.2	—	—	0.6
90	55.4	5.7	8.0	13.5	2.6	11.8	0.5	1.3	0.7	—	—	0.5
91	51.4	19.4	5.8	15.7	—	4.9	0.8	1.1	0.4	—	—	0.4
92	49.5	18.3	6.9	13.7	—	4.8	0.9	5.6	0.2	0.1	—	0.0
93	43.5	10.8	6.5	6.5	—	3.2	0.7	27.8	0.7	0.1	—	0.2
94	49.0	8.0	8.1	3.5	—	2.6	1.0	25.7	0.2	0.7	0.8	0.4
95	44.8	9.3	7.8	11.2	—	1.6	0.6	18.8	2.0	1.4	1.8	0.7
96	34.4	9.9	11.2	4.1	—	1.8	0.9	31.5	2.5	1.4	1.3	0.9
97	28.0	5.5	14.4	1.6	—	1.8	0.5	40.1	7.2	0.0	0.2	0.6
98	59.3	9.5	14.5	1.8	—	5.2	0.5	0.2	8.1	0.1	0.2	0.7
99(Jan-June)	71.6	7.9	10.7	1.4	—	4.0	0.5	—	3.0	—	0.5	0.3

Source: Bangladesh Association of International Recruiting Agencies (BAIRA), *Annual Report of BAIRA 1998*, 1999, p.41.

According to an estimation by Osada (based on the amount of remittance), there was a period when a considerable number of Bangladeshi workers came to Japan. The number allegedly had reached 4,500 in 1989 and 6,500 in 1990.[1] While the official figures of Bangladeshi emigrant workers in Japan were very small, there was a steep increase in cases of those coming to Japan on a tourist or student visa and working illegally thereafter. At the backdrop of this exists the fact that they did not have to obtain visa in advance for stays up to 3 months based on reciprocal visa waiver agreement. It is a well-known fact that the Japanese government, with a sense of impending crisis, suspended the visa waiver in January 1989 and has continued to do so to this day. As of 1999, however, it is reported that there are as many as 15,000 Bangladeshi nationals working illegally in Japan.[2]

Lastly, Table 5-7 shows the changes in percentage of emigrant workers by functional classification, i.e. "professional," "skilled," "semi-skilled," and "non-skilled." "Professional" refers to those having high level of expertise such as doctors, engineers, administrative officers, teachers, certified public accountants, nurses and pharmacists. "Skilled" people include welders, stonemasons, carpenters, drivers, electricians and licensed cooks. "Semi-skilled" people include gardeners, housekeepers and room boys. "Non-skilled" people refer to general blue-collar workers engaged in construction and manufacturing, servants and babysitters. The "professional" and "non-skilled" workers were common in the earlier days, but "skilled" workers increased at one period and then decreased again followed by the conspicuous increase of "semi-skilled" workers. However, the fact that "non-skilled" workers account for 40 to 50% of all workers remains unchanged today. Meanwhile, an increase in demand for "semi-skilled" and "skilled" workers is expected in the future as the construction boom in the Middle Eastern countries has come to an end and demand for "skilled" workers is increasing in Malaysia and other middle-income Asian countries (although this was brought to a halt due to currency and economic crisis that struck Asia[3]). For this reason, there is a pressing need for further strengthening of vocational training system for the emigrant worker reserves.

By sex, men account for overwhelming majority in the case of Bangladesh. A total of 13,049 women went to the Middle East in search of jobs between 1991 and 1998 but accounted for less than 1% of the entire emigrant worker population. Most women working overseas are "semi-skilled" workers working in the garment industry and "non-skilled" workers working as maids and as cleaning woman at hospitals and schools.

Table 5-7 Emigrant workers by function and dispatching agency

	By function				By dispatching agency			
	Professional	Skilled	Semi-skilled	unskilled	BMET	BOESL	Recruiting Agency	Individual
1976	9.3	29.2	8.9	52.6	86.7	—	4.7	8.6
77	11.2	41.0	3.1	44.7	36.4	—	7.4	56.1
78	15.1	35.9	4.6	44.3	27.0	—	5.2	64.3
79	14.3	28.6	6.9	50.3	28.4	—	12.1	59.5
80	6.6	40.6	7.8	45.0	19.0	—	25.8	55.1
81	7.0	40.2	4.4	48.4	10.9	—	39.8	49.3
82	6.2	32.8	5.2	55.7	7.1	—	39.7	53.1
83	3.1	32.0	8.6	56.3	1.2	—	44.4	54.3
84	4.7	30.3	9.7	55.4	—	0.3	57.2	42.5
85	3.3	36.3	10.1	50.3	—	1.6	50.7	47.7
86	3.2	38.3	13.5	45.0	—	2.8	40.6	56.7
87	3.0	32.2	13.0	51.8	—	0.5	45.7	53.9
88	3.9	37.1	15.9	43.1	—	0.7	50.1	49.2
89	5.2	38.2	17.4	39.2	—	0.7	35.9	63.4
90	5.8	34.3	20.0	39.9	—	0.4	38.8	60.8
91	6.1	31.9	22.2	39.8	—	0.0	44.1	55.8
92	6.0	26.9	16.5	50.5	0.0	0.3	31.8	67.9
93	4.5	29.3	27.1	39.1	0.2	0.2	53.0	46.6
94	4.5	32.8	25.0	37.8	0.1	0.0	51.2	48.6
95	3.4	31.9	17.1	47.6	0.0	0.3	39.9	59.7
96	1.5	30.4	16.4	51.7	—	0.2	56.1	42.9
97	1.0	17.1	50.8	31.1	0.0	0.1	61.9	38.0
98	3.6	27.9	19.3	49.2	—	0.2	31.9	68.0
99(Jan-June)	3.2	39.3	17.0	40.6	—	0.2	37.0	62.9

Note: BMET: Bureau of Manpower, Employment and Training, BOESL: Bangladesh Overseas Employment Services Limited.

Source: BAIRA, *Annual Report of BAIRA 1998,* 1999, p.42.

(2) Recruitment system of emigrant workers

Troubles over placement of emigrant workers occurred frequently as the drain of emigrant workers from Bangladesh to the Middle Eastern countries increased gradually and spontaneously after the first oil shock. As a result, the companies in the Middle Eastern countries started regulating the employment service and requested the Bangladeshi government to intervene in export of labour that was taking place on a private level. Companies of the Middle East, which were paying for travel expenses in most cases at the beginning, were facing the problem of not being able to smoothly secure the kind of workers they wanted.

The administrative office for emigrant workers was established after Ziaur Rahman gained power in November 1975. While the reason for this establishment was to respond to the aforementioned request from overseas, the emphasis placed by the Bangladeshi government on emigrant workers as the quickest means for obtaining foreign currency also existed in the background. Bureau of Manpower and Employment (currently BMET) that takes charge of emigrant labour was created, and issued a pamphlet introducing the categories of skills that were valuable in exporting labour from Bangladesh and distributed it to the Middle East countries through overseas establishments. Overseas establishments were required to send information to the Ministry of Labour and Employment in advance by way of diplomatic correspondence and telex when visits by visa applicants were in connection with labour recruitment. A decision was also made to introduce a license system to control wicked recruiting agencies.

However, the disorder did not settle down immediately owing to lack of administrative capacity and the situation did not start improving until after entering the 1980s. Concrete measures included enactment of the Emigration Ordinance in 1982 and establishment of Bangladesh Overseas Employment and Services Ltd. (BOESL) in 1984.

Table 5-7 shows the percentages of emigrant workers by dispatching agency. It shows that BMET was the main player in the 1970s. However, a semi-governmental corporation named BOESL was established based on the view among administrative departments that recruiting service should be performed on a commercial basis. Accordingly, labour recruitment service was excluded from the operations of BMET and the responsibility of BMET was focused on: 1) issuance of license to recruiting agencies; 2) issuance of embarkation permit; and 3) protection of workers. However, BOESL maintained the same recruitment and selection methods as BMET by recruiting job seekers through District-level labour administration for screening. As can be seen in Table 5-3, however, the role of BOESL remained extremely limited.[4]

It was the regulation by the emigration ordinance that demonstrated more power in the improvement of migration system through its authority to challenge illegal acts of recruitment agencies with severe punishment (five years imprisonment or fine, or both) while imposing one year imprisonment, up to 5,000 taka of fine or both to workers that engaged in non-fulfilment of contract. It was not until 1985 or so that the procedure concerning overseas migration started taking some concrete form.

In December 1984, Bangladesh Association of International Recruiting Agencies (BAIRA) was established with about 100 members for the purpose of eliminating wicked agencies. The membership had increased to 515 at the time of the survey. Agencies must

join BAIRA to obtain their license and are placed under severe penalty including deprivation of license once a malicious act is revealed. The Association is also monitoring emigrant workers to improve their welfare. In addition, it has a plan to establish its own vocational training centre and launch Trade Testing Centre, which is an information agency for introduction of appropriate workers.

The process of labour recruitment can be roughly explained as follows. First, applicants are recruited after receiving the demand from employers and obtaining permit from the Ministry of Labour. This is followed by primary screening of applicants. Employers occasionally attend further screenings that are performed. The selection is completed with the medical check that is performed at the end. Then the agencies send out successful applicants by handling their visa application, disembarkation procedures and air ticket purchase. The fee collected from emigrant workers (all expenses including air ticket) is not supposed to exceed 50,000 taka (1,000 dollars) in the regulated rate, although 70,000 to 80,000 taka is charged for those going to the Middle East countries and 150,000 to 200,000 for those going to Singapore and South Korea. Since they are said to earn an average of 4,000 to 5,000 taka per month in the Middle East countries and 8,000 to 12,000 taka per month in Singapore and South Korea, they will have to work at least two or three years to pay off their debt considering the cost of stay in these countries. According to a hearing survey conducted at a village during the study, the actual payment amounts to 200,000 to 250,000 taka and the people are often facing the problem of emigration not realising after all and the money that was paid up not being reimbursed. BMET collects a deposit of 650,000 taka[5] from the agencies and forfeits this deposit in the event they engage in any illegal act as a prevention measure. However, it appears that the system is not necessarily functioning properly.

Moreover, as shown in Table 5-3, "individual channel" is just as important a channel, if not more, as that going through private recruitment agencies. It is the very chain migration referred to earlier in which a friend or relative of prospective emigrant worker who is already working in the Middle East obtains a copy of the worker's passport and gives it to the employer. The employer or his agent then goes to the Bangladeshi embassy and performs the procedures for issuance of work visa.

For prospective emigrant workers, the BOESL (or BMET) channel has complicated procedures, takes time and requires bribe. Private recruitment agencies are expensive and accompanied by the risk of fraud. Therefore, the individual channel is advantageous in every respect including time, cost and safety, provided that the prospective emigrant has a

competent relative or friend at the destination. It is quite natural that this has become a very common channel.

Lastly, a reference has to be made about the impact of overseas migration on income distribution in rural areas. According to the information collected on the field, prospective emigrant workers mainly consist of young people that belong to either intermediate or low income class who received a certain level of education and are therefore reluctant to work under poor conditions. According to a study on Bangladeshi emigrant workers working at a factory in Malaysia[6], the workers (or their parents) owned more than 3 acres in average although they were from Comilla region where small farms are predominant, indicating that they were from the wealthiest class. At any rate, overseas migration is more likely to promote inequity in income distribution in rural areas instead of narrowing it.

---

[1] Mitsue Osada, "Banguradeshu no Rodo Ido," (ed. Masaru Yauchi, Tatsushi Yamagata, "Ajia no Kokusai Rodo Ido" Institute of Developing Economies (Kenkyu Sosho Vol. 425), 1992)

[2] ILO, A Country Study: International Labour Migration and the Role of Trade Unions, Dhaka, 1999.

[3] In Malaysia, many Bangladeshi are allegedly dismissed from factories and are entering the informal sector.

[4] According to a hearing study, BOESL is a very small and weak organisation with only 32 employees including 7 officers and 7 administrative staff. Workers emigrating through BOESL are mostly professionals.

[5] Lobbying activities are taking place against the government's decision to raise the amount of 1 million taka.

[6] Akira Ishida, and Shahid Hassan, "Banguradeshu ni Okeru Kaigei Dekasegi Rodosha no Hongoku Sokin to Shotoku Bunpai," ("Nogyo Sogo Kenkyu" vol. 42, no. 4, October 1998)

Chapter 6

Labour Situation in Manufacturing Industry

As was discussed in Chapter 4, manufacturing industry accounts for a mere 9.9% of total workforce of Bangladesh (fiscal 1995/96). The ratio is growing at an unsatisfactory rate. However, one cannot negate the fact that the development of manufacturing industry will have large significance on the Bangladesh economy under the present situation in which labour absorbing capacity of the agricultural sector has reached a saturation point.

This chapter will begin by reviewing the labour related laws and state-owned enterprises that are considered crucial in examining the development of manufacturing industry. This will be followed by the introduction of actual cases through survey results from a garment factory in the private sector and a cotton-spinning factory in the state-owned sector. The garment industry in Bangladesh indicates remarkable growth among private sector, while the spinning industry has incurred a huge loss.

1. Labour-related laws

(1) In connection with labour adjustment

The state of labour law exerts large influence not only on the structure of labour market but on the scale-composition of industries. Moreover, the content of labour law differs from

country to country, which creates large differences in the structure of their labour markets. For instance, in the Philippines whose labour law largely influenced by that of the United States, the workers are under the favourable protection of the labour law. However, as only the permanent workers in the formal sector can enjoy the protection, there exists a large disparity in terms of working conditions between insiders and outsiders of the formal sector.

From the standpoint of companies, it is desirable to have a flexible labour market so that the size of workforce can be adjusted in accordance with demand fluctuation within the company. The labour law in Bangladesh (The Employment of Labour Act, 1965) ensures employers a relatively high flexible labour market. When redundant workforce emerges within a company, that the company can dismiss its workers by notifying them one month in advance and paying them the severance pay equivalent to 30 days wages(14 days' salary until 1985) for every completed year of service or for any part thereof in excess of six months, or gratuity, if any, whichever is higher (Article 12 of the Employment of Labour Act).

The amount of severance pay assured by the Employment of Labour Act (labour adjustment cost) is largely connected to the flexibility of labour market. It is known that excessively high labour adjustment cost would have negative impact on employment itself in the long run. A comparison with dismissal provision in the Labour Standard Law of Japan reveals that cost of dismissal in Bangladesh is extremely high.

State-owned enterprises, however, are faced with higher labour adjustment cost than that provided in the Employment of Labour Act due to the pressure from politicised labour unions. In the latter half of the 1980s, state-owned enterprises set the amount of severance pay to the amount obtained by multiplying the years of service by the amount of 60 days' salary, which is more favourable conditions when compared with that in developed countries. Gratuity was paid separately. This has made it difficult for many state-owned enterprises to carry out labour adjustment and at the same time deterred the process of privatisation. Many private companies are also compelled to follow this standard to avoid labour dispute. In reality, labour adjustment is an extremely difficult task that has to be achieved through negotiation with labour unions, and labour unions linked with political parties. The after-mentioned spinning factory is also experiencing delay in labour adjustment due to shortage of funds. Welfare of retrenched will have to be considered. However, it is also necessary to turn our eyes to the present situation in which the welfare deserved by many unemployed workers has not been realised owing to the delayed growth of manufacturing industry as a result of setback in privatisation. Labour adjustment should be made possible at the cost provided in the Employment of Labour Act and the cost itself should be lowered (e.g. using the previous 14 days' salary as the base). Furthermore, the cost that has been cut should be

allocated to technical training for the dismissed workers, which, in turn, would lead to improvement of social welfare compared to present.

In addition, the labour law approves marginal workers whose retrenchment cost is lower than permanent workers. Marginal workers are classified into apprentices, badlis, casual workers, probationers and temporary workers. Badlis are substitute workers who are hired on a temporary basis when permanent workers and probationers take leave of absence. Temporary workers retain the right to become permanent workers after being employed for 6 months for clerical work and 3 months for other work, although a large number of workers remain in temporary status for many years in reality.

(2) Minimum wage

Minimum wage is set according to the Minimum Wage Ordinance of 1961. In industries where labour union does not exist or is powerless, the National Wage Board is created according to necessity. In reality, however, minimum wage recommendations are given in industries such as cotton textile and jute where labour union is active. In addition, recommendations are given once every several years at the most and not every year. In most industries, recommendations have been given only once or twice since the independence.

Minimum wage is not applied to workers in informal sector or to marginal workers. For this reason, it is said that many factories continue to hire workers under apprentice status.

In contrast, the wage level in state-owned enterprises can be determined independently from the payroll system of government workers as a rule. In reality, however, it is based on the uniform wage standard determined by the National Wages and Productivity Commission. In addition, the wage rates of government workers tend to be determined politically amidst the confrontation between the ruling and opposition parties. As a result, the wage rates in the state-owned enterprises are hiked at rates exceeding the increase in labour productivity. This causes serious deficit of state-owned enterprises. Since wages at state-owned enterprises are decided according to the negotiation between the government and the federation of labour unions (SKOP: Sramil Karmacharee Oikkya Parishad), the management is unable to exert any influence in decision of wages. Minimum wage is currently set at 900 taka per month and is also used as the minimum wage in the private sector. In other words, the minimum wage for the state-owned enterprises that has been set with deep political involvement is used as the minimum wage for the entire economy instead of minimum wage based on the Minimum Wage Ordinance, which is presumably lower. It is not possible to believe that minimum wage that has been politically established above the equilibrium wage

level is at a reasonable level. Efforts must be made to set minimum wage near the level of market wage rate or subsistence minimum wage rate without politicising the decision process. In addition, as uniform wage rate will bear down on the business of companies that are performing poorly, it is necessary to bring into view the introduction of a system that would enable individual companies to decide their wages (decentralised bargaining).

Furthermore, despite the fact that privatisation of state-owned enterprises is in progress, state-owned enterprises account for nearly half of value-added generated by the manufacturing industry and about one-third of workers in the formal sector. For this reason, the possibility of wage level at state-owned enterprises hampering the growth of international competitiveness of private enterprises through their influence on wage level has been indicated.

2. International competitiveness of manufacturing industry

The World Bank Report (1996) measured the international competitiveness of Bangladesh manufacturing industry. The facts revealed in this report complement the discussion that has been made up to this point.

The World Bank Report focuses on unit labour cost (which is comprised of wage rate, exchange rate and wage premium) for each industry. Domestic wage rate can be divided into opportunity cost of labour (agricultural wage rate when applied to unskilled workers) and wage premium (difference between the actual wage rate and opportunity cost of labour which is regarded as the outcome of government intervention). The discussion will be developed through comparison with South Asian countries based on this understanding.

From the viewpoint of difference in opportunity cost (Table 6-1), Bangladesh has the lowest opportunity cost of labour in South Asia.

Table 6-1 Opportunity cost of labour (1993)

	Domestic	Official $	PPP $	Gap (PPP)*
Bangladesh	Tk 38	$0.96	$ 5.37	
West Bengal (India)	Rs 34	$1.11	$ 7.24	- 30%
India	Rs 28	$0.91	$ 5.94	- 10%
Pakistan	Rs 48	$1.72	$ 8.72	- 48%
Sri Lanka	Rs 104	$2.15	$11.18	- 73%

Note: Defined as the natural logarithm of the ratio of the supply price of labour in dollars (using PPP exchange rate in Bangladesh) to that of the comparator country.

Source: World Bank, *Bangladesh: Labour Market Policies for Higher Employment*, April 22, 1996

Let us compare the unit labour costs for making T-shirt in South Asian countries (Table 6-2). Bangladesh has the highest competitiveness in South Asia and the same is true for jeans and leather products. Compared to Vietnam, which is expected to become a powerful competitor in the future, Bangladesh cannot compete in jeans but has comparative advantage for T-shirt and men's underwear. Details will be omitted here, but low wages comprise the greatest factor behind the international competitiveness of apparel industry in Bangladesh when you take into account the fact that labour productivity of Bangladesh is not necessarily low.

Table 6-2 Unit labour costs for T-shirt

	Unit labour cost ($/shirt)	Wages ($/year)	Productivity (shirt/worker)
Bangladesh	$ 0.11	$ 290	2,536
West Bengal (India)	$ 0.33	$ 595	1,828
India	$ 0.26	$ 668	2,592
Pakistan	$ 0.43	$1343	3,100
Sri Lanka	$ 0.79	$ 570	719

Source: Same as Table 6-1.

Table 6-3 Unit labour costs for cotton yarn

	Unit labour cost ($/kg)	Wage rate ($/year)	Productivity (kg/worker)
Bangladesh	$ 0.46	$ 780	1,699
West Bengal (India)	$ 0.19	$ 611	3,192
India	$ 0.24	$ 866	3,597
Pakistan	$ 0.15	$1622	10,475
Sri Lanka	$ 0.53	$1208	2,296

Source: Same as Table 6-1.

As for cotton yarns, however, Bangladesh has considerably higher unit labour cost compared to other countries with the exception of Sri Lanka (Table 6-3). To analyse the factors behind this difference (Table 6-4), one can see that the difference in labour productivity is the main cause behind the difference in unit labour costs. This can be explained by the fact that state-owned enterprises account for large part of the cotton yarn sector and that private spinning factories are obliged to follow the working conditions at state-owned enterprises.

Table 6-4 Decomposition of the difference in unit labour costs of Cotton Yarn

	Overall-gap	Macro-gap	Wage-gap	Productivity Gap
	(1)	(2)	(3)	(4)
Bengal (India)	87	- 24	39	63
India	65	6	- 16	75
Pakistan	109	- 58	- 15	182
Sri Lanka	- 14	- 80	37	30

Note: (1)=(2)+(3)+(4)
Source: Same as Table 6-1.

Table 6-5 compared the international competitiveness of state-owned enterprises. Bangladesh has comparative advantage in the dollar-term wage rate. Deviation from equilibrium wages resulting from government intervention is greater in India and Pakistan. Nevertheless, the amount of value-added per worker in Bangladesh is lower while wage/value-added ratio is higher. This fact signifies that the problem of state-owned enterprises in Bangladesh exists in their low labour productivity than in their high wages. Moreover, the problem of state-owned enterprises is serious considering the impact of their working condition on the private sector.

Table 6-5 International competitiveness of state-owned enterprises

	Wage ($/year)	Premium (%)	VA/worker ($/ year)	Wage/VA (ratio)
Bangladesh				
Textile	821	85	505	1.63
Engineering	1371	137	817	1.68
Chemicals	1683	157	5959	0.28
India				
Textiles	1346	140	736	1.83
Engineering	2412	198	5560	0.43
Chemicals	2879	216	12231	0.24
Pakistan				
Engineering	2525	139	3355	0.75
Chemicals	4165	189	17603	0.24
Sri Lanka				
Engineering	1035	28	na	na
Chemicals	2503	116	na	na

Source: Same as Table 6-1.

In December 1980, Bangladesh made an attempt to take a loan for 800 million SDR from IMF extended fund facility. However, the contract was discontinued after 20 million

SDR was furnished in July 1981 as she failed to meet the conditionality. Then Bangladesh took loans from structural adjustment facilities over a period of 3 years in 1987. The World Bank also offered similar loans in 1991. This means that structural adjustment for Bangladesh went into full swing in 1987. In response, the Bangladesh government set out two industrial policies in 1982 and 1986. While both policies had privatisation of state-owned enterprises as its agenda, it was not until the industrial policy in 1986 that they were implemented in full scale.

The greatest challenge for state-owned enterprises is over-employment. According to an estimation of over-employment at state-owned enterprises by the World Bank, Bangladesh Steel and Engineering Corporation ranked top at 46% followed by Bangladesh Jute Mills Corporation. In this regard, however, it is necessary to turn our attention to an interesting study conducted by Bhaskar & Khan who compared 31 state-owned and private factories and revealed that it is white collar workers, not those engaged in manufacturing process, that are over-employed in state-owned enterprises.[1] They point out that at the backdrop of such phenomenon exists the so-called "clientelism" whereby white collars that are educated and have strong political connection try to hire from their own family members.

While dissolution of over-employment is an important stepping-stone for privatisation, the aforementioned apparently excessive severance pay has become a great hindrance to the advancement of privatisation. Meanwhile, the argument that excessive employment is the greatest problem of state-owned enterprises has agreeable points, this study, as will be discussed later, has shown that significant difference exists between labour management of state and private enterprises as an aspect of the state-owned enterprise issue.

Table 6-6 compares the companies in the same industry that have surplus financial accounting. The percentage of companies with surplus financial accounting is greater for private enterprises than for state-owned enterprises in all industries, providing another grounds for the inevitable nature of privatisation.

Table 6-6 Comparison of financial accounting status of state and private enterprises

	Private enterprises			State-owned enterprises		
	Number of companies	Profitable companies		Number of companies	Profitable companies	
		Number of companies	%		Number of companies	%
Textile	19	10	53	42	9	20
Engineering	16	12	75	20	9	43
Food	22	13	59	21	10	48
Chemicals	16	13	81	23	14	61
Others	48	41	85	53	26	49
Total	121	89	74	159	68	43

Source: World Bank, *Bangladesh: From Stabilisation to Growth*, 1995.

3. Sample Factories Surveyed

In this survey, a spinning factory (state-owned enterprise) and a Garment factory (private enterprise) in Dhaka were selected to compare the labour management in the both sectors. In addition to the interview with the management, a questionnaire survey was conducted with 177 workers at the garment factory and 102 workers at the spinning factory that were engaged in the manufacturing process (not including supervisors).

(1) Garment factory

Factory A is a 100% foreign-owned (South Korean) garment factory established in 1991 that makes hats. It currently has about 2,800 employees. After hiring, an employee goes through 3-month apprenticeship before becoming a helper and then moves on to become an operator. They work for 8 hours from 8 am to 5 pm. Since operators are women, the factory does not have a night shift to secure their safety during the commute. The following wage function was obtained. Educational attainment is significant but at 5 % level, with the main reason being the length of service. Numeric values inside the parentheses are t values. In addition, the average salary of sample workers at 1,377.42 taka (standard deviation 551.65) indicates that salary is raised by 10% every year or so. Meanwhile, wage function could not be calculated for the garment factory, as the amount of its salary was determined in uniform manner.

The factory has 15 sewing lines with 29 operators assigned to each line (of which 8 to 9 are helpers). Each line has 3 to 4 line workers (50 in total) working as foreperson, all placed under the supervision of 15 supervisors (1 supervisor per line). Job grades up to this point are supplied through internal promotion.

Wage function

Monthly salary = 660.07*** + 143.40*** Length of service + 109.75* Academic level
(5.78) (10.50) (2.34)

R2 = 0.389, F = 55.28***, ***0.01%, *5%

Promotion and a rise in salary are determined by annual performance evaluation (4 levels from A to D). Main evaluation items include absence, work performance, seniority and the number of warning, and the average level of salary increase at an average of 12% a

year based on this evaluation (14-16% maximum, 10% minimum). In addition, a target on work volume is set and any work that was performed in excess of that target is converted into hours as overtime allowance. Since nearly 90% of the employees receive this allowance, it must be serving as a work incentive. In addition, an operator with good work performance is selected from each line as the best worker and rewarded with soaps and shampoos. Minimum monthly salary is 930 taka for helpers, 1,300 to 1,400 taka per month for operators, 2,500 take or more for line supervisors and 5,000 taka or more for supervisors.

Absence rate is slightly larger than 1%, but not comparatively higher in Bangladesh. Turnover is about 2% per month, which is relatively small compared to approximately 10% at other garment factories. In addition, the factory completely observes the labour-related laws that are not necessarily observed in other factories such as 3-month maternity leave and 14-day medical leave. As a result, Bangladesh Garments Manufacturers and Exports Association (BGMEA) selected this factory as one of the top five garment factories.

(2) Spinning factory

Factory B is a spinning factory that was established in 1964 as a company affiliated with then West Pakistan, and was nationalised in 1973 after the independence. At present, a total of 794 persons including casual workers are working at this factory. Aside from 15 executives and 104 clerical staff, there are 674 workers engaged in the manufacturing process. Five hundred and nine out of 674 workers are hired as permanent workers and the remainder are casual workers. The percentage of female factory employees is 25%.

Table 6-7 shows the operation results of state-owned spinning factories. Compared to average spindle operating rate of 48% at state spinning factories, Factory B shows the most favourable operating results of 77%. Production target achievement rate at state-owned spinning factories is only 44% on average and less than 50% at other factories whereas Factory B marks the highest rate of 70%. This is largely attributable to the so-called "golden handshake" that took place at this factory in 1993 and resulted in adoption of seven-day-week working system. While two- and three-shift systems are practiced at other spinning factories, Factory B is the only factory operating on a seven-day-week basis. As a result, Factory B had 44 additional operated days (20.47%) compared to the average at state spinning factories (Table 6-8). Incidentally, the main reasons that are lowering the operating rate include shortage of materials (17%), power failure (9%) and parts shortage (9%) and shortage of labour force/absence (11%). Causes for shortage of materials appear to include an inefficient marketing system as well as the impact of frequent general strike.

Moreover, the fact that labour relation is a factor that is lowering the operation capacity suggests that part of the state-owned enterprise problem lies in labour management relations.

To look at the production costs per kilogram of yarn (Table 6-8), average cost is 82.90 taka while that of Factory B is about 11.09 taka (13.38%) cheaper at 71.81 taka. The main reason for being able to reduce the average cost was the 6.99 taka difference in labour cost (28.35 taka at Factory B and 35.34 taka for average). This can be explained by the labour adjustment that was carried out at Factory B in addition to the adoption of seven-day-week working system at this factory.

Labour retrenchment for 50 persons was carried out at Factory B through negotiation with the union in 1993. Another 235 workers and clerks allegedly agreed to resign, although labour adjustment has not made any progress as the factory has not been able to finance 45 million taka required for severance pay. At present, 165 out of 659 workers in the manufacturing process (not including jobbers) are casual workers. The plan is to replace the 674 workers, which are needed for the manufacturing process, with casual workers as much as possible. Casual workers earn 60 to 70 taka per day, amounting to 1,750 taka per month assuming that they work 25 days a month. Permanent workers receive 2,586 taka per month across the board according to the recommendation from the Minimum Wage Commission issued in fiscal 1992/93. Considering the fact that permanent workers also enjoy numerous benefits including retirement allowance, material difference between permanent workers and casual workers who do not benefit from the Employment of Labour Act is considerably large. Further reduction in production cost will become possible if labour adjustment is advanced further.

---

[1] Baskar, V. & Mushtaq Khan, "Privatisation and Employment: A Study of the Jute Industry in Bangladesh," *American Economic Review*, Vol. 85, No.1.

Table 6-7 Operation results of garment factories

	Factory B	E	F	G	H	I	J	K	L	M	N	O	P	Total
Spindles														
Number installed	16824	18400	25088	17296	25088	20000	25056	29376	13624	31400	18576	24960	14400	280088
Number operating	13018	8016	13770	6640	9004	10847	11116	7320	7880	15612	8597	13902	8053	133775
Number not operating	3806	10384	11318	10656	16084	9153	13940	22056	5744	15788	9979	11058	6347	146313
Operating rate	77%	44%	55%	38%	36%	54%	44%	25%	58%	50%	46%	56%	56%	48%
Causes of spindle not operating														
Power failure	3%	4%	5%	2%	7%	8%	6%	10%	6%	4%	31%	17%	14%	9%
Electrical appliance defect	2%	1%	2%	0%	0%	2%	0%	1%	1%	0%	0%	0%	9%	1%
Material shortage	2%	22%	11%	26%	52%	21%	26%	1%	9%	24%	3%	8%	2%	17%
Repair	6%	1%	1%	1%	1%	2%	1%	1%	1%	2%	1%	7%	2%	2%
Parts shortage	0%	5%	2%	0%	0%	2%	7%	56%	11%	8%	3%	7%	0%	9%
Labour shortage	0%	11%	12%	20%	2%	0%	15%	0%	12%	5%	10%	0%	9%	7%
Absence	1%	7%	7%	7%	1%	7%	1%	1%	0%	4%	5%	4%	7%	4%
Others	4%	5%	5%	6%	1%	4%	0%	5%	2%	3%	1%	1%	1%	3%
Total	23%	56%	45%	62%	64%	46%	56%	75%	42%	50%	54%	44%	44%	52%
Planned production volume 100,000 kg	11.12	8.56	15.09	1019	15.51	11.02	11.22	8.59	5.98	17.47	10.92	15.08	9.87	150.62
Production results	7.79	3.22	6.94	4.01	5.46	5.45	3.23	2.12	2.52	8.22	4.82	6.32	3.79	63.89
Production achievement ratio	70%	38%	46%	39%	35%	49%	29%	25%	42%	47%	44%	42%	38%	42%

Source: Internal data at Factory B

Factory B is showing more favourable results among state-owned spinning factories. As can be seen in Table 6-8, however, Factory B is operating at a loss—a hopeless loss in a sense that it sells a product that requires 71.81 taka per kilogram to produce for 29.57 taka of yarns. Wages do not qualify as an operational variable for the management because it is decided exogenously. In addition, full attendance allowance and production bonus that were paid in the past have been abolished after the factory started losing money. This leaves promotion as the only labour incentive, although the chances of a promotion are extremely limited since lower-rank workers can only be promoted to jobbers and only 15 posts are available for this position. Factory managers are also public officials. The person currently responsible for the factory is the 21st person (serving his second term) to take charge of the factory since 1973. It is impossible to expect effective management from this system, and it explains why the reform of state-owned enterprises is making very little progress. There is a need to transfer the authority to the management as a part of state-owned enterprise reform by following the example of China.

Table 6-8 Breakdown of production cost at Factory B

	Factory B		Average	
Operated days	259		215	
Operable hours of spindle (100,000 hours)	1045.78		14170.39	
Operating hors of spindle (100,000 hours)	810.83		6982.02	
Production capacity (10Kg)	11.12		150.62	
	Total 100,000 taka	Taka Per kg.	Total 100,000 taka	Taka Per kg.
Income (estimated)	230.32	29.57	1918.89	30.03
Expenditures				
a) Labour cost expenditure	220.82	28.35	2258.08	35.34
b) Fuel/power cost	91.72	11.77	703.98	11.02
c) Supplies/parts	13.54	1.74	162.80	2.55
d) Management/others	15.48	1.99	171.19	2.68
Expenditures total	341.56	40.85	3296.06	51.59
Profit and loss	-111.24	-14.28	-1377.16	-21.56
Expenditure reserve				
a) Severance pay	31.42	4.03	351.23	5.50
b) Interest	111.45	14.31	998.64	15.63
c) Depreciation	74.97	9.52	650.84	10.19
Expenditure reserve total	217.84	27.96	2000.71	31.31
Total expenditures	559.40	71.81	5296.76	82.90
Net profit	-329.08	-42.24	-3377.87	-52.87

The factory is comprised of three sections (blow room to simplex, ring, finishing) with supervisors called jobbers assigned to each section. Jobbers are recruited through internal promotion while the job grades above that is employed from the outside (a total of four persons including a spinning master, an assistant master, a quality control officer and an assistant).

Absenteeism is 4 to 5%, which is high compared to Factory A but is favourable compared to other state-owned factories. Workers arriving 10 minute late are deemed as absent and badlis are hired in their place.

4. Results of questionnaire survey on factory workers

Face sheet information on sample is shown in Table 6-9. While young women comprise the majority of workforce at the spinning factory, about half of them are married women that continue to work after marriage. Women entering the urban labour market and continuing to work after marriage have never been observed in the labour market of the past. Prosperity of garment factory may transform not only Bangladesh's manufacturing industry but also her entire social structure.

Table 6-9 Main data of questionnaire survey participants

	Age		Sex		
	Average	Standard deviation	Male	Female	Total
Garment factory	20.77	2.64	———	177 (100.0)	177(100.0)
Spinning factory	36.93	6.91	78 (76.5)	24 (23.5)	102(100.0)
Total	26.70	9.09	78 (28.0)	201 (72.0)	279(100.0)

	Marriage status			Total	Length of service (months)	
	Married	Single	Bereaved /divorced		Average	Standard deviation
Garment factory	83 (46.9)	86 (48.6)	8 (4.5)	177(100.0)	42.51	29.87
Spinning factory	98 (54.1)	4 (3.9)		102(100.0)	181.35	88.77
Total	181 (64.9)	90 (32.3)	8 (2.9)	279(100.0)	93.27	88.96

Figures within parentheses are percentages.

Table 6-10 Educational attainments

	Uneducated	Primary school	Secondary school (SSC)	Higher education	Total
Garment factory	55 (31.1)	98 (55.4)	20 (11.3)	4 (2.3)	177(100.0)
Spinning factory	18 (17.8)	71 (69.6)	13 (12.7)	0 (0.0)	102(100.0)
Total	73 (26.2)	169 (60.6)	33 (11.8)	4 (1.5)	279(100.0)

The response that appears to represent plainly the labour situations in Bangladesh was that, while everyone at the garment factory responded positively to the question about "reliability of salary payment" that was asked in connection with job satisfaction, more than half of the workers at the spinning factory expressed dissatisfaction. Late delivery of salary occurs frequently at companies that are performing poorly including state-owned factories and Factory B is no exception in this regard.

Table 6-11 Reliability of salary payment (%)

	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	Total
Garment factory	68.4 (121)	31.6 (56)	0.0 (0)	0.0 (0)	100.0 (177)
Spinning factory	17.6 (18)	24.5 (25)	39.2 (40)	18.6 (19)	100.0 (102)
Total	49.8 (139)	29.0 (81)	14.3 (40)	6.8 (19)	100.0 (279)

Figures in parentheses the number of sample.

In addition, alternative job opportunities are extremely limited, as manifested in the response to the following questions (Tables 6-12 through 6-14). As a result, workers have very little intention of leaving their jobs, making voluntary retirement not a practical option.

Table 6-12 It is nowadays difficult to find jobs offering same working conditions as this factory

	Strongly agree	Agree	Disagree	Strongly disagree	Total
Garment factory	36.7 (65)	36.2 (64)	20.3 (36)	6.8 (12)	100.0 (177)
Spinning factory	24.5 (25)	61.8 (63)	11.8 (12)	2.0 (2)	100.0 (102)
Total	32.3 (90)	45.5 (127)	17.2 (48)	5.0 (14)	100.0 (279)

Table 6-13 Which is more important, high pay or job security?

	A	B	C	D	Total
Garment factory	2.3 (4)	1.1 (2)	59.9 (106)	36.7 (65)	100.0 (177)
Spinning factory	7.8 (8)	20.6 (21)	41.2 (42)	30.4 (31)	100.0 (102)
Total	4.3 (12)	8.2 (23)	53.0 (148)	34.4 (96)	100.0 (279)

A) High pay is important, even if employment is not fully guaranteed.
B) High pay is relatively important
C) Job security is relatively important
D) Job security is important, even if pay is low

Table 6-14 How do you feel about leaving your job at this factory?

	A	B	C	D	Total
Garment factory	26.6 (47)	48.6 (86)	23.2 (41)	1.7 (3)	100.0 (177)
Spinning factory	39.2 (40)	41.2 (42)	6.9 (7)	12.7 (13)	100.0 (102)
Total	31.2 (87)	45.9 (128)	17.2 (48)	5.7 (16)	100.0 (279)

A) It is very unlikely that I would consider leaving this factory.
B) As afar as I can see ahead, I intend to stay in this factory.
C) I am not looking for another job. But I will change my job in the future.
D) I am seriously considering quitting this factory.

a) Response to labour incentives

This survey was conducted at factories that were performing better than any other factory in their respective industries. Nevertheless, great difference existed in their labour management strategies. Private factory A and state-owned factory B showed a striking contrast in terms of existence of labour incentive system that originates, as mentioned earlier, from the fact that management team at state-owned enterprises is indifferent about the strategy of labour management and that they have not been given the authority to work out such strategy. These facts should be clear from the response of workers regarding labour incentives. Garment factory workers are responding in the expected direction with regard to incentives while the spinning factory where labour incentives are weak showed contrasting results. In addition, all workers at the spinning factory were aware that promotion is based on the pre-employment qualification of educational attainments and had negative views regarding the relationship between labour performance and promotion. Furthermore, they did not think that promotion itself is taking place fairly.

Table 6-15 Response to labour incentives

It is possible to get promoted at this factory if I work hard.

	Strongly agree	Agree	Disagree	Strongly disagree	Total
Garment factory	28.8 (51)	53.7 (95)	12.4 (22)	5.1 (9)	100.0(177)
Spinning factory	9.8 (10)	41.2 (42)	21.6 (22)	27.5 (28)	100.0(102)
Total	21.9 (61)	49.1 (137)	15.8 (44)	13.3 (37)	100.0(279)

It is possible to get high salary at this factory if I work hard.

	Strongly agree	Agree	Disagree	Strongly disagree	Total
Garment factory	20.3 (36)	36.7 (65)	34.5 (61)	8.5 (15)	100.0(177)
Spinning factory	6.9 (7)	23.5 (24)	49.0 (50)	20.6 (21)	100.0(102)
Total	15.4 (43)	31.9 (89)	39.8 (111)	12.9 (36)	100.0(279)

Promotion is being offered fairly.

	Strongly agree	Agree	Disagree	Strongly disagree	Total
Garment factory	36.2 (64)	50.8 (90)	9.6 (17)	3.4 (6)	100.0(177)
Spinning factory	16.7 (17)	26.5 (27)	38.2 (39)	18.6 (19)	100.0(102)
Total	29.0 (81)	41.9 (117)	20.1 (56)	9.0 (25)	100.0(279)

The most important factor in promotion is the level of education.

	Strongly agree	Agree	Disagree	Strongly disagree	Total
Garment factory	21.5 (38)	21.5 (38)	36.2 (64)	20.9 (37)	100.0(177)
Spinning factory	61.8 (63)	38.2 (39)	0.0 (0)	0.0 (0)	100.0(102)
Total	36.2 (101)	27.6 (77)	22.9 (64)	13.3 (37)	100.0(279)

b) Job attitude

Two concepts of job attitudes are considered, job satisfaction and organisational commitment, through factor analysis. As to job satisfaction, two sub-factors were obtained from nine questions concerning satisfaction job aspects. The first factor relates to active involvement, which is referred to as intrinsic job satisfaction. Meanwhile, the second factor concerns satisfaction from exogenously-given working conditions, which is referred to as extrinsic job satisfaction.

Table 6-16 Job satisfaction factors (factor loading matrix)

	First component	Second component
	Intrinsic satisfaction	Extrinsic satisfaction
Degree of responsibility	0.814*	-0.247
Opportunities for promotion	0.718*	0.236
Interesting work	0.647*	0.166
Opportunities for acquiring skills	0.646*	0.240
Opportunities for using abilities	0.573*	0.437
Guaranteed employment	0.168	0.730*
Rules at the factory	0.255	0.701*
Prestige of the factory	0.137	0.663*
Salary level	-8.083E-02	0.611*
Generosity of the management	0.372	0.566*

Note: Factor extraction method: Principal component/varimax method. Items with asterisk were used for interpretation.

Sum of explained variance

Component	Eigen Value	Variance percentage
1	3.611	36.109
2	1.539	15.391

Questions regarding organisational commitment were then prepared as a concept indicating the sense of unity with the organisation and succeeded in extracting the factors shown below.

Table 6-17 Organisational commitment

	Component
I am happy to hear about the growth of this factory	0.807
I have a sense of loyalty to this factory	0.796
I am proud to be working for this factory	0.755
I have a sense of attachment to this factory	0.739
I do not feel myself to be a part of this factory	-0.550

Factor extraction method: Principal component

Sum of explained variance

Component	Eigen Value	Variance percentage
1	2.703	54.065

c) Job behaviour

The following two factors were derived with regard to job behaviour. The first factor is referred to as morale towards work and the second is neglect.

Table 6-18 Job behaviour

	First component	Second component
	Morale	Neglect
Want to do a responsible job	0.752*	-0.105
Want to be promoted	0.724*	-0.149
Want to work for high salary	0.686*	-0.190
Job is more important	0.646*	4.836E-02
Having difficulty concentrating	3.118E-02	0.864*
Feel reluctant to work sometimes	-0.138	0.858*
Lost passion towards work	-0.352	0.423*

Factor extraction method: Principal component. Rotation method: Varimax method accompanied by normalisation of Kaiser.

Total of explained variance

Component	Eigen Value	Variance percentage	Accumulation percentage
1	2.489	35.555	35.555
2	1.365	19.504	55.059

d) Analysis

According to the framework of industrial psychology, job attitudes (job satisfaction, organisational commitment) explain job behaviour (morale, neglect and intention to turnover). Among them, it was not possible to derive any significant turnover function because it is not a realistic option.

A labour management strategy needs to enhance morale and lower neglect. For this reason, the following regression analysis was attempted with regard to morale and neglect.

Table 6-19 Morale functions

Model		Non-standardised coefficient B	Standard error	Standardised coefficient Beta	t value	Significance
1	(Constant)	4.842	1.251		3.871	0.000
	EJS	0.243	0.057	0.269	4.257	0.000
	IJS	-2.024E-02	0.059	-0.023	-0.343	0.732
	COM	0.173	0.077	0.148	2.257	0.025
	FD	0.305	0.407	0.075	0.749	0.455
	Education	0.663	0.163	0.226	4.071	0.000
	GG	0.295	0.422	0.068	0.700	0.484
2	(Constant)	4.735	1.209		3.915	0.000
	EJS	0.237	0.054	0.262	4.368	0.000
	COM	0.165	0.072	0.141	2.274	0.024
	FD	0.341	0.392	0.084	0.871	0.385
	Education	0.667	0.162	0.227	4.106	0.000
	GG	0.305	0.420	0.070	0.728	0.467
3	(Constant)	5.080	1.112		4.569	0.000
	EJS	0.237	0.054	0.263	4.384	0.000
	COM	0.163	0.072	0.139	2.252	0.025
	FD	0.110	0.230	0.027	0.480	0.631
	Education	0.655	0.161	0.223	4.057	0.000
4	(Constant)	5.009	1.100		4.552	0.000
	EJS	0.235	0.054	0.261	4.367	0.000
	COM	0.172	0.070	0.147	2.450	0.015
	Education	0.659	0.161	0.224	4.095	0.000

EJS: extrinsic job satisfaction IJS: intrinsic job satisfaction, COM: organisational commitment, GG: gender dummy FD: factory dummy

Variance analysis

		Sum of squares	Variance	Average square	F value	Significance
1	Regression	193.208	6	32.201	10.038	0.000
	Residual	872.563	272	3.208		
	Overall	1065.771	278			
2	Regression	192.831	5	38.566	12.061	0.000
	Residual	872.939	273	3.198		
	Overall	1065.771	278			
3	Regression	191.139	4	47.785	14.970	0.000
	Residual	874.632	274	3.192		
	Overall	1065.771	278			
4	Regression	190.402	3	63.467	19.938	0.000
	Residual	875.369	275	3.183		
	Overall	1065.771	278			

	R	R square	Adjusted R square
1	0.426	0.181	0.163
2	0.425	0.181	0.166
3	0.423	0.179	0.167
4	0.423	0.179	0.170

Table 6-20 Neglect function

Model		Non-standardised coefficient		Standardised coefficient	t-value	Significance
		B	Standard error	Beta		
1	(Constant)	11.999	0.890		13.477	0.000
	EJS	-0.286	0.044	-0.407	-6.482	0.000
	IJS	2.689E-03	0.046	0.004	0.059	0.953
	COM	2.620E-03	0.060	0.003	0.044	0.965
	FD	-9.616E-03	0.190	-0.003	-0.051	0.960
	Education	-0.291	0.126	-0.127	-2.315	0.021
2	(Constant)	12.019	0.754		15.943	0.000
	EJS	-0.286	0.042	-0.407	-6.721	0.000
	IJS	3.353E-03	0.043	0.005	0.078	0.938
	FD	-6.838E-03	0.179	-0.002	-0.038	0.970
	Education	-0.290	0.125	-0.127	-2.322	0.021
3	(Constant)	12.014	0.741		16.209	0.000
	EJS	-0.286	0.042	-0.407	-6.805	0.000
	IJS	3.784E-03	0.041	0.005	0.091	0.927
	Education	-0.291	0.125	-0.127	-2.332	0.020
4	(Constant)	12.048	0.641		18.809	0.000
	EJS	-0.284	0.038	-0.405	-7.436	0.000
	Education	-0.291	0.124	-0.128	-2.344	0.020

Variance analysis

		Sum of squares	Variance	Average square	F value	Significance
1	Regression	117.822	5	23.564	12.227	0.000
	Residual	526.142	273	1.927		
	Overall	643.964	278			
2	Regression	117.818	4	29.455	15.339	0.000
	Residual	526.146	274	1.920		
	Overall	643.964	278			
3	Regression	117.816	3	39.272	20.526	0.000
	Residual	526.149	275	1.913		
	Overall	643.964	278			
4	Regression	117.800	2	58.900	30.896	0.000
	Residual	526.165	276	1.906		
	Overall	643.964	278			

	R	R square	Adjusted R square
1	0.428	0.183	0.168
2	0.428	0.183	0.171
3	0.428	0.183	0.174
4	0.428	0.183	0.177

One can see from the above results that extrinsic job satisfaction and organisational commitment are positively related to morale. In addition, the level of education also has a positive effect on morale. Factory and gender dummy are not significant. As for neglect, extrinsic job satisfaction and academic level have a negative effect on it. These findings contrast sharply with the fact that intrinsic job satisfaction and organisational commitment have positive effects on work-related behaviours in the results from similar surveys conducted in the developed industrial countries.

Extrinsic job satisfaction and intrinsic job satisfaction correspond to statistician on lower-level desire and higher-level desire of Maslow's hierarchy of needs theory, respectively. If we follow Maslow's theory, which argues that higher-level needs can be satisfied only after lower-level needs are satisfied, it is very conceivable that satisfaction of lower-level needs will be the imminent desire of the workers under the depressed economic environments of Bangladesh. At a Japanese-affiliated firm where the job performance level of factory workers was not necessarily satisfactory, job performance improved significantly after the company started serving complimentary lunch. Since motivation had been lowered as the workers were not able to secure sufficient food in this case, fulfilling the lower-level desire of appetite (i.e. desire of survival) raised the work performance. In economics, this phenomenon is known as an efficiency wage hypothesis.

However, this does not signify that favourable job performance can be realised by increasing the extrinsic job satisfaction alone. Table 6-21 takes a look at the simple correlation of two companies. The upper right half of the diagonal matrix corresponds to correlation at the garment factory in which the same relationship as that normally observed in the developed industrial world of intrinsic job satisfaction (IJS), extrinsic job satisfaction (EJS) and organisational commitment (COM) raising the morale and inhibiting the neglect can be identified. However, the spinning factory shown at the lower left stands in contrast with the garment factory in that its extrinsic job satisfaction only has a significant effect (organisational commitment only affects the morale).

As for the relationship between the workers' reaction to the four labour incentives from "promotion" to "proper evaluation" and the organisational behaviour consisting of intrinsic job satisfaction (IJS), extrinsic job satisfaction (EJS) and organisational commitment (COM) (Table 6-21), a positive relationship whereby it becomes significant at 0.1% in all aspects is observed at the garment factory. In other words, work awareness is raised as a result of the workers responding favourably established labour incentives. Meanwhile, correlation is observed in intrinsic job satisfaction but does not exist or is in negative correlation in other cases at the spinning factory.

Consequently, labour incentives are demonstrating the effect of significantly preventing neglect behaviour at the garment factory whereas labour incentives do not have any significant effect of preventing neglect behaviour or even have negative correlation at the spinning factory. The fact that insufficient labour management at the spinning factory not being able to prevent neglect behaviour of workers is the very reason behind low labour productivity at state-owned enterprises as indicated earlier. Privatisation of state-owned enterprises is inevitable considering the fact that labour incentives are functioning properly at the garment factory.

	IJS	EJS	COM	Morale	Neglect	Work-promotion	Fair promotion	Work wages	Proper evaluation	Trusted management	Supervisor relationship	Management trust	General satisfaction
IJS		0.56 ***	0.46 ***	0.17 +	-0.31 ***	*0.52* ***	*0.41* ***	*0.39* ***	*0.20* **	0.38 ***	0.48 ***	0.19 *	0.19 ***
EJS	0.31 ***		0.51 ***	0.16 +	-0.28 ***	*0.40* ***	*0.61* ***	*0.50* ***	*0.34* ***	0.52 ***	0.53 ***	0.45 ***	0.34 ***
COM	0.49 ***	0.28 **		0.27 ***	-0.25 ***	*0.44* ***	*0.42* ***	*0.37* ***	*0.23* **	0.36 ***	0.30 ***	0.23 **	0.24 ***
Morale	0.15	0.63 ***	0.21 +		-0.05	**0.21** **	**0.06**	**0.10**	**-0.15** + ®	0.30 ***	0.28 ***	0.21 **	0.13
Neglect	-0.06	-0.51 ***	-0.06	-0.71 ***		**-0.28** ***	**-0.22** **	**-0.17** +	**-0.26** ***	-0.12	-0.23 **	-0.12	-0.31 ***
Work Promotion	*0.43* ***	*-0.24* *®	*0.07*	**-0.27** ** ®	**0.31** *** ®		0.51 ***	0.46 ***	0.27 ***	0.37 ***	0.33 ***	0.18 *	0.18 *
Fair promotion	*0.46* ***	*0.40* ***	*0.14*	**0.33** ***	**-0.19**	0.47 ***		0.50 ***	0.36 ***	0.50 ***	0.36 ***	0.43 ***	0.22 **
Work Wages	*0.43* ***	*0.16*	*0.04*	**-0.06**	**-0.03**	0.67 ***	0.39 ***		0.29 ***	0.34 ***	0.36 ***	0.21 **	0.23 **
Proper evaluation	*0.32* ***	*0.40* ***	*0.36* ***	**0.31** **	**-0.11**	0.18	0.55 ***	0.22 +		0.13	0.14	0.18 *	0.33 ***
Trusted management	0.40 ***	0.45 ***	0.32 ***	0.41 ***	-0.38 ***	-0.02	0.44 ***	0.08	0.40 ***		0.51 ***	0.53 ***	0.07
Supervisor relationship	0.34 ***	0.20 +	0.10	0.31 **	-0.12	0.33 ***	0.42 ***	0.30 **	0.30 **	0.12		0.39 ***	0.11
Management trust	0.22	0.53 ***	0.16	0.56 ***	-0.39 ***	-0.05	0.23 *	0.15	0.17	0.40 ***	0.31 **		0.10
General satisfaction	0.34 ***	0.14	0.29 **	0.03	0.03	0.37 ***	0.24 *	0.36 ***	0.19	0.10	0.23 *	0.22 +	

Note: Upper right half of the diagonal matrix corresponds to the garment factory and spinning factory is at lower left. *** P < 0.01%, **<0.1%, *<2.5%, +<5%.
® refers to relationship opposite from normal relationship.
Work promotion: Can be promoted by working hard.
Fair promotion: Promotion is offered fairly.
Work wages: Working hard raises wages.
Proper evaluation: Work is evaluated properly.
Promotion through skill: Acquiring skills is a factor in promotion.
Trusted management: Management of this factory is trusted.
Supervisor relationship: Relationship with supervisor is favourable.
Management trust: Management trusts the workers.
General satisfaction: Generally satisfied with the factory.

5. Conclusion

Creation of employment is the most important task for Bangladesh where staggering majority of surplus labour exists. However, labour-absorbing capacity of agriculture has reached a level where not much can be expected from it. Although its share in employment is not large at present, the role to be played by labour intensive manufacturing industry should not by any means be underestimated.

Since labour cost in Bangladesh is considerably low, labour-intensive manufacturing industry has large comparative advantages for gaining international competitiveness. The content of labour law also gives flexibility to the labour market, although the cost of dismissal, which corresponds to the base pay multiplied by service years, is depriving flexibility from the labour market. Such environment is giving rise to a paradox of democracy in which outsiders that do not benefit from the labour law such as temporary workers and badlis are created on the other end of insides who are permanent workers protected under the labour law.

The state-owned enterprise included in this survey was a typical example. Taking the strategy of replacing permanent workers whose labour cost and dismissal cost are prohibitively high owing to excessive protection that has been afforded to them by the labour law and labour union is not by any means an ideal situation. Moreover, the impact of wages at state-owned enterprises determined under the pressure from the politicised labour unions and dismissal cost exceeding the provision under the labour law on the employment policy of private enterprises may become an inhibiting factor in future industrialisation of Bangladesh. There exists a pressing need for privatisation of state-owned enterprises.

Simple Aggregation of Questionnaire results

Let us assume that you are looking for a new job. Is that job a) very important, b) important, c) a little important, or d) not important?

8. Not far from home

	Very Important	Important	A little Important	Unimportant	Total
Garment	16.9 (30)	49.7 (88)	16.9 (30)	16.4 (29)	100.0 (177)
Spinning	27.5 (28)	54.9 (56)	14.7 (15)	2.9 (3)	100.0 (102)
Total	20.8 (58)	51.6(144)	16.1 (45)	11.5 (32)	100.0 (279)

9. Working conditions (sanitation, lighting, clean air etc)

	Very Important	Important	A little Important	Unimportant	Total
Garment	18.6 (33)	62.7(111)	11.9 (2)	6.8 (12)	100.0 (177)
Spinning	38.2 (39)	61.8 (63)	0.0 (0)	0.0 (0)	100.0 (102)
Total	25.8 (72)	62.4(174)	7.5 (21)	4.3 (12)	100.0 (279)

10. Chances to utilise your ability

	Very Important	Important	A little Important	Unimportant	Total
Garment	11.9 (21)	58.8(104)	24.3 (43)	5.1 (9)	100.0 (177)
Spinning	27.5 (28)	71.6 (73)	1.0 (1)	0.0 (0)	100.0 (102)
Total	17.6 (49)	63.4(177)	15.8 (44)	3.2 (9)	100.0 (279)

11. Level of Salary

	Very Important	Important	A little Important	Unimportant	Total
Garment	57.6(102)	35.0 (62)	7.3 (13)	0.0 (0)	100.0 (177)
Spinning	77.5 (79)	22.5 (23)	0.0 (0)	0.0 (0)	100.0 (102)
Total	64.9(181)	30.5 (85)	4.7 (13)	0.0 (0)	100.0 (279)

12. Regular Payment of Salary

	Very Important	Important	A little Important	Unimportant	Total
Garment	75.7(134)	23.7 (42)	0.6 (1)	0.0 (0)	100.0 (177)
Spinning	89.2 (91)	10.8 (11)	0.0 (0)	0.0 (0)	100.0 (102)
Total	80.6(225)	19.0 (53)	0.4 (1)	0.0 (0)	100.0 (279)

13. Job that gives a feeling of accomplishment

	Very Important	Important	A little Important	Unimportant	Total
Garment	14.7 (26)	54.8 (97)	25.4 (45)	5.1 (9)	100.0 (177)
Spinning	21.6 (22)	75.5 (77)	2,9 (3)	0.0 (0)	100.0 (102)
Total	17.2 (48)	62.4(174)	17.2 (48)	3.2 (9)	100.0 (279)

14. Lenient of the Factory Manager

	Very Important	Important	A little Important	Unimportant	Total
Garment	12.4 (22)	56.5(100)	23.2 (41)	7.9 (14)	100.0 (177)
Spinning	17.6 (18)	79.4 (81)	2.0 (2)	1.0 (1)	100.0 (102)
Total	14.3 (40)	64.9(181)	15.4 (43)	5.4 (15)	100.0 (279)

15. Not strict factory rules and regulation

	Very Important	Important	A little Important	Unimportant	Total
Garment	5.6 (10)	41.2 (73)	37.9 (67)	15.3 (27)	100.0 (177)
Spinning	8.8 (9)	41.2 (42)	29.4 (30)	20.6 (21)	100.0 (102)
Total	6.8 (19)	41.2(115)	34.8 (97)	17.2 (48)	100.0 (279)

16. An easy job

	Very Important	Important	A little Important	Unimportant	Total
Garment	9.6 (17)	35.0 (62)	45.8 (81)	9.6 (17)	100.0 (177)
Spinning	6.9 (7)	66.7 (68)	25.5 (26)	1.0 (1)	100.0 (102)
Total	8.6 (24)	47.0(131)	38.0(106)	6.5 (18)	100.0 (279)

17. Not long working hours

	Very Important	Important	A little Important	Unimportant	Total
Garment	8.5 (15)	45.8 (81)	28.8 (51)	16.9 (30)	100.0 (177)
Spinning	8.8 (9)	53.9 (55)	32.4 (33)	4.9 (5)	100.0 (102)
Total	8.6 (24)	49.1(137)	29.7 (83)	12.5 (35)	100.0 (279)

18. Chances to master skills

	Very Important	Important	A little Important	Unimportant	Total
Garment	5.1 (9)	58.2(103)	30.5 (54)	6.2 (11)	100.0 (177)
Spinning	36.3 (37)	59.8 (61)	3.9 (4)	0.0 (0)	100.0 (102)
Total	16.5 (46)	58.4(163)	21.1 (59)	3.9 (11)	100.0 (279)

19. Famous factory

	Very Important	Important	A little Important	Unimportant	Total
Garment	9.6 (17)	42.4 (75)	28.8 (51)	19.2 (34)	100.0 (177)
Spinning	17.6 (18)	49.0 (50)	21.6 (22)	11.8 (12)	100.0 (102)
Total	12.5 (35)	44.8(125)	26.2 (73)	16.5 (46)	100.0 (279)

20. Interesting task

	Very Important	Important	A little Important	Unimportant	Total
Garment	7.3 (13)	48.6 (86)	35.0 (62)	9.0 (16)	100.0 (177)
Spinning	33.3 (34)	65.7 (67)	1.0 (1)	0.0 (0)	100.0 (102)
Total	16.8 (47)	54.8(153)	22.6 (63)	5.7 (16)	100.0 (279)

21. Good atmospheres in the workplace

	Very Important	Important	A little Important	Unimportant	Total
Garment	22.0 (39)	51.4 (91)	14.7 (26)	11.9 (21)	100.0 (177)
Spinning	28.4 (29)	71.6 (73)	0.0 (0)	0.0 (0)	100.0 (102)
Total	24.4 (68)	58.8(164)	9.3 (26)	7.5 (21)	100.0 (279)

22. Task with a high level of responsibility

	Very Important	Important	A little Important	Unimportant	Total
Garment	11.3 (20)	55.4 (98)	24.3 (43)	9.0 (16)	100.0 (177)
Spinning	33.3 (34)	66.7 (68)	0.0 (0)	0.0 (0)	100.0 (102)
Total	19.4 (54)	59.5(166)	15.4 (43)	5.7 (16)	100.0 (279)

23. Job security(Steady employment)

	Very Important	Important	A little Important	Unimportant	Total
Garment	54.8 (97)	42.4 (75)	2.8 (5)	0.0 (0)	100.0 (177)
Spinning	70.6 (72)	29.4 (30)	0.0 (0)	0.0 (0)	100.0 (102)
Total	60.6(169)	37.6(105)	1.8 (5)	0.0 (0)	100.0 (279)

24. Opportunities for promotion

	Very Important	Important	A little Important	Unimportant	Total
Garment	20.9 (37)	59.9(106)	17.5 (31)	1.7 (3)	100.0 (177)
Spinning	80.4 (82)	19.6 (20)	0.0 (0)	0.0 (0)	100.0 (102)
Total	42.7(119)	45.2(126)	11.1 (31)	1.1 (3)	100.0 (279)

Then, are you satisfied with the following points about your job?

a) Very satisfied, b) Satisfied, c) Dissatisfied, d) Very dissatisfied

25. Distance from your home

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	20.3 (36)	51.4 (91)	18.1 (32)	10.2 (18)	100.0 (177)
Spinning	10.8 (11)	66.7 (68)	20.6 (21)	2.0 (2)	100.0 (102)
Total	16.8 (47)	57.0(159)	19.0 (53)	7.2 (20)	100.0 (279)

26. Working Conditions(sanitation, lighting, clean air etc)

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	45.8 (81)	53.7 (95)	0.6 (1)	0.0 (0)	100.0 (177)
Spinning	12.7 (13)	68.6 (70)	18.6 (19)	0.0 (0)	100.0 (102)
Total	33.7 (94)	59.1(165)	7.2 (20)	0.0 (0)	100.0 (279)

27. Chances to utilise your ability

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	14.1 (25)	79.7(141)	5.6 (10)	0.6 (1)	100.0 (177)
Spinning	21.6 (22)	58.8 (60)	19.6 (20)	0.0 (0)	100.0 (102)
Total	16.8 (47)	72.0(201)	10.8 (30)	0.4 (1)	100.0 (279)

28. Level of Salary

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	6.2 (11)	40.1 (71)	44.6 (79)	9.0 (16)	100.0 (177)
Spinning	41.2 (42)	24.5 (25)	33.3 (34)	1.0 (1)	100.0 (102)
Total	19.0 (53)	34.4 (96)	40.5(113)	6.1 (17)	100.0 (279)

29. Regular payment of Salary

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	68.4(121)	31.6 (56)	0.0 (0)	0.0 (0)	100.0 (177)
Spinning	17.6 (18)	24.5 (25)	39.2 (40)	18.6 (19)	100.0 (102)
Total	49.8(139)	29.0 (81)	14.3 (40)	6.8 (19)	100.0 (279)

30. Feeling of accomplishment in doing work

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	14.7 (26)	83.1(147)	2.3 (4)	0.0 (0)	100.0 (177)
Spinning	25.5 (26)	57.8 (59)	15.7 (16)	1.0 (1)	100.0 (102)
Total	18.6 (52)	73.8(206)	7.2 (20)	0.4 (1)	100.0 (279)

31. Lenience of the Factory Manager

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	23.7 (42)	73.4(130)	2.8 (5)	0.0 (0)	100.0 (177)
Spinning	13.7 (14)	75.5 (77)	10.8 (11)	0.0 (0)	100.0 (102)
Total	20.1 (56)	74.2(207)	5.7 (16)	0.0 (0)	100.0 (279)

32. Factory rules and regulation

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	28.8 (51)	65.0(115)	6.2 (11)	0.0 (0)	100.0 (177)
Spinning	38.2 (39)	46.1 (47)	15.7 (16)	0.0 (0)	100.0 (102)
Total	32.3 (90)	58.1(162)	9.7 (27)	0.0 (0)	100.0 (279)

33. An easy job

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	28.8 (51)	68.9(122)	2.3 (4)	0.0 (0)	100.0 (177)
Spinning	6.9 (7)	90.2 (92)	2.9 (3)	0.0 (0)	100.0 (102)
Total	20.8 (58)	76.7(214)	2.5 (7)	0.0 (0)	100.0 (279)

34. Working hours

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	27.1 (48)	65.5(116)	7.3 (13)	0.0 (0)	100.0 (177)
Spinning	17.6 (18)	65.7 (67)	16.7 (17)	0.0 (0)	100.0 (102)
Total	23.7 (66)	65.6(183)	10.8 (30)	0.0 (0)	100.0 (279)

35. Chances to master skills

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	18.1 (32)	75.1(133)	5.6 (10)	1.1 (2)	100.0 (177)
Spinning	28.4 (29)	60.8 (62)	9.8 (10)	1.0 (1)	100.0 (102)
Total	21.9 (61)	69.9(195)	7.2 (20)	1.1 (3)	100.0 (279)

36. Reputation of the factory

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	48.6 (86)	51.4 (91)	0.0 (0)	0.0 (0)	100.0 (177)
Spinning	47.1 (48)	48.0 (49)	4.9 (5)	0.0 (0)	100.0 (102)
Total	48.0(134)	50.2(140)	1.8 (5)	0.0 (0)	100.0 (279)

37. The level of interest your task offers

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	25.4 (45)	70.1(124)	4.5 (8)	0.0 (0)	100.0 (177)
Spinning	16.7 (17)	81.4 (83)	2.0 (2)	0.0 (0)	100.0 (102)
Total	22.2 (62)	74.2(207)	3.6 (10)	0.0 (0)	100.0 (279)

38. Atmospheres in the workplace

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	36.2 (64)	63.3(112)	0.6 (1)	0.0 (0)	100.0 (177)
Spinning	32.4 (33)	61.8 (63)	4.9 (5)	1.0 (1)	100.0 (102)
Total	34.8 (97)	62.5(175)	2.2 (6)	0.4 (1)	100.0 (279)

39. The current level of responsibility in your job

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	17.5 (31)	75.1(133)	7.3 (13)	0.0 (0)	100.0 (177)
Spinning	14.7 (15)	56.9 (58)	19.6 (20)	8.8 (9)	100.0 (102)
Total	16.5 (46)	68.5(191)	11.8 (33)	3.2 (9)	100.0 (279)

40. Job security (Steady employment)

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	27.1 (48)	66.7(118)	5.6 (10)	0.6 (1)	100.0 (177)
Spinning	34.3 (35)	28.4 (29)	37.3 (38)	0.0 (0)	100.0 (102)
Total	29.7 (83)	52.7(147)	17.2 (48)	0.4 (1)	100.0 (279)

41. Opportunities for promotion

	Very Satisfied	Satisfied	Dissatisfied	Very Satisfied	Total
Garment	15.8 (28)	75.7(134)	7.3 (13)	1.1 (2)	100.0 (177)
Spinning	23.5 (24)	16.7 (17)	36.3 (37)	23.5 (24)	100.0 (102)
Total	18.6 (52)	54.1(151)	17.9 (50)	9.3 (26)	100.0 (279)

The following questions concern your working life at this factory. Please select the answer that applies to you.

a) Strongly agree, b) Agree, c) Disagree, d) Strongly disagree

42. My workload is beyond my capability.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	2.3 (4)	9.0 (16)	58.2(103)	30.5 (54)	100.0 (177)
Spinning	0.0 (0)	45.1 (46)	26.5 (27)	28.4 (29)	100.0 (102)
Total	1.4 (4)	22.2 (62)	46.6(130)	29.7 (83)	100.0 (279)

43. I want to engage in tasks with a higher level of responsibility.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	20.3 (36)	61.0(108)	16.4 (29)	2.3 (4)	100.0 (177)
Spinning	15.7 (16)	68.6 (70)	15.7 (16)	0.0 (0)	100.0 (102)
Total	18.6 (52)	63.8(178)	16.1 (45)	1.4 (4)	100.0 (279)

44. My work is monotonous/boring.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	1.7 (3)	33.3 (59)	55.9 (99)	9.0 (16)	100.0 (177)
Spinning	2.0 (2)	60.8 (62)	34.3 (35)	2.9 (3)	100.0 (102)
Total	1.8 (5)	43.4(121)	48.0(134)	6.8 (19)	100.0 (279)

45. I feel loyalty to this factory

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	40.7 (72)	57.1(101)	2.3 (4)	0.0 (0)	100.0 (177)
Spinning	24.5 (25)	75.5 (77)	0.0 (0)	0.0 (0)	100.0 (102)
Total	34.8 (97)	63.8(178)	1.4 (4)	0.0 (0)	100.0 (279)

46. I am willing to work harder in order to help this company grow.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	30.5 (54)	58.8(104)	8.5 (15)	2.3 (4)	100.0 (177)
Spinning	37.3 (38)	59.8 (61)	2.9 (3)	0.0 (0)	100.0 (102)
Total	33.0 (92)	59.1(165)	6.5 (18)	1.4 (4)	100.0 (279)

47. I try to work hard for better payment and positions.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	49.2 (87)	45.8 (81)	5.1 (9)	0.0 (0)	100.0 (177)
Spinning	45.1 (46)	54.9 (56)	0.0 (0)	0.0 (0)	100.0 (102)
Total	47.7(133)	49.1(137)	3.2 (9)	0.0 (0)	100.0 (279)

48. The major reason that I work for this factory is there are no other job opportunities available.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	6.2 (11)	10.7 (19)	46.3 (82)	36.7 (65)	100.0 (177)
Spinning	3.9 (4)	52.9 (54)	11.8 (12)	31.4 (32).	100.0 (102)
Total	5.4 (15)	26.2 (73)	33.7 (94)	34.8 (97)	100.0 (279)

49. I am proud to work for this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	43.7 (77)	52.5 (93)	4.0 (7)	0.0 (0)	100.0 (177)
Spinning	30.4 (31)	41.2 (42)	28.4 (29)	0.0 (0)	100.0 (102)
Total	38.7(108)	48.4(135)	12.9 (36)	0.0 (0)	100.0 (279)

50. My company takes care of workers well.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	27.7 (49)	68.9(122)	3.4 (6)	0.0 (0)	100.0 (177)
Spinning	17.6 (18)	35.3 (36)	39.2 (40)	7.8 (8)	100.0 (102)
Total	24.0 (67)	56.6(158)	16.5 (46)	2.9 (8)	100.0 (279)

51. I am eager to be promoted

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	38.4 (68)	37.9 (67)	19.2 (34)	4.5 (8)	100.0 (177)
Spinning	43.1 (44)	36.3 (37)	20.6 (21)	0.0 (0)	100.0 (102)
Total	40.1(112)	37.6(105)	19.4 (54)	2.9 (8)	100.0 (279)

52. I try to work more than assigned.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	23.7 (42)	48.0 (85)	24.3 (43)	4.0 (7)	100.0 (177)
Spinning	16.7 (17)	79.4 (81)	3.9 (4)	0.0 (0)	100.0 (102)
Total	21.1 (59)	59.5(166)	16.8 (47)	2.5 (7)	100.0 (279)

53. I enjoy working for this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	19.8 (35)	73.4(130)	6.8 (12)	0.0 (0)	100.0 (177)
Spinning	13.7 (14)	66.7 (68)	19.6 (20)	0.0 (0)	100.0 (102)
Total	17.2 (48)	71.3(199)	11.5 (32)	0.0 (0)	100.0 (279)

54. Sometimes I can not concentrate myself on my task.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	4.5 (8)	56.5(100)	33.9 (60)	5.1 (9)	100.0 (177)
Spinning	3.9 (4)	37.3 (38)	44.1 (45)	14.7 (15)	100.0 (102)
Total	4.3 (12)	49.1(137)	38.0(106)	8.6 (24)	100.0 (279)

55. I feel attachment to the factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	28.2 (50)	67.8(120)	4.0 (7)	0.0 (0)	100.0 (177)
Spinning	11.8 (12)	64.7 (66)	23.5 (24)	0.0 (0)	100.0 (102)
Total	22.2 (62)	66.7(186)	11.1 (31)	0.0 (0)	100.0 (279)

56. I feel frustrated while working.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	5.6 (10)	34.5 (61)	49.2 (87)	10.7 (19)	100.0 (177)
Spinning	3.9 (4)	39.2 (40)	49.0 (50)	7.8 (8)	100.0 (102)
Total	5.0 (14)	36.2(101)	49.1(137)	9.7 (27)	100.0 (279)

57. I neglect factory rules and regulation.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	5.6 (10)	13.0 (23)	44.6 (79)	36.7 (65)	100.0 (177)
Spinning	0.0 (0)	22.5 (23)	26.5 (27)	51.0 (52)	100.0 (102)
Total	3.6 (10)	16.1 (45)	38.4(107)	41.9(117)	100.0 (279)

58. Sometimes I do not feel like working.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	1.7 (3)	57.1(101)	38.4 (68)	2.8 (5)	100.0 (177)
Spinning	9.8 (10)	40.2 (41)	40.2 (41)	9.8 (10)	100.0 (102)
Total	4.7 (13)	50.9(142)	39.1(109)	5.4 (15)	100.0 (279)

59. I would turn down extra work if not paid well.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	39.5 (70)	19.2 (34)	35.6 (63)	5.6 (10)	100.0 (177)
Spinning	25.5 (26)	40.2 (41)	12.7 (13)	21.6 (22)	100.0 (102)
Total	34.4 (96)	26.9 (75)	27.2 (76)	11.5 (32)	100.0 (279)

60. Nowadays, it is very difficult to find another job with more ore less same working conditions of this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	36.7 (65)	36.2 (64)	20.3 (36)	6.8 (12)	100.0 (177)
Spinning	24.5 (25)	61.8 (63)	11.8 (12)	2.0 (2)	100.0 (102)
Total	32.3 (90)	45.5(127)	17.2 (48)	5.0 (14)	100.0 (279)

61. I sometimes feel tired while working.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	8.5 (15)	67.8(120)	23.2 (41)	0.6 (1)	100.0 (177)
Spinning	3.9 (4)	58.8 (60)	32.4 (33)	4.9 (5)	100.0 (102)
Total	6.8 (19)	64.5(180)	26.5 (74)	2.2 (6)	100.0 (279)

62. I do not feel like 'part of the family' in this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	1.7 (3)	11.9 (2)	57.1(101)	29.4 (52)	100.0 (177)
Spinning	3.9 (4)	11.8 (12)	39.2 (40)	45.1 (46)	100.0 (102)
Total	2.5 (7)	11.8 (33)	50.5(141)	35.1 (98)	100.0 (279)

63. I want to take participate in decision making about work.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	10.7 (19)	62.1(110)	23.7 (42)	3.4 (6)	100.0 (177)
Spinning	2.9 (3)	72.5 (74)	22.5 (23)	2.0 (2)	100.0 (102)
Total	7.9 (22)	65.9(184)	23.3 (65)	2.9 (8)	100.0 (279)

64. I have lost enthusiasm for my work in this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	1.1 (2)	6.8 (12)	74.6(132)	17.5 (31)	100.0 (177)
Spinning	2.0 (2)	35.3 (36)	44.1 (45)	18.6 (19)	100.0 (102)
Total	1.4 (4)	17.2 (48)	63.4(177)	17.9 (50)	100.0 (279)

65. I feel happy to hear our company growing.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	46.3 (82)	53.1 (94)	0.6 (1)	0.0 (0)	100.0 (177)
Spinning	50.0 (51)	48.0 (49)	2.0 (2)	0.0 (0)	100.0 (102)
Total	47.7(133)	51.3(143)	1.1 (3)	0.0 (0)	100.0 (279)

66. All what I have to do is to work according to the decisions that my superiors made.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	43.5 (77)	54.8 (97)	0.6 (1)	1.1 (2)	100.0 (177)
Spinning	25.5 (26)	65.7 (67)	8.8 (9)	0.0 (0)	100.0 (102)
Total	36.9(103)	58.8(164)	3.6 (10)	0.7 (2)	100.0 (279)

67. I trust the manager of this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	37.3 (66)	61.6(109)	0.6 (1)	0.6 (1)	100.0 (177)
Spinning	21.6 (22)	74.5 (76)	3.9 (4)	0.0 (0)	100.0 (102)
Total	31.5 (88)	66.3(185)	1.8 (5)	0.4 (1)	100.0 (279)

68. I am on good terms with my supervisors.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	32.8 (58)	65.5(116)	1.7 (3)	0.0 (0)	100.0 (177)
Spinning	17.6 (18)	68.6 (70)	13.7 (14)	0.0 (0)	100.0 (102)
Total	27.2 (76)	66.7(186)	6.1 (17)	0.0 (0)	100.0 (279)

69. I suppose the factory manager trusts workers.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	22.0 (39)	70.1(124)	7.9 (14)	0.0 (0)	100.0 (177)
Spinning	22.5 (23)	61.8 (63)	15.7 (16)	0.0 (0)	100.0 (102)
Total	22.2 (62)	67.0(187)	10.8 (30)	0.0 (0)	100.0 (279)

70. I would take any job in order to continue working for this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	14.7 (26)	31.1 (55)	24.9 (44)	29.4 (52)	100.0 (177)
Spinning	20.6 (21)	61.8 (63)	10.8 (11)	6.9 (7)	100.0 (102)
Total	16.8 (47)	42.3(118)	19.7 (55)	21.1 (59)	100.0 (279)

71. The acquirement of skills in this factory is important for promotion.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	28.8 (51)	66.7(118)	3.4 (6)	1.1 (2)	100.0 (177)
Spinning	37.3 (38)	61.8 (63)	1.0 (1)	0.0 (0)	100.0 (102)
Total	31.9 (89)	64.9(181)	2.5 (7)	0.7 (2)	100.0 (279)

72. All in all, are you satisfied with your working life in this factory? Choose, one.

	A	B	C	D	Total
Garment	1.7 (3)	2.8 (5)	52.5 (93)	42.9 (76)	100.0 (177)
Spinning	9.8 (10)	33.3 (34)	51.0 (52)	5.9 (6)	100.0 (102)
Total	4.7 (13)	14.0 (39)	52.0(145)	29.4 (82)	100.0 (279)

A. Very dissatisfied.

B. I find some dissatisfaction.

C. More or less, I am satisfied.

D. Yes, very much.

73. (When, the answer above is not 1) Then, what would you do to deal with the problems? Please, choose one.

	A	B	C	D	Total
Garment	98.9(173)	1.1 (2)	0.0 (0)	0.0 (0)	100.0 (177)
Spinning	68.6 (70)	2.0 (2)	1.0 (1)	28.4 (29)	100.0 (102)
Total	87.7(243)	1.4 (4)	0.4 (1)	10.4 (29)	100.0 (279)

A. I will consult with my supervisor to try and make things better.

B. I will say nothing to others and wait the problems will solve themselves.

C. I will say nothing because our problems will not be solved at any case.

D. I will consult with trade union.

74. Which of the following statements applies to you most. Choose one.

	A	B	C	Total
Garment	79.7(141)	19.2 (34)	1.1 (2)	100.0 (177)
Spinning	65.7 (67)	29.4 (30)	4.9 (5)	100.0 (102)
Total	74.6(208)	22.9 (64)	2.5 (7)	100.0 (279)

A. My task gives me almost no personal 'say' about how the work is done.

B. Many things are standardized and not under my control, but I am allowed to make some decisions about the work.

C. My task gives me almost complete responsibility for deciding how and when the work is done.

75. Which of the following statements about work pace applies to you most. Choose one.

	A	B	C	Total
Garment	88.7(157)	9.6 (17)	1.7 (3)	100.0 (177)
Spinning	94.1 (96)	2.0 (2)	3.9 (4)	100.0 (102)
Total	90.7(253)	6.8 (19)	2.5 (7)	100.0 (279)

A. I have to exactly follow a work pace set by the factory.

B. Though the factory sets a work pace , I have some freedom to change it.

C. There is no obligation on a work pace.

76. My supervisor is friendly and helpful to me.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	41.2 (73)	57.6(102)	0.6 (1)	0.6 (1)	100.0 (177)
Spinning	18.6 (19)	48.0 (49)	26.5 (27)	6.9 (7)	100.0 (102)
Total	33.0 (92)	54.1(151)	10.0 (28)	2.9 (8)	100.0 (279)

77. My supervisor treats workers fairly.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	36.2 (64)	58.2(103)	5.1 (9)	0.6 (1)	100.0 (177)
Spinning	30.4 (31)	40.2 (41)	25.5 (26)	3.9 (49)	100.0 (102)
Total	34.1 (95)	51.6(144)	12.5 (35)	1.8 (5)	100.0 (279)

78. My supervisor is strict.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	19.2 (34)	54.8 (97)	24.9 (44)	1.1 (2)	100.0 (177)
Spinning	32.4 (33)	46.1 (47)	21.6 (22)	0.0 (0)	100.0 (102)
Total	24.0 (67)	51.6(144)	23.7 (66)	0.7 (2)	100.0 (279)

79. My supervisor is trustful.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	34.5 (61)	63.8(113)	1.1 (2)	0.6 (1)	100.0 (177)
Spinning	24.5 (25)	49.0 (50)	24.5 (25)	2.0 (2)	100.0 (102)
Total	30.8 (86)	58.4(163)	9.7 (27)	1.1 (3)	100.0 (279)

80. Hard work promises promotion in this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	28.8 (51)	53.7 (95)	12.4 (22)	5.1 (9)	100.0 (177)
Spinning	9.8 (10)	41.2 (42)	21.6 (22)	27.5 (28)	100.0 (102)
Total	21.9 (61)	49.1(137)	15.8 (44)	13.3 (37)	100.0 (279)

81. Promotion is fairly (impartially) conducted.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	36.2 (64)	50.8 (90)	9.6 (17)	3.4 (6)	100.0 (177)
Spinning	16.7 (17)	26.5 (27)	38.2 (39)	18.6 (19)	100.0 (102)
Total	29.0 (81)	41.9(117)	20.1 (56)	9.0 (25)	100.0 (279)

82. Hard work promises higher wages in this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	20.3 (36)	36.7 (65)	34.5 (61)	8.5 (15)	100.0 (177)
Spinning	6.9 (7)	23.5 (24)	49.0 (50)	20.6 (21)	100.0 (102)
Total	15.4 (43)	31.9 (89)	39.8(111)	12.9 (36)	100.0 (279)

83. My work is properly evaluated in this factory.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	10.2 (18)	48.6 (86)	33.9 (60)	7.3 (13)	100.0 (177)
Spinning	15.7 (16)	40.2 (41)	41.2 (42)	2.9 (3)	100.0 (102)
Total	12.2 (34)	45.2(126)	36.9(103)	5.7 (16)	100.0 (279)

84. Most important factor for promotion is the level of education.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Garment	21.5 (38)	21.5 (38)	36.2 (64)	20.9 (37)	100.0 (177)
Spinning	61.8 (63)	38.2 (39)	0.0 (0)	0.0 (0)	100.0 (102)
Total	36.2(101)	27.6 (77)	22.9 (64)	13.3 (37)	100.0 (279)

85. Mode of payment

	Fixed monthly salary	Fixed daily wage	Piece-rate wage	Fixed-Base Salary plus Piece rate.	Total
Garment	100.0 (177)	0.0 (0)	0.0 (0)	0.0 (0)	100.0 (177)
Spinning	100.0 (102)	0.0 (0)	0.0 (0)	0.0 (0)	100.0 (102)
Total	100.0 (279)	0.0 (0)	0.0 (0)	0.0 (0)	100.0 (279)

86. Which do you think more important for you, high wages or guaranteed employment? Choose one.

	A	B	C	D	Total
Garment	2.3 (4)	1.1 (2)	59.9(106)	36.7 (65)	100.0 (177)
Spinning	7.8 (8)	20.6 (21)	41.2 (42)	30.4 (31)	100.0 (102)
Total	4.3 (12)	8.2 (23)	53.0(148)	34.4 (96)	100.0 (279)

A. Higher wage is important, even though employment is not guaranteed.

B. Relatively speaking, higher wage is important.

C. Relatively speaking, guaranteed employment is important.

D. Guaranteed employment is important even though salary is not satisfactory.

87. How do you feel about quitting this factory? Choose one.

	A	B	C	D	Total
Garment	26.6 (47)	48.6 (86)	23.2 (41)	1.7 (3)	100.0 (177)
Spinning	39.2 (40)	41.2 (42)	6.9 (7)	12.7 (13)	100.0 (102)
Total	31.2 (87)	45.9(128)	17.2 (48)	5.7 (16)	100.0 (279)

A. It is very unlikely that I would consider leaving this factory.

B. As after as I can see ahead, I intend to stay in this factory.

C. I am not looking for another job. But I will change my job in the future.

D. I am seriously considering quitting this factory.

Chapter 7

Tasks of international cooperation

Bangladesh is a young country that continued her resistance action against the overwhelming military power of West Pakistan after the separation of India and Pakistan in 1947, and won independence in 1971. This means that the country's post-independence history is less than 30 years. Bangladesh is earnestly working towards socio-economic development as one of the least developed countries and one of the poorest countries in the world.

The economy of this country has recovered from the slump experienced due to the post-independence disturbance. Since then, economic growth rate remained at nearly 4% until the beginning of the 1990s and reached the mid-4% mark in the first half of the decade. However, it accelerated to 5 to 6% in the latter half of the 1990s and attained 3 to 4% annual growth in income per capita. In this sense, it can be said that the country's economy is on the path of autonomous growth even though the speed of growth is not necessarily sufficient.

Although nationalisation policy was inevitable for a certain period of time after the independence, reform of Structure was not launched until after the mid-1980s. Emphasis in allocation of public investment based on the annual government development plan was shifted to infrastructure and education/human resource development along the modernisation line consisting of privatisation of state enterprises and fostering of export industry, while

seeking to grow out of 100% dependence on foreign capital. Content of overseas aid has also changed from food assistance to product assistance and to project assistance, and has given rise to steady decline in grant element.

However, it is clear from the previous chapters that Bangladesh faces numerous difficult issues that need to be solved. Main characteristics of these issues are outlined below.

First, Bangladesh is in a situation similar the least developed countries of Southeast Asia, relying on international economic cooperation from IMF and the World Bank. As pointed out by the World Bank, however, industrial capitalists that would actively invest in capital and equipment to secure long-term profit are rarely born in this country. For this reason, corruption is preserved while support from foreign capital lacks proper allocation and remains ineffective in reality.

Secondly, as dictatorship in the name of economic development is never accepted by the people, its outcome is persistent political unrest arising from lack of arena for reconciling the conflict of interest between the ruling and opposition parties. Under these circumstances, it is difficult to seek wisdom from the bureaucrats engaged in development administration. It goes without saying that it would not function efficiently even if international support were offered.

Thirdly, there is an issue of social disposition. Village communities in Bangladesh have very low communal characteristics. It is also said that Islamic religion does not necessarily have cohesive power. As relationship between landowners and tenants (and between rich farmers and farm workers) is fluid under these circumstances, it is difficult to maintain stable farming, let alone turning agricultural sector into the support base for economic development and advancement of secondary industry.

Fourthly, there is strong attachment to vested interest in the national consciousness and the existence of "powerful labour union" that troubles both state and private enterprises. The reality of inefficiency of labour-management relations that is also reflected in the difference in disposition of state and private enterprises cannot be overlooked. In fact, a general strike of considerable length occurred during our survey and forced the companies to suspend their activities.

While inhibiting factors of economic growth are not limited to those described above, it is not proper to stress only the negative aspects. Let us now touch on the factors that may lead to possibility of economic development by looking at the situation from a longer perspective.

First of all, there is the abundant population. Bangladesh has a population greater than Japan of some 120 million, making the country the eighth largest population giant in the world. It cannot be denied that having large population leads to high population density and has become the cause for lowness of income level. Nevertheless, it is probably not necessary to anticipate that the condition seen in the neighbouring ASEAN countries in which a concern over labour shortage partially exists on a low-income level will also occur in this country in the near future.

Secondly, 90% of national land is alluvial plain formed by sedimentation of rivers that blesses the country with the advantage of abundant cultivable land. Having relatively high agricultural productivity per unit area and belonging to tropical/subtropical climate zone have also contributed to creating fertile land referred to as "Golden Bengal." Much hope exists for further improvement of productivity through slight improvement in agricultural technology.

Thirdly, to touch on the qualitative aspect of population, rapid decline of total fertility rate and infant mortality rate in the recent years is increasing the likelihood of the heavy load of large population being alleviated in the future. While the present condition corresponds to initial phase of demographic transition, the country may be better off without bringing about rapid changes in condition. Also observed from the intellectual aspect of population is rapid increase in literacy rate at the backdrop of rapid increase in enrolment rate. This situation will lead to qualitative change of generation when seen in units of ten years, and is in the process of creating a large stock of social matter for the bearers of non-agricultural industries to draw on.

Fourthly, urbanisation is still advancing today at low rate. The likely consequence of excessive urbanisation is urban population increasing at the rate exceeding the job opportunities being absorbed by urban informal sector. On the other hand, reasonable urbanisation has good possibility of providing the incentive for industrial development that will benefit the concentrated population and offering leverage for modernisation of industry. It would be more effective utilisation than retaining them as potential labour force in rural areas.

As stated above, an examination of socio-economic condition of Bangladesh shows that the condition of this country is pessimistic in the short term and optimistic in the long term. In this sense, marked difference does not exist between Bangladesh and the certain phase experienced by ASEAN countries that are now in the process of achieving economic take-off. Bangladesh needs to pay more attention to not nipping the bud of long-term development by trying to rely on excessively impetuous economic development.

To look at the present condition of ASEAN countries, attention must be given to the fact that these countries are already shifting their strategies toward transferring their labour intensive agriculture to neighbouring countries. It appears that the urgent task for Bangladesh is to follow a strategy that would reduce the South-South gap with these countries through development involving industrial and technological transfer.

Meanwhile, as for human resource development, which is the means for materialising these basic policies, a condition that sees problem with difference in educational opportunities reflecting difference in income level, not to mention substantiation of ordinary education indicated by marked increase in enrolment rate was pointed out. Priority must be given to offering a wide range of opportunities for quality personnel training.

In addition, 51 vocational training schools and 11 technical training schools run by the Ministry of Labour and Employment and the Ministry of Education, along with business management academies in charge of upper secondary education in the private sector to offer a wealth of training courses. However, it is said that these vocational training schools have the tendency to be biased more towards obtaining diploma with emphasis on academic subjects rather than vocational training—allegedly the influence of British school system that had been introduced to this country along with Malaysia and Sri Lanka by their former suzerain power. Bangladesh is expected to carry out a reform by learning from the experience of Malaysia that has resolved these problems and succeeded in fostering industrial labour force.

Good results, including the instructors from Bangladesh that studied at vocational training schools in Japan having already experienced long-term training and the members of Japan Overseas Cooperation Volunteers actually working at the training centre, have also been attained. Meanwhile, the Bureau of Manpower, Employment and Training (BMET) is gradually taking measures in accordance with the realities of employment and industry and is offering advice on vocational training and counselling for employment and launching training programs for apprentices.

As for the status of emigrant workers who are predominantly non-skilled and semi-skilled, there are about 30% skilled workers. The number of emigrant workers has also remained in the neighbourhood of 200,000 in the last ten years. The effect of proficiency transfer through these workers will not by any means be small when seen in comparison with the reality of industrial labour in Bangladesh today.

Human resource development which is already being accumulated to a certain degree also needs to be organized to adapt to these strategies. Japan also has reached a point where

she will have to take her contribution to the substantiation of vocational training system in this country a step further.

Development of labour-related legal system in Bangladesh is at a high level, thanks partly to international cooperation and guidance from ILO among others. However, the problem exists in its implementation and effectiveness. It has been generally pointed out not only for Bangladesh but for developing countries in general that highly-developed legal system loses its effectiveness because of its rigidity. Furthermore, it is necessary to keep in mind that emphasis is placed on the need for reform of rigid system in developed countries as well.

Fortunately, the basic principle of labour policy in Bangladesh emphasizes "division of powers among workers, employers and administration, productivity and incentive, wages, employment and training, cooperation with the industry and welfare of workers." Although the strategy is well balanced, preparations for its realisation are not necessarily complete.

Although privatisation of state enterprises is under way through reform of structure, it has only accounted for one-half of added value in the manufacturing industry and one-third of workers in the formal sector. In addition, the wage decided through negotiation between the government and the federation of labour unions is adopted as the minimum wage for private enterprises. This wage level is not adequate considering the surplus labour that exists in this country and may hinder the growth of international competitiveness of private enterprises. Excessive amount of dismissal allowance has also been indicated in the measure for solving the over employment.

While offering of facilities to companies that are advancing into export processing zone (which will lead to facilitation of foreign currency introduction) is gradually taking place, it is expected that increased flexibility of employment and wages will not only link with these measures but be integrated effectively with personnel training in the longer term. This means that effective connection with international market is inevitable if Bangladesh is to maintain her economic development. For this purpose, emphasis must be placed on policies based on market principles and flexible measures in the field of labour policy.

Chapter 8

Survey Members, Cooperators, Collected materials and Itinerary

1. Survey Members

(1) Committee in Japan

Toshio Kuroda	Director Emeritus, Nihon University Population Research Institute, Board of Directors, APDA
Yoichi Okazaki	Former Director, Institute of Population Problem, Ministry of Health and Welfare
Ken'ichi Furuya	Vice Chairman, Nippon Family Care Association
Yonosuke Hara	Director, Institute of Orient Culture, The University of Tokyo
Masao Kikuchi	Professor, faculty of Horticulture, The Chiba University
Hiroaki Shimizu	Professor, Nihon University
Machiko Watanabe	Professor, Meikai University

Akihiko Ohno	Professor, Aoyamagakuin University
Koichi Fujita	Associate Professor, Kyoto University
Tsuguo Hirose	Executive Director, Secretary General, The Asian Population and Development Association (APDA)
Osamu Kusumoto	Senior Researcher, APDA
Chiharu Hoshiai	Manager, International Affairs, APDA
Yuko Kato	Manager, External Relations, APDA

(2) Study Mission Member

Akihiko Ohno	Team Leader (See above)
Koichi Fujita	Team Member (See above)
Machiko Watanabe	Team Member (See above)
Osamu Kusumoto	Team Member (See above)

2. Cooperators

(1) Japan Embassy

Yoshikazu Kaneko	Ambassador
Shigeharu Maruyama	Minister
Koji Tomita	Second Secretary
Mayumi Murayama	Senior Researcher, Embassy of Japan
Uchida Tomohiro	Special Assistant, Embassy of Japan
Yuji Okazaki	Resident Representative JICA
Masahiro Yoshikawa	Deputy Resident Representative, JICA
Daisuke Arai	Representative, JETRO Dhaka

(2) Government and Institutions

Muhammad Ahsan Ali Sarkar, Secretary, Ministry of Labour and Employment

Md. Dalil Uddin Mondal, Joint Secretary, Ministry of Labour and Employment

Salamoth Ullah, Chief Inspector, Ministry of Labour and Employment

Forkan Begun, Senior Assistant Secretary, Ministry of Labour and Employment

Latifur Rahman, Deputy Secretary, Ministry of Labour and Employment

Prosanta Kumar Chakroborty, Senior Assistant Chief, Ministry of Labour and Employment

Md. Hafizur Rahman, Director of Labour, Ministry of Labour and Employment

Md. Ahasan Habib, Director (Training Operation), Ministry of Labour and Employment

Sheikh Afzal Hossain, Deputy Director, BMET, Ministry of Labour and Employment

SK. Afzal Hossain, Deputy Director, Ministry of Labour and Employment

Md. Nurul Hoque, Principal, Bangladesh- German Technical Training Center, Ministry of Labour and Employment

Mizanur Rahaman, Assistant Chief, Ministry of Labour and Employment

Huzur Ali, Assistant Chief, Ministry of Labour and Employment

Hasina, Assistant Chief, Ministry of Labour and Employment

Humayun Kabir, Assistant Chief, Ministry of Labour and Employment

Ruhul Quddas, Additional Labour Director, Ministry of Labour and Employment

M.A. Samad, Director General, East and South East Asia, Ministry of Foreign Affairs

Ahmed Fazlur Reshid, Director, Far East, Ministry of Foreign Affairs

Abus Satter, Economic Adviser, Ministry of Finance

Sk. Nurul Islam, Joint Secretary, Ministry of Education

Saiful Haque, Chairman, Bangladesh Technical Education Board, Ministry of Education

Mohammed Mufakker, Director, Planning and Development Division, Ministry of Education

M. Ziaur Rahaman, Director General, Directorate of Technical Education, Ministry of Education

Md. Gholam Rasud Miah, Director (Training), Directorate of Secondary and Higher Education, Ministry of Education

Md. Fazhur Rahman, Deputy Secretary, Ministry of Education

Sammar Chandra Paul, Deputy Secretary, Ministry of Education

M.A. Jalil Bhuiyan, Director, Bangladesh Bureau of Statistics

Mohd. Hamidul Hoque, Director, Bangladesh Bureau of Statistics

Ferdous Nurun Ara, Deputy Director, Bangladesh Bureau of Statistics

Muhammed A. Malik, Deputy Director, Bangladesh Bureau of Statistics

Md. Zabdul Hoque, Project Director, Bangladesh Bureau of Statistics

Quazi Shahabuddin, Research Director, Bangladesh Institute of Development Study

Zaid Bakhd, Research Director, Bangladesh Institute of Development Study

Hossain Zillurmuhamad, Senior Research Fellow, Bangladesh Institute of Development Study

M.A. Latif, Senior Research Fellow, Bangladesh Institute of Development Study

M.A. Naumana, Senior Research Fellow, Bangladesh Institute of Development Study

Md. Abul Quasem, Senior Research Fellow, Bangladesh Institute of Development Study

Anwara Begum, Research Fellow, Bangladesh Institute of Development Study

Karimullah Bluiga, Research Fellow, Bangladesh Institute of Development Study

Narayan Chandra Nath, Research Fellow, Bangladesh Institute of Development Study

Rita Azfar, Research Fellow, Bangladesh Institute of Development Study

Salma Chaudhuri Zohir, Research Fellow, Bangladesh Institute of Development Study

S.I. Laskar, Research Fellow (Population & Development), Bangladesh Institute of Development Study

Kazi Ali Toufique, Research Fellow (Sustainable Rural Livelihood), Bangladesh Institute of Development Study

Kazi Jahiel Hossain, Head, Population and Primary Education, Bangladesh Institute of Development Study

A.B.M. Shamnil Islam, Research Associate, Bangladesh Institute of Development Study

Abul Basher, Research Associate (GED), Bangladesh Institute of Development Study

M. Sahmullel, Research Associate IPID, Bangladesh Institute of Development Study

A.K.M. Reazul Islam, Managing Director, Bangladesh Overseas Employment & Services LTD.

Md. Ali Hossain, General Manager, Jiban Bima Corporation

Mohammad Sirajul Islam, General Manager, Bangladesh Small and Cottage Industry Corpn.

Ghulam Musutafa, Secretary General BAIRA, Bangladesh Association of International

Recruiting Agencies (BAIRA)

Momtazuddin Ahmed, Secretary BAIRA, Bangladesh Association of International Recruiting Agencies (BAIRA)

Syed M. Saiful Hoque Mintu, Member of Executive Committee BAIRA (Bangladesh Association of International Recruiting Agencies)

Mohammed Zahirul Islam, Member of Executive Committee BAIRA (Bangladesh Association of International Recruiting Agencies)

Mizanur Rahman Bhuyan, Member of Executive Committee BAIRA (Bangladesh Association of International Recruiting Agencies)

Minhaj Uddin Ahmed, Member of Executive Committee BAIRA (Bangladesh Association of International Recruiting Agencies)

Ghulam Mustafa Babul, Member of Executive Committee BAIRA (Bangladesh Association of International Recruiting Agencies)

Al-Haja K. M. Moazzem Hossain, Member of Executive Committee BAIRA (Bangladesh Association of International Recruiting Agencies)

S.M. Majedur Rahim, General Manager, Dada (Dhaka) LTD.

Md. Shiblee Azam, Manager (Information Technology), Dada (Dhaka)LTD.

Md. Kamal Khan, Proprietor, New Dhakai Jamdani Weaving Factory

David E. Lockwood, Resident Representative UNDP, United Nations Development Programme

Shuyun Xu, UNFPA Bangladesh Representative, United Nations Fund for Population(UNFPA)

Md. Nurul Ameen, Assistant Representative UNFPA, United Nations Fund for Population(UNFPA)

M. Anis Hassanein, Director, ILO Office Dhaka, ILO

Md. Rashed Sarwar, Chairman, Bangladesh Hosiery Association

Collected Material

A.K.M. Mohsanuddin Ahmed Chowdhury, *Labour and Industrial Law of Bangladesh*, B. Ahmed & Co. Adovocates, Dhaka, 1996

Amartya Sen, *Public Action to Remedy Hunger*, Bangladesh Institute of Development Studies, Dhaka, 1992

BAIRA, *Annual Report of BAIRA 1998* (Bengali), BAIRA, Dhaka, 1999

BAIRA, *With Compliment of Bangladesh Association of International Recruiting Agencies (BAIRA)*, BAIRA, Dhaka, 1999

Bangladesh Bureau of Statistics, *Analysis of Poverty on Basic Needs Dimension Vol.1*, Bangladesh Bureau of Statistics, Dhaka, 1995

Bangladesh Bureau of Statistics, *Annual Report of Sample Vital Registration System 1993 and 1994*, Bangladesh Bureau of Statistics, Dhaka, 1995

Bangladesh Bureau of Statistics, *Bangladesh 1991 Population Census in Brief*, Bangladesh Bureau of Statistics, Dhaka, 1992

Bangladesh Bureau of Statistics, *Bangladesh Compendium of Environment Statistics*, Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, *Bangladesh Framework for Development of Environment Statistics*, Bangladesh Bureau of Statistics, Dhaka, 1998

Bangladesh Bureau of Statistics, *Bangladesh Health and Demographic Summary Findings 1994 and 1995*, Bangladesh Bureau of Statistics, Dhaka, 1996

Bangladesh Bureau of Statistics, *Bangladesh Health and Demographic Survey Findings in Brief 1994 and 1995*, Bangladesh Bureau of Statistics, Dhaka, 1995

Bangladesh Bureau of Statistics, *Bangladesh Population Census 1991*, Bangladesh Bureau of Statistics, Dhaka, 1994

Bangladesh Bureau of Statistics, *Bangladesh Statistic Data Sheet 1999*, Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, *Briefing Kit of BBS*, Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, *Census of Agriculture 1996 / Agriculture Sample Survey 1997 Vol.1 and Vol.2*, Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, *Census of Slum Area and Floating Population 1999*, Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, *Child Nutrition Survey of Bangladesh 1995-96*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Contraceptive Prevalence November, 1995*, Bangladesh Bureau of Statistics, Dhaka, 1996,

Bangladesh Bureau of Statistics, Data/GNP by sector , Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, Health Situation and Health care Expenditures in Bangladesh, Bangladesh Bureau of Statistics, Dhaka, 1999,

Bangladesh Bureau of Statistics, *Household Expenditure Survey 1995-96*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics, *National Accounts Statistics of Bangladesh (Revised Estimates, 1989-90 to 1994-95)*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Population, Health Social and Household Environment Statistics, 1996*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Population, Health, Social and Household Environment Statistics, 1996*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Preliminary Estimates of Gross Domestic Product, 1998-1999 (Second Estimate)*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics, *Report of Survey on Prevalence of Morbidity, Treatment Status, Treatment Expenditures, Fertility, Immunization and Smoking, July 1997*, Bangladesh Bureau of Statistics, Dhaka, 1999,

Bangladesh Bureau of Statistics, *Report of the Agricultural Census 1996*, Bangladesh Bureau

of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Report of the Poverty Monitoring Survey 1995*, Bangladesh Bureau of Statistics, Dhaka, 1995,

Bangladesh Bureau of Statistics, Report on *Annual Establishment & Institution Survey 1992-93*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Report on Bangladesh Census of Manufacturing Industries (CMI) 1991-1992*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Report on Bangladesh Census of Manufacturing Industries (CMI) 1991-1992*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Report on Labour Force Survey in Bangladesh 1995-96, Bangladesh Bureau of Statistics*, Dhaka, 1996,

Bangladesh Bureau of Statistics, *Report on Survey of Private Education Services in Bangladesh 1997-1998*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics, *Report on Survey of Private Non-profit Institutions in Bangladesh 1996-97*, Bangladesh Bureau of Statistics, Dhaka, 1999,

Bangladesh Bureau of Statistics, *Rural Poverty Monitoring Survey -April 1997*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Rural Poverty Monitoring Survey April 1996*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics, *Rural Poverty Monitoring Survey December 1995*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Statistical Bulletin Bangladesh*, Bangladesh Bureau of Statistics, Dhaka, 1999,

Bangladesh Bureau of Statistics, *Statistical Pocketbook of Bangladesh 1998*, Bangladesh Bureau of Statistics, Dhaka, 1999

Bangladesh Bureau of Statistics, *Statistical Yearbook of Bangladesh 1997*, Bangladesh Bureau of Statistics, Dhaka, 1998

Bangladesh Bureau of Statistics, *Sustainable Environment Management Programme (SEMP)*, Bangladesh Bureau of Statistics, Dhaka, 1999,

Bangladesh Bureau of Statistics, *Urban Poverty Monitoring Survey -April 1997*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics, *Urban Poverty Monitoring Survey April 1996*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics, *Urban Poverty Monitoring Survey December 1995*, Bangladesh Bureau of Statistics, Dhaka, 1997,

Bangladesh Bureau of Statistics, *Women and Men in Bangladesh Facts and Figures 1970-90*, Bangladesh Bureau of Statistics, Dhaka, 1994,

Bangladesh Bureau of Statistics, *Women and Men in Bangladesh Facts and Figures 1981-95*, Bangladesh Bureau of Statistics, Dhaka, 1996,

Bangladesh Bureau of Statistics, *Women In Development Data Sheet 1998*, Bangladesh Bureau of Statistics, Dhaka, 1998,

Bangladesh Bureau of Statistics/UNICEF, *ASHA -The Status of Women and Children-*, Bangladesh Bureau of Statistics/UNICEF, Dhaka, 1998

Bangladesh Institute of Development Studies, *Biennial Report 1995-1997*, Bangladesh Institute of Development Studies, Dhaka, 1998

Bangladesh Institute of Development Studies, *The Bangladesh Development Studies Vol. XXII*, Bangladesh Institute of Development Studies, Dhaka, 1994

Bangladesh Institute of Development Studies, *The Bangladesh Development Studies Vol. XXIV*, Bangladesh Institute of Development Studies, Dhaka, 1996

Bangladesh Institute of Development Studies, *The Bangladesh Development Studies Vol. XXIV*, Bangladesh Institute of Development Studies, Dhaka, 1996

Bangladesh Overseas Employment and Services LTD.(BOESL), *Bangladesh Manpower*, BOESL, Dhaka, 1999

Bangladesh Overseas Employment and Services LTD.(BOESL), *Workers sent to abroad through BOESL*, BOESL, Dhaka, 1999

Bangladesh Small & Cottage industries Corporation, *Briefing Kit Industrial Estate Kanchpur*, Bangladesh Small & Cottage industries Corporation, Dhaka, 1999

Bangladesh Technical Education Board, *Basic Fact of the Board and Notes on Cooperation Between Japan and Bangladesh in the Area of TVET*, Ministry of Education, Dhaka, 1999

BGMEA, *Memorandum of Understanding; Between BGMEA, UNICEF, and ILO Bangladesh Regarding The Placement of Child Workers in School Programmes and The Elimination of Child Labor*, ILO Bangladesh, Dhaka, 1995

"Bureau of Manpower, Ministry of Labour and Employment, *Briefing Kit of Vocational Training*, Bureau of Manpower, Employment & Training, Dhaka, 1999

Center for Policy Dialogue, *Crisis in Governance- a Review of Bangladesh's Development 1997-*, The University Press Limited, Dhaka, 1998

Department of Agricultural Extension, *Participant's Guide*, Karim Printers & Packages, Dhaka,
Department of Inspection for Factories and Establishments, Briefing Paper of Department, Ministry of Labour and Employment, Dhaka, 1999

Economic Adviser's Wing, *Bangladesh Economic Review 1998*, Ministry of Finance, Dhaka, 1998

Economic Adviser's Wing, Bangladesh Economic Review 1999 (Bengali), Ministry of Finance, Dhaka, 1999

Eusuf and Associates, *Secondary Education Development Project Study of the Impact of Stipend Program*, Ministry of Education/ Asian Development Bank, Dhaka, 1998

ILO Area Office, *Bangladesh : Country Objectives*, ILO Area Office, Dhaka, 1998

ILO- Bangladesh, *Social Dimensions of Economic Reforms in Bangladesh*, ILO- Bangladesh, Dhaka, 1993

ILO-IPEC Dhaka, *IPEC Activities in Bangladesh*, ILO Bangladesh, Dhaka, 1999

ILO-IPEC Dhaka, *IPEC Implementation Report:1998-99 Bangladesh*, ILO Bangladesh, Dhaka, 1999

ILO-IPEC Dhaka, *The Memorandum of Understanding (MOU) Between BGMEA*, ILO and

UNICEF, ILO-IPEC Dhaka, Dhaka, 1996

ILO-SAAT/UNDP, *Bangladesh Employment Promotion in the Non-Formal Sector*, ILO-SAAT, "New Delhi, India", 1998

Japan International Cooperation Agency Bangladesh Office, *JICA in Bangladesh*, JICA Bangladesh Office, Dhaka, 1998

Krishna Bharadwaj, *Labour Markets, Employment Polices and the Dynamics of Development*, Bangladesh Institute of Development Studies, Dhaka, 1992

Lonely Planet, *Bangladesh*, Lonely Planet Publications, Australia, 1996

M. Ismail hossain, Syed A. Hye and Amin Muhammad Ali, *Structural Adjustment Policies and Labour Market in Bangladesh*, Center on Integrated Rural Development for Asia and the Pacific, Dhaka, 1998

M.A. Quasem, Research Report No.49 Income Diversification in Rural Bangladesh, Bangladesh Institute of Development Studies, Dhaka, 1996

M.R. Khan Edit, *Bangladesh Health Finance and Expenditure Pattern*, Bangladesh Institute of Development Studies, Dhaka, 1997

Mahbubul Alam Edit, *The Independent Bangladesh Yearbook 1999*, Media printers, Dhaka, 1999

Mahmudul Alam, *Research Report 145 Basic Educational Achievement in Rural Bangladesh: Level, Pattern and Socio-Economic Determinants*, Bangladesh Institute of Development Studies, Dhaka, 1997

Mark M. Pitt and Shahidur R. Khandker, *Household and Intrahousehold Impact of Grameen Bank and Similar Targeted Credit Programs in Bangladesh*, World Bank Discussion Papers 320, The World Bank, Washington, USA, 1996

Masihur Rahman, *Structural Adjustment Employment and Workers- Public Policy Issues and Choices for Bangladesh*, University Press Limited, Dhaka, 1992

Md. Abul Quasem, Abdul Hye Mondal and Simeen Mahmud, *A Study of the Informal Sector In Bangladesh*, Bangladesh Institute of Development Studies, Dhaka, 1998

Ministry of Finance & Ministry of Planing, *Memorandum for Bangladesh Development*

Forum 1999-2000, Bangladesh Bureau of Statistics, Dhaka, 1999

Ministry of Health and Family Welfare, *Population and Development Issues in Bangladesh*, Bangladesh Progressive Enterprise Press LTD, Dhaka, 1997

Ministry of Health and Family Welfare, *Population and Development Post ICPD Achievements and Challenges -Bangladesh Country Report*, Ministry of Health and Family Welfare, Dhaka, 1999

Ministry of Health and Family Welfare, *Population and Development Post ICPD Achievements and Challenges in Bangladesh*, Ministry of Health and Family Welfare, Dhaka, 1999

Ministry of Labour and Employment, *Annual Report BMET (Bengali)*, Ministry of Labour and Employment, Dhaka, 1999

Ministry of Labour and Employment, *Bangladesh Labour Journal 1982 (Bengali)*, Ministry of Labour and Employment, Dhaka, 1983

Ministry of Labour and Employment, Brief in Labour Policy, Ministry of Labour and Employment, Dhaka, 1999

Ministry of Labour and Employment, *Laws (Factroy, Labour, Foreign Employment)*, Ministry of Labour and Employment, Dhaka, 1999

Ministry of Labour and Employment, *Minimum Wages (Paper)*, Ministry of Labour and Employment, Dhaka, 1999

Ministry of Labour and Employment, *Organizational Chart of Ministry (Paper)*, Ministry of Labour and Employment, Dhaka, 1999

Ministry of Labour and Employment, *Paper: Function of Ministry of Labour and Employment*, Ministry of Labour and Employment, Dhaka, 1999

Mohammad Sohail, *Research Report 154 Land Ownership, Education and Reproductive Behaviour in Bangladesh - Conceptual Issues and Evidence*, Bangladesh Institute of Development Studies, Dhaka, 1997

National Institute of Population Research and Training (NIPORT), *Bangladesh Demographic and Health Survey* 1996-1997, NIPORT , Dhaka, 1997

Nazrul Islam Edit., *Recent Urban Studies, Bangladesh*, University of Dhaka, Dhaka, 1998

NIPORT/Ministry of Health and Family Welfare/ UNFPA, *Mainstreaming Gender Dimension into Reproductive Health*, UNFPA, Dhaka, 1998

Planning Commission, *The Fifth Five Year Plan 1997-2002*, Planning Commission, Ministry of Planning, Dhaka, 1998

Pratima Paul-Majumder and Sharifa Begum, *Research Report 153 Upward Occupational Mobility Among Female Workers in The Garment Industry of Bangladesh*, Bangladesh Institute of Development Studies, Dhaka, 1997

Reazul Islam, J.D. Von Pischke and J.M. de Waard, *Small Firms Informally Financed*, World Bank Discussion Papers 253, The World Bank, Washington, USA, 1994

Rita Afsar (Dr.), *Gender, Labour Market and Demographic Change: A Case Study of Women's Entry into Formal Manufacturing Sector of Bangladesh*, Bangladesh Institute of Development Studies, Dhaka, 1999

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

Shahindur R. Khandker and Baqui Khalily, *The Bangladesh Rural Advancement Committee's Credit Programs, World Bank Discussion Papers 324*, The World Bank, Washington, USA, 1996

Tasneem Siddiqui (Dr.), Shahdeen Malik (Dr.), C.R. Abrar(Dr.), *ILO a Country Study, International Labour Migration and The Role of Trade Unions*, ILO Dhaka Office, Dhaka, 1999

The Department of Labour, *Annual Report 1998*, The Department of Labour, Dhaka, 1998

The University Grants Commission (UGC), *Brochure- University Grants Commission of Bangladesh-*, The University Grants Commission (UGC), Dhaka, 1998

The World Bank, *Bangladesh Labor Market Polices For Higher Employment*, The University Press Limited, Dhaka, 1996

The World Bank, *Country Study - Bangladesh- From Stabilization to Growth*, The World Bank, Washington, USA, 1995

The World Bank, *Sector Strategy- Health, Nutrition & Population-*, The World Bank, Washington, USA, 1997

The World Bank, *Bangladesh Key Challenges for the Next Millennium*, The World Bank Bangladesh, Dhaka, 1999

The World Bank and The Asian Development Bank, *Bangladesh Economic Trends and the Policy Agenda*, The World Bank and The Asian Development Bank, Dhaka, 1998

The World Bank South Asia Region, *Bangladesh An Agenda for Action*, The World Bank South Asia Region, Washington, USA, 1996

The World Bank South Asia Region, *Bangladesh Public Expenditure Review 1997 Update Making the Best Use of Public Resources*, The World Bank South Asia Region, "Washington, USA", 1997

Training Wing, Department of Agricultural Extension, *Master Training Plan Financial Year 1997-98*, Training Wing, Dhaka

UNDP Bangladesh, *Bangladesh Human Development Report*, UNDP Bangladesh, Dhaka, 1998

UNDP Bangladesh, *Follow-up to United Nations Global Conferences Bangladesh*, UNDP Dhaka, Dhaka, 1998

UNFPA Bangladesh, *An Overview of UNFPA Programmes*, UNFPA Bangladesh, Dhaka, 1998

UNICF, *Progotir Pathey - Achieving the Goals for Children in Bangladesh*, UNICEF, Dhaka, 1998

United Nations, UN System in Bangladesh, United Nations Bangladesh, Dhaka, 1997

Wahidur Rahman, *Child Labour Situation in Bangladesh -a Rapid Assessment-*, ILO Dhaka, Dhaka, 1997

Waliul Islam and M. Shahadat Hossain, Reproductive Health Status in Bangladesh 1997, Bangladesh Bureau of Statistics, Dhaka, 1997

Itinerary

September 5 through September 18, 1999

September 5 (Sun)

- 11:00 Departed from Narita 15:15 Arrived in Bangkok (JL 717)

September 6 (Mon)

- 11:25 Departed from Bangkok 12:50 Arrived in Dhaka (TG 321)
  Discussed the survey program with local counterpart.
- Bangladesh Bureau of Statistics. Collected statistical data including macroeconomic indices, demographic statistics, human resource development/social development-related statistics (e.g. education, literacy rate, household income, sector-wise GNP).

September 7 (Tue)

- Visited the Japanese Embassy and paid a courtesy call to Ambassador Mr. Yoshikazu Kaneko. Received explanation about employment stabilisation system, employment policy and its characteristics in Bangladesh.
- Visited the JICA Bangladesh Office. Received explanation about the present condition of ODA from Japan, particularly in areas related to employment creation.
- Visited the Ministry of Foreign Affairs, Bangladesh. Discussed the survey schedule.
- Visited the Ministry of Labour and Employment. Received explanation about employment stabilisation system, employment policy and social development from Secretary Mr. Ahsan Ali Sarkar and others. Adjusted survey schedule with Deputy Secretary Mr. Latifur Rahman.

September 8 (Wed)

- Visited United Nations Development Programme (UNDP). Received explanation about economic policy and foreign investment related to employment creation in Bangladesh.
- Visited Bangladesh Institute of Development Study (BIDS). Received explanation about economic and social development in Bangladesh.

September 9 (Thu)

- Visited the Ministry of Education. Received explanation about the education system from Joint Secretary Mr. Sk. Nurul Islam.
- Visited the Ministry of Finance. Received explanation about macroeconomic policy and policies for inviting foreign investment from Economic Advisor Mr. Abus Satter.
- Visited the United Nations Fund for Population (UNFPA) Bangladesh Office. Received explanation about the present situation of population and population programs in Bangladesh from Representative Shuyun Xu.

September 10 (Fri)

-Visited an ODA project by Japan (Jamuna Bridge)

-Islamic holiday

September 11 (Sat)

-Visited small enterprises in the suburbs of Dhaka. Visited a small enterprise complex, a traditional Bengal muslin factory and knit industry.

-Visited a vocational training school under the jurisdiction of the Ministry of Education. Received explanation from the principal.

September 12 (Sun)

-Visited the Bangladesh-German Technical Training Centre (vocational training school the jurisdiction of the Ministry of Labour and Employment). Received explanation from the chief of Bureau of Manpower, Employment and Training, principal of Bangladesh-German Technical Training Centre and volunteers from JOCV.

-Visited Bangladesh Overseas Employment and Services (BOES). Received explanation about the present situation of emigration of Bangladeshi workers.

-Visited Jiban Bima Corporation (government-controlled life insurance company)
(Visited a vocational training centre. Received explanation about the present situation and programmes of vocational training.)

-Conduct Factory Survey (Ohno, Fujita)

September 13 (Mon)

-Work at the accommodation due to hartar (general strike)

September 14 (Tue)

- Work at the accommodation due to hartar (general strike)

September 15 (Wed)

- Work at the accommodation due to hartar (general strike)

September 16 (Thu)

- 11:00 Visited the Ministry of Labour and Employment. Reported the survey results to the secretary and others and requested materials (Watanabe, Kusumoto)
  Factory survey (Ohno, Fujita)
- 15:00 Visited Bangladesh Association of International Recruiting Agencies (BAIRA). Received explanation about the present situation of labour emigration from the secretary and members of the executive committee.

September 17 (Fri)

- Discussion about the survey results and their follow-up with the local counterpart.
- 23:55 Departed from Dhaka.

September 18 (Sat)

- 05:50 Arrived in Singapore (SQ 419)
- 08:15 Departed from Singapore15:55Arrive in Narita