



# WOMEN'S ECONOMIC CONTROL AT WORK AND AT HOME

Microfinance Opportunities  
August 2022

*Photo courtesy of a garment worker in Bangladesh*

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## Summary

Women's economic empowerment (WEE) plays out in different physical spaces. Two of the most important are the workplace and the home. The focus of this report is on the control women have over the time spent at their workplace and the control they have over the money they earn when they bring it home.

- Economic control at work:
  - Women have little control over their workplace schedules. In a separate GWD study with a subsample of women garment workers from specific brand-facing factories, when asked if they are given the choice to not work overtime, the majority said no and almost everyone asked said verbal reprimands were common when they could not stay to work overtime.
  - Women often work more hours than allowed by Bangladesh's labor laws—referred to as “excess” work hours. In the period from September to December 2021, 29% of workers worked excess hours in any given week.
  - Though they are supposed to earn a premium for working overtime, women earned less per hour in months when they worked longer hours.
  - Women earn about 5 taka per hour less than men, taking into account differences in education and other qualifications of men and women.
- Economic control at home:
  - Despite earning a regular, monthly salary, women's spending options are constrained. Their largest purchases each week are for mundane food and household items.
  - Most women (78%) report that they are in charge of making the decision to spend on these large purchases.
  - The decision to make a transfer to someone either within the household or outside of it is often made by someone other than the worker themselves. This is true for both men and women and suggests that transfers are “pulled” from the person making the transfer, in response to a request by the recipient, rather “pushed” by the worker.
  - Economic behavior is not the same across all women. They can be divided into three segments:
    - Supporters are workers who hand over a large share of their salary, about half, to someone else in their household, most commonly their spouse: they make up 25% of the women in our sample.
    - Independents give and receive transfers from other members of their households but in small amounts relative to their average monthly salary. They constitute 60% of women.

- Money Managers are workers who not only earn a salary but receive money from other members of the household. They are 15% of the women in our sample

## Introduction

The RMG sector in Bangladesh is the quintessential embodiment of industrial mass production, the essence of which is the physical control over the bodies of its employees—requiring them to perform repetitive tasks at a particular time and place every day, except Fridays and the brief respite they get around the Eid holidays. The formal organization of work and the sector’s integration into the global economy enables employers to exercise this control through time-tested industrial practices (time clocks, ID cards, production quotas, line supervision, quality control, etc.). Yet there is sufficient informality left in the system that women are often subjected to capricious treatment and exploitation. This ranges from work hours that are over the legal limit allowed by Bangladesh’s labor laws to verbal and physical abuse from supervisors and managers at work.

At the same time, women working in the RMG sector earn a monthly salary that would be extremely difficult to earn in the informal economy, especially with such regularity. They often get to manage what they earn, including all their spending, setting money aside for future use, and sending and receiving transfers to/from family and friends. This report delves into the details of the two sides to this story of economic control to provide a multi-faceted perspective and how the RMG sector is and is not empowering women economically in Bangladesh.

## Control in the workplace

### Work hours and salaries

When the factories in the RMG sector in Bangladesh went into lockdown in late March 2020 there was a real concern that a combination of cancelled orders and a long-term economic slowdown would put millions of workers in the sector out of work. Through its weekly interviews with workers, the GWD initiative noted a different dynamic. There was a short work hiatus in April during the lockdown but by May 2020 workers were back at work, regardless of the Covid situation, and by mid-May 2020 workers were working 9 hours a day (including a one-hour break), 6 days a week for a total of 54 hours per week, which is the regular work week in Bangladesh (Figure 1).

The rapid return of workers to the factories reflects the economic importance of apparel production to key stakeholders in Bangladesh and the global economy: workers and their families who rely on their monthly salary to survive; the government which relies on the RMG sector for 80% of the country’s export earnings and the foreign exchange that comes with it; the factory owners who only earn money if their factories are producing; and international buyers (brands), which, after a short crisis, found that they could continue selling their apparel online despite the lockdowns in Europe and North America.

#### Calculating work hours in Bangladesh

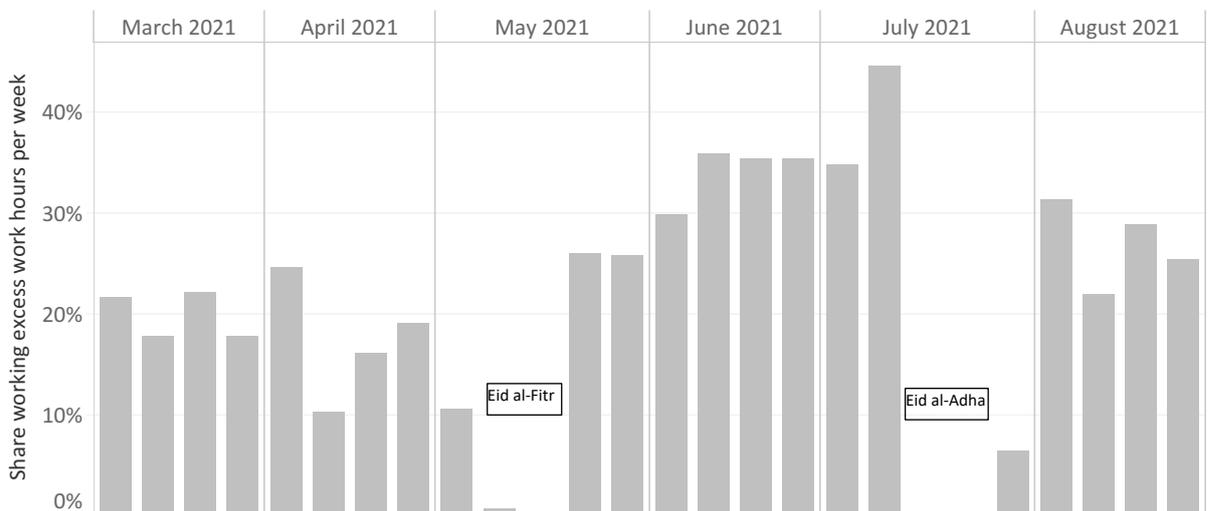
Over the years the GWD initiative has experimented with different ways to record worker work hours. We have found that the easiest way to get accurate work hours information is to ask workers the number of hours between when they started work and finished work, including time they took for breaks—legally they are allowed 1 hour of breaks, although they do not always get them. When we present weekly work hours we treat a 54 hour week as standard: 6 days of 9 hours of work including a one hour break each day.

Figure 1: Weekly Work Hours, May to August 2020



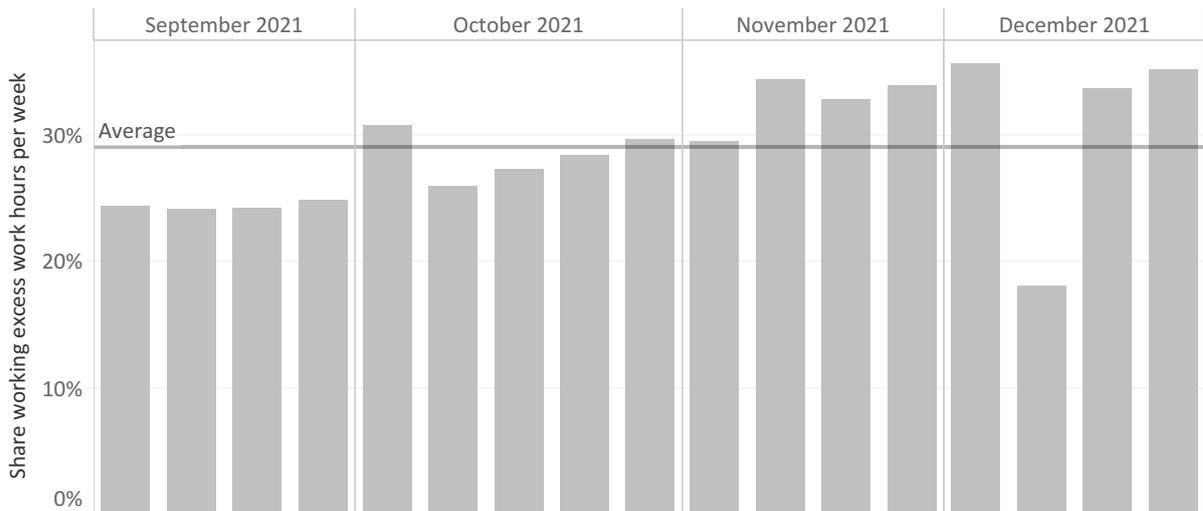
This routine of 54-hour weeks continued for the rest of 2020 and into 2021. But during the period between the two Eids in 2021 we witnessed another phenomenon that had been common in previous years—the ramp up in hours worked in the run up to the Eid al-Adha holiday (the second Eid in the Muslim calendar), which was in mid-July in 2021. Bangladesh’s labor law allows workers to work up to 10 hours a day or 60 hours per week, plus an hour break per day. Any work over the 60 hours is illegal, and is referred to as “excess” hours. In the week prior to the 2021 Eid al-Adha holiday 45% of women workers in our sample worked excess hours as a way to “make up” for the hours the factory would lose from them during the holiday (Figure 2).

Figure 2: Excess Work Hours, Eid 2021



This practice of having workers work excess hours was not restricted to the holiday period. By late 2021 30% or more of the workers in our sample worked excess hours in any given week (Figure 3).

Figure 3: Excess Work Hours, Late 2021

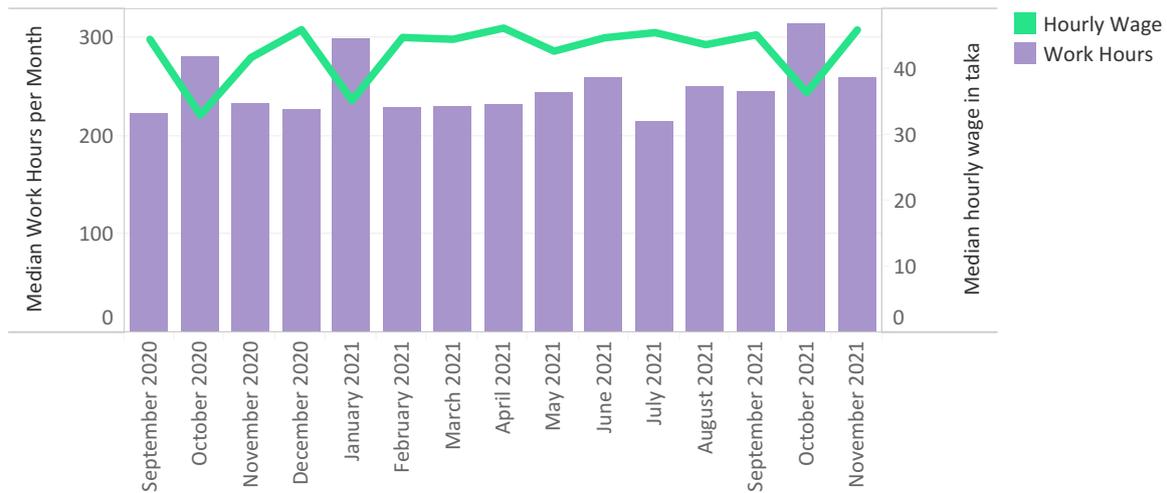


This phenomenon speaks to the convergence of stakeholder interests in the low-wage context of the RMG sector in Bangladesh. Factories win orders because Bangladesh is the low-cost alternative in the global apparel market. Workers work excess hours, because that is how they earn enough to survive; and also because they have little choice—workers have told us that they have little say in whether they work excess hours or not. And the government lets this happen because otherwise factories would have to raise wages, jeopardizing Bangladesh’s competitive advantage as a low-cost producer. In this way, factories take control of women’s time and bodies.

This control is made worse by the fact that women are not compensated correctly for the hours they do work. The GWD initiative has made it a practice to calculate hourly wages. Because workers are paid in arrears each month for the hours they worked the previous month we divide pay in the second month by hours worked in the first month. On average, women workers earn about 50 taka an hour—about \$0.60 per hour, yielding about Tk. 11,700 per month for a 26-day month. This is about 5 taka an hour less than a similar man earns.

Over the years we have noticed that the more a woman works in a month the lower her hourly wage for that month, even though she is supposed to get a premium for working overtime. Figure 4 shows this phenomenon visually: months when workers’ median hours worked were high coincide with hourly wage rates that are lower. You can see this in October 2020 and 2021 and in January 2021. The latest data from January and February 2022 suggests that the pattern has repeated itself.

Figure 4: Hourly Wages and Hours Worked, September 2020 to November 2021



In sum, the data on hours worked and hourly wages suggest that women in the RMG sector have little control over their time and their bodies because of the relentless demands of the factories, and their own need to work as many hours as possible to make ends meet. We return to this theme again in the Living Wages, Living Planet report.

## Economic control at home

### INTRODUCTION

The reward for all the work women do in the factory is a monthly salary of around Tk. 11,700 per month. In this part of the report we look at the extent to which they control what they earn. We have several sources of data to use to address this question.

Since the end of September 2021 we have been asking workers each week about their most costly expense (other than rent, which is about Tk. 3,500 per month). We have also been asking them who made the decision to spend the money and how they spent the money (in cash or digitally).

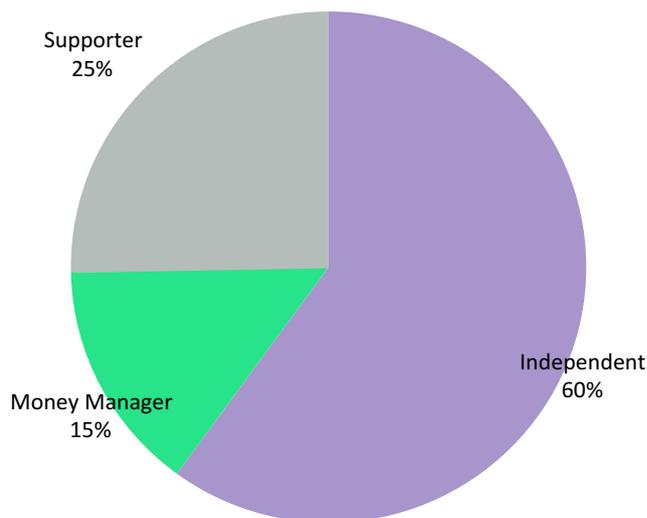
In this section of the report we marry these data with a segmentation analysis we conducted in October 2021 to understand the varying roles of women garment workers within their households. The segmentation analysis focused on women for whom we had sufficient data to feel confident in their assignment to a particular segment based on the pattern of their behavior over time, meaning that this blog draws on a sub-sample of 703 women.

### Behavioral Segments

In October 2021 we conducted a cluster analysis of the behavior of workers for whom we had at least five months of data for the period from May 2020 to August 2021—in other words up to the point when we started asking questions about spending decisions. The analysis clustered, or segmented, the workers in the sample according to the extent to which they gave or received transfers from other members of their household and paid rent, as a share of their total income for the month from their work in a garment factory. We were able to identify six segments that show distinctive behaviors along these dimensions. We collapsed those six segments into three broad groups: Supporters, Independents, and Money Managers. These segments can be found both among men and women.

Supporters are workers who hand over a large share of their salary, about half, to someone else in their household, most commonly their spouse: they make up 25% of the women in our sample and 18% of the men. Independents give and receive transfers from other members of their households but in small amounts relative to their average monthly salary. They constitute 60% of women and 75% of men. Within this segment are two sub-segments who are differentiated by the extent to which they pay rent or not. Finally, Money Managers are workers who not only earn a salary but receive money from other members of the household. Money Managers are also highly likely to pay rent. They make up 15% of women in our sample and 7% of the men.

Figure 5: Share of Behavioral Segments, Women



We checked to see if the segmentation held true when we added more data for the period from September 2021 and December 2021. The results suggest that the segments are fairly stable.

## Spending and transfers

### Patterns of spending and transfers

We have over 9,600 responses to the question related to spending from 703 women in our sub-sample for the period from October to December 2021. In one quarter of those responses the women reported that they had no expenditures that week. Of the remaining 75% of responses, the most common response was that some type of food, grocery, or household essentials expenditure was their most costly expense—65% of all responses accounting for 57% of the amount they reported spending on their most costly expenses. The second most common costly expense was payment of what the workers call their “breakfast bill,” which is primarily a payment for a breakfast they buy every morning before work, but can also include other prepared foods purchased from street vendors. But this item only constituted 2% of the amount they spent on their costly expenses, with the average breakfast bill amounting to only Tk. 200. The other responses covered a wide variety of different expenditures including transportation, medical expenses including medicines, clothing, education, transfers, loan repayments, and household appliances or furniture. Excluding the breakfast bill, the average amount spent per transaction ranged from Tk. 559 for transportation-related expenditures to Tk. 5,924 for transfers to other people.

Table 1: Largest expenses, % share

Type of Expense	% share of number of expenses	% share of total expense amounts	Average amount in takas
Food, groceries and household essentials	65%	57%	816
Breakfast bill	10%	2%	200
Transportation	6%	4%	559
Medical	5%	8%	1,539
Clothing	6%	8%	1,139
Education	2%	5%	2,034
Transfers	1%	7%	5,924
Loan Repayment	1%	5%	3,589
Household appliance or furniture	1%	2%	2,438
Other	2%	3%	1,304

### Spending and transfer decisions

We asked workers who made the decision to spend the money on these expenses. In 78% of the cases, the women workers responded that they made the decision on their own, and in another 7% of cases they had made the decision with their spouse. In 14% of cases, the husband made the decision.

Table 2: Large purchases decision-maker

Decision-Maker	% share of largest purchase decisions made
Respondent	78%
Spouse	14%
Respondent and Spouse	7%
Other	1%

With one exception, there was little variation in who was involved in a spending decision across different spending categories. In most cases the respondent reported making the decision on their own—as often as 85% of the time in the case of a breakfast bill payment to 74% in the case of an education expenditure. The one transaction category where the respondents reported having the least independent say was the category related to money transfers. In these cases, only 38% of the time did respondents report that they made the decision to make a transfer on their own. In 22% of the cases the respondent’s husband made the decision for her, and in 19% of the cases the respondent and her husband made the decision jointly. In many of these cases where the husband was involved, the recipient of the transfer was the husband himself. Finally, in 21% of the cases either someone other than the respondent or her husband was involved in the decision. These data suggest that there is a strong “pull” element to transfers, where the sender is not the one in control of the decision as to whether to transfer the money or not.

Table 3: Largest purchase decision-maker, detail

Type of Expense	Decision-Maker			
	Respondent	Spouse	Respondent and Spouse	Other
Breakfast bill	85%	11%	2%	1%
Clothing	84%	10%	4%	2%
Transportation	81%	15%	2%	1%
Medical	79%	13%	4%	3%
Household appliance or furniture	78%	17%	5%	0%
Food, groceries and household essentials	76%	15%	8%	1%
Loan Repayment	76%	21%	1%	1%
Education	74%	14%	8%	4%
Transfers	38%	22%	19%	21%
Other	88%	5%	3%	4%

This is borne out by the more general information we collect about transfers each week, which is part of our core survey. We ask workers to tell us about the transfers they have made in the past week, both to and from others in their household and to and from others outside their household. We also ask them who made the decision to initiate the transfer. The share of respondents reporting they made the decision to initiate a transfer to someone else either inside or outside the household is very similar to the answers we reported earlier. Where they differ is in the distribution of answers across other people initiating the decision, and this is due to the very different social dynamics within a household compared to those with others outside the household. Within household transfers were highly likely to involve the worker’s husband, who either initiated the transfer on his own or in consultation with his wife. For transfers outside the household, others, such as parents or siblings, were far more involved in the decision.

Table 4: Transfer decision-maker, women

Person making decision (women)	Transfer to other in household	Transfer to outside of household
Respondent	39%	42%
Spouse	19%	3%
Respondent and Spouse	16%	6%
Respondent and other	7%	6%
Spouse and other	1%	0%
Other	18%	43%

To conclude, what the spending pattern data reveal is that the bulk (75%) of female garment workers’ largest expenses in any given week (aside from rent) involve buying food or other household products, and that a majority share (almost 60%) of that total money spent goes to food and household products. When we add in the percentage share of total expense amounts that go to transfers

(another 7%), we see that a full two-thirds of female garment workers’ expenditures either leave their hands or are spent on what are almost certainly disposable commodities.

The spending decisions data reveal two more important takeaways, and perhaps a surprise: for almost all types of costly purchases, female garment workers are largely autonomous in deciding what they will buy, and in situations when they don’t have complete autonomy this is partially made up for by the fact that they are deciding along with their spouse; however, this patterns breaks down when we look at transfers, as female garment workers are much less in complete control when deciding to whom they should send money.

The surprise here is that the “pull” factor of transfers is not unique to women, and in fact acts even more strongly on men. In the table below, we can see that in general men give up even more of their autonomy in money transfer decision-making than women. These data suggest that the holistic decision-making phenomenon involved in money transfers is not gender specific, but perhaps instead a value intrinsic to how transfers are utilized and regarded by garment workers in Bangladesh.

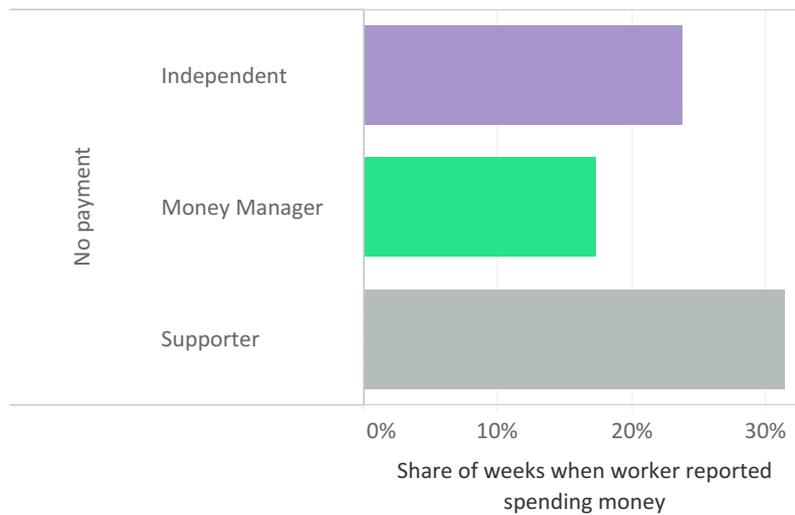
*Table 5: Transfer decision-maker, men*

Person making decision (men)	Transfer to other in household	Transfer to outside of household
Respondent	31.5%	36%
Spouse	21.5%	5%
Respondent and Spouse	17.5%	4%
Respondent and other	5%	10%
Spouse and other	1%	1%
Other	23.5%	44%

### Behavioral segments, spending and transfer decisions

When we look at the spending decisions through the lens of behavioral segments, patterns emerge that confirm that women garment workers are not a homogenous group, but, rather, have distinct patterns of behavior and decision-making autonomy. First, let’s look at the basic spending patterns by behavioral segment. Money Managers are the least likely of the three segments to report not spending any money in a week (17%), followed by Independents (24%), and then Supporters (31%).

Figure 6: Share of weeks without spending



But, in weeks when they did spend money, Independents and Money Managers have roughly the same spending patterns, with a concentration of activity in food, groceries, and household essentials. Supporters’ behavior in weeks when they did spend money is very different. The share of spending on food, groceries, and household essentials is comparatively low, reflecting the fact that they are not in charge of the day-to-day spending in their household. As a result, other expenses, especially the breakfast bill, loom larger.

Figure 7: Share of spending by category and segment

Payment category	Behavioral Segment		
	Independent	Money Manager	Supporter
Food, groceries, and household essentials	74.67%	70.34%	37.41%
Breakfast bill	5.32%	7.06%	24.82%
Clothing	5.12%	4.54%	10.77%
Transportation	4.66%	5.55%	10.90%
Medical	4.59%	4.62%	4.90%
Education	2.11%	3.45%	1.63%
Loan repayment	1.21%	1.60%	1.03%
Transfer	0.59%	0.42%	2.78%
Household appliance or furniture	0.68%	1.60%	1.03%
Other	1.05%	0.84%	4.72%

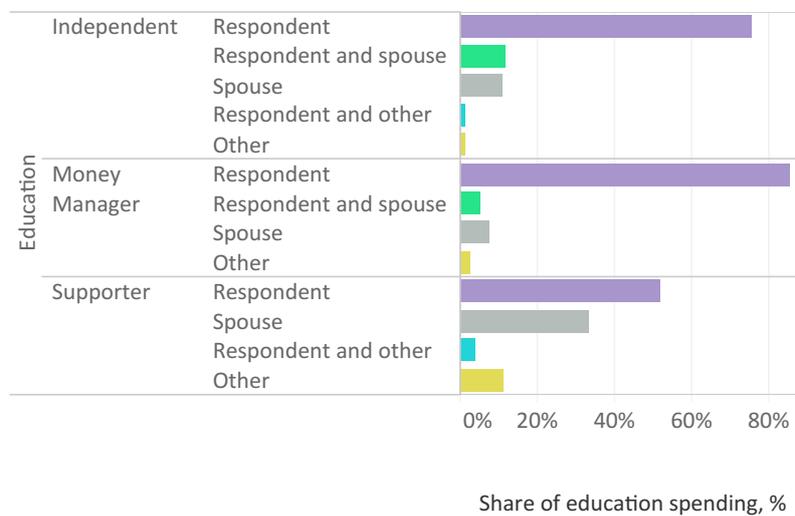
In terms of the amounts involved Independents and Money Managers report similar amounts for their most costly expenditures. Supporters tend to report lower amounts, on average, except in the case of loan repayments and transfers.

Figure 8: Average amount spent by category and segment

Payment category	Behavioral Segment		
	Independent	Money Manager	Supporter
Breakfast bill	212	215	191
Clothing	1,247	1,341	943
Education	2,121	2,260	1,391
Food, groceries, and household essentials	811	1,001	594
Household appliance or furniture	2,976	2,821	1,061
Loan repayment	3,899	2,655	3,664
Medical	1,884	1,493	708
Transfer	4,555	7,300	6,548
Transportation	689	693	362
Other	2,013	1,357	879

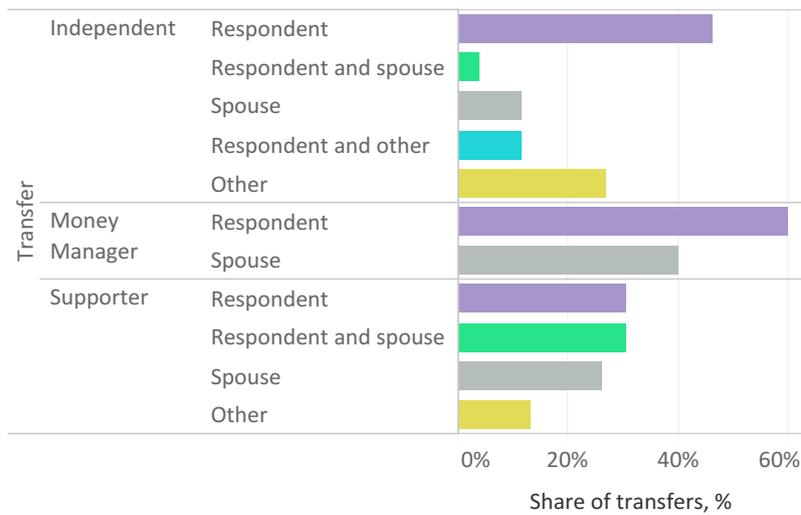
When it comes to who makes the decision about spending money, the data suggest that the respondents themselves, on their own, are the most likely to make the decision, regardless of behavioral segment. This is true, except in cases of educational spending and transfers. Supporters are far less likely to be involved in an educational spending decision than Independents and Money Managers—about half the time for the first compared to 90% of the time for the other two groups.

Figure 9: Education spending by decision-maker and segment



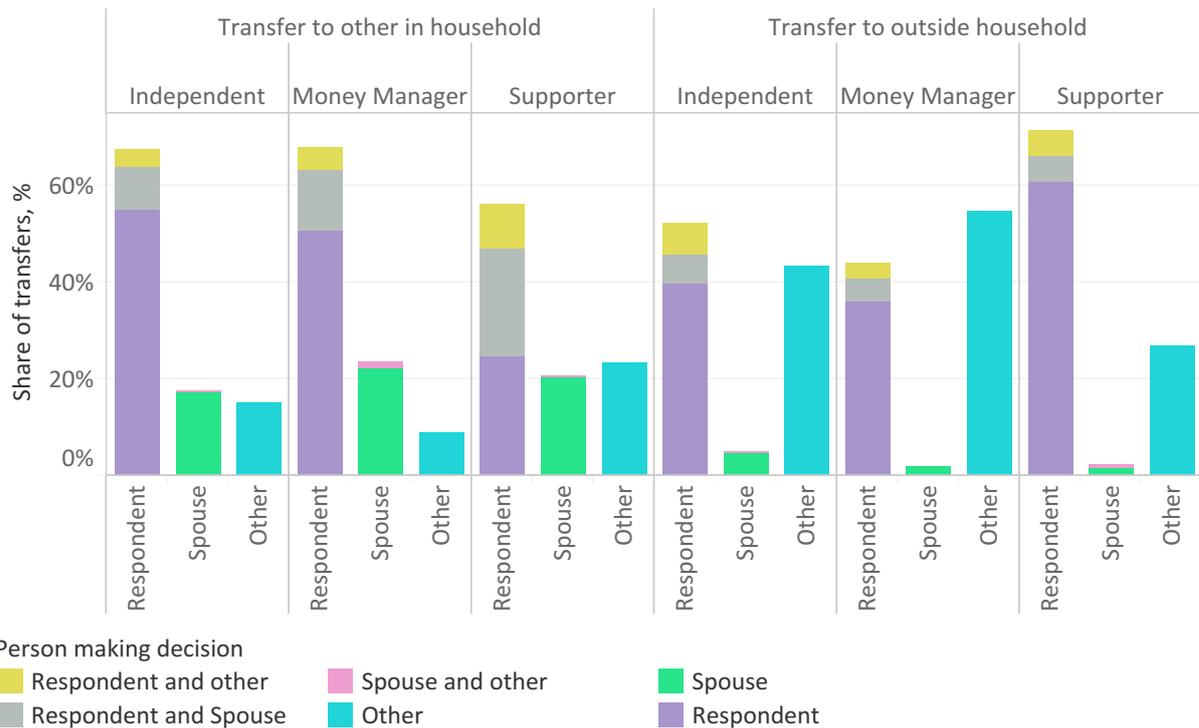
Transfers show a more complicated situation, with Money Managers and Independents making more of the transfer decisions on their own, compared to Supporters. But, overall, respondents in all three groups are involved in the decision, one way or another, at about the same rate—60% of the time.

Figure 10: Transfers by decision-maker and segment



Fortunately, we have the full data on transfers from our core survey to dig deeper into the question of who decides to make transfers. These data allow us to differentiate between transfers within the household and outside the household. Independents and Money Managers have similar patterns of decision-making. Within their households they are involved in the transfer decision about 67% of the time, either because they make the decision on their own (about half the time) or make the decision with another person. But they are much less likely to be involved in decisions to make transfers to people outside of the household, where people other than the respondent or her husband, such as parents or siblings, dictate when a transfer is made. In the case of Supporters, the patterns are reversed. They are far less likely than women in the other groups to make a decision about a transfer within the household on their own—only 25% of the time. More generally, they are less likely to be involved in a within-household decision—58% of the time. But Supporters seem to have much greater autonomy than their counterparts in the other groups when it comes to transfers to people outside their household—they are the sole decision-maker 60% of the time and involved in decisions with their spouse or someone else an additional 11% of the time.

Figure 11: Transfers by decision-maker and segment, weekly data

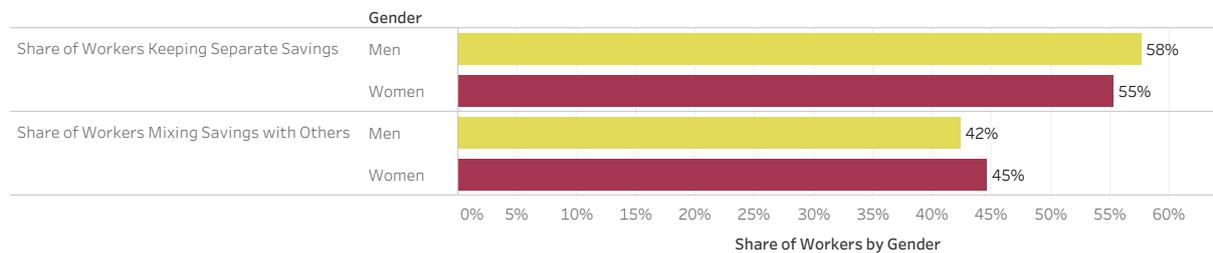


## Savings management

### Savings behavior

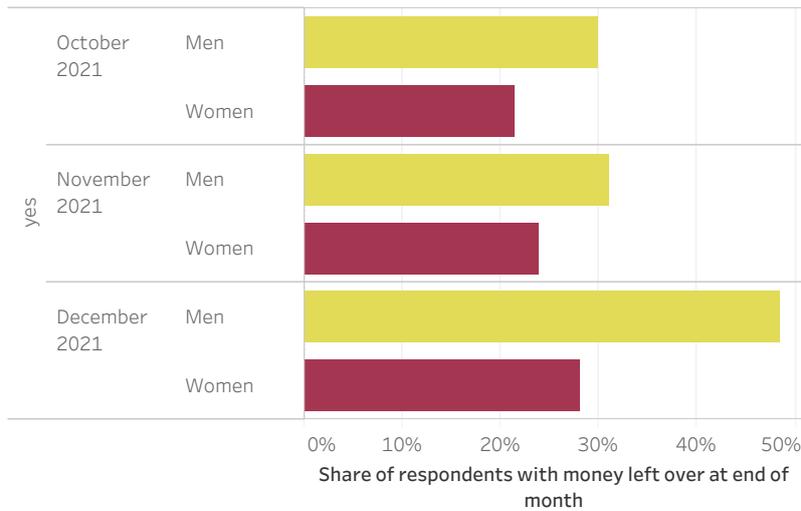
Towards the end of 2020 we asked workers questions about how they manage the savings they keep at home. Do they keep it in a separate pot from other members of their household or do all members of the household save in a mixed pot? There is no discernible difference in the answers given by men and women (Figure 14).

Figure 12: Home savings practices by gender



In October, November and December 2021 we asked workers a series of questions about their savings including whether they had money left over at the end of the month and who controlled that money. Generally, men were more likely to report that they had money left over at the end of the month than women.

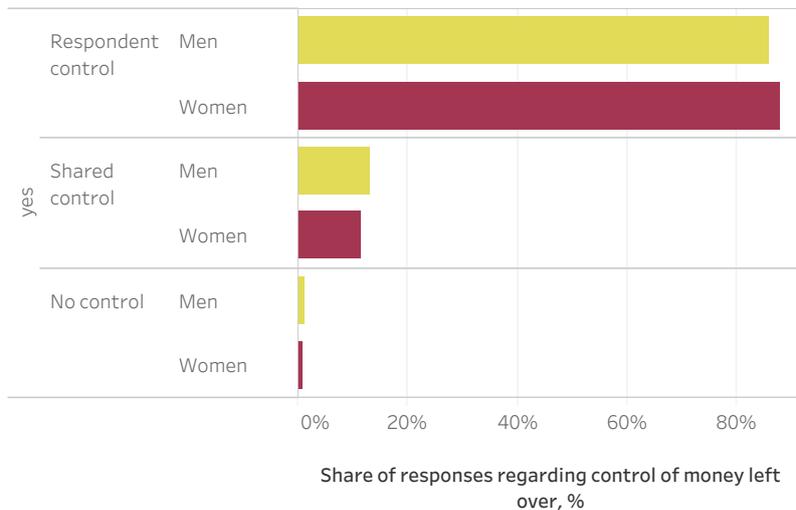
Figure 13: Money left over at the end of the month by gender



**Savings and behavioral segment**

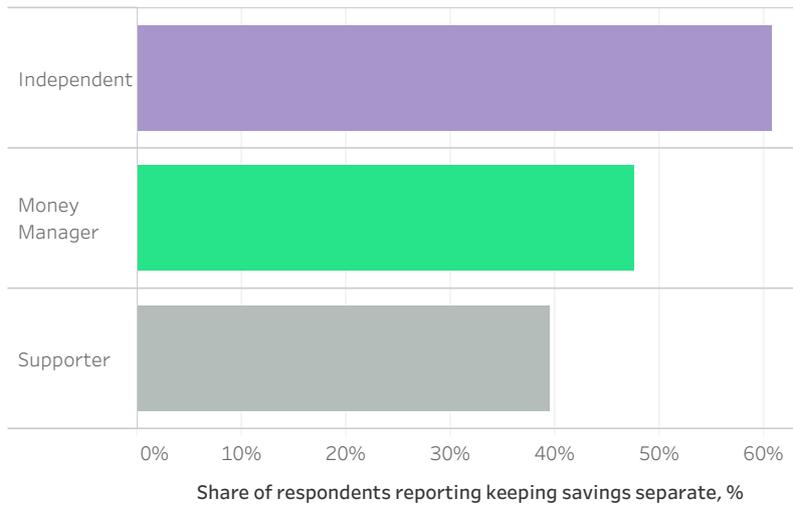
But when we followed up with those who did report having money left over, there was very little difference in the answers given by men and women—they both were very likely to say they controlled the money, consistent with the earlier finding about the shared pot.

Figure 14: Control over money left over at the end of the month by gender



But looking at the data for women by segment reveals that Independent women are more likely to keep their money in a separate pot than in a mixed pot, while Money Managers are split evenly between the two practices, and Supporters are more likely to save in a mixed pot, meaning that any savings they do accumulate is more vulnerable to being used by other members of the household (Figure 15).

Figure 15: Home savings practices by segment



The responses to questions about control over money left over at the end of the month confirmed this pattern. Ninety percent (90%) of Independents reported controlling the money left over on their own, compared to 83% of money managers, and 75% of Supporters.

Figure 16: Share of workers with money left over by type of control and segment

