

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SANS

TA No., Country and Name TA 4320-BAN: Social Protection of Poor Female Workers in the Garment Sector in the Context of Changing Trade Environments Project		Amount Approved:		\$420,000
		Revised Amount:		\$420,000
Executing Agency Ministry of Women and Children Affairs		Source of Funding Poverty Reduction Cooperation Fund	Amount Undisbursed: \$98,521.21	Amount Utilized: \$321,478.79
TA Approval Date: 16 Mar 2004	TA Signing Date: 11 Nov 2004	Fielding of First Consultants: 12 April 2005	TA Completion Date Original: 31 May 2006 Account Closing Date Original: 31 May 2006	Actual: 31 Dec 2007 Actual: 27 May 2008
Description <p>The ready made garment (RMG) sector is the country's largest employer outside of agriculture, directly employing 2.2 million people and about 10 million workers in related industries. The rapid growth of the RMG industry in Bangladesh since the mid-1980s remarkably improved the living standards of many, especially female workers. Employment in the garment sector has empowered women, increased their mobility and enabled greater freedom and choices in their lives. RMG is the only formal, export-oriented manufacturing sector that has a large influx of rural women migrants.</p> <p>However, the phase out of quota under the Multi Fiber Agreement (MFA)¹, was supposed to have a negative impact on the factories and the workforce mainly in woven garments, a sub-set of the RMG, as well as on medium and small factories. Closure of the woven RMG factories would have an adverse impact on the female workers, as 70% of the workers employed in woven factories are women as against 35% in knit wear.</p> <p>Given the low level of salaries, a small fluctuation in income levels can push the garment workers back into poverty. Also, social protection of RMG workers required attention and a systematic approach in order to address a range of issues like loss of income, health costs, and core labor standards, all requiring timely action in light of phase out of quota under MFA.</p> <p>The Government of Bangladesh was concerned with this issue and showed interest in developing a social protection strategy for RMG workers. A long-term view on social protection and preventive measures to protect women from further slipping into poverty would address humanitarian and the overall poverty reduction concerns in the country. Also, continuing education and skills development to improve the future prospects of women either within the RMG sector or outside was seen as a necessary intervention by the Government and the employers.</p> <p>Given the above context, ADB offered technical assistance in 2005 to the Ministry of Women and Children Affairs (MOWCA) to develop and test various approaches for providing opportunities and protection of workers that had been retrenched or could be threatened by retrenchment as a result of the phase out of quota under MFA.</p>				
Expected Impact, Outcome and Outputs <p>The overall objective of the TA was to help the country sustain poverty reduction by reducing the unemployment risks of the anticipated contraction in the RMG sector after 2005 and improving job opportunities for the female workers affected by the phase out of quota under MFA and the resulting changes in the international trade environment.</p> <p>The TA was originally due to close in May 2006, but was extended to April 2007 after a delay in the signature of the TA letter and a 6 month delay in the mobilization of the TA Consultant due to visa problems. It was further extended to December 2007 to support the women suffering from unemployment and distress (see below) as requested by MOWCA.</p>				

¹ The MFA is an import quota system under the World Trade Organization on the RMG sector regulating the export of garment from developing to developed countries.

The TA had 2 phases. Phase 1 was completed in February 2006. Its task was to elaborate a strategy and a design proposal for measures of redeployment and social protection of garment workers to be implemented in Phase 2, the pilot phase. Phase 2 commenced in June 2006. The TA identified retrenched workers and their profile, and established centers to help retrenched women to find new jobs and provide them access to training. It was able to assist about 1,500 women workers (not only retrenched) to find housing and other services such as training and health care, and to redeploy about 500 out of about 1000 retrenched women workers back into the sector. The TA surveyed 10,000 garment workers and provided livelihood counseling to 2,000 (those who were retrenched and those threatened by retrenchment). The TA developed new approaches for dealing with structural changes in the labor market, a contribution that was acknowledged by development partners. The extension of the TA until December 2007 allowed a feasibility study on creation of a Welfare Fund as a model for providing social protection to unprotected workers in the RMG sector. The study addressed issues like wage discrimination and non-issuance of appointment letters to the female workers, working conditions, health insurance, and accident insurance. The cumulative extension from the original completion date was 19 months.

The final output of the TA was a comprehensive study of the impact of the changes in the labor market on working women and proposals for their solution, and 2 pilot projects in which services were extended to women affected by retrenchment.

Delivery of Inputs and Conduct of Activities

The TOR was adequate and feasible. The performance of the consultants was satisfactory. Two review missions were undertaken. During implementation, an extension of the TA duration was necessary.

Evaluation of Outputs and Achievement of Outcome

Two substantial reports were generated under the TA: the final report of Phase 1 outlining the findings and the design of the pilot projects and the final report at the end of Phase 2 describing the proposed social protection strategy, lessons learned, and experiences under the 2 pilot projects. All elements of the design and monitoring framework have been achieved. A strategy has been developed, pilot projects have been successfully implemented, a final workshop has been organized, and a final report with recommendations and findings has been elaborated.

Fortunately, the actual number of retrenched workers remained far below that what initially was expected (only some 1,000 actually retrenched compared to over 1 million expected). This was mostly due to product diversification by the Bangladesh Garment Industry in light of changes in the market after the phase out of quota under MFA. Thus, the TA had to assist fewer women than expected, which is positive. At the same time, the TA confirmed that social protection of the garment workers is practically absent, so the TA made a substantial contribution to develop and test social protection arrangements in a changing industry environment. The tested approaches are replicable to a larger number of workers in Bangladesh and in other countries undergoing such industry restructuring.

Overall Assessment and Rating

Given the fact that all elements of the initial TOR have been achieved, the TA is rated as successful.

Major Lessons

There is a large unmet need for support and social protection among the workers in Bangladesh. This has also been shown by RETA 6120 (Social Protection Index for Committed Poverty Reduction). The TA has shown that with the involvement of NGOs and the target groups, improvements are possible. The pilot project also provided a model for other areas of the economy that are undergoing restructuring due to globalization and changes in the economic environment.

Recommendations and Follow-Up Actions

No follow-up actions are planned at this time, since Social Protection is not a core ADB sector in Bangladesh. However, it is recommended to retain the lessons learned for future activities in other countries in the region.