

A young woman with dark hair, wearing a teal headscarf and a yellow shawl over a teal patterned top, is looking directly at the camera. She is holding a piece of pink and white striped fabric. The background shows a factory setting with sewing machines and other workers.

SITUATION ANALYSIS  
ON FINANCIAL INCLUSION FOR  
FEMALE RMG WORKERS

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### DISCLAIMER

This research has been performed by ODIN on behalf of CARE Bangladesh, and only the authors are responsible for the findings, views & qualitative assessments in this report.

## BACKGROUND OF THE REPORT

This report has been commissioned as part of an agenda by CARE Bangladesh that aims to;

- Survey the degree of financial inclusion of female workers in Ready Made Garments ('RMG') factories in Bangladesh, Assess the financial capability of low-income workers, and then design and deploy educational programs that promotes their capability to use and understand appropriate financial products and services,
- Investigate the extant financial products & services to evaluate whether the needs of these workers are being fulfilled. With the aid of a grant from Visa in 2015, Care Bangladesh introduced workplace-based financial education workshops
- in RMG factories geared towards fostering greater financial capability of RMG workers. Subsequently, in order to better understand the factors affecting the financial inclusion of female RMG workers, this study was commissioned by CARE Bangladesh.

A young woman with dark hair tied back, wearing a bright yellow sari, is shown in profile, looking down at her work. She is in a garment factory setting, with other workers and machinery visible in the blurred background. The lighting is bright, typical of an industrial environment.

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**2016**



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## the financial inclusion of female RMG (“Ready Made Garments”) workers.

## INTRODUCTION

Recent studies done on different demographic segments in Bangladesh all came to the conclusion that Bangladesh’s population lack awareness about different aspects of financial services<sup>1</sup>. They strongly highlighted the benefits of financial inclusion amongst lower socio-economic strata as an efficient tool to alleviate poverty without increasing income inequality<sup>2</sup>, prompting various government, NGO, and financial institutions to focus on financial inclusion.

As part of its ongoing initiative to improve financial inclusion, CARE Bangladesh commissioned this study in order to gain a broader systemic understanding of critical factors that need to be addressed in order to increase the financial inclusion of female RMG (“Ready Made Garments”) workers.

### Specific Objectives

- **Availability:** Understand the financial services available to women RMG workers
- **Accessibility:** Determine the accessibility of existing financial services.
- **Gaps:** Understand the demand for financial services for RMG workers, and in doing so, identify critical gaps in existing financial services.
- **Social factors:** Explore social factors that play a critical role in financial inclusion.
- **Recommendations:** Provide a series of recommendations on how to improve financial inclusion among RMG workers.

1. Mustafa K. Mujeri (2015), *Improving Access of the Poor to Financial Services, A Report prepared for the General Economics Division of the Planning Commission to serve as a background study for preparing the 7th Five Year Plan (2016-2020) of Bangladesh.*

2. UNCTAD(2014), *Impact of Access to Financial Services, Including by Highlighting Remittances on Development: Economic Empowerment of Women and Youth, TD/B/C.I/EM.6/2, 3 September.*



The secondary research, along with the feedback from the FGDs, was used to compile a list of existing financial services that were available to female RMG workers.

## FRAMEWORK

“Financial inclusion aims at drawing the “unbanked” population into the formal financial system so that they have the opportunity to access financial services ranging from savings, payments, and transfers to credit and insurance,” according to the Asian Development Bank<sup>3</sup>.

Thus, in order to better understand the factors affecting financial inclusion in female RMG workers, the following were tested using indicative questions:

- Financial circumstance and behavior of female RMG workers
- Capacity of female RMG workers to avail financial services
- Awareness of Existing financial services by female RMG workers
- Usage habits of financial

3. Alfred Hannig and Stefan Jansen (2010), *Financial Inclusion and Financial Stability: Current Policy Issues*, ADBI Working Paper Series, No. 259, December.

- services of female RMG workers
- Relevance and accessibility of financial services by female RMG workers
- Social factors affecting financial inclusion as perceived by female RMG workers

As part of the exploratory research, in addition to desk based research, two Focus Group Discussions (“FGDs”) were conducted. The subsequent survey based research was designed to explore issues regarding financial services as perceived by female RMG workers. The survey was designed with open-ended and dialogue-based components, in order to discover, in depth, the issues hindering greater financial inclusion.

The secondary research, along with the feedback from the FGDs, was used to compile a list of existing financial services that were available to female

RMG workers. After examining financial habits and desires, this list was used to check whether they were aware of the listed financial services, and whether they were able to peruse and operate the listed financial services.

Subsequently, the survey tested whether these financial services were relevant in the lives of female RMG workers. Are these financial services accessible? Are they being used? How? Why aren't they being used? Furthermore, one of the key issues uncovered by the exploratory FGDs was the influence of social factors on the financial behavior of female RMG workers, and was, thus, also explored in the survey. This data was then used to draw conclusions about indicative issues that should be studied in further depth.



## SCOPE, METHODOLOGY, & LIMITATIONS

### SCOPE

CARE Bangladesh commissioned this study in order to discover issues hindering financial inclusion for female RMG workers. In order to uncover underlying problems as perceived by female RMG workers, a broad range of issues was covered by this study, from the knowledge, attitudes, desires, habits, preferences, awareness, capability, influences, etc. of these workers regarding financial issues and services, to the relevance and accessibility of financial services, and the social factors affecting these women.

### METHODOLOGY

The findings in this report are based on a mix of desk-based research, focus group discussions, and a survey of women RMG workers.

#### Secondary/Desk Research

Desk-based research involved understanding country-level context related to financial inclusion for female RMG workers. The research was

supplemented by the findings from a report, commissioned by CARE Bangladesh, on Financial Inclusion for women RMG workers by Dr. Binayek Sen.

#### Focus Group Discussions

In depth discussion was carried out in 2 Focus Group Discussions about Financial Inclusion, financial knowledge, behavior & habits, and about the accessibility & availability of financial services. Social factors affecting women RMG workers' financial circumstances were also discussed. The sessions, conducted in Gazipur with women who had received basic financial literacy training from CARE Bangladesh, were more than 90 minutes long. One session had 6 participants, and the other had 9 participants, all of whom were representative of the typical profile of female RMG workers.

#### Survey of RMG Workers

There are approximately 2.8 million female RMG workers, about 70% of total RMG workers. The survey was conducted at a confidence interval of 5% and

a confidence level of 95%. This would statistically require 384 samples. In order to account for errors, 6% additional samples were interviewed, for a total of 407 samples. Cluster Sampling was used in the Narayanganj and Gazipur industrial belts around Dhaka, Bangladesh. The factories within the cluster were selected at random with appropriate distance between factories.

Respondents were interviewed from 40 factories, with 33 factories having 10 respondents drawn from each factory, and 7 factories having 11 respondents drawn from each factory. In the survey, respondents were recruited at random at lunch and end-of-shift hours. Due to the exploratory nature of the survey, many questions were open ended, and dialogue based. As such, a majority of the surveys were taken by female surveyors at the respondent's home in the evening or over the weekend. A small portion of the surveys were taken at the recruitment site at the factories.





### Data gathered

Availability	<ol style="list-style-type: none"> <li>1. Awareness of financial services &amp; brands,</li> <li>2. Case Study of financial service usage,</li> <li>3. Image statements catering to financial challenges faced,</li> <li>4. Perception of challenges of financial inclusion,</li> <li>5. Usage of financial services</li> </ol>
Relevance	<ol style="list-style-type: none"> <li>1. Brainstorming for financial needs,</li> <li>2. Effects of interpersonal relationships on financial services,</li> <li>3. Simulation of financial transactions,</li> <li>4. Level of interest towards financial services,</li> <li>5. Process of availing financial services,</li> <li>6. Identifying capabilities that require development</li> </ol>
Social Factors	<ol style="list-style-type: none"> <li>1. Influencers,</li> <li>2. Case on influence,</li> <li>3. Specific effects of influencer in financial decision making,</li> <li>4. Perception towards influencers</li> </ol>
Gaps	<ol style="list-style-type: none"> <li>1. Gaps in financial services as perceived by the respondents</li> </ol>
Recommendations	<ol style="list-style-type: none"> <li>1. Consideration towards financial services,</li> <li>2. Perceived benefits and drawbacks,</li> <li>3. Recommendations and areas of improvement</li> </ol>

The following broad information areas were covered in the survey:

### LIMITATIONS

Only female RMG workers were queried, on a wide range of topics; some of which were open-ended and dialogue-based. No single topic was covered in detail; indicative questions were used to find broad themes.



**“If my husband helps, we can save for our future.”**

– Female RMG Worker

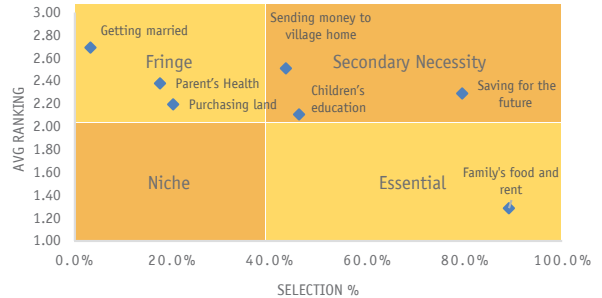
## FINANCIAL CIRCUMSTANCE & BEHAVIOR

### LIFE PRIORITY

The chart below lists the respondents life priorities, in which the lower the AVG Ranking score, the more priority something has. Family’s food and rent is the most important priority for most people, and it is also the most selected. The second most selected is savings for the future.

For married garment workers, Children’s education and savings for the future is of greater importance compared to unmarried individuals. Unmarried individuals showed greater concern for Families’ food and rent.

**GQ1: LIFE PRIORITY MATRIX**



LIFE PRIORITIES	Unmarried	Married	Total
Families food and rent	97%	88%	89%
Children’s education	11%	52%	46%
Parent’s Health	39%	14%	17%
Getting married	11%	2%	3%
Saving for the future	75%	80%	79%
Purchasing land	15%	21%	20%
Sending money to village home	51%	42%	43%

## PROPENSITY TO SAVE

62% of the respondents were saving for the future. A greater percentage of married women were saving compared to unmarried women.

The respondents weighted average yearly savings target was BDT 22,111. This is much lower than the targets set by people who received financial training in general, as seen in the two Focus Group Discussions of female RMG workers who had received Financial Literacy Training. Savings targets mentioned by the FGD participants were generally above BDT 50,000.

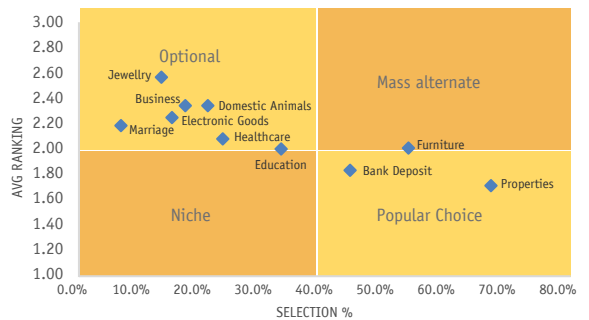
PROPENSITY TO SAVE			
	Married	Unmarried	Total
Yes	68%	46%	62%
No	32%	54%	38%

## INVESTMENT PRIORITIES

The chart shows the current investment priorities of the respondents, with lower 'AVG Rankings' having more priority. So, Properties and Bank Deposits are considered as the two investment options that have the most priority. They were also two of the three most selected options. Over 50% of the respondents also chose furniture as an investment priority.

A survey of preferred life events reveal that 66% of the respondents want access to loans, while 33% of the respondents would prefer to have a bank or Bkash account under their own name.

CURRENT INVESTMENT PRIORITIES



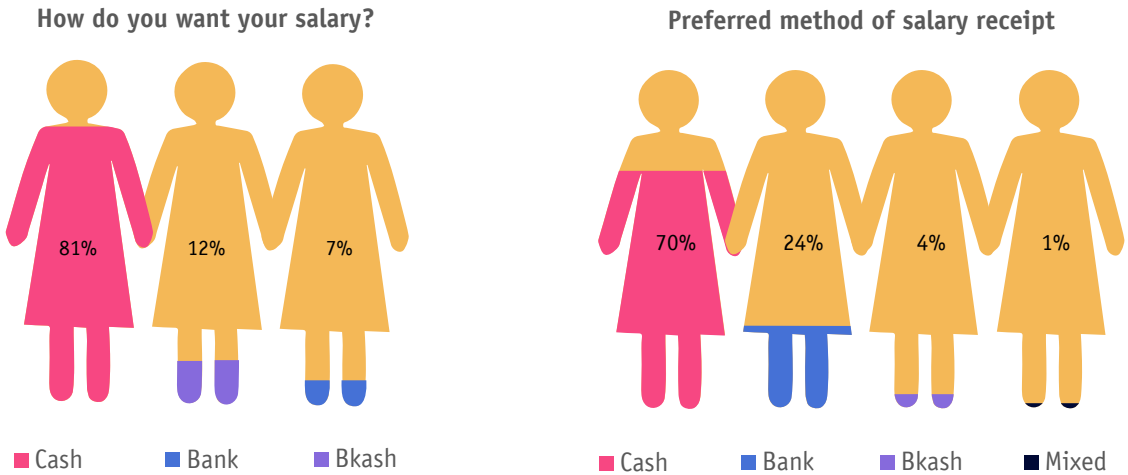
Top 3 Preferred life events	Selected	Average rank
A higher salary	95%	1.1
Lower rent & food prices	89%	2.2
Access to loans	66%	2.5
Bank or Bkash account under own name	33%	2.4
Financial literacy training	15%	2.7
Purchasing land	21%	20%
Sending money to village home	42%	43%



## ALL TRANSACTION PREFERENCE

### SALARY

In the survey, 99.5% of the respondents said that they currently receive their salary in Cash. Additionally, in the survey, respondents were asked how they would prefer to receive their salaries; cash, bank, Bkash, or a mixture.



The result showed that 24% of the population would prefer to receive at least a portion of their salaries using financial services, while 5% would prefer to receive their the full salary through financial services. Consolidating the amount that the participants indicated that they would prefer to receive through financial services, the data showed that 19% of aggregate salary would be preferred through bank or Bkash.

### SAVINGS

RMG workers considered 3 options for savings; purchasing land, business investments and fixed deposits. Those who stated that they saved, preferred fixed deposits. Those who didn't, preferred investing in land. Also, RMG workers who stated that they have control over their finances, preferred to invest in land

	Total	People who Save	People who do not save	Finances controlled by oneself	Finances controlled by others
Savings Account	13%	14%	11%	16%	12%
Fixed Deposit	20%	29%	7%	14%	22%
Investment	22%	20%	24%	15%	23%
Land	30%	25%	39%	36%	29%
Jewelry	10%	9%	13%	15%	10%
Personal Loan	5%	4%	6%	3%	5%

Households with Jointly controlled finances yielded the highest propensity to save. On the other hand, RMG workers who stated that finances were controlled by their husband, had the lowest propensity to save.

	Finances controlled by oneself	Finances controlled by Husband	Finances controlled jointly	Finances controlled by family
Save	51%	42%	67%	59%
Do not Save	49%	58%	33%	41%





## CAPACITY TO AVAIL FINANCIAL SERVICES

The basic capacity to avail financial services was tested through the following parameters:

### NID

Only 3 out of 4 respondents had national IDs, which is a mandatory requirement in order to avail register for various financial services.

### BANK ACCOUNT

Only 26% of the respondents had bank accounts. On average, these respondents had last used their bank accounts about 4 months ago, suggesting that even those who do have accounts, do not use them regularly.

### BKASH ACCOUNT

Only 3% of the female RMG workers currently have their own Bkash account. As stated earlier, they are heavily dependent on agents.

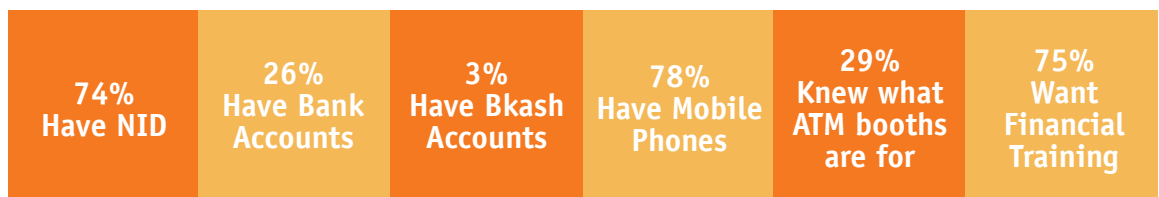
### MOBILE PHONES

78% of the respondents have mobile phones but only 5% of the population have smartphones.

### ATM BOOTHS

57% of the respondents did not know what ATM booths are for. Only 29% stated the correct use of ATMs. Only 2% had used an ATM before, and only 8% of the population felt that they could use an ATM unassisted.

### FINANCIAL TRAINING



75% of the respondents stated that they would benefit from learning about financial services.



## AWARENESS OF FINANCIAL SERVICES

### WHAT DOES FINANCIAL SERVICES MEAN TO RMG WORKERS?

Financial Services are understood to be the broad range of economic products & services provided by a wide range of financial institutions. However, most RMG workers did not have a clear understanding of what financial services entail. 52% thought that it was financial transactions only; 32% associated financial services with a single type of financial service such as ‘Loans’, ‘Deposits’, or ‘Money Transfers’.

35% of the people who explicitly stated that they did not know what financial services meant, were not using any type of financial service. However, everyone who answered was using some form of financial service.

Meaning of Financial Services:	
Financial transactions	52%
Loans	18%
Deposits	7%
Mobile Money Transfer	6%
Others	1%
Do not Know	16%

	Top of Mind Recall	Spontaneous Recall	Total Recall
Money transfer	67%	87%	98%
Bank Loan	7%	37%	70%
Insurance	4%	28%	59%
Fixed Deposit	11%	37%	53%
Micro-credit	2%	12%	26%
Co-operative Monthly Deposit	1%	5%	11%
Co-operative Loan	0%	2%	7%

## AWARENESS OF FINANCIAL PRODUCTS & SERVICES

Awareness of Financial Services was tested by asking respondents to mention the Financial Services that they are aware of. 'Top of Mind Recall' represents the answers that respondents provide on their own. 'Spontaneous Recall' also represents services that were recalled with the aid of conversational cues from the interviewer. Top of Mind, Spontaneous and "Aided Recall", which represents services that were recalled after being named by the interviewer, are together shown as 'Total Recall'. Female RMG workers were able to recall mobile money transfer almost universally, and the mobile money transfer service provider Bkash was used synonymously with this type of financial service. As seen in the table above, most RMG workers were not highly aware of the remaining types of Financial Services.

## AWARENESS ABOUT FINANCIAL SERVICE PROVIDERS

When asked about their awareness of providers of Financial Services, Bkash was the most highly recalled financial institution, at 72% 'Top of Mind Recall'. There was some awareness of Grameenbank at 12% 'Top of Mind Recall'. The respondents did not show significant 'Top of Mind Recall' for other Financial Services providers.

The respondents had very little awareness about card companies, Visa, Master Card and American Express, which is in line with our finding that 98% of the respondents have never used an ATM before.

	Top of Mind Recall	Spontaneous Recall	Total Recall
BKash	72%	12%	86%
Grameen Bank	12%	15%	40%
Dutch Bangla Bank	6%	19%	40%
Sonali Bank	3%	16%	34%
Islami Bank	4%	17%	33%
Janata Bank	1%	8%	23%
BRAC Bank	1%	8%	22%
Agrani Bank	1%	3%	13%
Mobi Cash	0%	1%	3%
American Express	0%	0%	2%
Visa	0%	0%	1%
Eastern Bank	0%	0%	1%
UCB	0%	0%	1%
Sure Cash	0%	0%	1%
Master Card	0%	0%	0%



# USAGE OF FINANCIAL SERVICES

Available services and products offered by the present banking industry include a range of saving accounts, commitment saving accounts, a range of consumptions and production loans as well as access to fund transfer services. Insurance companies also provide several insurance policies covering life disability, health coverage, possessions for loss or damage of properties etc. The table below summarizes the minimum requirements of these services and products.

Products/Services	Requirements/Features
Savings Account	<ul style="list-style-type: none"> <li>• Account is started with at least some deposited money</li> <li>• Balance cannot be zero</li> <li>• Interest is offered based on the deposited amount</li> <li>• A minimum specified amount should be in the account to avoid closure</li> <li>• Depositor should be above 18 years old</li> </ul>
Deposit Premium Scheme	<ul style="list-style-type: none"> <li>• A fixed sum of money is required to be deposited</li> <li>• Interest rate may or may not be stated</li> <li>• Interest rate may vary depending on the plan and the deposited amount</li> <li>• The depositor is subject to a fine if any monthly installment is missed</li> <li>• No interest/profit is given if the depositor fails to adhere to the plan within the first six months, but the principal amount can be withdrawn</li> </ul> <p>Depositor should be above 18 years old</p>
Loan Facility	<ul style="list-style-type: none"> <li>• Amount can be borrowed by the account holder under specific circumstances such as the purchase of assets</li> <li>• Loans usually require collateral</li> <li>• Terms and condition usually vary depending on the purpose of the loan</li> <li>• Loan repayment involves regular installments with a specified rate of interest</li> </ul> <p>Irregular repayments of the loan are subject to penalties that are specified by the agreements</p>
Money Transfer Services	<ul style="list-style-type: none"> <li>• Money transfer from one account to another and also from one bank to another is available for the account holder</li> </ul> <p>Remittance inflow is allowed, however outflow is not allowed</p>
Insurance	<ul style="list-style-type: none"> <li>• Insurance coverage for life &amp; assets</li> <li>• Savings and DPS facilities</li> <li>• Must be at least 18 years of age or older</li> </ul>

This study identifies some reasons for or against the usage of each financial service, as perceived by the respondents.

Financial Services	User Rate	Perceived Reason for Using	Comments
Mobile Money Transfer	87%	<ul style="list-style-type: none"> <li>To send money to village (84%)</li> <li>Easy and faster process (93%)</li> <li>Widely available</li> <li>Secure</li> </ul>	<ul style="list-style-type: none"> <li>Most use an agent account to send money instead of using a personal account (93%).</li> </ul>
Deposit/ Savings	29%	<ul style="list-style-type: none"> <li>To avail DPS facility (9%)</li> <li>To benefit in future (17%)</li> <li>To ensure safety/security of the money (68%)</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge about deposit schemes identified by 25% as a hurdle</li> <li>22% were concerned about their level of earning</li> </ul>
Loan	8%	<ul style="list-style-type: none"> <li>To develop an asset (53%)</li> <li>For personal benefit (28%)</li> <li>Payback of the loan was convenient (11%)</li> </ul>	<ul style="list-style-type: none"> <li>Many of the loans were taken to acquire properties (40%)</li> </ul>
Insurance	4%	<ul style="list-style-type: none"> <li>Another secure source of saving money (57%)</li> <li>Benefits with lump-sum money given at the end of the policy period (13%)</li> </ul>	<ul style="list-style-type: none"> <li>Insurance was viewed as being untrustworthy/unreliable by many of the respondents</li> </ul>

## MOBILE MONEY TRANSFER

The survey indicated that 87% of the respondents had used mobile money transfer services in the last 12 months. Some factors that supported this high degree of usage was the ease of use facilitated by on-site agents, accessibility, and convenient opening hours. 93% of the respondents reported that they have used the service because it is quick and easy to use.



Those who use mobile money transfer services are most likely to use it through the assistance of an on-site agent rather than using it from their own account. 96% of the respondents have used the agent's account to avail the Bkash service and 93% of the respondents only use agents to do so

According to the survey, 73% of female RMG workers send money through Mobile Money Transfer. Conversely, 26% have their money conveyed by travelers. Of the people who use money transfer, 93% takes the assistance of Mobile Money Transfer Agents.

21% of the users would prefer to alternate between one transfer method and another. For example, they would not send money through Mobile Money Transfer every time. Rather they would switch and shuffle the methods.

A common complaint of the respondents was that Bkash rates are too high.

## DEPOSITS/SAVINGS

65% of the respondents stated that they have monthly savings targets. The percentage is even higher for married individuals.

22% of the respondents had the opinion that they don't earn enough to open and maintain a savings or DPS account. The monthly household income of these respondents were about Tk 1,700 lower than the mean.

Likewise, 34% of the respondents want to open bank accounts when their salary/income goes up.

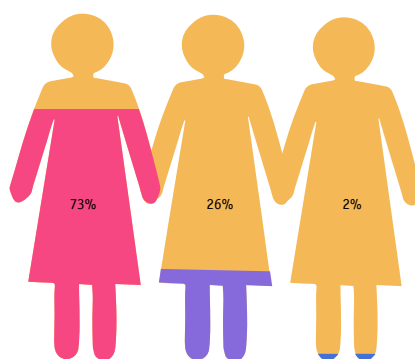
18% of the respondents are reluctant to keep their savings in the banks due to low interest rates. According to Bangladesh Bank website, Interest rates vary from 4% to 7% for the state owned banks and from 2% to 7% for the private commercial banks.

## LOANS

RMG workers tend to have a negative perception regarding their eligibility as a borrower from a bank. The loan disbursement procedure of banking institutions usually requires some collateral. Our research shows that 22% of the respondents think that they are not eligible for a bank loan, while 7% of the respondents fear that their income is not sufficient to repay the debt.

On the other hand, respondents who took loans, stated that documentation is a hurdle to be overcome. 91% of the respondents who availed loan products, stated that submitting photos, copies of National ID, property deeds, forms etc. was troublesome.

## Money transfer Preferences



- Sent through Someone
- Mobile Money Transfer
- Bank Card



**“Banks don't give loans to us”**

– Female RMG Worker



## ACCESSIBILITY

The participants in the FGDs had said that banks were inconvenient to use because opening hours clashed with their working hours. Banking was also viewed as being a difficult process. Furthermore, the process of opening a bank account is troublesome or unclear to many of the workers.

The survey supports this view, as only 29% of the respondents thought that Banking is easy to use. On the other hand, ease of mobile transfer is considered to be high with 78% stating it to be easy. 9% of the respondents of the survey, reported that the process of opening an account is bothersome and difficult. 66% of the respondents thought that they needed to semi-literate or literate in order to avail financial services. The majority believed that Banks are crowded during payday.

Ease of Banking	
Easy	29%
Moderate	51%
Difficult	20%

Ease of mobile money transfer	
Easy	78%
Moderate	22%
Difficult	1%

Timing of banks	
Convenient	34%
Neutral	45%
Inconvenient	21%

Timing of mobile money transfer	
Convenient	82%
Neutral	13%
Inconvenient	6%

Literacy Required for Banking	
Illiterate	34%
Semi-literate	45%
Literate	21%

**“I am not educated enough to use banking services.”**  
 – Female RMG Worker

*There are almost 16 million bank accounts in Bangladesh, of which only about 21,500 belong to RMG workers.*  
 – Bangladesh Bank



## RMG WORKERS AS WOMEN IN A CONSERVATIVE SOCIETY

The discussion in the FGDs had indicated that social factors had some degree of influence on some female RMG workers. The participants in the FGDs, who had received some basic training on financial planning, even mentioned instances of abuse, and were vocal about the need to control their own finances, e.g. by having bank and Bkash accounts under their own names. However, even though the surveys were conducted by female interviewers, mostly at the respondent’s homes, they were not always comfortable speaking about these issues. Further study needs to be done, in depth, to explore how social factors are influencing female RMG workers’ behavior regarding finances.

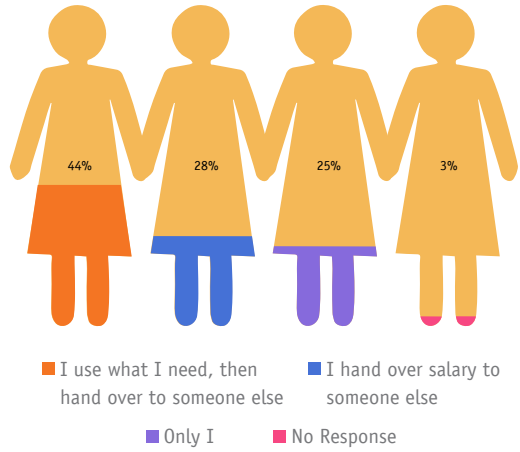
	Takes advice from	Trusts with Money	Depends on	Is depended on
Spouse	63%	66%	69%	18%
Eldest Son/Daughter	6%	8%	6%	40%
Other children	0%	1%	6%	22%
Parents	24%	54%	19%	27%
Siblings	12%	7%	6%	15%
Other Relatives	7%	2%	0%	1%
Neighbors	9%	0%	0%	0%
Friends/Peers	9%	1%	0%	0%
Colleagues	9%	1%	4%	0%

## CONTROL OVER EARNINGS

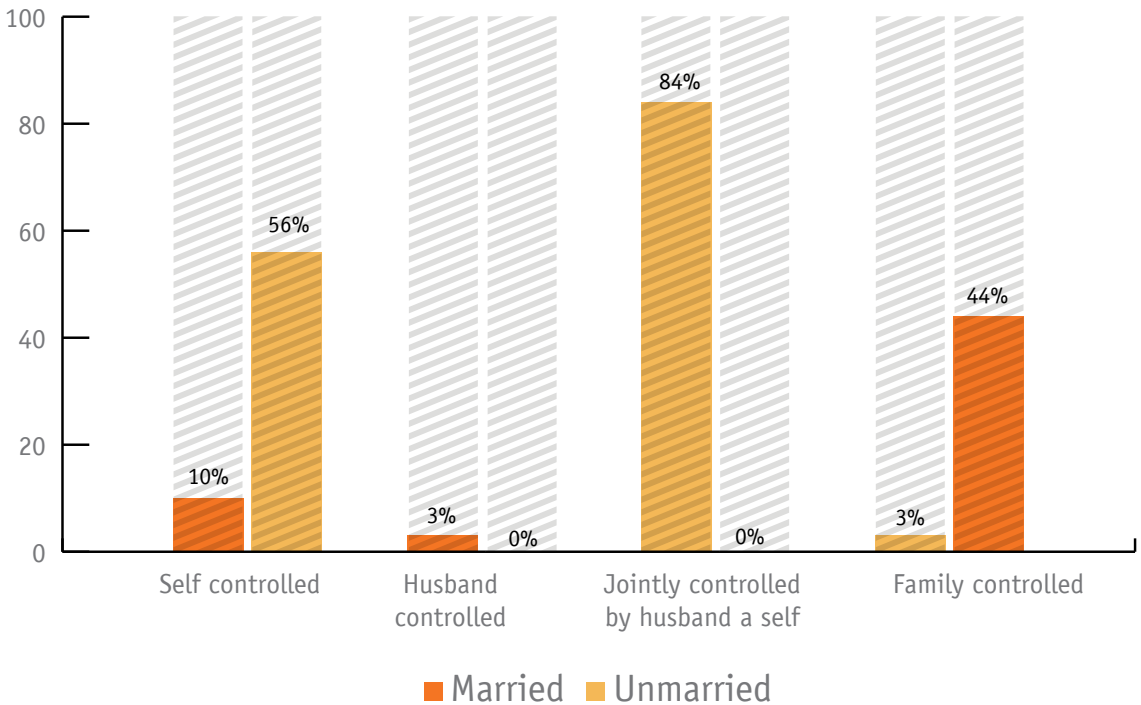
Not all female RMG workers reported full control over their earnings. Only 25% of the RMG workers claimed to have full control over their own finances.

Most female RMG workers do not have full control over their earnings, and the participants in the Focus Group Discussions were vocal about their desire for greater control over their earnings.

### Who decides how to spend your salary



### Control over finances for female RMG workers

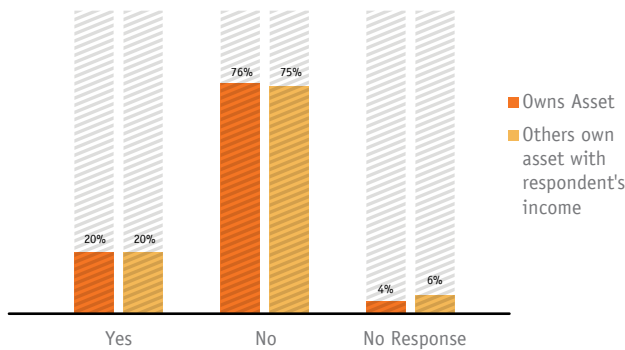


## CONTROL OVER ASSET ACCUMULATION

Only 20% of the respondents owned assets. However, the assets were not owned under their own name, even when the RMG worker's income had been used to purchase the asset.

Others own asset with respondent's income			
	Yes	No	No Response
Owens asset	11%	9%	1%
Does not own asset	9%	63%	3%
No Response	0%	2%	1%

Asset ownership status

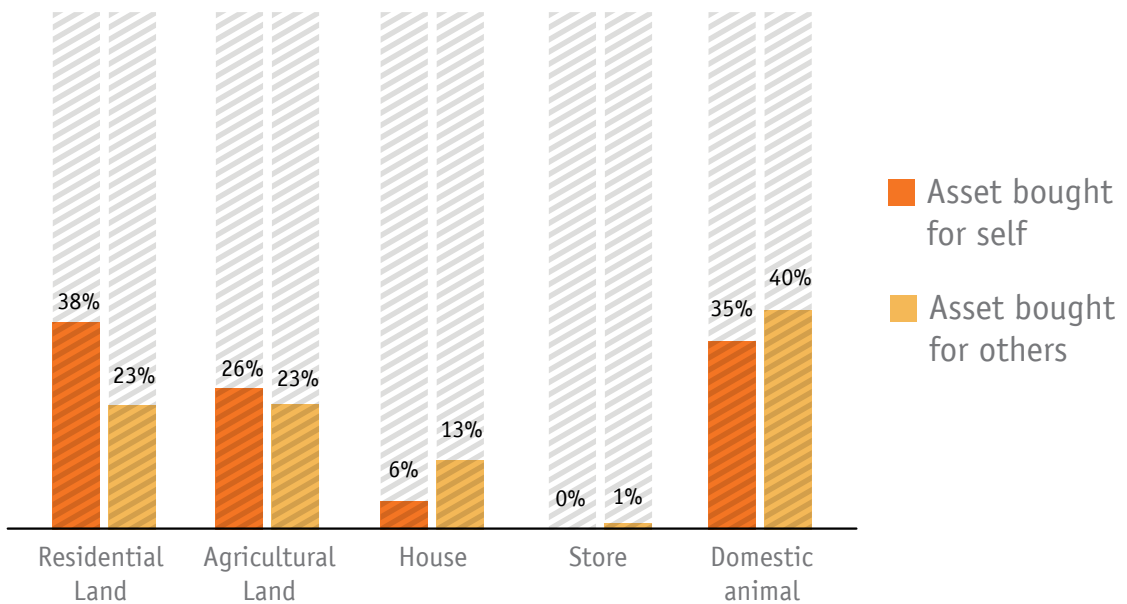


**“I bought some land. This was later used as a bargaining chip to force me to buy my husband’s brother a shop.”**

– Female RMG Worker

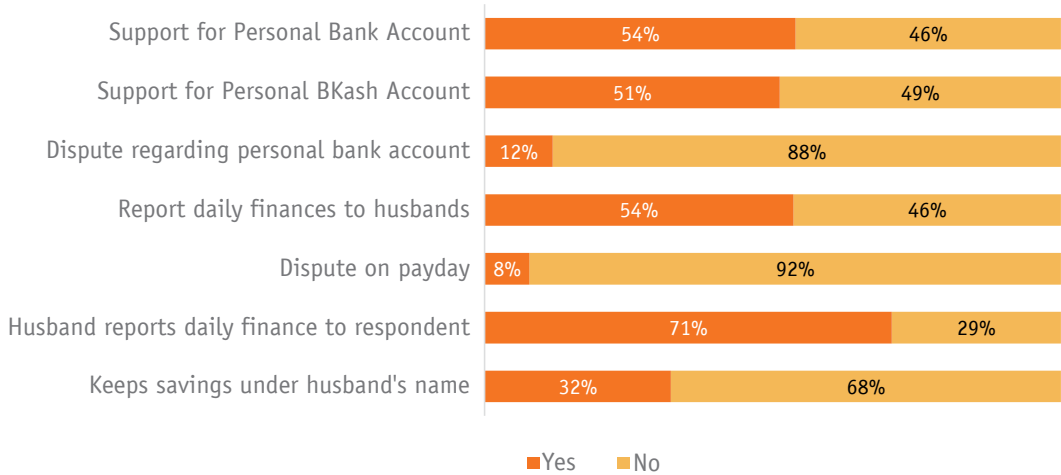
A significant percentage of RMG workers aspired to buy residential land for themselves. **DECISION-MAKING**

Type of asset owned



## INFLUENCE IN THE HOUSEHOLD

47% of the respondents stated a neutral to negative response when asked about their decision making position in their household. This also points toward a critical gap in the RMG workers social position.



## FINANCIAL FREEDOM AS MARRIED WOMEN

Some limitations were unique to married RMG workers. The husbands of 46% of married female RMG workers did not approve of personal bank accounts for their wives. The number rises to 49% for personal BKash accounts under one's own name.

As married women, husbands' support becomes critical if the wives are to enjoy greater financial inclusion. Our analysis shows that women who have their husband's support have a 20% higher probability to have bank accounts.

**"My husband shouts if I ask for permission to open a bank account."**

– Female RMG Worker







**91% of respondents agreed that financial services would add value to their lives.**

**48% of the respondents did not feel that they knew enough about financial products & services.**

**65% of the respondents stated the need for financial training.**

## **FINANCIAL SERVICES ADDING VALUE**

91% of respondents agreed that financial services would add value to their lives. 83% felt that they are eligible to receive financial services, indicating confidence among the female RMG workers.

	Completely Disagree	Somewhat Disagree	Neutral	Somewhat agree	Completely agree
Financial services are safe to use	7%	9%	4%	44%	36%
I can get justice/remuneration, if I do not get proper financial service as promised	7%	15%	14%	23%	41%
Financial services are easily accessible	20%	20%	12%	34%	14%
It is easy to start using financial services	5%	28%	10%	37%	19%



## CONCLUSION

In order to gain a broader systemic understanding of critical factors that need to be addressed in order to increase the financial inclusion of female RMG (“Ready Made Garments”) workers, the following were tested using indicative questions;

- Financial circumstance and behavior of female RMG workers
- Capacity of female RMG workers to avail financial services
- Awareness of Existing financial services by female RMG workers
- Usage habits of financial services of female RMG workers
- Relevance and accessibility of financial services by female RMG workers
- Social factors affecting financial inclusion as perceived by female RMG workers

Three things that the respondents desired were access to loans, bank & Bkash accounts under their own name, and financial training. With regards to savings, the study indicated that it is easier for female RMG workers to save if they are married, and if they have their husband’s support.

Only 26% of the respondents had bank accounts, and only 3% had Bkash accounts under their own name, even though 87% of the respondents use mobile money transfer. The respondents were almost all aware of Bkash, as the predominant mobile money transfer provider. However, respondents were not very aware of any other service providers. Widespread use of mobile money transfer, as perceived by the respondents, is helped by its convenience and ease of access; readily available on-site agents facilitating transfers.

However, most users needing to be assisted by agents indicates that they would benefit from more knowledge about financial issues. The study indicates that female RMG workers want to use financial services, for benefits that include loans, savings, their own bank/Bkash accounts, etc.

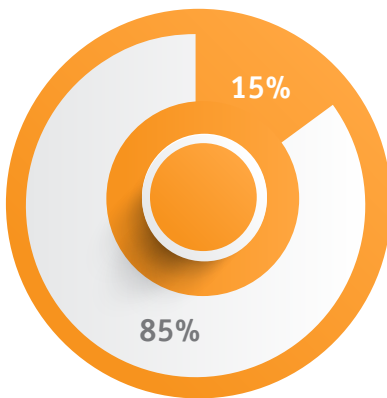
The study also indicated that many female RMG workers may not have full control over their earnings. Thus, financial services that enables a female RMG worker to exercise greater management of her finances may empower her, and facilitate greater savings and more financial control.

As such, further studies should be conducted in more detail, in order to find out the impact of providing financial learning, of using financial services that allow greater control over one’s earnings, and of gaining approach to more accessible financial services.



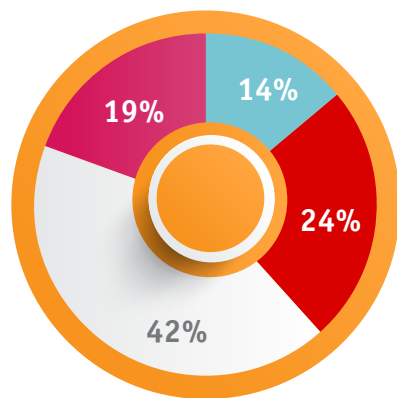
# APPENDIX I – DEMOGRAPHIC INFORMATION OF RESPONDENTS

Marital Status



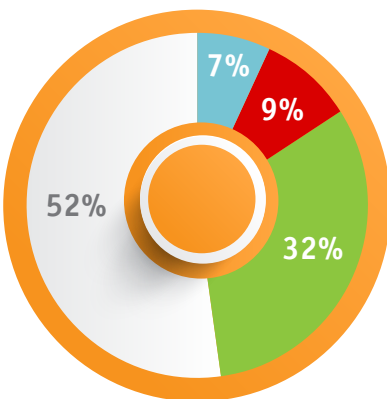
■ Single ■ Married

Age Profile



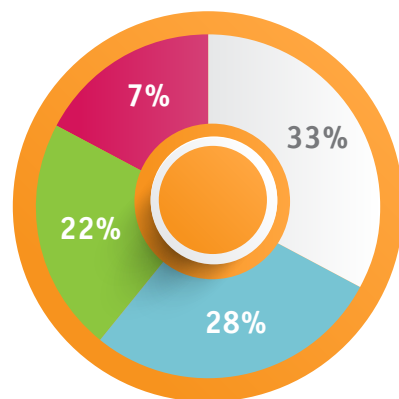
■ Between 20-29 ■ Greater than 30  
■ Between 25-29 ■ Less than 20

Education



■ School till grade 4 ■ No formal education  
■ School till grade 9 ■ SSC/HSC/Other

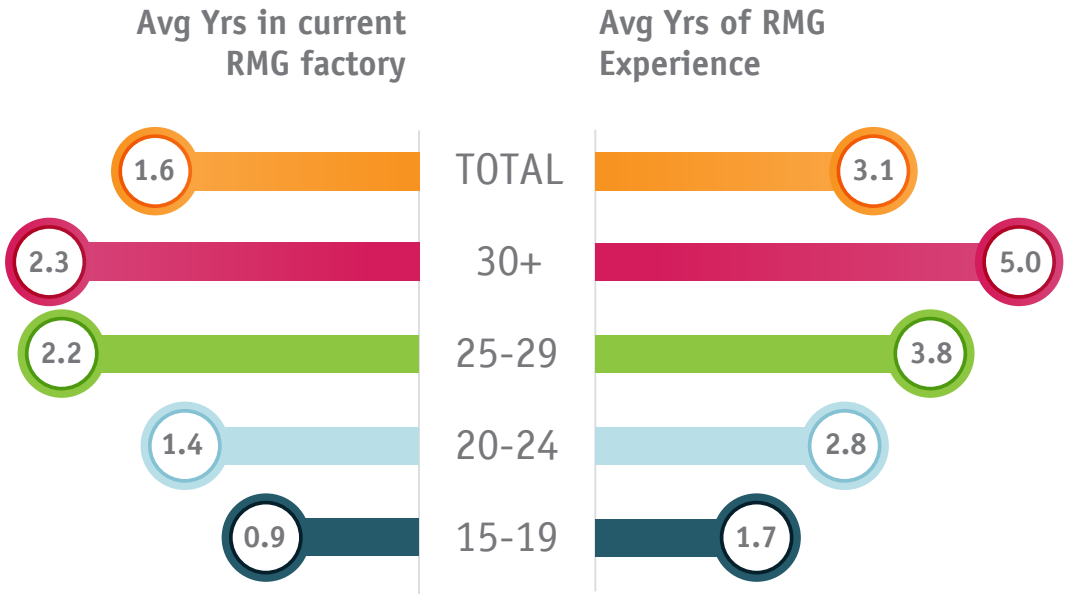
Household Income



■ Tk 10,001- 15,000 ■ Tk 10,000 & Less  
■ Tk 15,001- 20,000 ■ Tk 20,000+

First JOB  
37%

Female RMG workers generally do not expect to work beyond their twenties, and will thus have a working life-expectancy of about a decade.





## APPENDIX II - BANGLADESH AND THE RMG SECTOR

Bangladesh is a developing country with an extraordinary story of progress, growth and development.

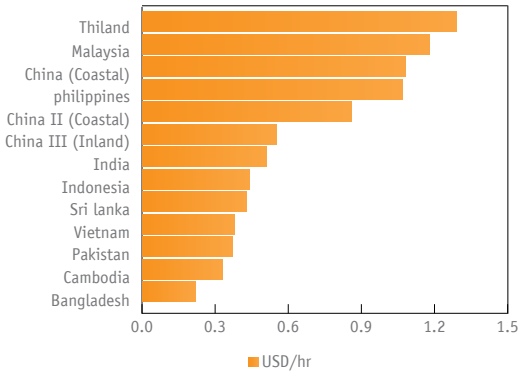
### BANGLADESH AND ITS PEERS

	China	India	Indonesia	Bangladesh	Philippines	Vietnam	Thailand	Malaysia
<b>Demographics</b>								
Population (million)	1,355	1,236	254	166	108	93	68	30
Population Growth 2000-2014 %	0.6	1.4	0.95	1.8	2.0	1.2	0.7	2.3
Urban Population, % of total	54.4	32.4	53.0	33.5	44.5	33.0	49.2	74.0
Population less than 25 years,%	31.8	46.6	43.3	51.1	52.7	42.1	32.6	45.7
Households (million)	402	21.8	53	35	19	22	19	5
<b>Socioeconomic Indicators</b>								
Nominal GDP (USD billion)	10,360	2,048	856	173.8	290	188	381	337
Real GDP growth 2000-2014, %	9.8	7.2	5.5	5.9	5.1	6.5	3.8	4.8
GDP per capita (PPP) (USD thousand)	12.9	5.8	10.2	3.4	7	5.6	14.4	24.5

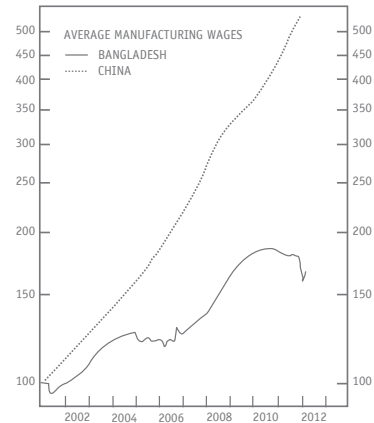
# Bangladesh's cost-effective human capital and favorable demographics is expected to fuel further growth.

## Labour Cost advantages

- One quarter (25%) of the Labour Cost in China and the gap is growing
- Apparel manufacturing Labour costs 2008, USD/hr

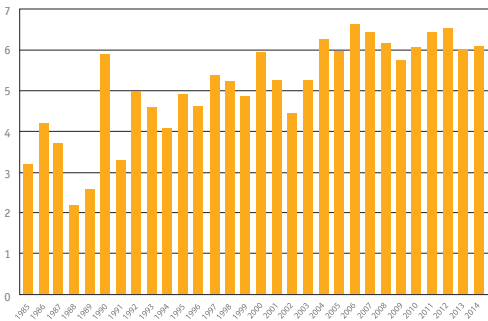


## Average Manufacturing Wages



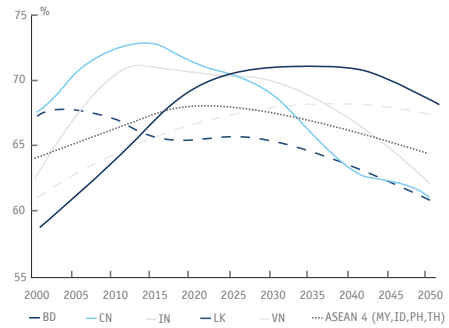
## Stable growth and low volatility

- Average real GDP growth around 6% since 2000
- Real GDP Growth %



## Demographics

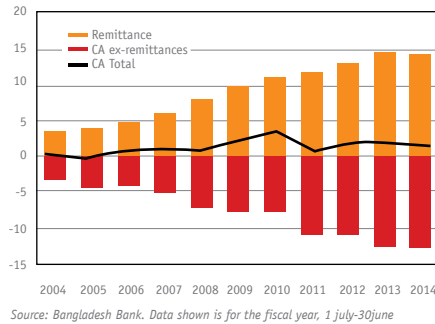
- 166 million inhabitants of which 80 million are in the labour force, median age is 24.3



# The economy of Bangladesh has been steadily growing.

## Positive current account

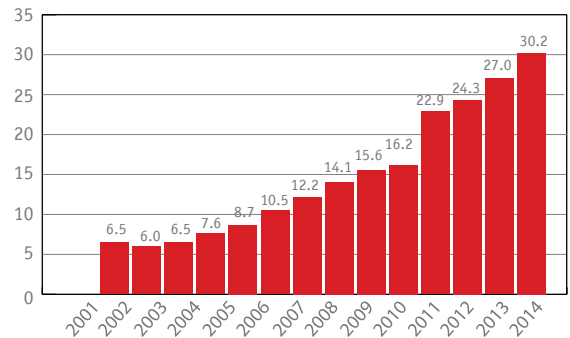
- 7.6 million Bangladeshis are working abroad submitting remittances of USD14.2 billion in the fiscal year 2014
- Remittance flows, USD billion



Source: Bangladesh Bank. Data shown is for the fiscal year, 1 July-30 June

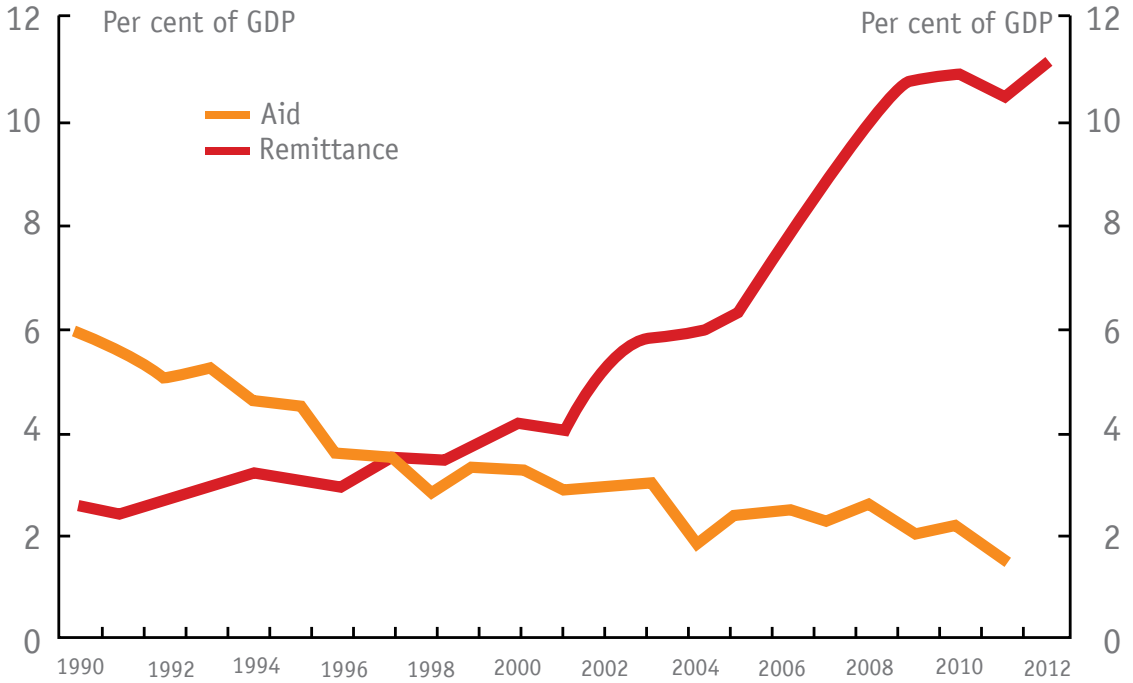
## Export Growth

- Average growth of 15% per year over the decade, accelerating in recent years
- Bangladesh exports, USD billion (297% growth in the past decade)

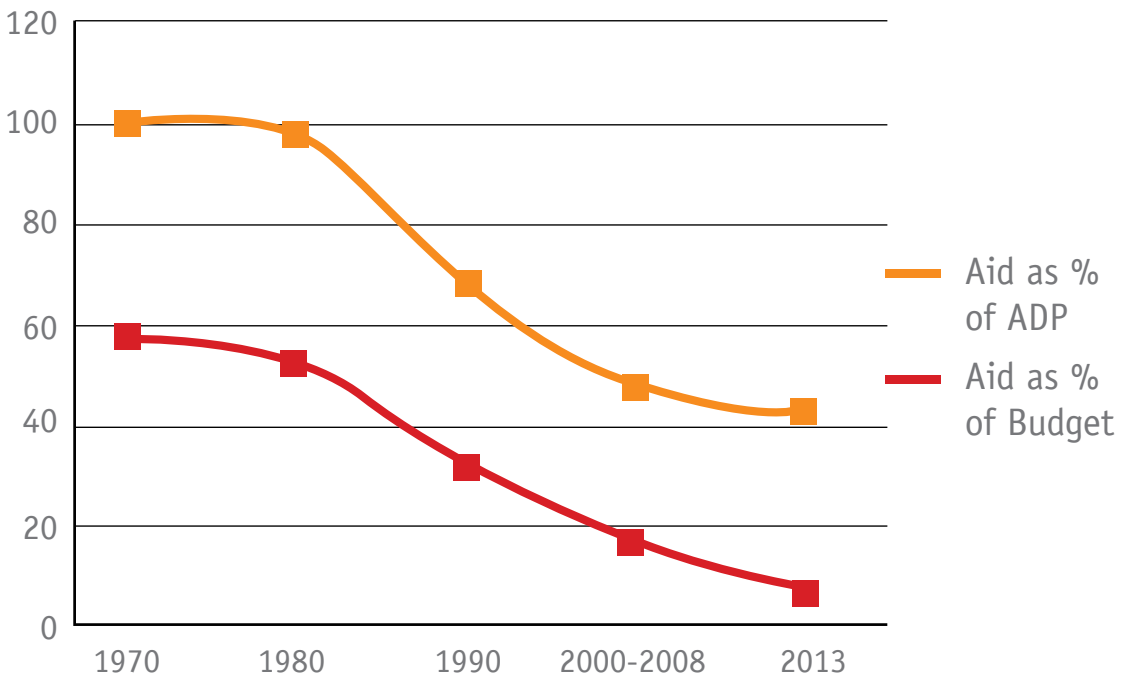




### Reliance on Foreign Aid is dropping

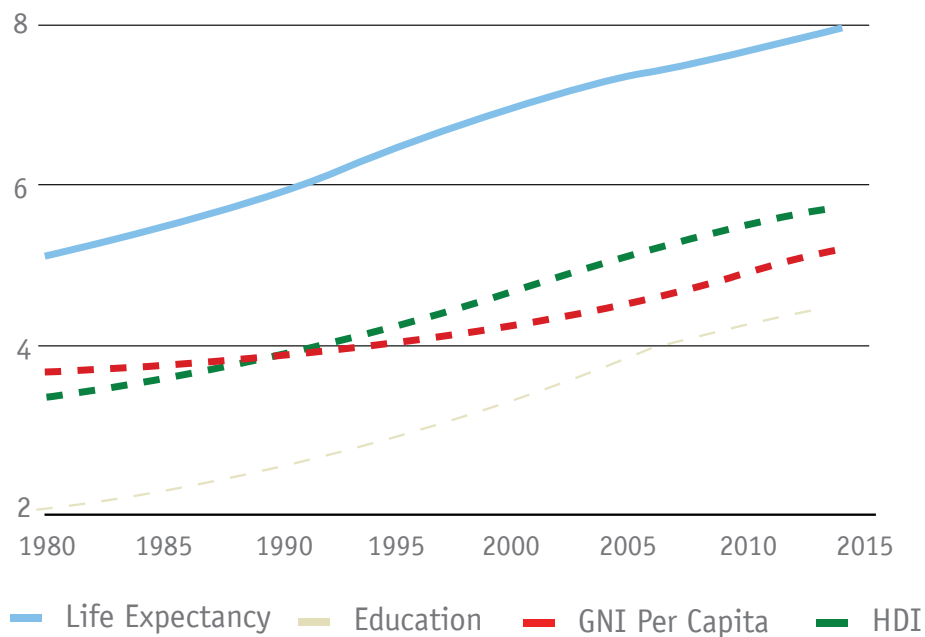


### Aid as % of ADP





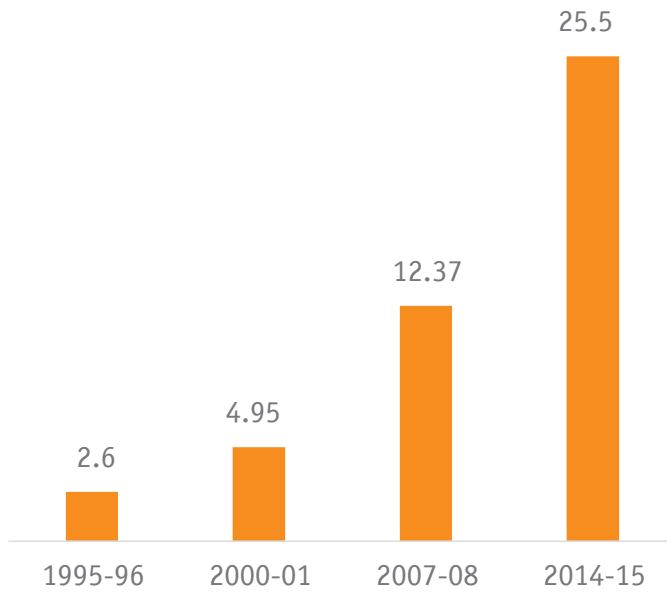
Bangladesh has made significant progress in the Human Development Index category over the last 20 years. Between 1980 to 2014 Bangladesh's HDI value increased from 0.338 to 0.560, an increase of 68.7% or an annual increase of about 1.55%.



### RMG Sector Overview

Bangladesh is one of the largest RMG exporters in the world; second only to China. The RMG sector is the backbone of the Bangladesh economy, contributing 18% to the country's GDP, and employing about 4 million employees, 85% of whom are women, across 4,222 garments factories.

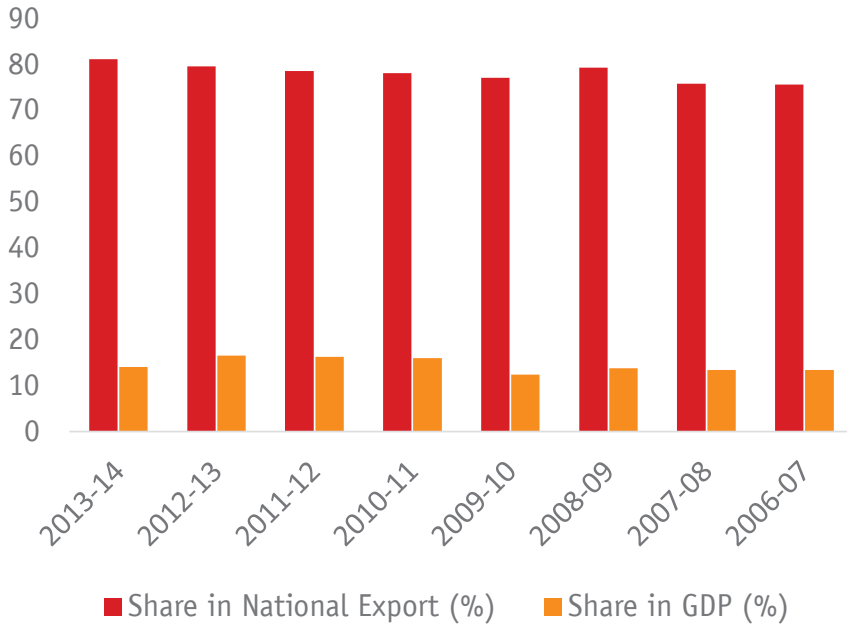
### RMG Exports (USD billions)



### Recent Landmark Achievement in the RMG Sector of Bangladesh

Plummy Fashions Ltd earned prestigious LEED Platinum certification from USGBC with record breaking score of 92 points. Plummy Fashions is the first ever knitwear manufacturing unit of the world who got LEED Platinum level certification and no other factory could achieve 92 points under USGBC in the world history so Plummy Fashions Ltd can claim themselves as The Greenest factory of the world!

### % RMG Share in National Export & GDP



# FEMALE RMG WORKERS







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