



Empowering the Working Class Through Enhancing Lifestyle: The Story of Bangladesh Garments' Workers

Dr. Khalid Hasan

MD, Nielsen Bangladesh
(Contact: hasank.dhaka@gmail.com)

December 5, 2011



nielsen
.....

Agenda

- Background
- Study Objectives
- Research Design
- RMG Contribution
- Workers' Income and Expenditure Basket
- Contribution to Society
- Social Transformation of RMG Workers
- Branding RMG: The Economic Frontier
- Closing Note



Background

RMG Industry: Boosting the Economy



Accounting for **78.15%** of our foreign exchange earnings in FY 2010-2011 and with 2011 exports at more than **\$17.91 billion**, the RMG industry is a driving force in Bangladesh's growth. The growth rate of RMG export was over 20% over the last two decades. The garment sector competes with the world's best, with global companies and prestigious brands seeking out Bangladesh to produce their goods.

Women account for roughly **80%** of the 3.6 million plus garment industry workforce, making an indispensable contribution to the national income as well as to their families earnings.



Study Objectives

Study Objectives



- Understanding the overall **socio-economic scenario** of RMG sector in Bangladesh
- Understanding the **social transformation of garments workers** and **empowering them** through the development of RMG sector
- Workers' perception on the industry and their lives
- **Branding possibilities** of RMG sector in Bangladesh and abroad



Research Design

Research Approach



- The study was both **quantitative and qualitative** in nature.
- From **a literature review and secondary research**, facts and figures of economic aspects were collected; helped understanding RMG's contribution to the economy.
- In the **quantitative stage, face-to-face interviews** with RMG workers and other stakeholders were conducted using semi-structured questionnaires.
- In the **qualitative stage**, in-depth information were collected on perception on Garment Industry and its workers using **In-depth Interviews (IDIs)** and **Focus Group Discussions (FGDs)** among different strata of society, including garments workers.

Sample Distribution

Target Groups	Region	Sample Size
Garment workers	Dhaka and Chittagong Metro	1050
Other population		200
Total		1250
Stakeholders (in-depth interviews)		100
Focus Group Discussion		15

Nielsen research also includes -

- Nielsen Media & Demographic Survey 2011 (n=14,800)
- Market research on RMG sector (n=1000)

Target Respondents

The study focused on the mass people of Bangladesh, cross-section of people are the target respondents. Target respondents were from -

Adult male & female (18+), focusing cross-sectional population from -

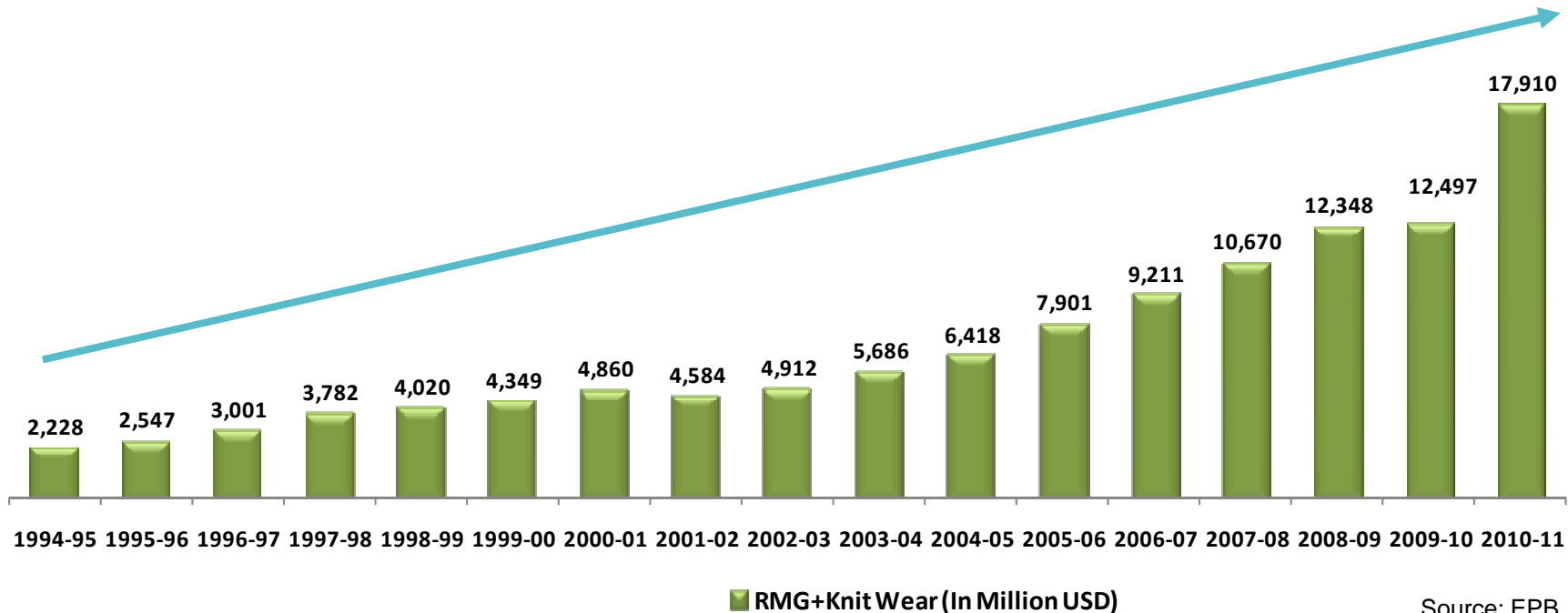
- Garments workers
- Students
- Farmers; agro business
- Academia (university, college)
- Government officials
- Professionals – doctor, engineer
- Garments owners and marketers
- Garments associates
- Business, traders, retailers
- Un-skilled labor
- Home makers
- Truck drivers
- Rickshaw pullers, Taxi drivers etc.
- Business community (chambers)
- Politicians, party workers
- Religious leaders
- NGO workers
- Media, journalists
- Civil society
- Tax, NBR, Bank





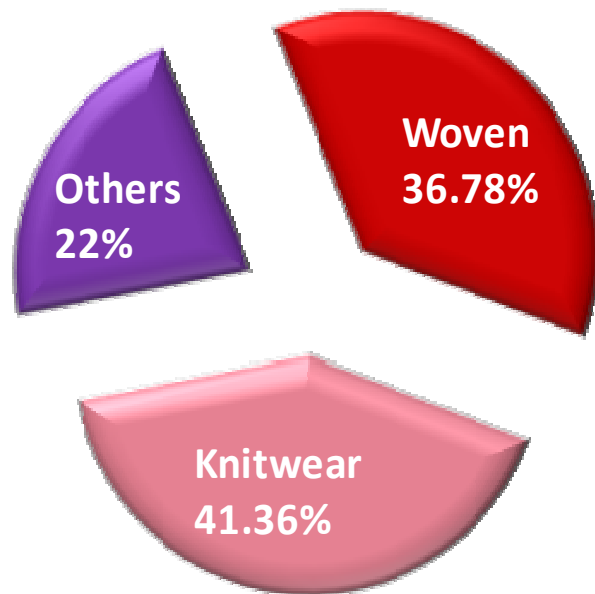
RMG Contribution

RMG Sector- Facts and Figures



- Export volume of RMG and Knit Wear is more than **3 times** higher from 10 years before.
- Competitive labor cost will help penetrating competitors markets and thereby creating millions of jobs (from China, Turkey etc.)
- Resilient - sustaining 2006-07 political turmoil and 2008 global recession

Share in National Export Earnings (FY '10-'11): A Recent Picture



Out of the total export earnings of \$22.93 billion in the FY 2010-2011, the contribution of RMG accounted 78% or \$17.91 billion compared with 77.12 percent or \$12.50 billion in FY 2009-10.

Source: EPB

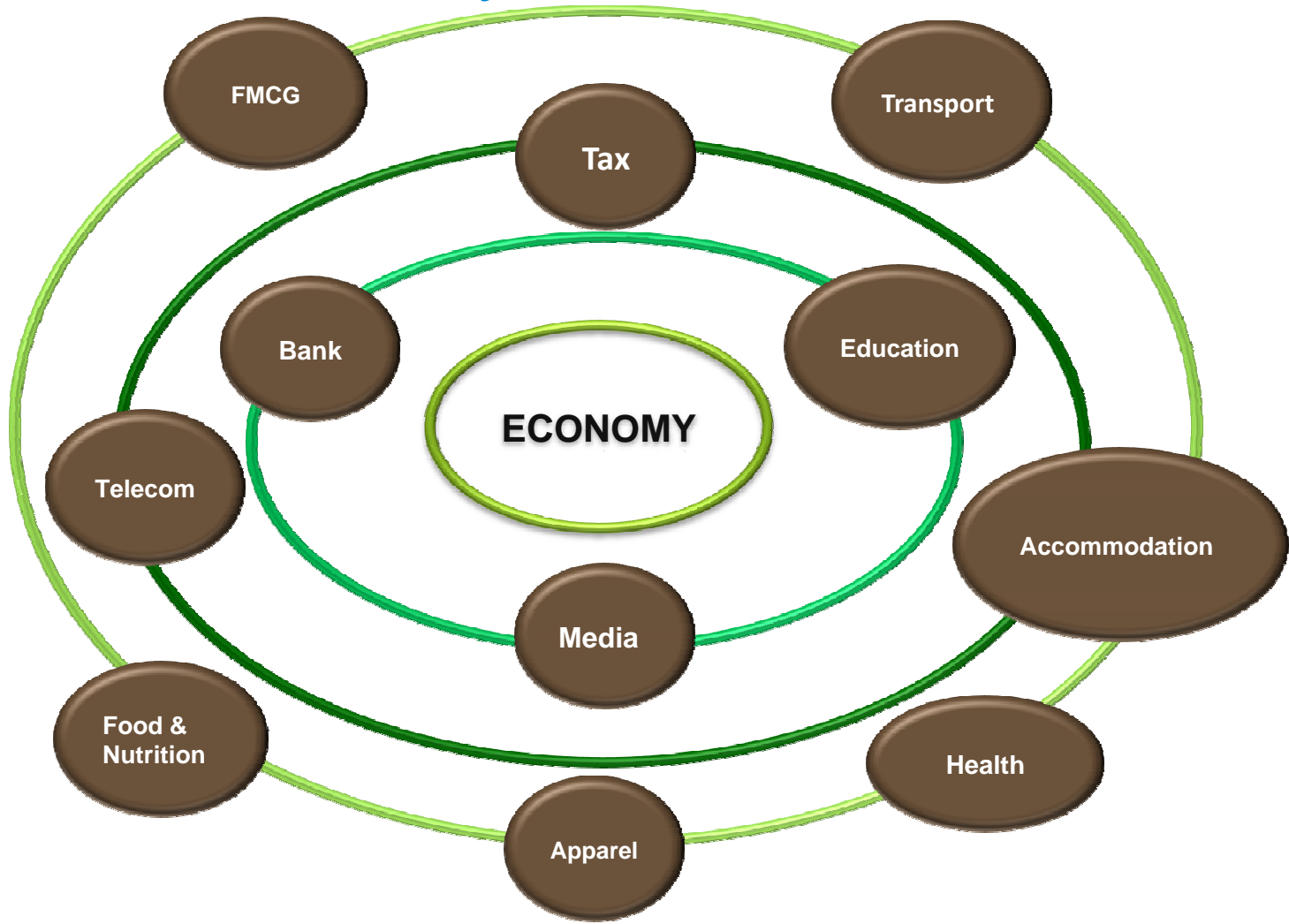
Snapshot: Contribution of RMG

In Billion USD

Total Export Earnings	17.91
Indirect Contribution to Other Sectors of Economy (Bank, Tax, Ins, Services, Port etc.)	16.51
Contribution by the RMG Workers' Expenditure (FMCG, Clothing, Accommodation, Entertainment, Mobile, Transportation etc.)	2.96
Grand Total: USD 37.38 Billion	



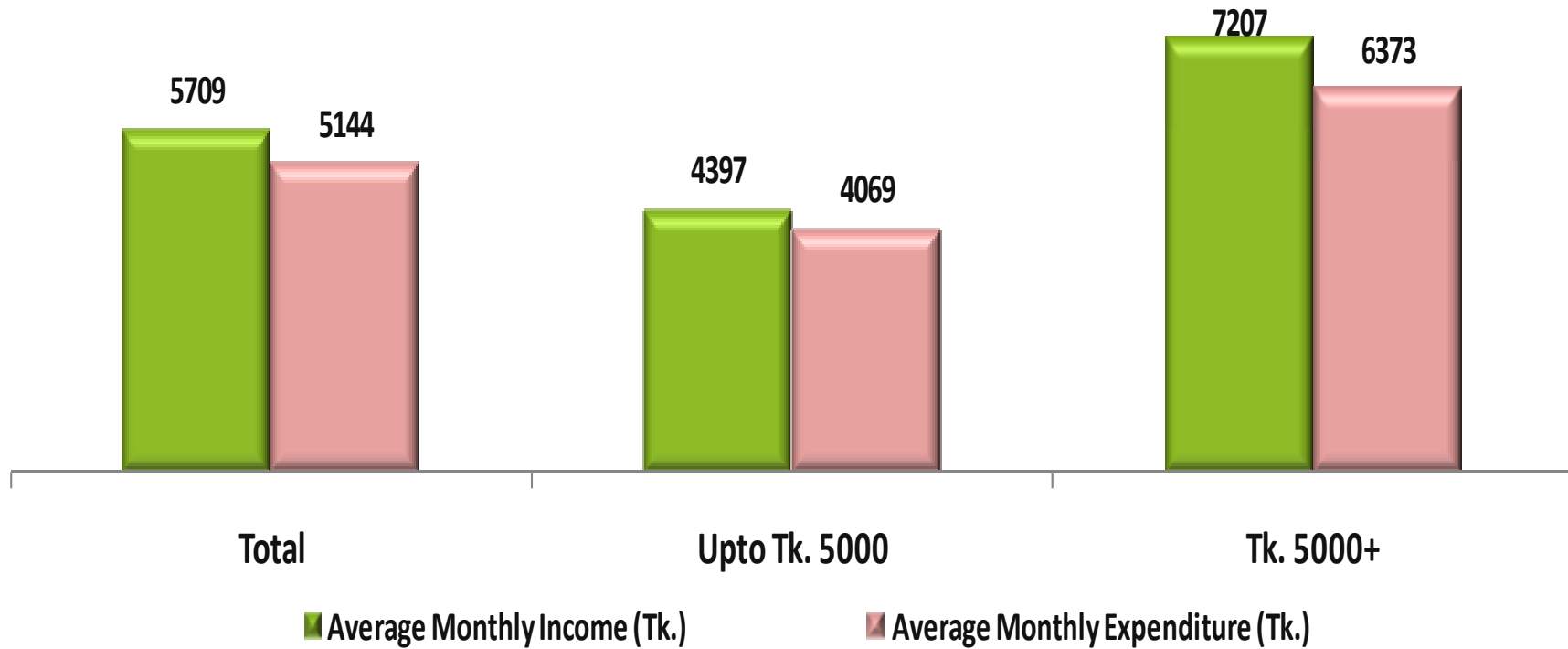
Indirect Contribution of RMG Sector to Other Sectors of Economy





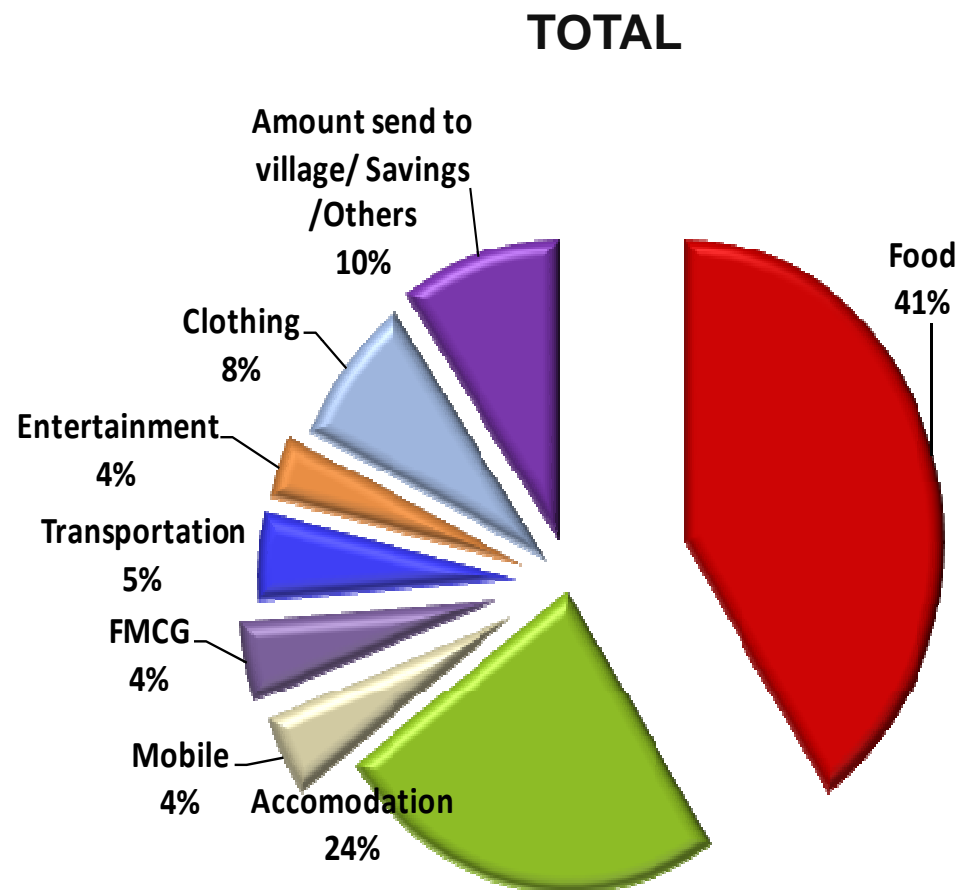
RMG Workers' Income and Expenditure Basket

RMG Workers Average Income & Expenditure



The residual money is either remitted back to their village homes or saved or to pay off their previous loans and other urgent miscellaneous expenses.

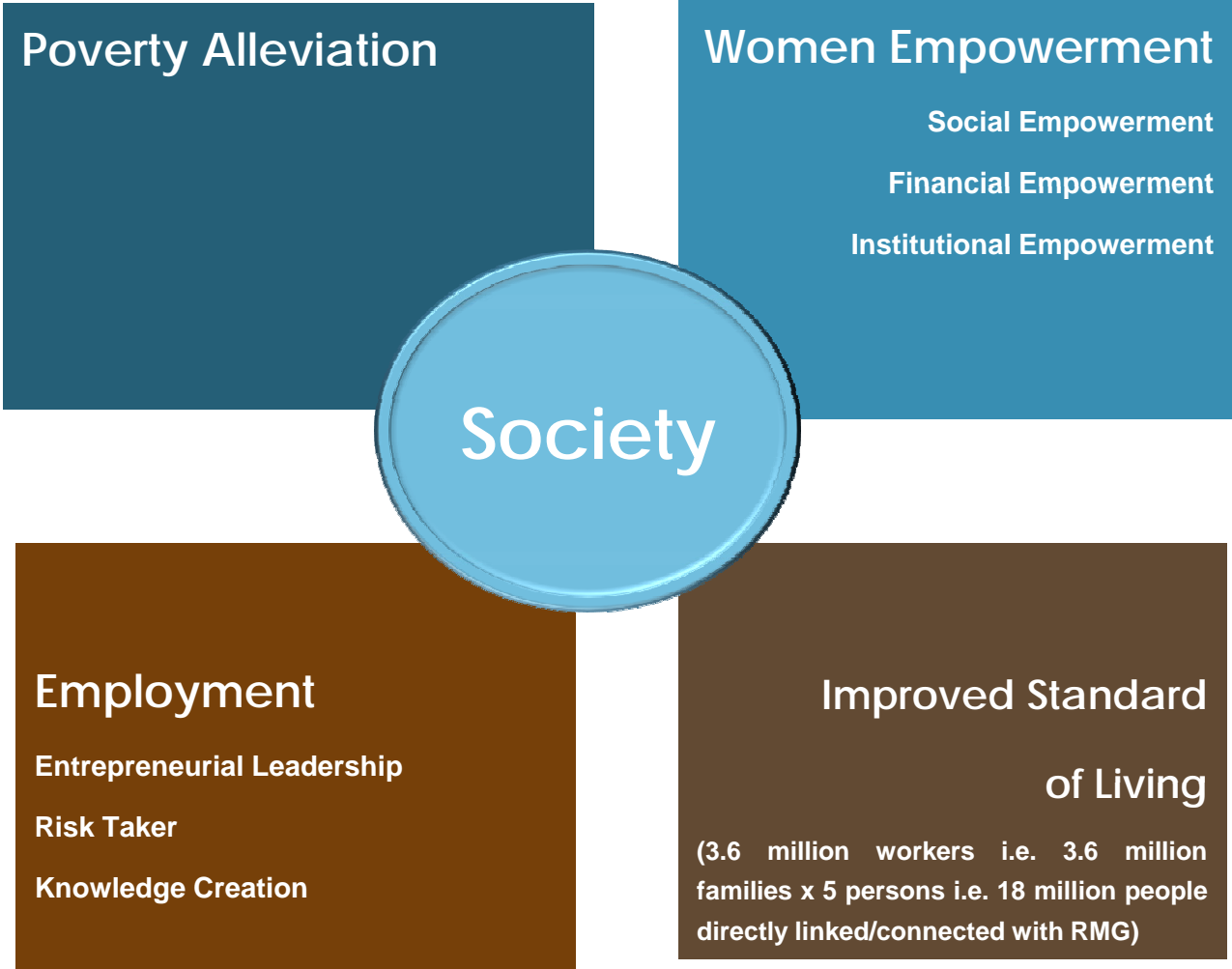
Distribution of the Monthly Expenditure Basket of RMG Workers (%)



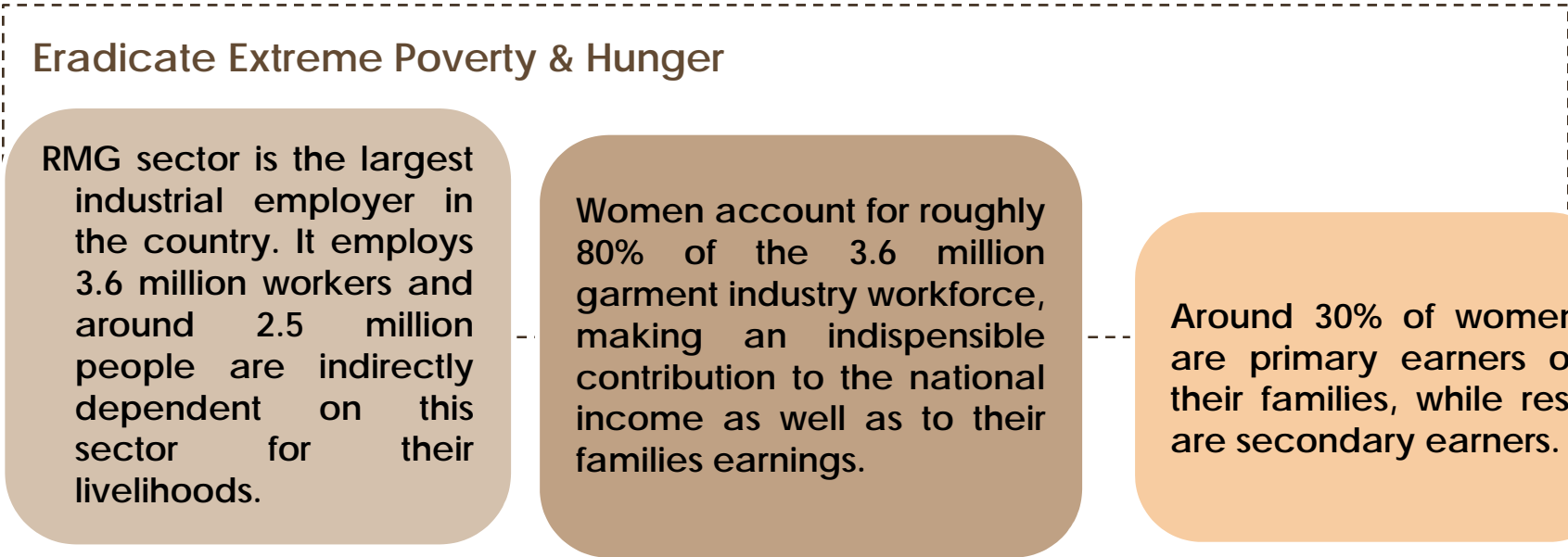


RMG Contribution to Society

Contribution to the Society



Contributions to the Millennium Development Goals



Source: Profile-The Apparel Industry of Bangladesh-BGMEA



Social Transformation of RMG Workers

Garments Sector as being Chosen as the Source of Livelihood: A Causal Diagram



Best earning with least education

Higher sense of independence, solvency and dignity than being household assistant

Convenient option available

Prior training is not a prerequisite

Satisfactory pay and benefit

RMG Sector is the inevitable option when personal, social and financial salvation are taken into account

An RMG Worker: Self Imagery

How they were at the beginning

Unmarried Female

18-22 years

Completed primary
Education; at best SSC

Lower economic Class,
burden for parents

Lives in slums in
a shared manner

Simple, Innocent,
Confused, Credulous

Unskilled worker

Likes visiting places in
the city; fanatic film fan



How they are eventually

Married Female

18-35 years

Optimist about status
transformation

Financial resort
for parents

Lives in slums with
neutral family

Mature, habituated in Dealing
with all odds, calculative

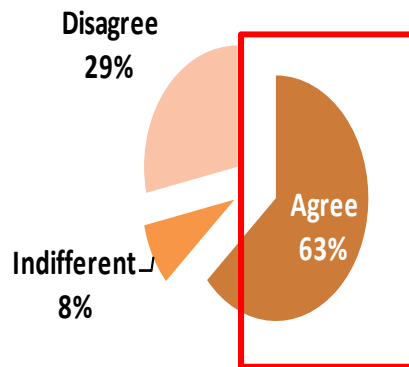
Semi-skilled to
Skilled worker

Fashion conscious,
music & film fan

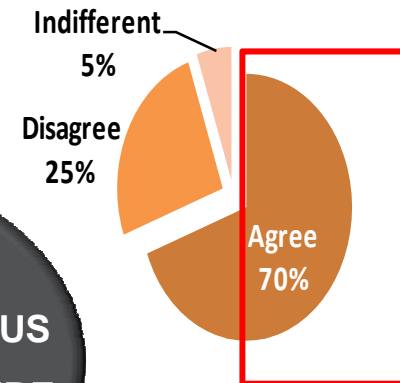
There is a shift in all aspects of life

Social Transformation

A KEY DECISION MAKER IN FAMILY

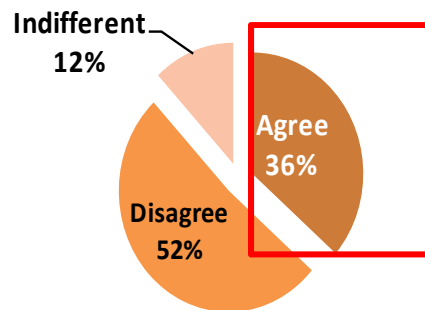


MORE RESPECTED IN THEIR FAMILY

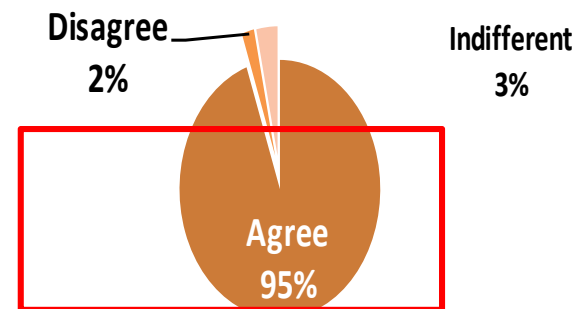


CHANGE IN FINANCIAL STATUS
BEGETS CHANGE ELSEWHERE

AN OPINION LEADER IN THEIR LOCALITY



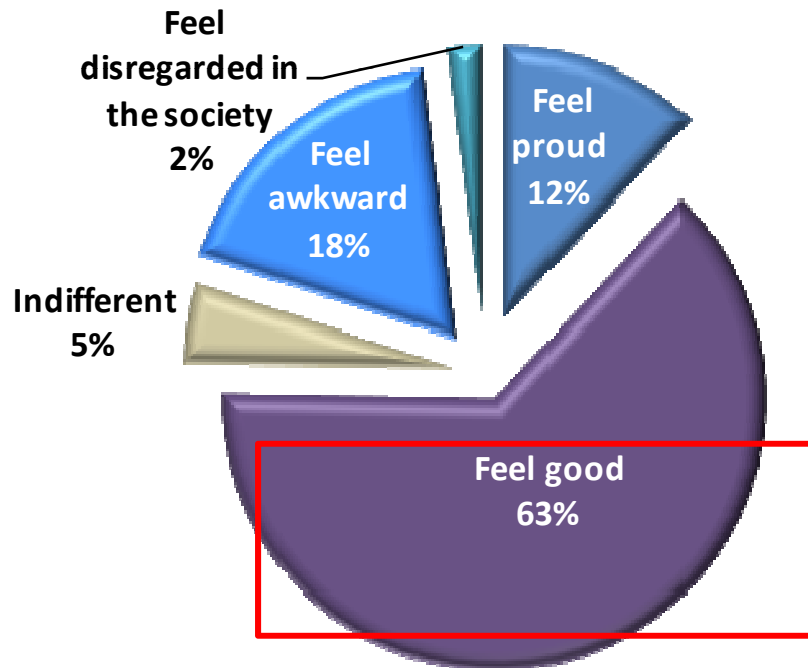
MORE RESPECTED IN THEIR LOCALITY



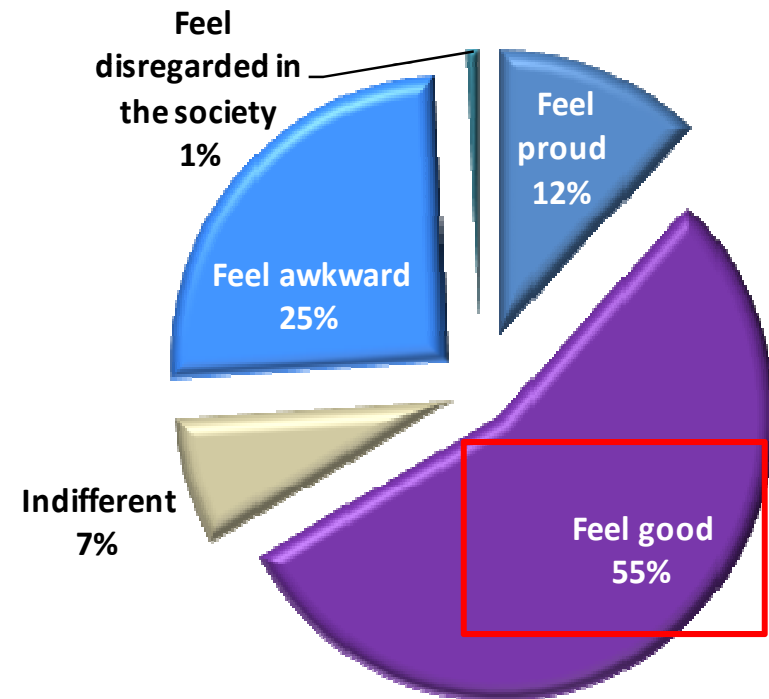
How An RMG Worker Sees His/Her Occupation....

Female workers possess a more **positive image** about themselves compared to their male counterparts → this is just a source of livelihood for males when a viable source of salvation for females

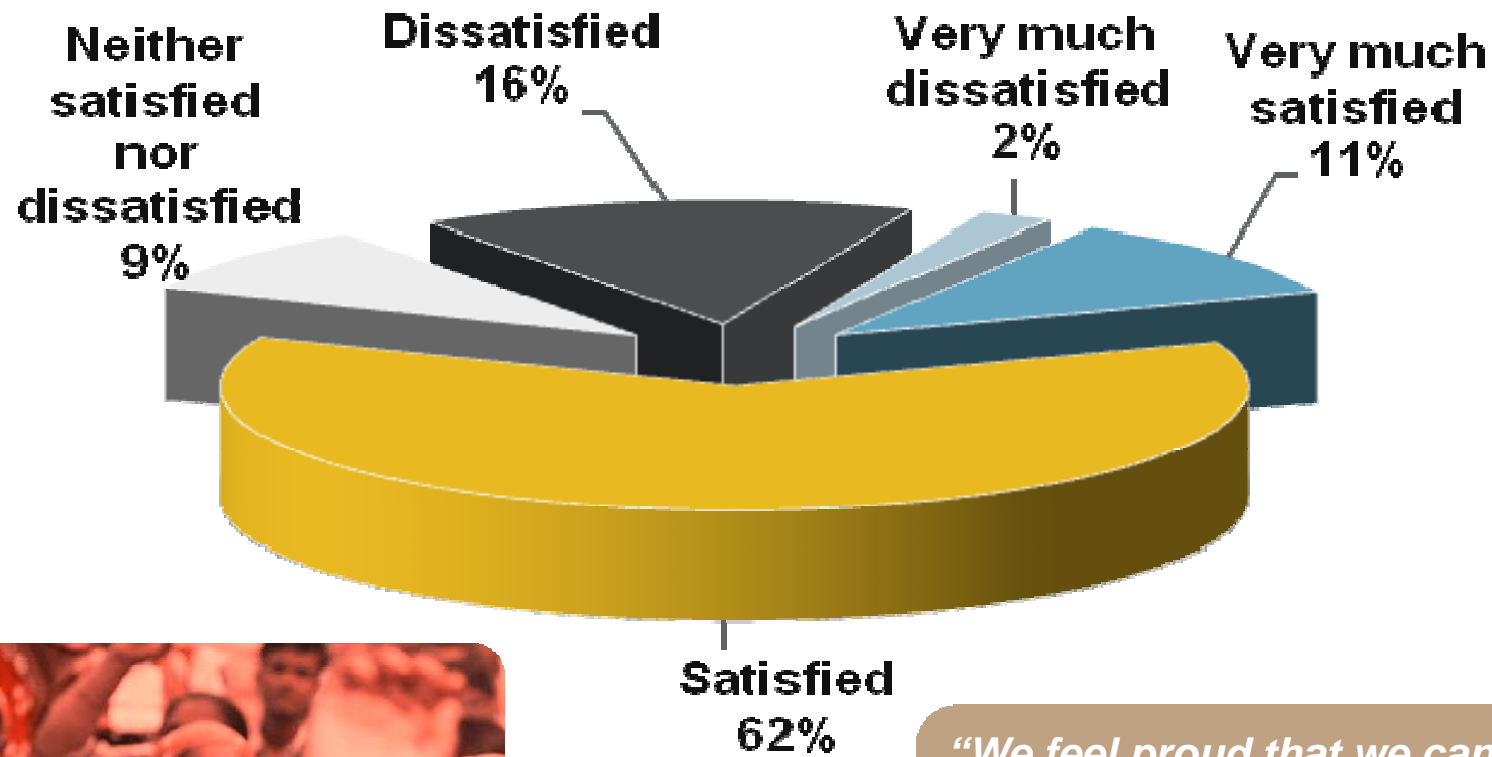
Female response



Male response



Perception: Contentment with the Job



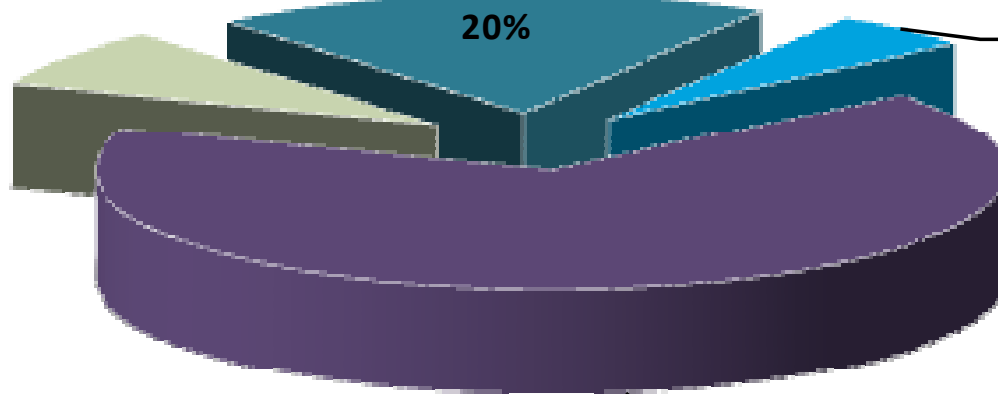
“We feel proud that we can earn our living with dignity...we are not anymore maltreated as household servants” – RMG Worker

Self Perception about Being Female GW

They are the
power wheels of
the economy
8%

Appreciate the
female
involvement
20%

Its encouraging
to see the
majority of the
labor force being
women
5%

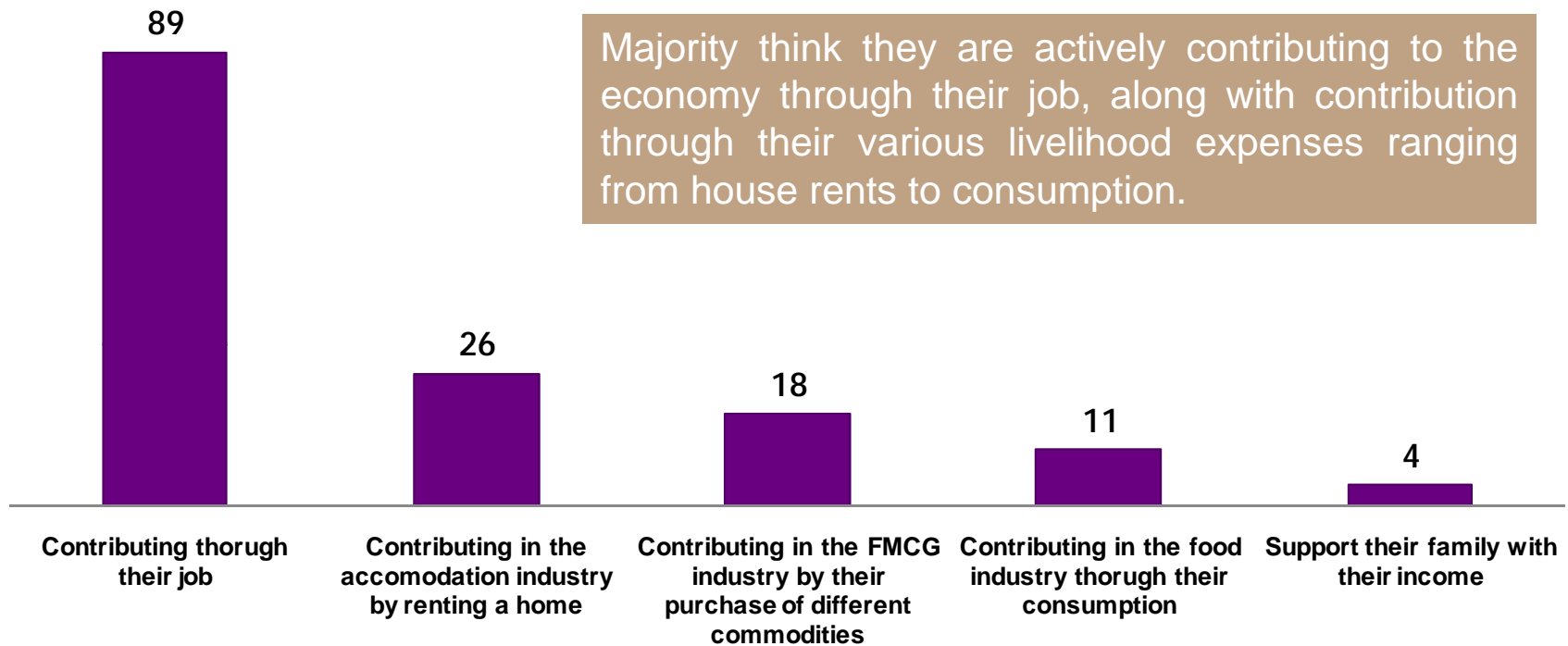


They are doing an
excellent job
67%

“We are doing great job ... many people started feeling that. We want more recognition!” – RMG Worker



Perception: Contributing to the Economy (%)





Branding RMG: The Economic Frontier



Perceived Branding Focus

- Contribution to the lives of workers
- RMG owners contribution for the betterment of the workers
- Devoted and skilled labor
- Experience in the RMG industry
- Production efficiency and not on low cost labor
- Quality of products
- Innovative and chic design
- Environment friendly factories
- Child labor free workforce
- Compliance with international standards

Branding and Publicity Tools

- Effective and efficient website
- Advertisements in international trade journals
- Other medias like TV, Radio and Internet ads

Branding Campaign for -

- All people of Bangladesh across region and professions
- Non-resident Bangladeshis (NRBs)
- Overseas investors and buyers



Closing Note

Consider

Extensive branding at national and international level

**Discourage media coverage of only unrest & deprivation;
Highlight and encourage the positive factors**

**Promotion of the ambidextrous management skills
and talents of the RMG entrepreneurs/owners**

**Continuous intervention of BGMEA & Government to the
non-compliant factories**

Formation of a counseling cell for the workers

**Management should continue pro-workers initiative
(CSR, benefit, salary, safety, entertainment,
Employee Engagement Programs)**

**Initiatives to highlight RMG workers contribution
aiming at higher social acceptance**

Action Points: Immediate and Long-Term

Strategic action points –

❑ 3 Ps – essentials for RMG growth

- ❑ Power supply – 100%
- ❑ Port management & Infrastructure Development (reduce shipment time)
- ❑ Political stability and politics related to labor unrest must be stopped - All leading political parties should have ownership.

❑ Road Map for the Next Decades

- ❑ **Explore** new factory locations and **Relocate** Factories (Peri-urban locations of Dhaka, Chittagong etc.)
- ❑ **Branding** – internal and external
- ❑ **Capacity Building Programs** (Training Institutes) – Labor skill and product development (high end products)

Thank You

nielsen
.....