

Is Bangladesh Experiencing a *Feminization* of the Labor Force?

by

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Increase in female labor supply accompanied by generation of demand for female labor in new forms of production resulted in a feminization of the labor force in Bangladesh. This has affected both gender segregation and market segmentation. Women's primary responsibility for reproductive work, however, appears to constrain both quality of employment and returns to labor by restricting women's full participation in market work. Moreover, unchanging gender division of labor in the household and reproductive economies carries negative implications for the well-being of women and of family members dependent upon women's care-giving labor.

I. INTRODUCTION

Female labor force growth in Bangladesh is taking place within the context of a generally expanding labor force that is growing faster than the population.¹ Over the decade and half since the mid 1980s the size of the total labor force increased 1.6 times, averaging a growth rate of 3.6 percent per annum. During this period the female labor force increased from 2.54 million to 10.02 million, implying an average growth rate of 16.7 percent per annum, more than four times faster than the total labor force and more than six times faster than the male labor force. In the last fifteen years the propensity for labor market participation has nearly tripled for

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¹ Population growth rate declined from nearly 3 percent per year in the early 1970s to 1.8 percent in the early 1990s. Despite significant slowdown in population growth, the broad base of the population, legacy of high fertility levels in the past, means that very large cohorts are entering the working ages each year.

women while remaining almost the same, or even declining slightly, for men.² The actual level of female-labor market participation is possibly much greater because official labor force statistics are noted for under-representing women's productive work.³ Male dominance of labor market activity has also declined because of rising female share of new labor market entrants. Thus, Bangladesh is experiencing a more than proportionate increase in the female share of the labor force, a process often described as “feminization” of the labor force (Standing 1989, Cagatay and Ozler 1995).

In Bangladesh, where the labor market is segregated along gender lines and subject to extreme segmentation by occupation as well, this process of feminization will no doubt affect both gender segregation and market segregation, with possible consequences for the quality of female labor market participation. Moreover, if changes in the gender division of labor in the market economy are not accompanied by changes in the gender division of labor in the non-market household and reproductive economies. The changes will adversely affect women's total work burden with implications for their general well-being as well as family members dependent upon women's care-giving labor.

This paper reviews the emerging phenomenon of feminization by examining official labor force survey data. Section II situates the Bangladesh experience within a conceptual frame. Section III provides a description of changes in composition and growth in the labor force. Section IV examines changes in the quality of women's market work with respect to location in the labor market and conditions of employment. Section V examines returns to labor from trends in wages and earnings and Section VI discusses the implications of these changes for the labor market, ending in Section VII with some concluding remarks on who gains from the changing gender composition of the labor market.

² LFPR rose from 8 to 23 for women and declined from 78 to 74 for men.

³The low visibility of women in the labor force partly arises from faulty methods of observation and measurement of work. Conceptual and definitional inadequacies also mean that a substantial part of women's economic activity (household production, subsistence, care giving) is not accounted for.

II. CONCEPTUALIZING THE FEMINIZATION PROCESS

The long-term relationship between the gender composition of the labor force and labor market activity and economic development of a country has been the subject of considerable discussion and debate (Boserup 1970, Schultz 1990, Standing 1989, Cagatay and Ozler 1995). It was Boserup (1970) who first developed the concept of the "feminization U" in describing female labor force participation, challenging the traditional view of economists that economic growth and women's incorporation into the labor force would go "hand in hand." According to the concept of "feminization U", women become marginalized from economic activity during the process of economic development, causing a decline in women's share of the labor force. This was conjectured to be an outcome of growing productivity differences between women and men arising from privileged access of men to new technology and education (Cagatay and Ozler 1995). With urbanization and modernization, home-based production, where women have significant contribution, is replaced by male dominated factory production, creating the downward portion of the U pattern. With further industrialization, spread of education among women, commodification of domestic labor and falling fertility rates, women's labor force participation again increases. The "feminization U" pattern has generally been supported by empirical evidence from both in advanced industrialized countries and in low income developing countries of Asia, Africa and Latin America, although with considerable variations (See Cagatay and Ozler 1995 for elaborate discussion). The U pattern is seen both over time for individual countries and cross-sectionally at any moment in time (Cagatay and Ozler 1995).

With the expansion of export-oriented manufacturing sector in many low-income countries creating new opportunities for wage employment for women, feminization of the labor force has taken on fresh significance. Women's "comparative advantage" as a docile and less skilled labor force willing to work under flexible labor conditions in export-oriented manufacturing is well documented. The economic urge to seek cheaper labor to relocate manufacturing industry in low-income countries, coupled with trade liberalization, has "pulled" women in these countries into the labor market. Thus,

feminization of the labor force has been linked to structural adjustment reform policies promoting market based economies and liberalized trade regimes. It has been argued that under pressure of global competition to keep unit cost down, employers substitute men's labor by "cheap" female labor, and that this has been possible due to policies that allowed labor deregulation and the advent of flexible modes of production (Standing 1989). Alternately, it has been argued that feminization is a consequence of a decline in jobs that were previously done by men, rather than the result of female labor substituting for male labor (Elson 1999). Another impact of adjustment policies is that women are "pushed" into the labor market because of worsening income distribution and falling real wages. Thus, more family members, especially women who are more likely to be un or under employed, are forced to see market work to compensate for declining family incomes. In the Asian context evidence indicates that feminization of the labor force has been "via worsening income distribution and increased openness of adjusting economies" (Ozler 1999).

In Bangladesh increased labor market availability of women was in some cases due to worsening real incomes during the period of structural adjustment that led women from poor households to seek paid-employment to complement inadequate family incomes.⁴ In other cases, it was due to new economic opportunities and new modes of production that actually preferred women, The comparative advantage of "cheap" female labor (referring not only to low wages but all other conditions of labor contributing to low cost of labor⁵) urged employers to draw upon the reserve female workforce and substitute women into jobs in agriculture, service and 'construction traditionally done by men, and into new forms of jobs in manufacturing industry. Women were considered more suited than men to work under the new conditions because they were seen as subsidiary wage earners, not requiring the regular

⁴ In Bangladesh real wages declined in 1991, three years after the initiation of the adjustment programme, and fluctuated afterwards, especially in agriculture and construction, and to a lesser extent in manufacturing (CIRDAP 1997).

⁵ The absence of employee protection and benefits, absence of employers' contribution to "social wage", less than standard working conditions, as well as non-militancy, docility, and manual dexterity of workers.

stable incomes and jobs that men needed. Female labor was also considered more suited to the flexible (outsourcing, contract labor, casual and part-time labor, home-based work) and informal (easy entry and exit) new modes of production that allowed the combination of reproductive work, primarily women's responsibility, with productive work, although at considerable cost to themselves and perhaps even to their families and the society.

In developing countries, people's economic activity occurs through participation both in the productive economy and in the reproductive economy, i.e. labor that provides for dependents (children, elderly and the sick) and for the daily sustenance of not-so-dependent adults. The former takes place in the labor market, while the latter takes place mostly outside the labor market.⁶ Hence, changes in the supply of labor for productive work, especially by women, are bound to have implications for the supply of labor for reproductive and care-giving work. Unfortunately, macro-economics generally takes the reproductive economy for granted, assuming it can continue to function adequately no matter how much its relation to the productive economy is disrupted.⁷ Since in all countries of the South women still undertake most of the work in the reproductive economy on a daily and inter-generational basis, this is equivalent to assuming an unlimited supply of female labor for reproductive or care-giving work. Despite the fact that care-giving work is now well accepted as an "indispensable public good that cannot be adequately supplied through competitive markets" (Folbre 1999), it is still not recognized as being essential for ensuring both production (goods and services) and welfare (utility). Thus, economic analysis of changing labor market participation by women fails to capture the full force of the impact of this change on women who supply reproductive labor and on men, women and children who rely on such labor.

⁶ In industrialized countries economic development has transferred much of the work of social reproduction and care-giving from family and kin based systems to the state and the market.

⁷ Labor is very much a produced input, not given, and requires goods and services from both the productive and the reproductive economies for its production and sustenance.

III. CHANGING COMPOSITION AND GROWTH OF LABOR FORCE

The phenomenon of feminization of the labor force is clearly visible from an examination of changes in labor force composition and growth evident in official labor forces statistics. In Bangladesh labor force data have been collected periodically since 1980 by the Bangladesh Bureau of Statistics through household surveys of a nationally representative sample.⁸ The sample is based on the primary sampling units (PSUs) of the latest population census area frame, defined as the *mauza* in urban and *moholla* in rural areas and consisting, on average, of 250 households. There are three stages of stratification: the first stratum consists of the five administrative divisions; in the second stage each division is divided into rural areas, statistical metropolitan areas and municipalities, the latter two comprising urban areas; PSUs form the third stage of the sample. First, PSUs are randomly selected from each of the second stage strata with probability proportional to size. Next, 20 households from each selected rural PSU and 25 from each selected urban PSU are randomly selected. In 1999/2000, 4750 rural and 5040 urban households were selected for the labor force survey.

Table I presents descriptive statistics on the labor force (LF), which includes persons aged 10 years and above who are either employed or actively seeking employment. It also includes the size of the employed LF and the unemployed LF for 1983/84, 1995/96 and 1999/2000.⁹ Table II presents the labor force participation rate¹⁰ (LFPR) and the unemployment rate¹¹ for these three periods. Between 1983/84 and 1999/2000, the size of the LF grew by 58 percent while the size of female LF increased by nearly 300 percent. Although the female population aged 10 and over remained roughly

⁸ So far nine labor force surveys have been fielded, with the latest conducted in 2002. This paper has not been able to include the last LFS since it was published after the analysis was completed. The author is confident that the trends and patterns observed up to 2000 have continued up to 2002/03.

⁹ The entire population aged 10 years or more is covered in the labor force survey. Definition of "economic activity" is the "usual" definition rather than "extended" definition, and based on the UN System of National Accounts, 1993. All persons covered by the survey are classified into three distinct categories: employed, unemployed and not in the labor force.

¹⁰ The total labor force, i.e. the number of persons aged 10 years or more, who are employed or unemployed, expressed as percent of the total population aged 10 years or more.

¹¹ The unemployed labor force, i.e. number of persons aged 10 years or more who are unemployed or actively looking for work, expressed as percent of the total labor force.

the same around 48 percent of the total population, the female share of the labor force more than doubled from 9 percent to 22 percent. This was the result of women's increased propensity to participate in the labor market, measured by the LFPR. For women, the LFPR grew from 7 to 22 percent in rural areas and from 12 to 26 percent in urban areas, but remained either same or declined for men. Women consistently had higher participation rates in urban areas compared to rural areas which may be contrasted with the pattern for men, who had higher participation rates in rural areas, except during the recent past.¹²

TABLE I
**COMPOSITION OF POPULATION AGED 10+ ACCORDING TO OFFICIAL
LABOR FORCE STATUS, BANGLADESH 1983-2000
(MILLIONS OF PERSONS)**

	1983/84			1995/96			1999/2000		
	All Areas	Rural	Urban	All Areas	Rural	Urban	All Areas	Rural	Urban
Population 10+									
Both Sex	65.0	56.7	8.2	86.4	66.3	20.1	91.6	71.1	20.5
Male	33.2	28.6	4.6	44.3	34.0	10.3	47.6	37.2	10.5
Female	31.8	28.2	3.6	42.1	32.3	9.8	44.0	34.0	10.0
% female	48.9	49.7	43.8	48.7	48.7	48.9	48.0	48.8	48.9
Labor Force									
Both Sex	28.5	24.6	3.9	41.7	32.4	9.3	45.0	34.8	10.3
Male	26.0	22.5	3.5	34.1	26.8	7.3	35.0	27.3	7.7
Female	2.5	2.1	0.4	7.6	5.6	2.0	10.0	7.5	2.6
% female	8.9	8.5	11.3	18.3	17.4	21.6	22.3	21.5	25.0
Employed Labor Force									
Both Sex	28.0	24.2	3.7	40.3	31.4	8.9	42.8	33.2	9.6
Male	25.6	22.2	3.3	33.2	26.2	7.0	33.7	26.4	7.3
Female	2.4	2.0	0.4	7.1	5.2	1.9	9.1	6.8	2.3
% female	8.7	8.3	1.2	18.2	16.9	21.3	21.4	20.5	24.3
Unemployed Labor Force									
Both Sex	0.53	0.42	0.11	1.41	0.96	0.45	2.23	1.61	0.62
Male	0.42	0.33	0.09	0.93	0.61	0.32	1.36	0.95	0.41
Female	0.11	0.09	0.02	0.48	0.35	0.13	0.87	0.66	0.21
% female	21.6	22.0	18.2	33.8	36.5	28.9	39.2	41.0	34.6

¹² According to LFS 2002/3, the LFPRs for women (15+) were 26.1, 27.4 and 25.6 respectively for Bangladesh, urban and rural areas.

TABLE II
**LABOR FORCE PARTICIPATION RATES AND UNEMPLOYMENT RATES,
 BANGLADESH 1983-2000 (PERCENT)**

	1983/84			1995/96			1999/2000		
	All Areas	Rural	Urban	All Areas	Rural	Urban	All Areas	Rural	Urban
Labor Force Participation Rate									
Both Sex	44	43	47	48	49	46	49	49	50
Male	78	79	74	77	79	71	74	74	74
Female	8	7	12	18	17	21	23	22	26
F/M* 100	10	9	16	24	20	29	31	30	35
Unemployed Rate									
Both Sex	1.75	1.63	2.63	3.36	3.09	4.30	4.94	4.62	6.04
Male	1.54	1.33	2.65	2.64	2.24	4.11	3.86	3.47	5.27
Female	3.94	4.76	2.50	6.58	7.14	5.00	8.71	8.82	8.39
F/M* 100	255	358	94	2498	319	122	226	254	159

Open unemployment was relatively small for both women and men, but the pattern was different.¹³ For men unemployment was greater in urban areas while for women it was greater in rural areas. For both women and men, increase in the size of the LF was accompanied by increase in the size of unemployed LF, together with rising unemployment rates. Female unemployment rates were consistently two to three times higher than male unemployment rates. In particular, women high school and college graduates were more likely to be reported as unemployed compared to similarly educated men.¹⁴ Compared to male workers women workers were in fact over represented in the unemployed LF relative to their share in the total LF.

Low open unemployment hides the fact that many workers are actually underemployed, i.e. working less than 35 hours in a week. Definitional inadequacy also underestimates unemployment itself

¹³ Unemployed persons in the labor force are defined as persons who are willing to work and looking for work or are temporarily out of work.

¹⁴ However, it must be noted that while variation in unemployment levels by age, gender and education is a reflection of the demand-supply mismatch, it can also arise from differential mis-reporting of the categories of "looking for work" and "willingness to work". Persons in the young adult ages and educated persons are more likely to report themselves as "looking for work" even when they are not actively seeking employment, and this tendency may be more common among unemployed women.

since persons who work less than 15 hours per week but are not actively seeking paid work are not considered “economically active”, and excluded from the ranks of the unemployed. In fact, their inclusion raised unemployment rate to 7 percent for men and to as much as 32 percent for women, showing that underemployment and unemployment was more severe in the case of female labor market participants.¹⁵

Table III compares growth rates for the population aged 10 years and above, the labor force and the employed LF for two periods: the 12 years from 1983/84 to 1995/96 and the 4 years from 1995/96 to 1999/2000. Also shown are the numbers of new labor force entrants during these two periods. In both periods labor force growth (simple annual average) outpaced population growth, suggesting an improvement in the economic dependency ratio. Disaggregating by gender shows that this only holds for female labor force growth. Not only that, the rate of female LF growth was several times higher than that of the male LF growth during the entire period, although female LF growth rate has slowed down in the recent period.

Urban population growth was extremely high between 1983/84 and 1995/96 relative to rural population growth, especially among women, but slowed down considerably afterwards. This means there was significant rural to urban migration in the earlier period particularly by women, for whom population growth rate in urban areas was 14 percent per year compared to 10 percent for men. Since most migrants were people in their working ages, this has resulted in much faster growth of the urban LF compared to the rural LF, particularly the female LF. For example, between 1983/84 and 1995/96, the urban female LF grew by one-third its size every year compared to a growth rate of 9 percent per year for the urban male LF.

¹⁵ Persons working less than 15 hours during the week preceding the survey are actually employed but on a part time basis. Hence, they may be considered as potentially looking for work, although not all of them may be willing to work under existing labor market conditions.

TABLE III
**GROWTH RATES OF POPULATION AGED 10+, LABOR FORCE,
 EMPLOYED LF AND UNEMPLOYED LF AND NEW ENTRANTS BY
 RESIDENCE, BANGLADESH 1983-2000 (ANNUAL AVERAGE PERCENT)**

	1983/84-1995/96			1995/96-1999/2000		
	All Areas	Rural	Urban	All Areas	Rural	Urban
Population 10+						
Both Sex	2.75	1.41	12.03	1.51	1.83	0.46
Male	2.79	1.59	10.21	1.88	2.32	0.44
Female	2.72	1.23	14.38	1.11	1.30	0.46
Labor Force						
Both Sex	3.87	2.63	11.72	1.98	1.84	2.49
Male	2.61	1.57	9.40	0.67	0.50	1.33
Female	16.70	13.97	33.33	7.83	8.18	6.68
Employed Labor Force						
Both Sex	3.67	2.50	11.75	1.56	1.41	2.11
Male	2.50	1.50	9.33	.035	0.16	1.08
Female	16.33	13.75	31.25	7.22	5.34	5.91
Unemployed Labor Force						
Both Sex	15.00	12.50	25.00	15.00	15.25	13.75
Male	10.42	8.33	19.42	12.50	14.50	9.25
Female	28.03	24.07	45.83	18.50	16.25	30.00
New Entrants (millions of persons)						
Both Sex	13.23	7.77	5.46	3.31	2.38	0.93
Male	8.13	4.25	3.88	.93	0.54	0.39
Female	5.10	3.52	1.58	2.38	1.84	0.54
% female	38.5	45.3	29.0	71.9	77.3	58.1

The growth pattern of employed LF over the years was similar to that of total LF, although employment growth was slightly slower than overall labor force growth. In other words, labor supply was greater than labor demand, so that unemployed LF grew much faster compared to the employed LF. Although the unemployed female LF has grown faster than the unemployed male LF, growth of unemployed male LF has continued at a faster pace.

It is hardly surprising that women were over represented among new labor market entrant compared to their share in the overall labor force.¹⁶ Of the 13.24 million entrants into the labor market between 1983/84 and 1995/96, over one-third (38%) were women,

¹⁶ In fact, the female share of incremental increase in the labor force has been rising over the years. According to official labor force surveys, the female share of incremental increase was 23 percent between 1983/84 and 1989, rising to 48 percent between 1989 and 1995/96. This figure was 72 percent between 1995/96 and 1999/2000.

while between 1995/96 and 1999/2000, among 3.31 million labor market entrants, nearly three-fourths (72%) were women. In other words, women pre-dominate new labor market entrants with three out of four new entrants being women.¹⁷

Table IV presents worker characteristics, namely participation rates by age and employment rates¹⁸ by schooling level for 1983/84 and 1999/2000. The age distribution of the male LF has not changed over time, although male participation rates have generally declined with the greatest decline for the 10 to 24 year olds, a reflection of higher rates of school attendance by boys and young men. This is in sharp contrast to the age distribution of the female LF. In 1983/84 female LF was distributed over a wider age range and LFPRs were similar for all ages compared to 1999/2000. In 1983/84, 58 percent of women workers were between the ages of 15 and 44 years compared to 71 percent in 1999/2000, and there were relatively more older (over 45 years) and younger (under 15 years) workers. Thus, propensity to participate in labor market activities has become more concentrated within the ages 15-44 years. Actual participation rates have increased at all ages, however, with the greatest increase seen in the 25-34 years age group. Even among girls aged 10-14 years there has been considerable increase in labor market participation, unlike for boys of similar ages.

The distribution of employed LF according to level of schooling has altered conspicuously for both women and men workers. Male and female workers with no schooling declined as a proportion of employed LF while the proportion with 1-9 years of schooling increased considerably. Thus, average years of school attainment have gone up for both employed women and men. However, employment rates by schooling level, reflecting the population probability of being employed, were different for women and men, and varied by workers' education level. Low skilled women (represented by no schooling) and relatively high skilled women ("SSC and above" schooling) were more likely to be employed compared to medium skilled women (1-9 years of schooling). This

¹⁷ The fact that women outnumbered men 3 to 1 among new labor market entrants could be a catching up effect since women are starting from very low levels of labor force participation, and may not be sustained over time.

¹⁸ The employed labor force expressed as percent of the population aged 10 years and above.

U-shaped pattern has persisted even as employment chances have generally increased. Thus, segmentation of the female labor market due to skill level, as represented by formal schooling, did not diminish with women's expanding market participation. For men, employment rates have increased among persons with no schooling and those with SSC or higher schooling but declined visibly for the 1-9 years schooling category, creating a U-shaped pattern where previously there was a negative sloping pattern. The relatively greater increase in employment rate for persons with no education indicates that market segmentation has actually increased in both the male and female labor markets, but considerably more in the female labor market.

TABLE IV
**DISTRIBUTION OF LABOR FORCE AND LFPRs BY AGE AND
EMPLOYED LF AND EMPLOYMENT RATES BY LEVEL
OF SCHOOLING (PERCENT)**

	1983/84				1999/2000			
	Male		Female		Male		Female	
	%	LFPR	%	LFPR	%	LFPR	%	LFPR
Total LF (millions)	25.95	78.2	2.5	8.0	35.0	73.5	10.0	22.8
Age Group (Years)								
10-14	10.0	38.0	20.5	8.1	8.1	30.6	14.6	18.0
15-24	26.5	77.7	23.8	7.9	18.9	64.9	25.7	24.8
25-34	22.2	97.8	19.9	8.2	22.5	93.5	26.8	26.8
35-44	16.9	99.3	14.6	8.8	23.9	98.0	18.9	26.1
45-59	16.0	97.5	12.1	8.1	19.5	95.6	11.2	20.2
60+	8.4	81.6	5.6	5.8	7.0	69.0	2.8	10.1
Employed LF (millions)	25.547	77.0	2.427	7.6	33.681	70.7	9.139	20.8
Schooling level (years)								
No schooling	60.0	89.6	83.0	8.8	42.1	93.6	57.7	27.8
1-9 years	31.5	63.2	11.4	3.5	45.9	56.9	36.1	14.6
SSC and above	8.5	64.8	5.6	14.0	12.0	76.0	6.2	23.0

IV. THE QUALITY OF WOMEN'S LABOR MARKET PARTICIPATION

The quality of women's market work may be assessed by examining where women workers are located in the labor market. Location of employment within the labor market can be either with respect to economic sector of work, which shows the horizontal spread, or with

respect to occupation or skill level, which shows the vertical spread. Table V presents the distribution of the employed labor force according to broad economic sector and occupation group for the period under study. In 1999/2000 the agriculture sector was the most important employer of women with nearly one half (46%) of employed women workers, followed by one-third (32%) in the service sector and one-fifth (21%) in manufacturing and construction. The relative importance of the economic sectors has reversed over time. In 1983/84 service sector employment was predominated female labor market participation while agricultural employment was negligible. Over time, the share of the agriculture sector for female employment increased by 36 percent (from a low of 9% of women workers in 1983/84), while the share of the service sector declined (by 29%), and the share of industry sector declined slightly earlier (by 8%) but remained unchanged during the last four years. In contrast, the relative shares of the sectors remained as before for male employment, i.e. a predominance of agriculture sector employment followed by service sector employment, although the share of agricultural employment for men had declined while the share of service sector employment had increased.

Feminization of labor market participation was evident in all economic sectors. The female share of agricultural employment expanded from a mere 1.3 percent to 19.5 percent, a 15 fold increase; the female share of industry employment increased 1.5 times from 23.4 to 33.6 percent; while the female share of service employment rose only slightly from 17.7 to 19.4 percent. However, although female share of agricultural employment grew the fastest, female share of industry employment remained the highest at one-third. Within the industry sector female share of manufacturing employment was even higher at 41 percent.

TABLE V
**DISTRIBUTION OF EMPLOYED PERSONS AND FEMALE SHARE
 ACCORDING TO OCCUPATION GROUP, BROAD ECONOMIC
 SECTOR AND STATUS IN EMPLOYMENT, AND NEW
 ENTRANTS BY ECONOMIC SECTOR, BANGLADESH
 1983-2000 (PERCENT)**

	1983/84			1995/96			1999/2000		
	Male	Female	% F	Male	Female	% F	Male	Female	% F
Employed persons (millions)	25.55	2.43	8.7	33.16	7.15	17.7	33.67	9.15	21.4
Occupation Group									
Professional or technical	2.4	3.3	11.1	3.5	7.2	30.6	3.6	4.2	24.3
Admin. or managerial	0.7	0.1	1.6	0.5	0.1	3.9	0.5	0.2	8.0
Clerical and sales	13.7	7.1	4.7	20.4	7.6	9.3	20.6	6.6	8.0
Service ¹	4.9	48.7	49.3	2.4	15.6	58.7	3.6	17.7	57.3
Non-agri. labor ²	14.9	31.7	16.9	19.2	27.8	23.7	20.1	24.5	24.9
Agri. labor	63.4	8.9	1.3	53.9	41.7	14.3	51.6	46.7	19.7
Economic sector									
Agriculture	63.5	8.9	1.3	53.6	38.6	13.4	52.1	46.3	19.5
Industry ³	9.3	29.1	23.4	10.8	20.9	29.7	11.4	21.2	33.6
Service	27.2	62.0	17.7	35.6	40.5	19.7	36.5	32.4	19.4
New Entrants (number in millions)									
All sectors				7.62	4.72	38.3	0.50	2.00	79.9
Agriculture				1.61	2.56	61.2	-0.32	1.48	100.0
Industry				1.23	0.79	39.0	0.30	0.45	59.8
Service				4.78	1.38	22.5	0.52	0.07	12.5

Note(s): 1=Includes household sector and not adequately defined.

2= Production and transport worker.

3= Includes manufacturing; mining and quarrying; electricity, gas and water supply; and construction.

Whether the decline in the proportion of service sector employment for women and rise in the proportion of agriculture sector employment represents a labor shift from service to agriculture is not immediately apparent. A genuine labor shift is indicated by declining employment rate in one sector accompanied by rising employment rate in another. Estimated employment rates by sector were 0.68 in agriculture, 2.22 in industry and 4.74 in

service in 1983/84.¹⁹ In 1995/96 these rates were 6.69, 3.58 and 6.69 in agriculture, industry and service sectors respectively, and in 1999/2000 the corresponding figures were 9.84, 4.37 and 6.79. These figures suggest that with rising propensity for labor market participation, female employment rates have increased in all the sectors, but the increase was the highest in agriculture. Service sector employment rate also increased but only slightly and has remained the same since 1995. Hence, there has not been a shift in female employment from service to agriculture, but rather the chances of being employed in agriculture have expanded to a much greater extent compared to that in the service or even in the industry sectors.

The changing importance of economic sectors for female employment is captured more vividly by the sectoral distribution of new entrants into the labor market, also shown in Table II (lower panel). Between 1983/84 and 1995/96, 4.72 million new women took up paid work, 54 percent of whom were employed in agriculture, 17 per cent in industry and 29 percent in the service sector. These proportions were 74, 21 and 5 percent respectively among the 2 million new entrants between 1995/96 and 1999/2000. This further confirms the growing importance of agriculture in absorbing the incremental increase in female labor force and the rapidly declining role of service sector employment, especially for new entrants. The relatively faster growth of the female LF has also changed the gender composition of sectoral employment. Between 1983/84 and 1995/96, female shares of new employment were 48 percent in manufacturing industry, 13 percent in construction and 23 percent in service sectors respectively, but as high as 61 percent in agriculture. Between 1995/96 and 1999/2000, calculated female shares were actually over 100 percent in agriculture and manufacturing industry, apparently due to reported decline in male employment in these sectors.

The other locational indicator is occupation, which is also a measure of skill level. Professional and technical jobs are the most

¹⁹ These are calculated as the number of employed workers in a sector divided by the number of persons aged 10 or more, and gives the probability that a woman aged 10 or more will be employed in that sector. The sum of all the sectoral participation rates gives the total LFPR.

highly skilled occupations while labor selling jobs are the least skilled occupations. In 1999/2000 women workers were most likely to be agricultural laborers, followed by non-agricultural laborers and service laborers. These low skilled occupations accounted for 89 percent of female employment. Only 11 percent of women workers had blue or white collar jobs (clerical, sales, administrative and professional). This general occupational pattern has not changed over time, except a switch in the relative importance of service and agriculture labor jobs for women. Men workers, too, were concentrated at the lower end of the skill ladder, but unlike for women, the relative importance of more skilled clerical and sales jobs and, to a lesser extent, of professional occupations had increased for men.

The female share of employment was highest for labor selling service occupations, with women representing more than half of service workers. Female shares were one-fourth among non-agricultural laborers and one-fifth among agricultural laborers, but surprisingly as high as one-fourth among white-collar professional and technical workers. In other words, the highest female employment shares were in the least skilled jobs, but female shares were also relatively high in the most skilled jobs.

Within each broad economic sector status in employment may be taken as an indicator of the condition of employment. Condition of employment is generally considered to be of higher quality for self-employed/employer category compared to employee category (regular salaried or wage worker), followed by hired worker (casual wage worker or day laborer) and lastly unpaid family worker. Table VI shows that according to this ranking in 1999/2000 one-third of women workers had employment of the lowest quality, namely unpaid family work. However, about one quarter of women workers was also likely to be self-employed/employer, followed by employee and hired worker categories. Over time self-employed/ employer category has increased, employee category has decreased and unpaid family worker category has also increased. Most of the change in employment status of women workers took place between 1983/84 and 1995/96, and the general pattern has not altered much in the recent past.

TABLE VI
**DISTRIBUTION OF EMPLOYED PERSONS AND FEMALE SHARE
 ACCORDING TO FORMAL/INFORMAL SECTOR AND STATUS IN
 EMPLOYMENT, AND NEW ENTRANTS BY STATUS, BANGLADESH
 1983-2000 (PERCENT)**

	1983/84			1995/96			1999/2000		
	Male	Female	% F	Male	Female	% F	Male	Female	% F
Employed persons (millions)	25.55	2.43	8.7	33.16	7.15	17.7	33.67	9.15	21.4
Sector									
Informal	76.6	61.7	7.1	84.3	85.5	18.0	73.7	84.6	23.8
Formal	23.4	38.3	13.5	15.7	14.5	16.6	26.3	15.4	13.7
Status									
Self-employed or employed	40.8	16.5	3.7	43.9	22.7	10.1	49.2	25.1	12.2
Day laborer	28.1	15.5	5.0	25.5	18.0	7.7	25.7	17.0	15.2
Employee	14.2	56.1	27.3	15.0	25.3	26.7	16.5	23.5	27.8
Unpaid family worker	16.9	11.9	6.3	15.6	33.9	31.9	8.5	34.4	52.3
New Entrants According to Status (number in millions)									
All status				7.62	4.72	38.3	0.50	2.00	79.9
Self-employed or employer				4.11	1.22	22.9	2.02	0.67	24.9
Day laborer				1.29	0.91	41.4	0.19	0.27	58.1
Employee				1.35	0.45	24.9	0.60	0.34	36.2
Unpaid family worker				0.87	2.14	71.2	-2.31	0.72	100.0

Female employment share increased in all categories except employee-category, where the female remained unchanged at 27-28 percent since 1983/84. Thus, the chances of getting regular paid employment have not increased for women workers relative to male workers and have actually declined at an absolute level. Female employment share increased the most in the unpaid family worker category, rising from a mere 6 percent in 1983/84 to 52 percent in 1999/2000. Female share of self-employed/employer category also increased appreciably, suggesting a trend towards relatively more home based and less outside based employment for women.

The pattern of women workers' status in employment in agricultural work was not the same as in non-agricultural work. In 1999/2000 over half (54%) of the women employed in agriculture were unpaid workers, compared to 19 percent self-employed and 27

percent paid workers. In contrast, in non-agricultural work (industry and service sectors) 17 percent were unpaid workers, 31 percent were self-employed and 52 percent were paid workers. In other words, women workers in industry and service sector activities were much more likely to be paid compared to women agricultural workers. Over time there has been a reversal in the relative importance of paid and unpaid agricultural employment for women, since in 1983/84 the percentages of self-employed, paid and unpaid employment were respectively 22, 61 and 17 percent. The change in employment status over time has been much less for non-agricultural female employment, where 6, 73 and 11 percent were respectively in self-employment, paid employment and unpaid employment in 1983/84.

However, the proportion of new female entrants engaged in paid employment has increased from 55 percent in the period between 1983/84 and 1995/96 to 64 percent in the later period between 1995/96 and 1999/2000. Additionally, new women market workers in urban areas were more likely to be paid workers compared to women workers in rural areas, which is not unexpected given that unpaid family labor is most likely to be employed in agricultural activity in rural areas. Moreover, increase in the female share of new employment has been relatively more, in the employee and hired worker categories.

Another indicator of employment condition is the intensity of work, measured by the extent of underemployment (defined as being employed for less than 35 hours in a week). Table VII presents average weekly hours of employment and shows that employed women worked fewer hours per week than employed men, and that average weekly employed hours had declined over time for all workers. Increasing male-female ratio in the average weekly employed hours indicates relatively greater decline for women workers. On average, women workers were employed less than full time in 1999/2000 (only 33 hours per week), due entirely to the high degree of underemployment (only 28 employed hours per week) in agriculture sector employment. The decline in female employed hours was highest for agricultural work and in 1999/2000 the male-female gap in employed hours was also greatest in agricultural work. The decline in employed hours in agriculture,

during a period when agricultural employment for women increased at a faster place compared to employment in other sectors, suggests crowding of women workers in the agriculture sector.

TABLE VII
**MEAN WEEKLY HOURS OF WORK FOR EMPLOYED PERSONS AND
 MALE-FEMALE RATIOS ACCORDING TO ECONOMIC SECTOR,
 OCCUPATION AND STATUS IN EMPLOYMENT, BANGLADESH 1983-
 2000 (PERCENT)**

	1983/84			1999/2000		
	Male	Female	M/F *100	Male	Female	M/F *100
Employed persons (millions)	52.3	44.7	117	48.4	32.6	148
Economic Sector						
Agriculture	52.0	41.6	125	46.9	28.0	168
Industry ³	53.1	38.6	138	50.1	36.8	136
Service	51.9	48.0	108	49.5	35.7	139
Occupation						
Professional or technical	43.9	34.4	128	45.8	39.1	117
Admin. or managerial	51.3			49.3	41.1	120
Clerical and sales	51.9	39.7	131	49.0	35.4	138
Service ¹	55.2	49.1	112	52.0	39.7	131
Non-agri. labor	53.8	38.3	140	50.9	34.5	148
Agri. labor ²	52.0	41.6	125	47.1	28.0	168
Status						
Self-employed or employer				49	30	163
Day laborer				51	37	138
Employee				50	46	109
Unpaid family worker	46.4	36.4	127	38	23	165

Note(s): 1= Includes household sector and not adequately defined.

2= Production and transport worker.

3= Includes manufacturing; mining and quarrying; electricity, gas and water supply; and construction.

Women workers in service sector employment also experienced declining hours of work and a large increase in the gender gap in employed hours, but were found to be working almost full time or more than 35 hours in a week. In the industry sector, women workers on average worked nearly full time; decline in employed hours was negligible and the gender gap had not increased. In urban areas female employed hours in formal manufacturing work were greater than in rural areas and quite comparable to male employed hours. One study estimated that in urban formal manufacturing women workers were employed on average 56 hours

per week compared to 53 hours for men, while in informal manufacturing employment the average weekly hours were 21 and 23 respectively for women and men workers. In rural formal manufacturing, average weekly hours were 41 and 54 respectively for women and men workers, and in rural informal manufacturing the figures were 20 and 41 hours (Zohir 1998). Hence, only in urban formal manufacturing women and men were employed for similar hours.

According to occupation group, employed hours had actually increased only for professional and technical occupations, for which the male-female gap had also narrowed. For all other occupations hours employed had dropped for women (and men), most sharply for agricultural laborers followed by service workers, and the gender gap in employed hours had increased. The large decline in employed hours was due to the huge influx of unpaid workers into the labor force during this period, particularly in the agriculture sector. Unpaid workers not only had much lower average weekly hours of employment compared to paid workers (employee and hired worker), but also experienced relatively greater decline in hours of work, from 36 in 1983/84 to 23 in 1999/2000. Thus, the likelihood of being fully employed decreased for women and the gender gap in intensity of employment increased over time.

The incidence of underemployment (employed for less than 35 hours per week) was considerably greater among employed women (53%) compared to employed men (10%). In other words, over half of all employed women worked less than full time while only 10 percent of men worked less than full time. In 1983/84 these proportions were 29 and 10 percent respectively, indicating that chances of finding full time employment have always been much less for female workers compared to male workers. Over time the probability of full time employment had actually deteriorated for women but remained unchanged for men. According to employment status the majority of unpaid (83%) and self-employed (63%) female workers were underemployed, while one-third of female day laborers (31%) were underemployed; but only a relatively small proportion of employees were underemployed (15%). Similarly, agricultural workers (66%) were more likely than industry or service workers (41-44%) to be underemployed.

The predominance of informal sector employment is a further reflection of the poor quality of labor market participation, true for both women and men workers. Distribution of employed LF by formal/informal sector is presented in Table VI.²⁰ In 1999/2000, 85 percent of employed women and 74 per cent of employed men were located in the informal sector, so that women workers were more likely than men to have informal sector employment. Since this proportion has increased for employed women (from 62% in 1983/84) but declined slightly for employed men, the likelihood of employed women being located in the formal sector has declined. This is also reflected in employment growth rates in the two sectors; while the size of employed female workforce in the formal sector grew at the average rate of 3.2 percent a year, the size of employed female workforce in the informal sector grew at the rate of 26 percent a year during this period.²¹ Crude estimates indicate that female employment rate (the population probability of employment) in the informal sector increased nearly fourfold between 1983/84 and 1999-2000 (from 4.7% to 17.6%), while the employment rate in the formal sector increased only marginally (from 2.9% to 3.3%). Moreover, the female share of informal sector employment rose steadily, while the female share of formal sector employment remained unchanged at around 14 percent, confirming that among new female labor market entrants the propensity for informal sector employment was relatively higher.

V. RETURNS TO LABOR

More than proportionate rise in women's labor market participation observed in Bangladesh is either the result of increase in labor supply or in labor demand or both. Depending on the mix of factors, the implications for returns to labor can be very different. The growing demand for female labor to replace male jobs in agriculture and for new jobs in manufacturing and service partly

²⁰ Formal sector employment consists of all occupations in the following broad economic sectors: mining and quarrying, manufacturing, electricity, gas and utilities, financial and business services; and only professional/technical, administrative/managerial and clerical/sales occupations in the following economic sectors: construction, trade and hotels, transport, community services and not adequately defined.

²¹ For men average annual employment growth rates were 1.7 percent in the informal sector and 3.0 percent in the formal sector.

contributed to the expansion in women's labor market participation. It was noted earlier (Table V) that the proportion of agricultural employment for men steadily declined from 64 to 52 percent and of new male employment between 1983/84 and 1995/96, only 21 percent was in agriculture. In fact, between 1995/96 and 1999/2000, there appears to be an absolute decline in the size of male employment in agriculture. This has increased demand for female agricultural wage labor in rural areas because it is cheaper and also more readily available, and also for female unpaid family labor because households cannot afford to hire more costly male labor.²² Male out-migration from rural areas and the movement of male labor from agriculture to non-farm employment have led to a scarcity of male labor for agricultural tasks, a scarcity that is heightened during peak seasons of agricultural labor demand. This is evident from village survey data, which showed that increase in women's participation in agricultural wage work coincided with the peak demand for male agricultural labor (Amin 1994).

In rural areas NGO presence also induces demand for female labor for both self-employment and wage work, causing the level of female participation in income earning agricultural work to be relatively greater in villages covered by NGO programs. The presence of targeted micro credit programme in a village increases labor demand for "market work" for both women and men in all households irrespective of program membership, especially in villages covered by Grameen Bank. There is also improvement in productivity of agricultural and non-agricultural self-employed activity, and both member and non-member households are affected by these induced village-level impacts (Rahman and Khandker 1994).

In urban areas the rapid expansion of the readymade garment manufacturing industry for export following external liberalization and deregulation of the financial sector led to an increase in demand for female labor in manufacturing industry. Employers no longer viewed women as inefficient workers and actually preferred

²²An early 1988 survey reported that women's participation rate in field crop production was 30 percent, of which 18 percent was in own farm and 12 percent as waged labor in other farms (UNDP 1988).

women to men because they were docile, did not unionize and were cheaper to hire under the flexible new modes of production, such as outsourcing, contract work, casual part-time work and home-based work, and easy entry and exit. These preferences of employers were responsible for large numbers of women workers finding employment in low skilled garment manufacturing.²³ Employers minimized the costs of a mixed labor force, arising out of the cultural norms of gender segregation, by a shop floor strategy of an exclusively female production workforce, and were even able to shift some of the labor costs on to women workers.²⁴ Thus, cultural impediments have not dampened the demand for female labor in low skilled manufacturing activities. However, other “costs” of a predominantly female workforce, such as employers’ perceptions about greater absenteeism by women, high turnover of workers due to marriage, pregnancy and childbirth, etc., prevent employers from investing in skill up gradation and may eventually constrain demand for female labor in more skilled and more rewarding employment. There is already some evidence for this, as male workers are predominantly taking up more skilled employment in the knitwear factories.

In contrast, increase in the supply of female labor and consequent declining wages allowed employers to gain access to the reserve female workforce. Households dependent upon male wage labor were faced with income shortfalls when real wages declined a few years after the initiation of the structural adjustment program in 1988. The decline in wages was evident especially in agriculture and construction work and to a lesser extent for wages in manufacturing industry (CIRDAP 1997). Such a situation is often tackled by the entrance of female family members into wage work, resulting in a rise in the supply of female labor in the market. This is supported by evidence that in rural areas the supply of female labor for agricultural work was related to the size of household own land (UNDP 1988). Generally speaking, households owning some land were more likely to have female family members working on

²³ Trade liberalization policies adopted since the late 1980s led to the expansion of the readymade garment industry from a handful of factories in the late 1970s to nearly 3,500 by the mid-1990s, employing 1.8 million workers of whom 1.5 million were women.

²⁴ Women workers in urban garment manufacturing industry accept conditions like unpaid leave, no maternity leave, lay-off during pregnancy and childbirth, no pensions and benefits, and so on.

own farms in order to save labor costs, but were unlikely to have women engage in wage labor. The supply of female labor for wage work was more common in land-poor households that did not cultivate land and were dependent upon male wage labor.²⁵ In fact, villages that had relatively more unequal income distributions and higher levels of male waged labor also had higher levels of women's labor market participation, including in agricultural work (Mahmud 1996).

When the demand for female labor is greater than its supply, workers' bargaining power is enhanced so that work conditions improve and wages are pushed up. When supply exceeds demand "crowding" lowers the bargaining power of women workers vis-a-vis employers so that wages remain depressed, work conditions remain poor and employers can exercise their "taste for discrimination." Thus, expansion in female labor market participation is more likely to have a positive impact on returns to labor when it is in response to increased market demand rather than when it is driven by supply. Some inference about whether increased labor market participation of women is demand driven or supply pushed may be made by examining what may have happened to returns to female labor measured by wages and earnings of workers.

Wages and earnings are not only generally low in Bangladesh there also exists a systematic gap between male and female wages and earnings levels.²⁶ Table VIII presents wages/earnings for employees, day laborers and self-employed persons by sex and region of residence, and shows that in all periods and for all types of paid work, female wages/earnings were considerably lower than male wages/earnings. In 1999/2000, the male-female earnings differential was greatest among self-employed persons, with male workers earning nearly three times what women workers were earning. The corresponding ratio was the least for day laborers with male day laborers earning one and a half times what female day laborers were earning.

²⁵ Data from the 1988 survey show that the highest participation of women in agriculture on own farm is in small landowning households (0.5-0.99 acre), while women in large landowning households do not work in field agriculture at all. Women from landless and near landless (marginal farm) households work as agricultural wage laborers (UNDP 1988). Female household heads and de facto female heads, due to male out-migration, also engaged in agricultural employment to a greater extent compared to wives of male household heads. The 1996 Agriculture Census shows that among women agricultural workers in marginal farm households (less than 0.99 acre), almost half (46%) are family members and the rest are hired workers. These proportions are 8 percent and 92 percent among workers in households that own more than 2.5 acres of land (BBS 1999).

²⁶ Although there is a legal minimum wage, this is not implemented outside the public sector.

TABLE VIII
**AVERAGE EARNINGS IN TAKA FOR PAID WORKERS¹ 15 YEARS OR
 MORE ACCORDING TO RURAL/URBAN RESIDENCE AND TYPE OF
 WORKER, BANGLADESH 1983-2000**

	1983/84			1995/96			1999/2000		
	Male	Female	M/F* 100	Male	Female	M/F* 100	Male	Female	M/F* 100
Employee (weekly wages or salary)²									
Urban areas	111	60	185	958	480	199	4079	1886	216
Rural areas	59	35	169	708	308	230	2681	1167	230
Day laborer (daily wage rate)									
Urban areas	20	10	200	60	36	167	85	59	144
Rural areas	15	7	214	44	25	176	63	35	180
Self employed or employer (monthly earnings)									
Urban areas				2900	848	342	3811	1258	303
Rural areas				2073	821	252	3105	1194	260
Daily wages									
Agriculture				42	30	140	60	33	181
Manufacturing				51	18	283	83	39	213
Construction				63	63	100	86	44	195
Trade/Hotels				37	24	154	79	37	213
Community service				63	13	485	83	59	141

Note(s): 1= Refers to paid workers aged 10 years or more for 1983/84.
 2= For 1999/2000 wage/salary per month.

Direct assessment of the trend in wages and earnings is complicated by the problem of incomparability of wage data collected by labor force surveys, and even when there are reliable trend analyses, results are not always disaggregated by sex (Mahmud 2002). An assessment of change in relative wages is possible by comparing male-female wage earnings ratios over time, presented in Table VIII. Between 1983/84 and 1999/2000, male-female wage differential consistently narrowed for day laborers or casual workers in urban areas. In rural areas, the gender gap narrowed in the past but appears to have slightly increased in the last few years. The gender gap actually widened for employees or regular salaried and wage workers, and relatively more in rural areas. Furthermore, the gender gap in daily wages increased in some economic activities and decreased in others (lower panel of Table VIII). In 1999/2000, the gender gap in daily wages was greatest in manufacturing and trade, followed by construction, agriculture and service activities. Since 1995/96, this gap increased a little for agricultural wages but quite significantly for trade/hotel

and construction wages. However, the gap decreased visibly for manufacturing and community service wages.

A recent analysis of male wage data (Mahmud 2002) shows that agricultural real wage increased from the late 1980 and peaked in 1993/94, then declined steadily ending up in 2000 at the level of the late 1980s. In the non-agricultural informal sector, represented by construction, real wages remained unchanged or may even have declined slightly between the late 1980s and 2000. Only in formal manufacturing, real wages steadily increased over this entire period. It is quite plausible to assume that the absolute levels of female wages were subject to similar trends as male wages. In other words, between the late 1980s and 2000 average female real wages increased only in formal manufacturing activities, which represented 20 percent of female employment in 1999/2000.

Using male-female ratios in conjunction with these trend data for male wages suggests the following: the increase in male-female wage ratio for agricultural and construction workers since 1995/96 means that there was a decline in female real wages of relatively greater magnitude compared to the decline in male wages in both rural (agricultural) and urban (construction) areas since the mid-1990s. On the other hand, the decline in male-female wage ratio for manufacturing means that there was an increase in real wages for female workers in formal manufacturing that was relatively greater than the increase for male workers. This is particularly evident in the case of urban formal manufacturing employment.²⁷

VI. IMPLICATIONS FOR THE LABOR MARKET

The impact of feminization on the labor market has been mixed. First, gender segregation weakened as women have taken up market work in male dominated economic sectors like agriculture and manufacturing industry. However, male dominance of formal sector employment did not diminish except for very highly skilled

²⁷ One estimate shows that the average weekly earnings (in 1985/86 prices) in the formal urban manufacturing sector increased from Tk. 273 in 1983/84 to Tk. 418 in 1995/96 for men workers and from Tk. 124 to Tk. 241 for *women* workers (Zohir 1998).

professional occupations. The average quality of women's market work fell as a result of the huge influx of unpaid workers and part-time workers, and there was an informalization of women's paid employment due to relatively higher rates of entry of low skilled workers compared to high skilled workers. Thus, segmentation in the female labor market increased over time, and at faster pace than the segmentation in the male labor market.

Unfortunately, feminization did not lead to declining un and under employment, indicating a rise in demand-supply mismatch and greater slackness in the female labor market compared to the male labor market. The extent of slackness was however hidden by apparently low open unemployment, because few workers could afford to remain for long without work or to be selective about the type of employment. Female labor market slackness was more pronounced in rural areas but recent rise in urban unemployment suggests that slackness was growing in the urban female labor market. However, although unemployment grew, the pace of increase slowed down considerably.

Feminization was accompanied by diversification of women's market work, marked by rising propensity of female agricultural employment relative to employment in other sectors. "Feminization" was most visible in agricultural sector employment: there were now only four men instead of seventy-five (in 1983/84) for every woman agricultural worker. In the industry sector the number of men workers per woman worker declined in sixteen years from 4 to 2, while in the service sector the number remained almost the same at around 4. In other words, feminization not only reduced male dominance of employment generally but also allowed women to move into more male dominated economic activities.

On the other hand, feminization was also accompanied by declining proportion of paid employment, indicating deterioration in the average quality of women's market work. The largest increase in female employment share was in the unpaid family worker category. This share did not increase for employee, salaried or waged workers. The rise in unpaid employment was especially high in agricultural work, which absorbed the bulk of female labor force growth. In the past, when agriculture employed a negligible proportion of female workers, women agricultural workers were

mostly paid (83%), whereas in 2000 less than half of female agricultural workers were paid (43%). The increase in unpaid share for non-agricultural employment was much less. The rising propensity of women to work without pay on family enterprises, particularly in agricultural work, suggests that the opportunity cost of women's market work outside the home remains high.

However, in a dynamic sense the picture was less gloomy. New female labor market entrants were more likely of finding paid employment, either as self-employed, salaried worker (employee) or waged worker (hired) than before. In fact, growth of paid employment increased relatively more for women than for men. Since the chance finding paid employment was greater in urban areas and since increase in unpaid employment was relatively less for non-agricultural employment, women workers in urban areas were better-off than workers in rural areas.

Not only were women more inclined to work without pay than before, they were also working for fewer hours per week. This is particularly the case for agricultural employment. In the service and industry sectors women were working almost full time and decline in working hours was not very large. In fact, in urban manufacturing employment women and men were working more than full time and almost similar hours per week.

Relatively greater expansion in female agricultural employment led to the considerable increase in informal sector employment for women. In fact, female informal employment grew at nearly 10 times the pace of formal employment and female employment share in the formal sector did not increase, except for highly skilled professional and technical jobs. In other words, women were joining the pool of informal sector workers at a relatively faster rate than they were joining the pool of formal sector workers. Thus, evidence of feminization, so visible in the informal labor market, is almost absent in the formal labor market.

With increase in women's employment in agricultural activity, average female agricultural wages have fallen both absolutely and relative to average male wages. New female labor market entrants venturing into agricultural employment are replacing men in so-called "male" agricultural tasks. Because female wages are generally lower than male wages, this trend depresses average

agricultural wages. Hence, feminization may have contributed to the observed decline in agriculture real wages during the 1990s. On the other hand, real wages for female manufacturing labor have increased to a greater extent, both relative to wages in other sectors and relative to male wages in urban manufacturing. Hence, at least with respect to urban manufacturing employment, expanding female labor market participation had a positive impact on returns to labor.

Feminization can also affect wage discrimination on the basis of sex, often assessed by the gender gap in wages and earnings. Unfortunately, expansion in women's market participation was not able to eliminate the gender gap in wages and earnings and the change in the gender gap in daily wages was not similar in the different economic sectors. This gap increased slightly for agricultural wages and quite significantly for trade/hotel and construction wages, but decreased visibly for manufacturing and community service wages. The gender gap in wages for day laborers generally declined, more so in urban areas. On the other hand, the gender gap in formal wages (employees) increased, especially in rural areas.

This is supported by comparing male-female ratios in employed hours with the male-female ratios in earnings and the trend over time. Fewer employed hours for women workers compared to male workers in all types of paid work partly explain lower female earnings. But since female earnings compared to male earnings are more depressed than female employed hours compared to male employed hours, it is possible that there is either gender based wage discrimination or genuine lower female productivity. Since the difference in male-female earnings ratio and male-female employed hours ratio is the smallest for day laborers and largest for employees, wage discrimination on the basis of sex, if any, is likely to be least for casual low skilled workers and greatest for regular employees. In the case of self-employment, lower female earnings can be explained both by fewer hours worked by women workers and lower labor productivity of female activities (cow fattening, paddy husking) compared to male activities (crop production, trade).

In Bangladesh there is evidence that the gender gap in earnings has an inverted U-shaped relationship with women workers' schooling level (Mahmud 1997, Zohir1998), suggesting that wage discrimination against women workers is least likely both in low skilled activities and in highly skilled activities. In the case of women's agricultural activity, "crowding" depresses wages for female laborers by undermining women workers' bargaining power and pushing down the supply price of female labor. This is suggested by the fact that the implied daily wage rate varied markedly between villages, and is inversely associated with level of female wage work in the area (Mahmud 1996). In urban areas, too, female wages in low skilled activities (manual and non-manual labor) are depressed compared to male wages, but due to lower labor productivity, indicated by skill and experience of women workers employed in such activities compared to male workers. In high skilled activities (professional or managerial occupations), on the other hand, the gender gap in wages is almost non-existent (Mahmud 1997).

Thus, there does not appear to be any overt wage discrimination on the basis of gender. Gender based wage discrimination was neither evident in the high return segment of the market nor could it be clearly established in the low return segment of the market. In low skilled activities, in which women workers are concentrated, wages are depressed more as a result of crowding and relatively lower skill level of female workers. However, this does not imply that the acquisition of human capital, an important determinant of market earnings, is not subject to gender-based discrimination.

Obviously, feminization means that factors that cause women to take up market work must also be changing. The female labor force is now more homogenous than before with respect to workers age, and concentrated within the working ages of 15-44 years. This means that the feminization process has been driven by working age women, consistent with the fact that an increasing proportion of households are relying on incomes of two working adults to meet consumption needs. The other change is a more pronounced U-shaped pattern of female employment rate with education level. This is supported by the fact that female employment share has increased the most in low skilled occupations, i.e. labor selling work

in agriculture, non-agriculture and service, and in highly skilled professional and technical occupations. These trends indicate that sex by itself is not a barrier to market participation either in the low return segment or in the very high return segment of the labor market. However, sex is a barrier to the acquisition of market valued skills needed to enter the high return segment, a fact which causes only a very small proportion of total female employment to be located in highly skilled and high return occupations.²⁸ Thus, occupational segmentation is primarily due to gender discrimination in the acquisition of market skills.

VII. CONCLUSION

The evidence that Bangladesh is experiencing “feminization” of the labor force is unambiguous. Women are entering the labor force at a much faster pace than before and female labor force growth is faster than male labor force growth. The female labor force in urban areas is growing as a result of significant rural to urban migration by women up to the mid-1990s, while in rural areas female labor force growth is slower. However, men continue to dominate market work, and at present there are at least three men for every woman participating in the labor market. Thus, Bangladesh still has a long way to go before achieving gender parity in labor market participation.

Who gained from this expansion in women’s labor force participation? For families, the balance of gains and losses is not yet fully played out, since there is immediate consumption gain offset by more long-term welfare loss. There is welfare loss for all family members, but particularly for dependents, due to reduction in the amount of women’s care-giving labor that is not compensated by an increase in the supply of men’s care-giving labor. Women’s migration to cities for employment reduces the amount of care-giving labor available to their rural households, while women workers with small children also reduce their care-giving time and rely upon child care of lower quality (grandparents,

²⁸ Female employment remains concentrated in low skilled and low return occupations, and only 11 percent of women workers had blue or white collar jobs.

siblings, paid help, neighbours). Because of the negative effect of reduced care on the development of human resources and human capabilities, welfare loss is especially critical for children, with implications for the welfare of the larger community.

On the other hand, families also gain because household income is supplemented by women's earnings, often raising not only the quantity of consumption but also the quality, since women compared to men spend a higher proportion of their income on food, housing, clothing, education and health care. Within families men have gained because women share the work of income earning to meet family consumption needs, often allowing men to migrate to urban areas and get better jobs, to go to college, to get higher skills training, or to go abroad for more remunerative employment. Garment factory workers remit a part of their earnings to their natal families, help pay for the schooling of siblings and save for their own dowry at marriage. This is not only poverty reducing, but it also enhances human development and human capabilities.

What has been the effect of expansion in women's market work on the welfare of women themselves? Evidence shows that women reduce their care-giving and reproductive work time in response to an increase in market work time (Hamid 1994). This effect becomes more pronounced with declining household income. The burden of picking up the slack in housework and family care-giving work falls on elderly women and adolescent girls, and a little on elderly men, but not on adult men. In other words, although women are able to shift some of their responsibility for care-giving and reproductive work on to other family members, this has not visibly altered the gender division of work within the household and may even have led to a loss in women's welfare because of reductions in leisure time.

Women have gained access to economic production but whether this has been to their advantage or disadvantage is difficult to assess. From the perspective of women themselves an expansion in employment has both positive and negative dimensions. First, the potential of increased contributions to economic activity without access to earned incomes in changing women's position is limited at best. Second, even with paid employment women may be losing out in the work place by being stuck in employment that has fewer

prospects for upward mobility, has poorer returns and worse conditions of work compared to male employment. The scope for improvement in labor conditions, like getting stable regular employment, is limited because of women's weak bargaining power that is further eroded by "crowding" due to excess supply of female labor. Third, employment is also more risky, particularly if directly linked to swings in international demand and depends upon how far individual countries can remain internationally competitive.²⁹ With higher skill requirements in more high-technology manufacturing for export, there is also risk of losing the "female" advantage and being replaced by men.³⁰

On the other hand, the huge influx of women into different types of market activity may have a positive effect on their bargaining power and act as leverage for improvement in work conditions, particularly in the informal sector. There is anecdotal evidence that the alternative of a garment factory job is commonly used to bargain for higher wages and better work conditions by women seeking domestic service, a factor also responsible for the diminishing supply of maids and service workers in urban and rural areas.

The visibility of women in market work also represents expanded opportunity in a context of limited choice³¹ and raises the hopes of getting paid employment for many women. In that respect they contribute to increasing the value of daughters to parents, a positive change indicated by parents' increased willingness to invest in the education and health of daughters as well. The closing of the gender gap in school enrollment and narrowing in child mortality and nutrition attests to rising parental investments in daughters. Furthermore, this has contributed to the creation of norms that are

²⁹ South Asian countries like Bangladesh whose major export is readymade garments face uncertainty when the MFA is completely phased out in 2005 and firms may have to shut down.

³⁰ Knitwear factories employ 65 percent men compared to 30 percent in the woven garment factories in Bangladesh.

³¹ It is ironic that in contexts that offer women limited employment opportunities, women's low-wage labor is in demand in new types of jobs, but their reproductive and care-giving roles mean that women form a type of labor that is drawn into the work force when needed and expelled when not needed.

beneficial to women and society, such as the norm of young women working for pay, women delaying marriage due to employment, women living on their own and moving visibly in the public domain.

Finally, expansion in women's paid work, especially in the modern sectors, can contribute to more egalitarian gender relationships and a reduction in gender inequalities because of the links with women's empowerment, decision-making role in the family, mobility in the public domain, and re-evaluation of women's work. However, the link is not automatic and depends to what extent women have control over their earnings and have a say in how it will be spent. Evidence suggests that women do retain control over part of their earnings and spend it on themselves, although the major portion is spent on family consumption. Women workers report that they gain a feeling of independence and seem to enjoy greater self-esteem and greater social prestige and are more valued by their family members (Kabeer 1995). These new opportunities, particularly when employment is paid, have altered women's lives in many important ways, both at the societal level and at the individual level and have introduced diversity into the social landscape' (Kabeer 1995).

However, in poor households an unchanging gender division of labor in care giving and household work poses a constraint to the expansion of women's paid full time work. Since poor households are the major suppliers of female labor, it seems likely that women's market participation in the near future, especially in low skilled employment, will continue to be of poor quality in terms of being unpaid workers in family enterprises or part time workers in casual informal employment. Hence, recognition of women's existing responsibility for providing domestic and care giving labor and creating alternative arrangements for labor sharing in the household economy becomes essential if women too, and not just households and families, are to benefit from their increased labor market participation.

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