Fostering Women’s Economic Empowerment Through Special Economic Zones

Comparative Analysis of Eight Countries and Implications for Governments, Zone Authorities and Businesses

In Partnership with Canada and the World Bank Group Gender Action Plan
Fostering Women’s Economic Empowerment Through Special Economic Zones

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Women are a powerful economic force. For a country’s growth, they make important contributions as entrepreneurs and employees. And they support development more broadly, through the care and attention they bring to the welfare of their families. Studies show that opening economic options for women puts poverty reduction on a faster track. Special Economic Zones—geographical regions with special regulatory and legal regimes that aim to increase domestic and foreign direct investment—offer an opportunity for countries to embark on such a path.

But how? Our teams have looked across the globe, analyzing the influence special economic zones (SEZs) can have on promoting women’s economic empowerment while at the same time boosting zone and enterprise competitiveness in developing countries. This report—“Fostering Women’s Economic Empowerment Through Special Economic Zones”—summarizes their findings.

What is interesting: Most successful economic zone management approaches that also support women economic empowerment operate along three dimensions—fair employment and working conditions for female employees, equal access to opportunities for professional advancement, and investment opportunities for female entrepreneurs. The report presents an excellent compendium of policies and practices, ranging from laws, regulations, labor policies, gender-sensitive professional development programs, family support mechanisms and women’s health programs, through to supplier diversity and capacity-building.
initiatives. Based on research from eight countries around the world, we are sure you will find practical insights and recommendations here that also fit your situation!

The World Bank Group is committed to reducing gender based barriers in development, and with regard to our engagement with the private sector we focus on investment climates, helping governments understand the gender dimensions of business reform and growth, and on firm-specific approaches, such as working with financial institutions on increasing access to finance for women entrepreneurs, or with firms on understanding the relationship between better gender-adjusted labor practices and their performance. The experiences presented in this report will provide valuable lessons for us in systematically creating win-win options, opening up economic opportunities for women entrepreneurs and women employees that also result in growing investments and more competitive industries. The report is the product of a two-year collaboration between staff in the World Bank’s Financial and Private Sector Development group and IFC’s Women in Business Team. We are grateful for the support and funding from the Canadian International Development Agency (CIDA) which has made this important effort possible.

Sujata Lamba
Director
Competitive Industries Practice
Financial and Private Sector Development
World Bank

Monika Weber-Fahr
Global Business Line Leader
Sustainable Business Advisory
Advisory Services
International Finance Corporation
This report summarizes findings from global research that examined the opportunity for special economic zones (SEZs) to promote women’s economic empowerment and boost zone and enterprise competitiveness in developing countries.

It focuses on women’s economic empowerment in the context of zones at three levels: (1) fair employment and working conditions for female employees, (2) equal access to opportunities for professional advancement, and (3) investment opportunities for female entrepreneurs. The objective of the study was to identify gender-friendly policies and practices that support these three main goals. The primary research included field visits to Bangladesh, China, Costa Rica, Egypt, El Salvador, Jordan, Kenya, and the Philippines. These were augmented with an extensive review of country-specific research and globally focused research reports. Policies and practices identified included laws, regulations, labor policies, gender-sensitive professional development programs, family support mechanisms and women’s health programs, and supplier diversity and capacity-building initiatives.

SEZs were chosen as a focus for this study because they are known to be significant employers of female workers: Women average 60–80 percent of the total workforce in zones, reaching up to 90 percent of zone employment in certain countries. For many women in developing countries, zones often provide the first entry into formal-sector employment, and, as such, they offer a unique opportunity to empower women by providing economic opportunity outside of the informal sector. In addition, this study posits that zone regulatory environments and infrastructure, by serving as “demonstration areas” or catalysts for countrywide reforms, present unique opportunities to address the challenges faced by women in the workplace and female entrepreneurs.

Nongovernmental organizations (NGOs), consumer groups, and international organizations often denounce SEZs and attribute to them harsh labor conditions in which women tend to be disproportionately disadvantaged compared to men, and unions and collective bargaining tend to be prohibited. Typically, women work in low-skilled, labor-intensive positions in export-oriented sectors. Capital investments and technological upgrading are expected to replace such production work by reducing or mechanizing job types now dominated by women. As a result, some predict that zones will experience a “defeminization” since new, higher-skilled jobs will

Executive Summary


2. Ibid.
be deemed better filled by men because of gender stereotyping.\(^3\)

While these issues are well documented in the literature, no recommendations are offered to tackle the problem from a business perspective. There is little awareness of the business case for creating better environments for women in zones, such as reduced risk, decreased absenteeism and turnover, increased worker satisfaction, and improved productivity and profitability. Building an evidence-based business case is expected to help increase the willingness of zones and businesses within them to invest more in their workers, and particularly in their female workers. This study identifies global good practices for women's economic participation and advancement and defines a practical approach to design, promote, and implement gender-inclusive SEZs across the globe.

The study provides background, evidence of challenges and success stories drawn from the countries where research was conducted, comprehensive recommendations, and a suite of tools and tips to implement the recommendations successfully. As such, this study aims to provide the necessary information and resources to help governments, zones, and individual businesses promote women's economic empowerment more effectively in the future.

**Economic, Social, and Business Benefits to Promoting Women's Economic Empowerment**

The economic and social case for governments, zones, and enterprises to create and enforce policies and implement programs that support working women and female entrepreneurs is presented in Chapter 1. Investments in women's economic empowerment can deliver significant returns at all levels.

At the national level, empowering women through SEZs can have significant impacts on economic development and poverty reduction. Enhanced economic participation by women, currently underrepresented in the formal labor force in the majority of developing countries, can contribute to overall economic growth. When women are free to seek an education or work outside the home, they become more able to contribute to their own development and that of their families, communities, and societies. In particular, greater gender equality in education and income can enhance a woman's decision-making power within the household, which may increase the allocation of income to family health, nutrition, and children's education.\(^4\) When men and women are able to take up jobs and occupations according to their ability and preference rather than gender norms, aggregate productivity may increase. And when countries are able to mobilize the equal participation of men and women in social and political life, governments and policy-making bodies are likely to gain in diversity of views and voices. Finally, women entrepreneurs are more likely to generate jobs for other women in the community and create cascading social and economic benefits of gender inclusion in the workplace.\(^5\)

At the zone level, gender-inclusive policies and programs can deliver business benefits by targeting the most significant demographic of most zone workforces. A steady supply of cheap female labor has contributed to the development of competitive export-oriented industries in some countries. From a competitiveness perspective, a development strategy based on export industries and cheap labor cannot be sustainable and countries who implement a long-term strategy to increase the technological content of their exports and move up the supply-chain ladder will achieve longer-term development gains that ideally are spread more equally among the population. However, because of the concentration of low-wage

\(^3\) Ibid.


\(^5\) Simavi et al., 2010.
female workers in capital- and/or skill-intensive industries, industry upgrading by these countries will necessarily result in large-scale job loss, with disproportionate impacts on women. As such, retention and skill upgrading of female workers in zones at all stages of the upgrade process will limit negative impact and ensure that the socioeconomic gains of women’s employment and empowerment are maintained. In addition, zones that provide, support, or encourage enterprises to adopt women-friendly programs and policies can market those efforts as unique and additional benefits to businesses that locate within them. Specific business benefits may include enhanced legal protection and investor compliance through fair and equal employment, attraction of investors by a skilled and stable female labor force, and enhanced reputation among investors and their international clients.

Individual businesses operating in the zone can also experience economic benefits from investing in their female employees and creating women-friendly work environments. Benefits to individual enterprises can include reduced absenteeism and turnover, increased productivity, enhanced worker loyalty, improved legal compliance and risk mitigation, and improved worker-management communication. Furthermore, according to recent studies, companies that invest in women’s employment in the developing world enjoy improved profits, competitive advantage, and performance benefits.6, 7

Section 1 focuses on the effect of legal rights and their enforcement on women’s entry, retention, and mobility within SEZ workforces. The legal rights examined are contained in international labor standards and human rights conventions and in national labor laws, as well as in additional or separate regulations created specifically for zones themselves. International conventions protect rights such as freedom of association, the right to organize, equal remuneration, abolition of forced labor, nondiscrimination, elimination of the worst forms of child labor, and maternity protection; national legal provisions include, for example, maternity leave, workplace child care, nursing leave, and laws prohibiting pregnancy testing and sexual harassment.

The countries studied have not all ratified these international conventions and do not all provide these legal protections on a national level. Therefore, the first recommendation is to create laws to protect women and promote their economic empowerment where these laws do not yet exist. However, in many cases, laws designed to “protect” women have unintended negative consequences, and poor enforcement of laws is a shared challenge across all of the countries. To support the effectiveness of any law protecting women’s equality and empowerment, the study recommends improving methods of monitoring, such as gender-equity certification systems and grievance mechanisms, and increasing women workers’ voice by engaging them more effectively on rights awareness and their ability to communicate about rights violations.

Section 2 identifies social and cultural factors affecting women’s entry into the workforce and their welfare, retention, and mobility within

Overcoming Barriers to Women’s Economic Empowerment in SEZs

Chapter 2 discuss several factors common to the eight countries studied that can act as obstacles to or enablers of women’s economic empowerment. The issues discussed in these chapters do not all relate only to female employees, and some of the good-practice enablers introduced are gender-neutral. Likewise, many of the challenges introduced apply to circumstances both within and beyond SEZs. The premise of this study is that SEZs present a unique location in which to improve the circumstances of and opportunities available to female workers.

Fostering Women’s Economic Empowerment through Special Economic Zones

SEZs. First, cultural norms and expectations about a woman’s role in society may limit women’s opportunities to gain formal employment and advancement. Women’s advancement is also often constrained by limited access to education and to training on basic life skills as well as technical job skills. Additionally, female factory workers are vulnerable to a myriad of health issues, exacerbated by a lack of health awareness and a lack of access to health services. Lack of access to quality and affordable child care is another major concern for women in zone workforces. Finally, female workers in zones face several challenges related to their living conditions, including poor quality of accommodations and basic services, excessive distance between home and workplace, and unavailability of safe and reliable transportation to and from work.

To overcome sociocultural barriers, stakeholders can conduct community outreach to encourage women’s employment in zones. Lack of access to education and skills training can be addressed through investment in education that targets girls and in training programs that target women as beneficiaries. Training on basic life skills can help improve the work environment and female workers’ job performance and prepare women for professional advancement opportunities more effectively. Workers’ advancement can also be boosted through the creation of policies and training programs to support promotion from within. Businesses can reduce absenteeism and turnover and increase productivity by providing health education, women’s health services, and child care either within the workplace or on a zone-wide basis. Zones can also organize safe and reliable transportation for workers between their homes and the workplace, or even allow factories to be located directly in the rural areas where zone workers live.

Section 3 identifies barriers related to a poor investment climate for facilitating women’s entrepreneurship and the lack of business support services. Women are hindered from accumulating assets and growing their businesses in countries where their access to land is constrained by legal restrictions on land ownership and leasing, inheritance laws, mortgage laws, customary laws, or other administrative barriers. There is increasing evidence that such legal and cultural limitations and administrative requirements also make it more difficult for women to start and operate their businesses in the formal economy. Growing existing businesses, and in particular expanding local and domestic businesses to be export-facing, requires business support services, such as training on business skills, management, and market identification, that are unavailable to the majority of female entrepreneurs. Finally, access to finance for business start-up and operations is a major issue globally for women entrepreneurs.

The recommendations for removing these barriers begin with enacting laws and regulations that give women and men equal access to land and streamlining administrative barriers within SEZ laws and regulations. SEZ operators can also adopt gender-equality policies and guidelines to cultivate both female and male business owners and can initiate supplier diversity programs to incentivize existing zone enterprises to source from local women-owned businesses. Stakeholders in the public and private sectors and NGOs can provide business support services via linkages to training programs, networks, and centers targeting female entrepreneurs. Lack of access to finance can be addressed through collaborations among zone authorities, banks, microfinance institutions, and women’s entrepreneur groups. In addition, existing banks within zones can develop gender-equitable service offerings, such as loans available to women.

Key Recommendations

Chapter 3 presents the study’s main recommendations for policies and programs to promote women’s economic advancement in SEZs. Policy framework and enforcement recommendations are left broad to allow for country-specific modifications. Services and capacity-building recommendations are more specific, with the assump-
tion that they will be undertaken based on needs identified in a baseline assessment of the targeted zone population. The recommendations fall into three categories:

* Creating a legal, regulatory, and policy framework that advances women’s employment and investment opportunities
  - Create laws to enable women’s full economic participation
  - Create policies to support female entrepreneurs’ access to zones, as either investors, suppliers, or small-business owners
  - Improve collaboration between national committees or ministries of women or gender and ministry of labor
* Strengthening enforcement of gender-relevant laws and policies and ensuring compliance by investors
  - Ensure efficacious enforcement of gender-relevant laws, and train gender-sensitive enforcement officers
  - Comply with legal requirements pertaining to female workers’ labor rights and basic human rights
  - Establish national or zone-level grievance mechanism specially targeted to women
  - Create or support the creation of women’s committees at zone and enterprise levels
  - Conduct a gender diagnostic to assess women’s economic participation as investors and workers in zone program
* Providing improved infrastructure for services and facilitating capacity building
  - Create zone-level social services to benefit women, such as hospitals, child care, schools, transportation, and housing
  - Promote female workers’ health and well-being through education, factory meals, and health services
  - Help female workers grow financial assets through direct wage deposit and financial literacy programs
  - Promote women’s skills development through vocational training program
  - Support female entrepreneurs through access and training programs

Tools for Implementation

Chapter 4 provides a framework for stakeholder engagement and implementation tools for monitoring and evaluation of the study’s recommended policies and programs.

An initiative is more likely to be successful and sustainable if key stakeholders support it from the beginning, feel a sense of ownership from the design phase through implementation, and have opportunities to participate in, and ideally assume responsibility for, implementing its components.

Stakeholder engagement is particularly important for initiatives aimed at increasing women’s economic participation; women workers’ and entrepreneurs’ needs are different, more nuanced, and more interrelated than those of men, yet the marginalization of their voices in politics, industry, and even in the leadership of workers’ organizations such as unions or worker committees means these needs are neither identified nor met.

The chapter identifies priorities and roles for a number of key stakeholder groups, including zone regulators or authorities, zone operators, enterprise owners and operational managers, international clients, worker organizations, relevant government ministries, technical experts such as NGOs and multilateral organizations, and other people and organizations that may have interests or expertise pertaining to the implementation of specific recommendations. A diagram illustrates the key steps to stakeholder engagement.

Measuring the impacts of programs and policies on individuals, business entities, and national competitiveness is challenging, but critical for sustainability. Demonstrating impact, in terms of both social development benefits as well as competitiveness, helps maintain funding from both private and public sources. The chapter identifies key economic indicators to be monitored and evaluated at the levels of enterprise (e.g., absenteeism, turnover rate), zone (e.g., zone occupancy rate, profitability), and government (e.g., poverty levels, unemployment
rate). The chapter also identifies specific indicators for measuring progress in the three key focus areas described in Chapter 5. The metrics included are short-term outputs, medium-term outcomes, and long-term impacts. Outputs and outcomes can be measured primarily at the enterprise and zone levels, while impacts are the results that emerge at the national level.

Whenever possible, metrics should disaggregate data by gender. Monitoring and evaluation of initiatives to promote women’s economic opportunities should also build on existing evaluation systems and data-collection processes to minimize the resources required to conduct this important task and to align with existing processes to improve overall management systems. Integrated measurement of both business and social indicators can help demonstrate the strategic nature of investments in women more quantitatively, and should be employed in all programs and policies targeting women in order to maximize both benefits and sustainability.

The study concludes with country case studies and a comprehensive list of interviewees, a bibliography, and references.
This study summarizes findings from a global research initiative that examined the opportunity for special economic zones (SEZs)\(^8\) to promote women’s economic empowerment and boost zone and enterprise competitiveness in developing countries. The study focuses on women’s economic empowerment in the context of zones at three levels: (i) fair employment and working conditions for female employees; (ii) equal access to opportunities for professional advancement; and (iii) investment opportunities for female entrepreneurs. The study also examines gender-friendly policies and practices that support these three main goals, which include a wide range of options around laws, regulations, labor policies, gender-sensitive professional development programs, family support mechanisms, women’s health programs, and supplier diversity and capacity-building initiatives.

This study establishes the business case for investments in women’s economic empowerment in SEZs, and identifies good-practice examples of recommended “enablers” to address this investment opportunity. Enablers are defined as efforts to counteract the negative impact of the obstacles women face in economic participation, and can include policies and programs at the government, zone, and enterprise level. The study provides background, evidence of challenges and success stories, comprehensive recommendations, and a suite of tools and tips to implement the recommendations successfully.

What are SEZs and Why Focus on Gender Issues in the SEZ Context?

A special economic zone (SEZ) is a geographical region or serviced industrial land with good connectivity and infrastructure, governed by a comprehensive and integrated set of economic laws and regulations compatible with the World Trade Organization (WTO) and other free-trade agreements. Foreign and domestic investors lease land from the SEZ authority, which may be a public or private entity, to set up businesses within the SEZ and take advantage of tax and other incentive programs. Goods produced in SEZs are often, but not always, designated for export. Common enterprise types in SEZs include light and heavy manufacturing, data and call centers, food processing, research and technology, chemical industries, logistics and maritime services, and others. Some zones have also developed into high-tech parks, tourist centers, or sites for high-level financial and...

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8 “Special economic zone” (SEZ) refers to any economic zone with a portion of goods intended or required for export. SEZs can also be referred to as export processing zones (EPZ), free trade zones (FTZ), and qualified industrial zones (QIZ). This study will use the terms “SEZ” and “zone” throughout. Specific zone terms will be used in reference to specific country zone regimes, which may be categorized as one type of zone or another.
logistics coordination or scientific research. Many enterprises doing business within SEZs are tied to global businesses, whether by providing outsourced services or manufacturing goods for export. Within this context, additional important stakeholders in the economic viability of SEZs are international companies who buy products or services located in SEZs.

SEZs were mainly selected as a focus of this study because they are known to be significant employers of female workers: Women average 60–80 percent of the total workforce in zones, reaching up to 90 percent of zone employment in certain countries,9 while, in contrast, women’s average participation in the global labor force is 52 percent.10 For many women in developing countries, zones often provide the first entry into formal-sector employment and, as such, offer a unique opportunity to empower women by providing economic opportunity outside of the informal sector.

For developing countries, SEZs are argued to be effective tools within an economic growth strategy to enhance industry competitiveness and attract foreign direct investment (FDI). At a public policy level, SEZs provide an opportunity to pilot and promote countrywide reforms by serving as “demonstration areas” or catalysts. This study posits that zone regulatory environments and infrastructure present unique opportunities to address the challenges faced by women in the workplace and female entrepreneurs, and to realize economic benefits by making policy and program investments to empower women.

Nongovernmental organizations (NGOs), consumer groups, and international organizations often denounce SEZs and attribute to them harsh labor conditions in which women tend to be disproportionately disadvantaged compared to men. Studies have demonstrated the negative aspects of zone employment, including:

- Restricted or prohibited freedom of association;
- Gender discrimination in wages;11
- Wages below living wage;
- Excessive overtime; and
- Health and safety violations.

Many of these challenges are not unique to zones, and in some countries, conditions within SEZs are markedly better than outside. However, just as frequently, conditions within zones are documented as being worse than those outside zones, and criticism generally ties that discrepancy to the prohibition of unions and workers’ right to organize within zones.12

Despite the considerable impact of SEZs on increased employment opportunities for women in export-oriented sectors, women are often concentrated in specific sectors and types of jobs. Typically, women tend to work in low-skilled, labor-intensive positions, such as assembly work in garment and electronics manufacturing facilities.

It is further argued that women’s employment in SEZs will not be sustainable in the long run, as capital investments and technological upgrading will affect the nature of the jobs in the zones. Specifically, such upgrading is expected to replace labor-intensive, low-skilled production by reducing or mechanizing job types formerly dominated by women.13 As a result, some predict that zones will experience a “defeminization” as the proportion of men to women shifts since new, higher-skilled jobs will be deemed better filled by men because of gender stereotyping.14 If this predicted “defeminization” occurs, it will impose development costs on countries and productivity costs on companies.

While these issues are well documented in the literature, however, no enablers are offered to tackle the problem. In addition, arguments for women’s economic advancement in zones remain largely rights-based and there is little awareness of the business case for creating better environments for women in zones, such as reduced risk, decreased absenteeism and turnover, increased worker satisfaction, and improved productivity and profitability. Building an evidence-based business case will help increase the willingness of zones and businesses within them to invest more in their workers, and particularly in their female workers. As such, this study examines gender issues within SEZs from a business and economic development perspective and offers win-win solutions that can benefit firms, employees, and host countries.

The study argues that several unique qualities of zones provide an opportunity to address rights-based challenges and make zones a strategic environment for targeting female workers through policies and good practices in the zones and the workplace. Relevant opportunities within zones include the following:

* Gender-friendly reforms can be piloted and tested in zones, which may not be feasible to do in the broader country context.
* Existing zone infrastructure and access to financial and government services enables companies to “plug-and-play”; by extension, this could make it easier for companies to support gender-relevant initiatives, services, and regulations if operating within a zone with gender-friendly programs in place.
* SEZs are not a loose cluster of companies; rather they have a management entity dedicated to their operation that convenes meetings of all the tenants on a regular basis. This makes anchoring gender-specific initiatives to zone management highly viable.
* Zone operators can play a role in overseeing the implementation of gender policies and programs, and supporting or requiring enterprise uptake of those policies and programs.
* Zone authorities can have more capacity than national governments to regulate compliance with gender policies and programs, particularly in countries where regulatory enforcement is generally weak at the national level.
* Incentives for companies to comply with social standards are much higher, as companies operating in the zones face greater peer pressure from their competitors as well as from international buyers who are particularly stringent about standards of their suppliers located in the zones.
* Best practices in one zone can be isolated and replicated in other zones around the world because of structural similarities of zones.

To support the above objectives, this study identifies global good practices for women’s economic participation and advancement and defines a practical approach to design, promote, and implement inclusive SEZs across the globe. It should be noted that the research itself uncovers relatively few examples of good practice targeting women in SEZs specifically. However, in addition to a small amount of relevant replicable practices available in zones, the study also finds and draws on other useful programs implemented outside of SEZs that could be replicated within zones.

14 Ibid.
Research Methodology

The study includes first-hand observations from field visits to zones in eight countries: Bangladesh, China, Costa Rica, Egypt, El Salvador, Jordan, Kenya, and the Philippines. The study also includes interviews of global stakeholder organizations and a desk-based literature review.

Countries were selected based on several factors to ensure a diverse sample. Considerations included:

* Zone program in the country—including program maturity, commercial success, planned growth, foreign vs. domestic ownership and key industries;
* Region;
* Economy (based on GDP); and
* Potential for impact (e.g., significant percentage of workers are women).

A total of 172 one-on-one and group interviews were conducted with representatives of civil society, worker organizations, government, private sector (including international buyers and factory managers), and zone management.

The study includes an in-depth focus on Bangladesh, which entailed working with the Bangladesh Export Processing Zone Authority (BEPZA) counselors to distribute a survey to workers in a random sample of factories operating within the two main zones in Bangladesh. The sample consisted of 395 workers, 208 female and 187 male. Using a standardized interview tool and facilitated workshops, BEPZA counselors conducted 41 group interviews. At least 2 women and 2 men were included in each facility interview. Thirteen factories were randomly selected for detailed gender reports by counselors, representing 7 garment, 2 ladies’ undergarment, 2 tent, 1 pant (flat-knit), and 1 t-shirt (flat-knit) manufacturing facilities. Of factories surveyed, the average size was about 2,000 workers with approximately 62 percent women and 38 percent men. According to BEPZA data, women represent 66 percent of workers in Chittagong EPZ and 54 percent of workers in Dhaka EPZ.

The survey and factory interviews allowed for a quantitative, structured assessment of the unique challenges and opportunities for female workers in zones in Bangladesh. These activities were only conducted in Bangladesh; fieldwork in all other countries relied on anecdotal accounts from worker interviews, local and global NGOs, and other stakeholders.

In addition, the study recognized that a significant body of literature already existed on women’s economic participation in zones, the positive impact of women’s economic participation on development, and the benefits of zones to economic development. Primary research was augmented with an

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Number</th>
<th>Objective of Engagement</th>
</tr>
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<tbody>
<tr>
<td>Government</td>
<td>28</td>
<td>Identify government priorities, limitations, and potential role in solution. Discuss regulatory systems in place.</td>
</tr>
<tr>
<td>Zone Authorities</td>
<td>15</td>
<td>Identify zone priorities, existing programs, regulatory system, and potential role in the solution.</td>
</tr>
<tr>
<td>Private Sector</td>
<td>53</td>
<td>Identify drivers and challenges. Uncover perspective on female employees. Discuss existing or potential future programs or policies.</td>
</tr>
<tr>
<td>Worker Organizations</td>
<td>11</td>
<td>Identify workplace issues unique to women, challenges to their resolution, and recommendations for the private sector.</td>
</tr>
<tr>
<td>Civil Society</td>
<td>65</td>
<td>Determine challenges facing women at work and at home, and learn about programs and policies in the region to address those challenges.</td>
</tr>
</tbody>
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extensive review of country-specific research and globally focused research reports.

**Structure of the Study**

The study begins with the social, business, and economic case for women’s economic advancement in Chapter 1. Chapter 2, identifies key legal and regulatory issues, social and cultural constraints, investment climate issues, and the lack of business support services affecting women’s economic participation. Also in Chapter 2, the study argues that the obstacles can be as addressed through enablers for women’s economic participation in zones.

Based on the findings presented in Chapter 2, Chapter 3 presents three sets of recommendations for legal and regulatory frameworks and their enforcement, strengthening of provision of zone-wide services, and capacity building. The chapter emphasizes the need for public-private partnerships, identifies government, zone authorities, and investors as key stakeholders, and discusses each stakeholders’ role in implementation. Chapter 4 offers implementation tools that include a monitoring and evaluation framework to measure the progress made based on the recommendations of Chapter 3 and tips for effective stakeholder engagement.
This chapter presents the economic and social case for governments, zones, and enterprises to create and enforce policies and implement programs that support working women and female entrepreneurs.

SEZs often employ a higher percentage of women than the national average, even where there are relatively low levels of female labor force participation nationally. While women’s unemployment tends to be higher than men’s in the majority of the countries included in this study, for example, female labor force participation is equal or higher in zones than outside of zones. This demonstrates the opportunity that zones represent for women’s employment, particularly in countries where formal employment opportunities for women are otherwise rare, such as Jordan and Kenya. Increased employment opportunities for women, such as those provided in SEZs, can contribute to significant socioeconomic benefits.

Investing in women yields positive returns for the society, for the host country, and for the zone itself as well as for the bottom line of the business operating in the zone. However, in the absence of a gender-inclusive view of policies, procedures, and initiatives, broad developmental objectives will be compromised and the full potential of trade for export performance and competitiveness, growth, and poverty reduction will not be realized. This study argues that SEZs can be used to promote women’s economic empowerment by increasing and improving formal employment opportunities, providing women with higher income levels than afforded outside zones, and supporting women’s economic independence. Related economic returns at the national, zone, and enterprise level are explained in detail below.

I. Socioeconomic Returns for the Host Country

Increasing women’s economic empowerment in SEZs can have significant impacts on economic development and poverty reduction. Enhanced economic participation by women, currently underrepresented in the formal labor force in the majority of developing countries, can contribute to overall economic growth. When women are free to seek an education or work outside the home, they become more able to contribute to their own development and that of their families, communities, and societies. In particular, greater gender equality in education and income can enhance a woman’s decision-making power within the household. When men and women are able to take up jobs and occupations according to their ability and preference rather than gender norms, aggregate productivity may increase. And when countries are able to mobilize the equal participation of men and women in social and political life, governments and policy-making bodies are likely...
to gain in diversity of views and voices. Finally, women entrepreneurs are more likely to generate jobs for other women in the community and create cascading social and economic benefits of gender inclusion in the workplace.15

As women’s incomes rise and they expand their control over household spending decisions, their allocation of household resources differs that of men. Studies have demonstrated, for example, that women dedicate higher monetary amounts to family health and nutrition, and to children’s education.16 Over the longer term, such shifts may reduce infant, maternal, and overall mortality rates. Therefore, increasing women’s economic empowerment in SEZs, by reducing undernourishment in children, will help decrease chronic infant sickness, stunting, and impaired social and cognitive development. These shifts can contribute to a long-run macroeconomic effect by improving human capital and thus the labor productivity of a society.17

II. Economic Returns for Zone Authority

A steady supply of cheap female labor has contributed to the development of competitive export-oriented industries in some countries. At the same time, employment in SEZs has increased women’s income-earning opportunities, often representing a significant improvement compared with earlier limited options such as unpaid family work, poorly paid work in the informal sector, or subsistence farming in rural areas. In addition to providing higher levels of income, employment in the export-oriented formal sector gives women a higher status, more autonomy, and some decision-making powers within their households. Women workers have reported an enhancement of their self-esteem, and they appreciate the expanded social opportunities and life choices that wage employment brings.18 This also brings a greater change in gender relations, by shifting parents’ perceptions of girl children as a liability toward viewing them as potential income earners and contributors to the household. Attitudes and incentives for educating girls are improved as a result.19 Despite these advances, however, a concern remains that while SEZs have been effective in creating formal employment opportunities in women’s- labor-intensive industries, these employment opportunities may not represent decent

15 Simavi et al., 2010.
18 Tiago and Fiala, 1991; Amin et al., 1998.
work, as defined by the International Labour Organization (ILO). Another concern is that the same women may lose out as SEZs “upgrade” to less capital- and/or skill-intensive industries.

From a competitiveness perspective, it is argued that a development strategy based on export industries and cheap labor cannot be sustainable. Short-term gains can be reaped in terms of market shares, but competition among low-income countries will undermine the competitive advantage of the early movers by favoring countries with even cheaper labor. In this context, countries who implement a long-term strategy to increase the technological content of their exports and move up the supply-chain ladder will achieve longer-term development gains that ideally are spread more equally among the population. However, because of the concentration of low-wage female workers in capital- and/or skill-intensive industries, industry upgrading by these countries will necessarily result in large-scale job loss, with disproportionate impacts on women. Integrating gender-equality considerations into zone programs at all stages of the upgrade process will limit negative impact and ensure that the socioeconomic gains of women’s employment and empowerment are maintained. Zone-program growth and upgrade strategies should also consider gender equality in education and training, so that women gain higher qualifications for employment in line with the rise in technological capabilities of the exporting country.

As such, there is an economic case for the retention and skill upgrading of female workers in zones, since these will allow the host country to remain competitive and profitable and to contribute to the growth of the export market.

In addition to the competitiveness of the host country, several business benefits exist for the competitiveness of the zone itself. Zones are in a unique position to introduce and promote gender-inclusive policies and programs by building them into their “one-stop-shop” offerings. Zones that provide, support, or encourage enterprises to adopt women-friendly programs and policies can market those efforts as unique and additional benefits to businesses that locate within them. Gender-inclusive policies and programs can deliver business benefits to zones in the following forms:

1. **Enhanced legal protection and investor compliance**
   Through fair and equal employment for the majority female workforce;
2. **Enhanced reputation among investors and buyers**
   From commitment to social responsibility toward the majority female workforce; and
3. **Attraction of investors**
   By a skilled and capable female labor force.

These are explored in greater detail in the sections below.

1. **Enhanced legal protection and investor compliance**

   SEZs have a global reputation of restricting worker rights, in particular by limiting or prohibiting freedom of association. Within this context, fearful of being unable to meet the growing legal compliance expectations of global buyers, foreign investors may be reluctant to locate their business in zones. Establishing mechanisms to enhance legal protection and monitor investor compliance can serve as a competitive differentiator for individual zones or zone programs.

   Since women represent the majority of zone employees in many cases, and women’s labor rights are explored.

   **The ILO defines “decent work” on its Web site as the following: “Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.” Source: http://www.ilo.org/global/topics/decent-work/lang-en/index.htm**

   **Barrientos, Kabeer and Hossain, 2003**

   **UN, 2004 Trade and Gender: Opportunities for Developing Countries. The economics of gender equality, trade and development, 27.**
are often disproportionately compromised, integrating programs and policies for women into zone services and requirements can help increase compliance with and beyond the law. For example, in Bangladesh, continuous improvement in compliance helps zone authorities (BEPZA) and investors mitigate risk and attract and retain foreign investment. The benefits of legal compliance and improved ability to meet buyer standards within the zones as compared to outside can help Bangladesh’s zones grow their share of the export market. A solid reputation also helps attract workers to the enterprises operating in the zones, and may increase competition for jobs there, helping to ensure a higher-skilled and dependable supply of labor. Workers will also be less likely to leave the zone for outside employment; however, turnover between individual enterprises within the zone will likely remain at normal rates.

2. **Enhanced reputation among global buyers and zone investors who value social responsibility**

A positive reputation vis-à-vis working conditions can help zones attract both buyers and investors who want to be in compliance with labor law and human rights standards, and those who want to reduce their auditing burden by sourcing from environments with better laws and enforcement of laws. Incentives to comply with legal standards are much higher for those companies operating in the zones, as they face greater peer pressure from their competitors as well as from international buyers who are particularly stringent about standards of their suppliers located in the zones. Participation in supply-chain compliance efforts such as the Global Reporting Initiative are expected to expand, alongside expansion of such bodies’ objectives to include voluntary and compulsory standards.

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**BOX 1  Enhanced Legal Protection Example**

The BEPZA Counselors Program in Bangladesh was introduced as a zone-level monitoring system to assess labor standards compliance and has 60 counselors, who each monitor labor practices in 5–10 enterprises. Female workers have taken advantage of the program to report workplace grievances, sexual harassment, and other concerns. This model, first tested by YoungOne factory in Chittagong EPZ, empowers the Counselor figure to help workers address both personal and professional concerns before grievances must be filed. The program has successfully reduced grievances from 2,500 to 400 over the period 2005 to 2009. Interviews with BEPZA counselors, the head of the Counselor program, and BEPZA zone staff confirmed that the program had also contributed to improved compliance among zone investors.

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**BOX 2  Reputation Management Example**

**Zone in El Salvador:** While zones in the country have suffered in the economic crisis, many dropping to 50 percent capacity, one zone has maintained almost full occupancy. The CEO of the zone attributes its success to the fact that it has a reputation as a “responsible zone,” allowing it to attract and build long-term relationships with companies who value the extra services the zone offers in addition to legal requirements—many of which are health services that directly benefit women workers, such as gynecological services and a pediatric clinic.

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**BOX 3  Skilled Labor Force Example**

The **Public-Private Training Program, Costa Rica**, offers free specialized technical training to workers in zones through the government’s National Learning Institute (INA), the Costa Rica Investment Promotion Agency (CINDE), and individual enterprises in zones. CINDE organizes a working group of zone investors to provide feedback on their concerns and needs—vis-à-vis desired skills in the labor force, and this feedback is integrated directly into INA’s curriculum. This program and system of acquiring feedback provides zone investors with free or low-cost technical training for workers on the specific skills they have identified as priorities, producing higher-skilled, more productive workers.
impacts of training programs stand to result in larger-scale reductions of turnover and increases in the value of zone-based jobs to the local labor pool.

III. Economic Returns for Investors: Benefits for Company Bottom Line

Investments in creating women-friendly working environments have been shown to have a measurable, positive impact on an enterprise’s bottom line as well. These benefits include:

1. Reduced absenteeism and turnover, increased productivity, and enhanced worker loyalty;
2. Legal compliance and risk mitigation; and
3. Improved worker satisfaction and worker-management communication.

1. Reduced absenteeism and turnover, increased productivity, and enhanced worker loyalty

Garment, footwear, and electronics factory management and international buyers interviewed for this study agree on the business benefits of implementing workplace programs targeting women. Such benefits include enhanced worker loyalty and skills, reduced absenteeism, and reduced turnover. It is assumed that these results also contribute to improved productivity and quality. It is also argued that the business benefits of investing in women go beyond one factory or one international company: supporting female factory workers is directly tied to the sustainability of the light manufacturing industry as a whole because of the magnitude of contributions to the industry made by millions of female workers.23

In particular, investments in women’s health programs enjoy positive returns. A cost–benefit analysis of a women’s health program in Bangladesh, for example, found a 3:1 return on investment (ROI) due to the program’s impact in decreasing health-related absenteeism and staff turnover.24 Other studies have documented the overall ROI in workplace health. One review of 10 such studies found ROIs ranging from 2:1 to 6:1 from lowered health care costs, decreased absenteeism, improved performance and productivity, and employee attraction and retention.25 A 2010 study found a US$3.27 reduction in medical costs and a US$2.73 reduction in absenteeism-related costs for every dollar spent on employee wellness programs.26 Some factories, including two in Egypt and El Salvador visited for this study, have begun act on the observed link between health-related absenteeism and factory-based health outreach by implementing programs (see examples below).

2. Legal compliance and risk mitigation

Another key area of business benefit is in risk mitigation—specifically by supporting compliance with women workers’ rights. Compliance with national labor laws and international conventions has become increasingly prioritized by multinational companies (MNCs), who conduct audits to assess adherence to local and international law by companies supplying them with manufactured goods or services. Increasingly, MNCs are considering social and environmental performance, in addition to price, quality, and on-time delivery, in their purchasing decisions and contractual relationships. As women represent both the majority of and the most vulnerable employees, women-inclusive programs represent a key area of investment to prevent the loss of client contracts and worker turnover to other enterprises with better social programs.

23 Interview, June 2010.
Most current compliance systems continue to address the impacts of risks, rather than contributing to elimination of the risks themselves. Addressing women-specific issues represents an opportunity to identify risks that may be currently hidden, such as sexual harassment or maternity benefit violations, and address the source of those risks rather than only their impacts.

The majority of legal compliance issues are gender-neutral, so most existing good practices do not single out female employees. Nevertheless, women stand to benefit disproportionately from such programs, and will benefit even more if these programs apply a gender perspective to rights compliance.

3. Improved worker satisfaction and worker-management communication

Companies have also cited the business benefits generated by improved worker-management communication. The majority of grievances filed by workers are related to miscommunication with management or misunderstanding of individual rights and responsibilities. Such grievances occur in large numbers and can be costly—for example, in China in 2008, nearly one million labor disputes were filed (with more than 693,000 litigation cases and more than 237,000 labor arbitration cases), representing an increase of 93.93 percent over the disputes filed in 2007. Another potential business benefit is improved ability of management to antic-
The status quo in most low-skill enterprises is for workers to not alert their supervisors to upcoming absenteeism for fear of punishment. Improving communication mechanisms can help reduce the costs of unexpected absenteeism, and allow the enterprise to modify production schedules as needed. Beyond the examples cited in this report, other studies have found significant business benefits to investors as well. According to a 2010 McKinsey study, among companies who invest in programs targeting women in developing countries, at least one-third have measured improved profits, and an additional 38 percent are expecting returns. Employing women, and gender diversity in general, has also become increasingly recognized as beneficial to business—another 2010 McKinsey survey found that 72 percent of respondents believed there was a direct connection between gender diversity and a company’s financial success. More specifically, a Harvard Business School study aimed at multinational firms identified a significant competitive advantage and performance benefit to increased hiring of women in the developing world, where many local companies opt not to hire women. The competitive advantage was found to be particularly pronounced as women became more skilled, with the highest performance benefits being observed with female hires at the senior management level.

**Conclusion**

This chapter demonstrates that investments in women’s economic empowerment can deliver important economic returns. At the national level, enhanced economic empowerment of women—

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2 Interview, H&M, February 2010.
through increased and improved formal employment opportunities, higher income levels, and economic independence—can contribute to national economic development and poverty reduction by increasing the number of household income earners. Enhancing the economic empowerment of women can also contribute to gender equity and enhanced household decision-making power for women, which may increase the allocation of income to family health, nutrition, and children’s education.\textsuperscript{30}

At the zone level, gender-inclusive policies and programs can deliver business benefits by targeting the most significant demographic of most zone workforces. Specific business benefits may include enhanced legal protection and investor compliance through fair and equal employment; attraction of investors by a skilled and stable female labor force; and enhanced reputation among investors and their international clients.

Individual businesses operating in the zone can also experience economic benefits from investing in their female employees and creating women-friendly work environments. Benefits to individual enterprises can include reduced absenteeism and turnover, increased productivity, enhanced worker loyalty, improved legal compliance and risk mitigation, and improved worker-management communication.

The chapters that follow introduce the challenges to women’s economic empowerment in zones, and present enabling factors and examples of good-practice policies and programs to overcome those challenges.

A country’s legal framework and its enforcement play a significant role in determining women’s economic opportunities and fair employment. In addition, key social factors such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, the business enabling environment impacts female entrepreneurship, where women also face unique challenges as compared with men.

With the objective of promoting women’s economic empowerment in SEZs, this study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and investment opportunities for female entrepreneurs. Despite many differences in the countries researched, the study found several common factors that can act as obstacles to or enablers of women’s economic empowerment.

Women’s entry into the workforce, as either workers, professionals or entrepreneurs, their welfare, and their retention and dropout rates are affected by a combination of factors. These include:

- **Section 1**: Legal protection and enforcement of women’s rights;
- **Section 2**: Cultural perceptions and social factors including education, health, and housing; and
- **Section 3**: Poor investment climate for facilitating entrepreneurship and lack of business support services.

This section provides an explanation of the three issue areas above in the context of women’s economic empowerment. Following the explanatory information, key related obstacles are identified. Finally, suggested enablers are discussed, with country-specific examples provided where possible.

The issues discussed in this section do not all relate only to female employees, and some of the good-practice enablers introduced are gender-neutral. Likewise, many of the challenges introduced apply to circumstances both within and beyond an SEZ, and many of the good-practice enablers introduced are programs taking place outside of SEZs. For example, while a common legal violation such as excessive overtime may look the same within the zone and outside, zones may have a different regulatory code or enforcement agency that can address the issue differently. Similarly, a workers’ rights awareness program may use a relevant methodology outside of a zone, and a zone presents an opportunity for replication and scale through coordinated efforts by its authority and operator.

The premise of this study is that SEZs present a unique location in which to improve the circum-
stances of and opportunities available to female workers, who also represent a majority of the workforce inside zones. The study also posits that for a number of reasons—gender inequality, legal provisions, religious norms, and others—women often suffer disproportionately when an obstacle is “gender-neutral.” Thus, while the reader may identify areas in the forthcoming sections that also pertain to men or to businesses outside of zones, the objectives of this study—to empower female workers and entrepreneurs within SEZs—will remain consistent throughout.
International Conventions Governing the Rights of Working Women

International labor standards are legal instruments drawn up by the ILO's constituents, setting out basic principles and rights at work. These standards are primarily tools for governments to draft and implement labor laws and social policies in conformity with internationally accepted standards, which serve as targets for harmonizing national law and practice in a particular field.

International labor standards are either conventions—legally binding international treaties that may be ratified by member states—or recommendations, which serve as nonbinding guidelines. Ratified international treaties apply automatically at the national level and ratifying countries commit themselves to applying the convention in national law and reporting on its application at regular intervals. Their courts are thus able to use international labor standards to decide cases on which national law is inadequate or silent, or to draw on definitions set out in the standards.

International labor standards are also increasingly being used beyond governments. Consumer interest in the ethical dimensions of products has led multinational companies to develop codes of conduct to govern labor conditions in their production sites and supply chains. The majority of the top 500 companies in the United States and the United Kingdom have adopted some sort of code of conduct, many of them referring to ILO standards. While these codes are no substitute for binding international instruments, they play an important role in spreading the principles contained in international labor standards. Similarly, international labor standards have been used in various international collective agreements, particularly in the garment and textile industries.

This section summarizes the key international labor and human rights conventions that are most relevant to women's economic participation and examines the commitments made by each country of study. Table 2 below summarizes the ratification status of these conventions.

With the notable exception of China, the countries in this study have ratified most of the core ILO conventions. Important exceptions include the maternity protection convention, which has not been ratified by any country subject to this study, and the freedom of association convention, which is not ratified in China, Jordan or Kenya. In addition, it is worth noting that while Bangladesh, El Salvador, and Costa Rica have ratified this convention, in SEZs unions are either disallowed by law (Bangladesh) or subject to significant anti-union pressure, including the black-
listing of workers associated with unions (Costa Rica, El Salvador).31

All of the countries have ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), though Bangladesh, China, Egypt, El Salvador, and Jordan have done so with reservations. Finally, all of the countries have signed key international covenants on civil, political, economic, social, and cultural rights. However, despite these ratifications, gender discrimination remains prevalent and enforcement of laws is often weak.

National Employment Laws Governing the Rights of Working Women

Labor relations in most zones are governed by the national labor law of the country, as well as any additional or separate regulations created for the zones themselves. In some cases, zones have separate labor-law regimes. Labor laws establish the minimum wage, working hours, freedom of association or the right to organize, overtime requirements, health and safety standards, sexual harassment mandates, and other provisions, such as maternity leave, child care, and nursing breaks.

Table 3 below provides for a comparison of key national laws and regulations affecting women in the focus countries.

The most common protection provided by law is maternity leave, but the quality of that benefit varies from country to country. The second most common provision was nondiscrimination based on pregnancy or marital status. The countries with the broadest regulatory safeguards across all areas are Costa Rica and the Philippines.

Previous studies have noted that both men and women working in zones may face challenges such as low wages, excessive overtime, incorrect payment of wages, and restricted freedom of associa-

Table 3  Key National Legal Provisions and Regulations Affecting Women*

<table>
<thead>
<tr>
<th>Legal Provision</th>
<th>Bangladesh</th>
<th>China</th>
<th>Costa Rica</th>
<th>Egypt</th>
<th>El Salvador</th>
<th>Jordan</th>
<th>Kenya</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity Leave</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Workplace Child Care</td>
<td>Yes</td>
<td>No law</td>
<td>No law</td>
<td>Yes</td>
<td>No law (in labor code)</td>
<td>Yes</td>
<td>No law</td>
<td>Yes</td>
</tr>
<tr>
<td>Nursing/Breastfeeding Leave</td>
<td>No law</td>
<td>Modified work, no leave</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No law</td>
<td>No law</td>
</tr>
<tr>
<td>Laws Prohibiting Pregnancy Testing</td>
<td>No law</td>
<td>No law</td>
<td>Yes</td>
<td>No law</td>
<td>Yes</td>
<td>No law</td>
<td>No law</td>
<td>No law</td>
</tr>
<tr>
<td>Nondiscrimination (Based on Pregnancy or Marital Status)</td>
<td>No law</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Law Prohibits Sexual Harassment in the Workplace / Generally</td>
<td>No / Yes</td>
<td>No / Yes</td>
<td>Yes / No</td>
<td>No / Yes</td>
<td>Yes / Yes</td>
<td>No / Yes</td>
<td>No / Yes</td>
<td>Yes / Yes</td>
</tr>
<tr>
<td>Separate Washrooms Required for Male and Female Workers</td>
<td>Yes</td>
<td>No law</td>
<td>Yes</td>
<td>No law</td>
<td>No law</td>
<td>No law</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Restrictions for Female Workers (e.g., Women Cannot Work Night Shift, Restrictions for Pregnant Workers)</td>
<td>No law</td>
<td>No law</td>
<td>Yes</td>
<td>No law</td>
<td>Yes</td>
<td>No law</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note: unless otherwise indicated, the existence or nonexistence of laws applies nationally and within zones. More information about specific laws can be found in the country case studies.

tion. Field research indicated that these practices exist in some zones in some countries, but are not universal. For example, in Bangladesh, wages are higher within zones than outside, and treatment of workers is generally thought to be better in zones. On the other hand, unions are prohibited in zones in Bangladesh, and in Jordan migrant laborers, approximately 75 percent of the workforce in zones, are prohibited from joining unions. In Costa Rica and El Salvador, unions are strongly discouraged in practice and interviewees reported actions such as blacklisting to prevent workers from joining unions.33

Legal restrictions on working hours and industries, parental benefits (both maternity and paternity), and retirement ages disadvantage women in obtaining a job in all but one country in Sub-Saharan Africa, all countries in the Middle East and North Africa, and a majority of countries in South Asia, Latin America and the Caribbean, and East Asia and the Pacific.34 Besides legal restrictions, women also face unique challenges when they participate in the workforce, such as disproportionate suffering from security concerns, limited access to infant care, limited representation in unions and/or worker committees, and inappropriate maternity leave and benefits. Discrimination against pregnant35 and sexual harassment36 are also highly prevalent.

Wage discrimination was also found to be common. In Bangladesh a 2007 study found that women earned 15.9 percent less than men on average and, in addition, tend to be restricted to lower-paying industries and lack access to higher-paying jobs. Targeted education programs could reduce occupational segregation and improve women’s economic status.37

Occupational segregation, which contributes to wage discrimination, was found to be common in all the countries visited. Women are often concentrated in lower- and unskilled positions and industries, for instance, working as helpers and sewers in garment factories. Similarly, sometimes sectors are gender-segregated; for example, textiles manufacturing is overwhelmingly staffed by men in Bangladesh, while undergarment factories have majority female employees.

**Obstacles and Enablers to Legal Framework and Enforcement**

Two main obstacles that hinder women’s legal rights in the workplace include the absence of laws and the unintended negative consequences of existing laws on women, or ineffective enforcement of these laws.

The obvious solution for the first obstacle is to create laws to protect women and promote their economic empowerment where these laws do not yet exist. Enablers to address the second identified obstacle are provided in more detail below. One key enabler identified is improving monitoring mechanisms, for instance through a certification system, grievance hotline, or legal counseling services. A second enabler is to increase women workers’ voices, for instance through worker committees that are women-specific or encourage women’s participation. These obstacles and enablers are explored in more detail below.

Obstacle 1. No Law Exists
While existence of a law does not necessarily guarantee its adequate enforcement, the total absence of a law to protect basic rights means the absence of the minimum legal guarantees. The study found that only a few countries have robust laws prohibiting sexual harassment in the workplace, and this represents an area for improvement given the relatively low cost of enforcement and the significant potential benefits for worker’s health, safety, morale, and productivity.

For example, in Kenya, interviews revealed that sexual harassment is very common in enterprises located in zones. What’s more, interviewees said that workplace sexual harassment even occurs during working hours; one interviewee called it an increasingly problematic “distraction” to supervisors. The harassment also contributes to the spread of HIV/AIDS among employees and to the occurrence of unwanted pregnancy.38

Enabler 1: Create Laws to Promote Gender Equity
Shenzhen legislation on gender equality, China
Shenzhen Special Economic Zone in Guangdong Province has put the “Gender Equality Promotion Regulation” into the legislative track, which will fill a gap in local regulations on gender equality in China. In 1993, Shenzhen Special Economic Zone was the first in China to issue implementation guidelines for the “Law of the People’s Republic of China on the Protection of Rights and Interests of Women.” After over ten years of practice and implementation, it is clear that an amendment of current guidelines will not be sufficient, and there is a need for new regulation to promote gender equality in the current social and economic situation in China.

The Women’s Federation in Shenzhen Special Economic Zone is spearheading the legislation with support from the Legal Affairs Committee and the Internal and Judicial Affairs Committee of Shenzhen People’s Congress. It will be the first local regulation to address the survival and development challenges of women in the new situation.39

Obstacle 2. Unintended Consequences of Laws and/or Ineffective Enforcement of Laws
In many cases, laws designed to “protect” women have unintended consequences. For example, strong maternity laws in Kenya pushed through by the country’s Ministry of Gender have in some cases resulted in employers refusing to grant women permanent contracts, to avoid paying this benefit.40 Similarly, in Bangladesh and Egypt, where the law requires employers to provide child care for female workers within certain provisions, many employers avoid the requirement by hiring fewer women, or by maintaining a substandard child-care facility that women don’t want to use.41 Similarly, restrictions on women’s working hours introduced to “protect” women actually hinder their ability to participate in the workforce. Indeed, gender-equal rules on working hours and industries are associated with more women in the workforce.42

Second, poor enforcement of laws is a shared challenge across all of the countries. For example, though laws prohibit discrimination based on pregnancy status, interviewees in El Salvador and Costa Rica said that women applying for jobs are often required to take a pregnancy test.43

To support the effectiveness of any law protecting women’s equality and empowerment, extensive awareness-raising in communities is also required to challenge societal practices that may run counter

40 Interview, Jonathan Chiffallu and Maria Ouya, Kenya Export Processing Zone Authority, May 12, 2010.
41 Interview: Ashraf Dowidar, Internal Trade Development Authority, May 4, 2010; Interviews BEPZA Counselors, Bangladesh, February–May 2010.
to the law. Without awareness-raising, legal protections are not likely to be translated into greater support of women at a societal level, thus limiting the impacts of a good law on women’s economic empowerment.

Enabler 2.1. Improve Monitoring Mechanisms

A way to improve compliance with the law, prevent unintended consequences, and ensure proper enforcement is to improve monitoring mechanisms. While the enablers listed below are not targeted toward zones specifically, the zone authority can play a role in linking and facilitating country-wide initiatives with investors and in developing zone-level monitoring where national capacity is low.

* Gender equity labor certification to facilitate compliance and enforcement, Costa Rica

Costa Rica’s Instituto Nacional de la Mujeres, or National Institute for Women (INAMU), has a “System for Labor Certification on Gender Equity and Equality in Costa Rica.” This mechanism, based on international norms, certifies companies for their performance vis-à-vis gender, with an aim to gradually eliminate the gender equity gap at work. Initiated in 2002, the system is currently being implemented by 5 companies and 10 more are interested in starting in 2012. The phases of implementation include training, issue diagnosis, establishment of a gender policy, and development of a plan of action. Participating companies must invest in these phases, and INAMU serves as the certifying body.

One challenge that the program faces is becoming financially self-sustaining. To achieve this, participating companies must fund the entire certification process. At present, companies pay a portion and INAMU pays the rest. Human resource capacity is also needed to continue to develop the model, as INAMU’s staff is only able to work part-time on the program. This is a result of spending cuts by the Costa Rican government that are affecting staffing on this and other governmental programs.

* Grievance mechanisms targeting women, Jordan and China

The National Center for Human Rights (NCHR) is an independent national institution in Jordan that monitors human rights violations and provides legal advice and assistance. The Center can receive complaints from female workers, for example, and can provide advice and assistance with legal redress if necessary. NCHR also visits enterprises in zones and supports Ministry of Labor inspections. Finally, the Jordanian National Commission for Women (JNCW) also has a women’s complaint office, which receives complaints about violence against women and workplace discrimination and harassment.

The Maple Women’s Psychological Counseling Center in China runs several hotlines and manages hundreds of volunteer counselors. The center listens to women’s grievances and tries to help them solve problems such as domestic violence. In 1992, the Center started the first Women’s Hotline in China to provide free services to women. The program has successfully established a process for screening, interviewing, and assessing volunteers to run the hotline service. In this way, the quality of the volunteers’ service is built and maintained, creating a valuable resource for the local community. The volunteer structure of the program also creates some challenges, including the difficulty of predicting volunteer availability for staffing the hotline. There is also the challenge of volunteer turnover. The Center addresses these challenges by providing continuous training opportunities for volunteers to expand their capacity in counseling, which also helps maintain their interest in providing service.

Other NGOs also provide similar services to disadvantaged women in China. For example, the Shaanxi Association of Women Lawyers provides women with legal services, such as securing injury
compensation and bringing sexual harassment lawsuits.

**Enabler 2.2. Increase Women Workers’ Voices**

Another means of improving enforcement is to engage women more effectively on rights awareness and their ability to communicate about rights violations. Women’s participation in organized labor is often low, and their participation in leadership positions tends to be even lower: Research in Bangladeshi zones found women’s participation in workers’ association executive committees was less than 1 percent. In general, women tend to be underrepresented in worker organizations and committees designed to promote workers’ interests with individual companies or industries. Adding women’s welfare committees to these organizations may help women gain a stronger voice, particularly in countries where women are traditionally less likely to occupy leadership positions or to speak up in large groups.

*Women’s representation in worker organizations, Kenya*

A successful example was observed in Kenya, on a cut-flower farm in the Naivasha region. The farm has established an innovative system of gender committees as subcommittees of the already established workers’ association. The gender committees enable the farm’s human resources department to monitor and address women-specific issues by working directly with female workers on the committees. The farm established the committees in response to a growing awareness among management of unplanned pregnancies, HIV/AIDS infection, and sexual harassment experienced by female workers. These challenges were recognized by management as a serious risk to stability, safety, and productivity in the workplace, yet the workers’ association (dominated by men at the time) seemed unable to identify or address the issues.

When the committees were first established in 2004, the company faced some challenges with getting them set up. The biggest challenge was a lack of understanding among committee members of their proper roles and responsibilities, which resulted in some initial conflicts with supervisors. To address this, the company invested in capacity-building training programs to help the committee members understand their roles and responsibilities, and to ensure effective management of each role. Examples of training topics include communication, running effective meetings, leadership, rights and responsibilities, HR policies and procedures, challenges women face in management, and others.

Another challenge was a misunderstanding by the workers of what the gender committees should be responsible for—many inappropriate issues were brought in front of the committees in the beginning, so the proper role of the committees needed to be communicated to the workers as well. A final challenge was encouraging women to take up positions as committee members, made difficult by a cultural view of women as inferior and incapable of taking positions of authority, according to a company HR manager.

Addressing these challenges and making the committee successful required patience and guidance from more senior HR staff. Another lesson learned was that after this initial hand-holding period, workers became highly capable of addressing the issues assigned to them with minimal supervision. Encouraging this sense of ownership by workers’ committee members will help make such committees successful.

Since establishing the gender committees, the farm has seen a reduction in unplanned pregnancies, an increase in HIV/AIDS awareness, an increase in condom use, and a reduction of workplace sexual harassment as well as active worker participation in developing a workplace sexual harassment prevention policy.

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45 BEPZA Counselor Research, Bangladesh, March-May 2010.

46 Interview and site visit, flower farm, Kenya, May 2010.
Women workers’ committees in labor unions, China
Most labor unions in China have women workers’ committees that address women’s issues. The scale, functions, and conditions of these committees vary. The progress or success of such committees depends on the vision and courage of the women leaders.

The Guangdong Provincial Labor Union, for example, was the first union to conduct a survey on women migrant workers’ needs in 2002. 200,000 migrant women workers in 1,000 non-state-owned enterprises took part in the survey. In 2003, the union also developed a three-level—city, district, and factory—occupational health and safety supervision system to strengthen participation and protection of women workers.

Encouraging worker feedback, Philippines
Creating ways for workers to share concerns and provide ideas for improvement is an effective way to both increase operational efficiencies and reduce the risk that problems will escalate to labor disputes. Since its employees are higher-skilled workers who are familiar with technology, the Nidec Corporation created an online “suggestion box” in 2009 that is still in use. The company has placed a computer station next to the canteen to allow workers to provide feedback in an easily accessible and nonintimidating location. Workers can choose whether or not to submit the feedback anonymously. The system has had a positive response from workers, and the company sees the tool as a great resource for management decisions—in terms of both listening to employees’ needs and concerns and collecting creative business solutions based upon the on-the-ground perspective.

One factor contributing to the success of this program is strong management support—the company sees value in reducing the likelihood of workers making complaints to external organizations. Workers also welcome this online system as it is easily accessible and they can provide feedback without attribution. There were some initial user-friendliness challenges in first week of installing the program; these were resolved by making improvements to the system based on worker input.
A wide range of social and cultural factors inhibit women's access to employment, affect their treatment within the workplace, and limit opportunities for professional advancement. The most significant barriers include the following:

1. **Cultural norms and expectations** influence women's role in society and economic opportunities available to women;
2. **Lack of access to education** limits women's employability and potential for upward mobility once employed;
3. **Inadequate knowledge of women's health issues and limited access to women's health services** pose serious obstacles for women that impact absenteeism and productivity;
4. **Lack of access to quality and affordable child care** has been noted as a significant challenge, even in countries where provision of child care is mandated by law; and
5. **Substandard or unsafe living conditions and transportation to the workplace** make women workers more vulnerable.

The obstacles identified above are explored in more detail below, and suggested enablers to address them are also discussed. These enablers include community outreach, government incentive programs, life-skills development, investments in girls’ education and workplace technical training, health education and workplace health services, workplace- or zone-provided child care, and provided transportation.

**Obstacle 1. Cultural Norms and Expectations**

Expectations about a woman’s role in society may limit women’s formal employment opportunities. Further, negative perceptions and discrimination lead to women gaining only short-term employment, which limits their opportunity for advancement.

In rural areas in Jordan and Egypt, it is common for male relatives to resist women working outside of the home because of religious norms restricting women’s mobility in public spaces. In most of the countries visited, even if women are employed, they remain responsible for maintaining the house and caring for the children, and women often do not have access to affordable child care. Women’s family responsibilities demand significant amounts of time, and may prevent the ability to work overtime, or to commute to places of work such as zones. Furthermore, the relationship between culture, laws, and enforcement of laws can compound obstacles to women’s to employment and access to redress if they experience abuse. In many countries, women do not report sexual harassment because of shame or fear of punishment by their family or community.
Women’s health, particularly with respect to women’s reproductive rights, remains a significant challenge in all the countries studied except Costa Rica. Contraception is particularly controversial in predominantly Catholic countries (El Salvador, Kenya, and the Philippines), and gender-based violence was found to occur in the home and the community in all countries.

Within this context, women’s access to formal employment in zones can have a positive effect by improving women’s status within the family and society. For example, in Bangladesh women’s employment in the garment industry has increased the age of marriage, improved the financial conditions of young women’s families through remittances, and reduced or eliminated the dowry in many areas of the country. These changes have also corresponded with a significant increase in the availability and uptake of contraception—99 percent of married women had access to contraceptives. Women’s self-esteem and self-perception have also changed because of new social relationships in all- or majority-female households and work environments.

This study also found “softer” obstacles to women’s entry into the workforce and professional advancement in zones. First, women are often, voluntarily or involuntarily, considered short-term employees of enterprises, as they are perceived to prefer to leave work once they marry or have children. This practice has started to change in many of the countries visited, particularly in those countries with a longer history of zones. For example, in China and Bangladesh, this study found that many women are beginning to marry fellow factory workers and remain in the city, rather than returning to their home. Despite this new evidence to the contrary, however, the majority of factory managers interviewed believed that female workers will leave after an average of two to three years. This perception can restrict managers’ willingness to invest in training for female workers’ professional advancement.

Societal perceptions and discrimination can also restrict women’s upward mobility and opportunities for advancement. In several of the countries, men were generally perceived as “better leaders.” Men were also perceived to have management skills that women lack. For example, in paternallistic or “machismo” cultures where men are the head of the family, women may often be assumed to lack leadership or management capabilities, or it may be considered culturally inappropriate for them to exhibit such qualities.

No concrete examples were observed of attempts to counteract these perceptions and the discrimination that potentially results. Initiatives identified in this study as enablers may contribute to changing these negative perceptions. Examples include sharing more data and information on women’s tenure, especially in those countries where women remain in the workforce, and investing in life skills and leadership abilities so women can demonstrate their leadership potential. Overall, creating a women-friendly work environment, through investments in comprehensive maternity leave, nursing benefits, and child-care centers, may help contribute to the ability of these trained women to return to an enterprise after having children.

Enablers

1.1. Community Outreach
As explained above, sociocultural constraints on the role of women in society can prevent women from seeking opportunities in the formal workforce, even when such employment is needed for monetary reasons before or after marriage. For example, as the ready-made-garment industry was becoming established in Bangladesh and young women were beginning to take employment in the capital city, Dhaka, a common perception held in rural areas was that those women would have no marriage

prospects. This perception has changed over time, and proactive community outreach would likely have changed it earlier. In this context, community outreach can provide significant contributions to expanding the labor pool to include women and to beginning to challenge gender norms and improve women's economic opportunities.

* Community outreach to encourage women's employment in zones, Jordan

Jordan has a domestic labor shortage, which has resulted in high levels of migrant workers, while many Jordanians, especially women, remain unemployed, in part because of cultural resistance to women working outside of the home. To address this resistance, government, zones, and enterprises, often in partnership, conducted community outreach in rural Jordanian communities near zones with the goal of increasing the number of Jordanian women workers. The outreach included speaking at community halls and also inviting women's parents to visit the factories. For example, every Saturday one enterprise invited 100 workers' families to the factory, and about 50 percent of the invited families attended. The factory used these visits to build a relationship with the community, and families became more comfortable with their daughters or sisters working in factories in zones, which led to an increase in employment and formal-sector income-generation opportunities for Jordanian women. One of these zone outreach programs, in partnership with the Ministry of Labor, successfully recruited 200 Jordanian workers from the southern part of the country, most of them women.

1.2. Life-Skills Development

Another powerful enabler for women workers in zones, particularly low-skilled workers, is basic life-skills development training. Many female workers are young migrants, with limited education and exposure to the urban environment, and may be unsure how to behave with male supervisors or co-workers. Training on communication, responsibilities, and proper behavior at work can help improve the work environment and prepare women for professional advancement opportunities more effectively. Furthermore, training on basic hygiene, clean preparation of foods, and literacy and numeracy can help female workers improve their job performance by eliminating simple risks and anxieties from their lives and can reduce conflict between urban and rural populations.

* Community-based interactive training project, China

A program conducted in Sanxiang Town (2000–2010), Wujiang Zone (2007–2008), Nanhai Zone (2004–2005), and Beijing (2007–2010) provided migrant women workers with free training and relevant services on legal awareness, occupational health and safety, psychological health and stress management, reproductive health and HIV/AIDS protection and prevention, interpersonal communication skills, financial literacy and life planning, and the start-up of small businesses. The program also developed social aid and services for migrant women workers, and mobilized resources from government, enterprises, and the local community to support social integration of rural migrants.

Training costs were approximately US$1,500–$2,000 per 100 participants. As a result of the program, more than 570 legal aid cases were handled, 495 of those cases for women. Among the cases, 565 were closed, and 522 were won or mediated successfully, with over 14 million RMB in compensation won. 100 migrant women workers’ lives were saved; 73 of these women who suffered poisoning from toxic substances at work were able to go to hospital or continue to receive treatment after accidents. Success factors for the program included collaboration between multiple parties with shared objectives, including the local government, unions, and organizations working on issues of family planning, migrant workers, or women.

49 Aisa Foundation: Community-Based Interactive Training Project for Migrant Women Workers in the Pearl River Delta.
Obstacle 2. Lack of Access to Education

Public expenditure on education and education performance indicators are closely linked to economic development and competitiveness. At the same time, it is common in the developing world, and demonstrated in all eight countries studied, that women have limited access to education and lower educational achievement. Where men are expected to be wage earners in a family, limited finances are often invested in boys’ education rather than girls’. Table 4 outlines education expenditure and performance data by country.

Countries with higher investment (public expenditure) in education tend to have higher education performance indicators, such as literacy and education enrollment rates. There are differences in educational achievement between men and women; for example, women’s literacy levels are lower than men’s in both Bangladesh and Egypt. Illiteracy can be a significant barrier to formal employment and can limit women’s access to redress if they are employed.

Lack of education was frequently cited during this research by factory managers as a reason for women not being promoted to line supervisor; the managers often explained they would be more likely to promote female workers if their education levels were higher. Education levels are not the only influence on female labor force participation, however, as cultural factors and family responsibility may also play a role. For example, despite Jordan’s high female literacy rate, only 15.5 percent of women are working or looking for work.

From a business perspective, a highly educated and skilled workforce contributes to competitiveness.

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**TABLE 4 Education Expenditure and Performance**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Bangladesh</th>
<th>China</th>
<th>Costa Rica</th>
<th>Egypt</th>
<th>El Salvador</th>
<th>Kenya</th>
<th>Jordan</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public expenditure on education per pupil in primary education PPP US$</td>
<td>$115</td>
<td>n/a in UN HDR 2009</td>
<td>$1,623</td>
<td>$478</td>
<td>$237</td>
<td>$695</td>
<td>$418</td>
<td></td>
</tr>
<tr>
<td>(2003–2006)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public expenditure on education as % of total government expenditure</td>
<td>14.2%</td>
<td>20.6%</td>
<td>16.6%</td>
<td>20%</td>
<td>17.9%</td>
<td>15.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2000–2007)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary) for total adult</td>
<td>68.7%</td>
<td>73%</td>
<td>76.4%</td>
<td>74%</td>
<td>59.6%</td>
<td>78.7%</td>
<td>79.6%</td>
<td></td>
</tr>
<tr>
<td>population, female population</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>68.5%</td>
<td>74.4%</td>
<td>74.8%</td>
<td>58.2%</td>
<td>58.2%</td>
<td>79.9%</td>
<td>81.6%</td>
<td></td>
</tr>
<tr>
<td>Literacy, % of total population</td>
<td>53.5%</td>
<td>93.3%</td>
<td>96%</td>
<td>66.4%</td>
<td>82%</td>
<td>66.4%</td>
<td>91.1%</td>
<td>93.4%</td>
</tr>
<tr>
<td>Literacy (for ages 15+), ratio female to male</td>
<td>0.82</td>
<td>0.91</td>
<td>1.00</td>
<td>0.77</td>
<td>0.94</td>
<td>0.90</td>
<td>0.91</td>
<td>1.01</td>
</tr>
<tr>
<td>Labor force participation rate (female population)</td>
<td>57.4%</td>
<td>69.3%</td>
<td>43.1%</td>
<td>24.3%</td>
<td>44.5%</td>
<td>74.1%</td>
<td>15.5%</td>
<td>49.8%</td>
</tr>
</tbody>
</table>


Note: Where information is not provided, it is not available. More information about country-level education policy and practice can be found in the country case studies.
by attracting foreign investment in industries with higher-paying jobs that demand skilled labor. Education and skills further contribute to the development of robust domestic industries as well. Having a skilled and educated labor force composed equally of women and men can contribute to better stability and productivity in the workplace via the increased skilled-labor pool.

Enablers

2.1. Invest In Education and Target Girls as Beneficiaries

Costa Rica and Bangladesh offer two useful examples of the value of education in driving higher levels of investment and improving women’s access to equal opportunity in formal-sector employment.

* National program ensures girls stay in school longer, Bangladesh

In 1982, the Bangladeshi government created the Female Stipend Program (FSP) to keep girls in school longer and delay marriage and motherhood, and thereby support poverty alleviation. The program was piloted in six provinces and expanded throughout the country in 1994. FSP provided a monetary stipend to rural girls entering secondary school, including a monthly sum ranging from Tk 25 in Class 6 to Tk 60 in Class 10 ($0.37–$0.88 in July 2006), as well as additional support for books and exam fees. Participants are also required to abstain from marriage until after obtaining their school certificate or turning 18. From the introduction of the nationwide program in 1994 through 2003, girls’ enrollment in secondary school almost doubled, from roughly 240,000 to almost 450,000.52

In the 1990s, the focus of FSP expanded beyond reducing fertility to include increasing women’s employment opportunities in both the formal and informal sectors. This was seen as an effective means of reducing rural poverty and driving economic growth. These shifting objectives corresponded with the growth of the ready-made garment (RMG) sector, and the creation of millions of unskilled job opportunities for women, who represent the majority of employees in the sector. Over time, FSP will increase the education and skills of the RMG sector’s workforce. In the future, an educated female workforce could contribute to increased foreign investment in the RMG sector, and to investments in other higher-value sectors, such as electronics parts assembly and IT services.

* Long-term investment in education supports high-skilled industry, Costa Rica

The Costa Rican government has invested significantly in public education since 1948, allocating a minimum of 6 percent of GDP to educational programs annually. The government has programs to guarantee literacy in computer sciences and English as a second language.53 As a result, 11 percent of men and 9 percent of women are fluent in English, which has contributed to Costa Rica’s ability to attract foreign investment in service-sector industries that require bilingual workers.

* High school internship program, Costa Rica

A multinational company operating in Costa Rica faced the challenge of a shortage of skilled and bilingual workers. The company identified the need to provide opportunities for students at low-income public schools with potential, but no previous work experience. The company partnered with the Costa Rica Investment Promotion Agency (CINDE) and a public high school to offer two-month placements for students in their last year of high school. Although the program did not directly target female students, over half the participants were female—19 (73

54 Instituto Nacional de Estadística y Censos (INEC), July 2009. Data from the 2009 Census “la Encuesta de Hogares y Propósitos Múltiples.”
percent) in 2008, the first year of the program, and 26 (59 percent) in 2009. The program had a positive impact on the students and the company. Upon completion of the internship, most students were offered a full-time position with the company. Upon completion of three months’ full-time work, employees (including the former interns) have access to free language courses with 100 percent tuition reimbursement. After 6 months, employees can access free college courses with 100 percent tuition reimbursement. As a result of these investments, the company has an employee base that is skilled and dedicated.

**Obstacle 3. Lack of access to Technical Skills and Education**

As noted earlier in this paper, SEZs provide significant and often unique opportunities for women to enter the formal workforce. A remaining challenge is providing opportunities for female workers to advance beyond entry-level positions, which are often unskilled or low-skilled jobs.

This study indeed found that though women tend to be the majority of unskilled or low-skilled workers in zones, the majority of supervisors remain male. For example, in Bangladesh, detailed reports on 13 randomly selected factories revealed an average of 25 percent female supervisors compared to 60 percent female workers. Table 5 below provides an example of how the percentage of women decreases as job grade increases.

Education and skill development remains a key barrier to women’s upward mobility. Basic skills programs will help women build a platform to advance in the future, and targeted professional development training for promising female workers can help them advance in the near term. In certain countries, where mixing of genders is particularly sensitive, separate training courses for women and men may encourage higher participation by women.

Business benefits from such programs include improving the skill base of the workforce. In addition, investing in workers’ professional development and implementing transparent upward-mobility policies helps reduce turnover and increase loyalty as well as improve product or service quality and productivity. In Costa Rica, robust systems of subsidized technical training on technical skills and English-language skills have contributed to a higher-skilled workforce and drawn higher levels of FDI in higher-skilled industries. Costa Rica has 95 technical schools and 60 universities, and the National Training Institute (INA), an autonomous public institution, offers free technical training. Costa Rica’s investment in education and training has supported the growth of higher-value export sec-

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**TABLE 5 National workers by gender and job level, Bangladesh**

<table>
<thead>
<tr>
<th>Zone</th>
<th>Worker (minimum hourly wages)</th>
<th>Office-based Assistant (higher hourly wages)</th>
<th>Officer (Executive-level) (salary wages)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Female as % of Total</td>
</tr>
<tr>
<td>CEPZ</td>
<td>43,244</td>
<td>83,045</td>
<td>66%</td>
</tr>
<tr>
<td>DEPZ</td>
<td>28,900</td>
<td>33,708</td>
<td>54%</td>
</tr>
</tbody>
</table>

Source: BEPZA Zone Data September, 2009

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55 BEPZA Counselor research, April-May 2010.
tors, including parts assembly, medical devices, electronics, aerospace, and financial and shared services (which represent 26 percent of productive activity). By contrast, the textile and garment industry, a lower-value sector, represents only 16 percent of activity in free trade zones.57

Factories often provide entry-level training for workers, but rarely train on basic educational skills like literacy and numeracy, which female employees in particular may lack. In addition, entry-level training is often on-the-job, so unskilled women will start as “helpers” and will work as such for 6 months to a year on average. This limits the ability of qualified workers to distinguish themselves in the way that they could in a dedicated training program, and lengthens the time women are required to work in a lower position.

Several factory managers expressed concern that investments in training workers beyond basic technical skills are wasted, because once a worker is trained at a higher skill level, he or she is more likely to leave the factory for better-paying work. One way to address this is to link completion of skills training to promotion or salary increase, coupled with commitments by workers to remain in the factory for six months. This could increase training participation rates and trained employee retention rates. Another strategy to overcome this dilemma is to ensure that training is generally more widespread across factories, making it less appealing for workers to switch factories post-training. Governments and zones can support this by creating subsidized programs in zones and promoting their uptake among zone investors.

**Enablers**

3.1. Create Policies and Training Programs to Support Promotion from within

Trainings to help workers advance within an existing place of work were found to be rare in the zones included in this study. Instead, common current practice was to hire supervisors externally, and qualified supervisors tended overwhelmingly to be male.58 Promoting trainings to “up-skill” existing workers and encourage promotion from within would likely disproportionately benefit female workers in companies where they represent the majority of low- and unskilled workers.

Interviewees commented that more effective policies and programs to promote from within would likely also provide time and cost benefits. For example, an existing worker is more likely to know internal systems and thus will only require training on new job responsibilities, in contrast to a new hire. An existing worker will also have established relationships with peers and staff and can build on these in the work environment. This study found a few examples of successful promotion-from-within policies in Costa Rica and Jordan.

- **Corporate training to enable promotion from within, Costa Rica**
  Professional development programs are common in enterprises in Costa Rica. For example, some companies have internal training centers, called “company universities.” One electronics manufacturer has a training model that includes new employee training and on-the-job production-line training, as well as training and onsite coaching by clients. This company also has an internship program with a local university for second-year university engineering students. The company provides its employees with a few hours of paid time off per week to continue their studies (28 percent of employees are currently studying), and provides free weekly English classes for employees at the supervisor level and above.

- **Promoting from within, Jordan**
  One company in Jordan had an explicit policy of skills training and promotion from within.

The former general manager of an enterprise in a zone built a systematic training program aimed at teaching local Jordanian workers the soft and technical skills needed for promotion and introduced a promote-from-within policy. The former factory general manager reported that during a 20-year period, more than 200 supervisors were trained, all of whom were promoted from within, and that most middle managers, excluding engineers, were also promoted from within. The business benefited from the skills enhancement through increased productivity and employee satisfaction.

A primary challenge was that all trainees also held supervisory responsibilities and were expected to deliver results in a certain time frame, which at times made some of them miss classes. Unfortunately, the program was stopped when the company underwent downsizing that cut the workforce and management in half.

3.2. Incentivize Enterprises to Provide Skills-Training Programs to Workers

Female workers will benefit disproportionately from skills-training programs because they often make up the majority of low- and unskilled workers, and because they are more likely to have less education and limited access to training outside of the workplace. This study found several examples of government incentive programs to help enterprises provide training to their workers.

* Government incentives, Costa Rica
The free zone law states that (a) a company in the free zone that trains small and medium enterprise (SME) suppliers to become part of the company’s supply chain receives a discount through a fiscal credit, (b) the National Learning Institute (INA) offers free specialized technical training and English courses to workers in free zones upon demand by companies, and (c) the government is committed to ensuring that universities and technical institutes include curricula that match the needs of the workforce of companies in free zones.

* Support uptake through public-private partnerships, Egypt
The Egyptian government’s Ministry of Trade and Industry also offers a subsidized skills-training program for factories. Factories apply and pay 10–20 percent of the training costs, while the ministry pays 80–90 percent and provides an onsite trainer. Training programs are run by three NGOs. Workers who participate in the program develop improved skills and managerial abilities and increase their opportunities for promotion. In turn, this enables factories to promote from within, extending workers’ tenure rather than hiring from the outside.

3.3 Target Women Specifically for Training Programs

Women may not benefit from skills-training programs where they do exist because they are not considered for participation, or they may lack access to the targeted jobs themselves. Both the private sector and civil society can contribute to making women and girls more job-ready through specialized skills training and job placement programs.

* Gap Inc. P.A.C.E. Program, India
The P.A.C.E.—Personal Advancement, Career Enhancement—Program targets women garment workers to help them realize their professional potential. The program aims to make an impact both in improving women’s lives and in enhancing workplace effectiveness and related business growth. Training modules include Communication, Problem Solving and Decision Making, Time Management, Executive Excellence, Financial Literacy, Women’s Health, Legal Literacy, and Social Entitlements. Factory management has noted improvements in the production output of the training participants, as well as in communication, anger management, leadership, and punctuality.60

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Social and Cultural Factors

- **Initiatives for training and employment for women, Jordan**
  The Satellite Factory Program includes four months’ on-the-job training for Jordanian women workers. After the women have completed this training, they continue working full-time for the enterprise. There is also a public-private partnership in Jordan between the government and the Jordan Forum for Business and Professional Women (JFBPW). This partnership offers skills training to local female workers to increase their employability and reduce the need of local enterprises to hire foreign workers. The program, called “National Initiative for Training and Direct Employment for Women,” will provide the private sector with 5,000 trained women employees.

- **Skills training and job placement program, Kenya**
  TechnoServe’s Young Women in Enterprise Program builds young women’s skills and connects them to formal-sector job opportunities. TechnoServe works with secondary schools and community programs in the slums to reach the target 15–25 age group. The training program focuses on business skills, life skills, communication, and entrepreneurship. Although the original objective of the program was to help young women start their own businesses, the young women requested training to help them access formal employment opportunities. Once young women have gone through the initial training program, they are connected with CareerLink, a job placement partner of TechnoServe that helps women find jobs, including in zones. This program can provide employers in zones with skilled and educated young women who are able to communicate effectively within the workplace.

**Obstacle 4. Inadequate Knowledge of Women’s Health and Limited Access to Women’s Health Services**

A significant concern and challenge for women in the countries included in this study is their health, often worsened by a tendency to place family needs above personal needs. Female factory workers are vulnerable to a myriad of health issues, including malnutrition, poor menstrual hygiene, communicable diseases, pregnancy complications, lack of access to or incorrect use of family planning products, reproductive infections, and sexually transmitted diseases.

Table 6 below shows how countries’ public expenditure on health varies and is positively linked with health indicators. Understanding key health indicators is important for assessing the potential of the workforce and designing effective programs for the delivery of services to address key needs and boost competitiveness.

The table above contains key women’s health indicators that can provide insight into the general status of women’s health within a country. For example, the variance between Kenya and Bangladesh versus China and Costa Rica on births attended by a skilled health professional indicates a lower rate of access to maternal health care in Kenya and Bangladesh. This also correlates with higher levels of maternal mortality and can imply a cultural devaluation of women’s health and women’s lives.

**A major challenge for women is the lack of health awareness.** In the majority of the countries included in this study, there is no sexual education in schools and societal norms restrict women from open discussions about their health within the family. As a result, women often lack both access to health care and the information that would help them better care for themselves.

Female zone workers may also face health and security risks outside of the zone that affect their ability to work. In most of the countries visited, most significantly El Salvador and Kenya, violence against women is common and, particularly in Kenya, rape

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62 Interview: Dr. Mervat Nessiem, Center for Development Services, May 2, 2010.
Fostering Women’s Economic Empowerment through Special Economic Zones

TABLE 6  Health Expenditure and Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Bangladesh</th>
<th>China</th>
<th>Costa Rica</th>
<th>Egypt</th>
<th>El Salvador</th>
<th>Kenya</th>
<th>Jordan</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Expenditure on Health – Per capita PPP (US$ 2006)</td>
<td>$26</td>
<td>$144</td>
<td>$565</td>
<td>$129</td>
<td>$227</td>
<td>$51</td>
<td>$257</td>
<td>$88</td>
</tr>
<tr>
<td>Public Expenditure on Health – as % of total government expenditure (2006)</td>
<td>7.4%</td>
<td>9.9%</td>
<td>21.5%</td>
<td>7.3%</td>
<td>15.6%</td>
<td>6.1%</td>
<td>9.5%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Women with Unmet Family Planning Needs</td>
<td>17%</td>
<td>2.3%</td>
<td>5%</td>
<td>9.2%</td>
<td>8.9%</td>
<td>24.5%</td>
<td>11.9%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Births Attended by Skilled Health Professional</td>
<td>18%</td>
<td>97%</td>
<td>99%</td>
<td>74%</td>
<td>92%</td>
<td>42%</td>
<td>100%</td>
<td>60%</td>
</tr>
<tr>
<td>Maternal Mortality Rate (per 100,000 live births)</td>
<td>340</td>
<td>38</td>
<td>44</td>
<td>82</td>
<td>110</td>
<td>530</td>
<td>59</td>
<td>94</td>
</tr>
</tbody>
</table>


and workplace sexual favors are extremely common. In addition, women suffer disproportionately from the HIV/AIDS epidemic in the country, as they are biologically more vulnerable to sexual transmission and it is their societal responsibility to care for family members who are HIV positive.

Another challenge is the lack of access to health services. In the countries studied, class is typically the primary factor in determining a woman’s access to health care, and lower-income families will tend to direct their limited resources toward men’s and children’s health. Working women often lack access to services because of time constraints and the limited locations where public services are available. Women’s health services can also be costly, or lack of awareness may prevent women from accessing services that are available. Finally, as the majority of female workers in zones are migrants from rural areas or different countries, they are often not aware of or are disallowed from accessing local services. In China, female and male migrant workers are rarely covered by health insurance, because of strict provisions of the household registration, or Hukou, system. This system only allows female workers access to services located within the area where their household is registered, typically a rural homeland.

At the same time, female workers’ health has been demonstrated to have direct and significant economic implications for absenteeism and productivity and, as a result, national productivity and businesses’ bottom line. For example, 51 percent of female workers surveyed in one Egyptian factory said they had missed work because of painful menstruation—a preventable situation if the women had been more aware of treatment options and able to talk about the issue more freely. Studies have also demonstrated the positive business impacts of workplace women’s health programs, including a 2007 study in Bangladesh that found a $3:$1 return on investment from a women’s health program in the form of reduced absenteeism and turnover.

Enablers

4.1. Workplace Health Education

The average level of female factory workers’ health awareness is extremely low, which indicates the potential for significant improvement through low-cost awareness-raising interventions. Such interventions can be designed and implemented by experienced NGO trainers or integrated into existing workplace training and outreach programs. Potential activities include informational events with health experts and service providers as well as train-the-trainer or peer-to-peer training methods, both of which take advantage of existing employees and communication networks to spread key messages.

* Improving health knowledge and access, Egypt

To address low levels of health awareness among female factory workers and to demonstrate the benefits to businesses of factory-based health programs, a “health enables return” project was implemented in three garment factories in Egypt over the period 2009–2011. The model included identifying peer educators in each factory, delivering monthly training sessions to the peer educators on women’s health topics, and then encouraging the peer educators to spread their learning to peers and be available to counsel female workers while at work.

Factories in zones are a rare location where women are away from their home and together in large groups, creating a critical opportunity to offer peer-based learning. By starting with general training and discussion of life skills, factory participants have grown comfortable talking about additional issues that are taboo in Egypt, such as reproductive health and family planning. As one factory worker said, the program has “broken the silence.” At completion, the program was found to have improved women’s health knowledge on key topics including family planning, menstrual hygiene, pre- and postnatal care, and sexually transmitted infections and blood-borne diseases. Health behavior and attitudes also improved with regard to hygiene, nutrition, a healthy lifestyle, and female genital mutilation. By investing in women’s health education, the participating factories have also benefited and increased their competitiveness. Specific business benefits include:

* Reduced health-related absenteeism: One factory saw a reduction from 13.5 to 9.5 percent; the other from 15 to 10 percent;
* Reduced requests for early leave, particularly for reasons related to menstrual pain;
* Increased employee loyalty, especially among women workers: One factory saw a 5+ percent difference between the turnover rates of women and men at the end of the project;
* Improved productivity;
* Improved worker-management relations;
* Improved worker concentration; and
* Increased leadership and communication skills among workers.

Challenges encountered during the program included time limitations for training within the factory, mostly tied to production peaks; resistance from some factory managers; turnover of key program staff such as peer educators, nurses, and project trainers; and cultural challenges in addressing sensitive women’s health topics. Challenges were addressed throughout the project using collaboration, training methods for new recruits and peer educators, and training materials formulated for dealing with sensitive issues.

A key factor in the program’s success was its focus on factory nurses’ involvement, development, and leadership. Nurses’ roles and performance expectations were also expanded in some factories, to include counseling and factory-based presence—their role was made more proactive and

67 Women’s General & Reproductive Health in Global Supply Chains, October 2006.
69 Interview: Dr. Mervat Nessiem, Center for Development Services, May 2, 2010.
focused on preventative care, rather than reactive and focused on basic treatment for accidents and emergencies.

This program has the potential to be rolled out to factories operating in zones around the world. It is currently being successfully implemented in more than seventy factories in Bangladesh, China, India, Mexico, Pakistan, and Vietnam.

* Creating networks of mothers, El Salvador

One garment factory in El Salvador provides a “Club Futura Mamá” (Future Mothers’ Club) as well as gynecological and pediatric services offered by the zone health services in Export Salva and AIP zones. This club focuses on ensuring better health for women employees who are pregnant or have recently given birth and for their children. Prenatal activities include training on nutrition and care of infants, and postnatal activities include counseling and assistance in caring for the child. The company brings in outside service providers when needed for support.

By ensuring that its women workers understand how to properly care for themselves and their children, the company creates business value through a more satisfied workforce, and reduced absenteeism and turnover. This service is particularly impactful since many of the workers come from rural areas where science-based reproductive health education is limited.

4.2. Provision of Women’s Health Services Within the Workplace or Zone

In addition to low awareness, female zone workers’ access to health services is quite limited. For example, in Chittagong EPZ, Bangladesh, workers reported traveling up to one hour to visit a full-service hospital. At the same time, key women’s health services directly related to workplace attendance and productivity, such as pre- and postnatal examinations and care, gynecological exams, and family planning counseling and contraceptive distribution, could be administered in workplaces through zone facilities.

* Providing Women’s Health Services, Bangladesh, El Salvador, and Jordan

Factory clinics provide basic services and most have a doctor for a few hours a week, but they are often ill equipped to address female health issues. Given the limited capacity of factory clinics in Jordan, the General Trade Union of Workers in Textile Garment & Clothing Industries (JT-GCU) has established and manages two zone-wide general medical clinics in Irbid and Al Dulayl zones. Factories can pay the union a fee to treat their workers at the union clinic, which has more advanced medical services and women’s health care services including gynecology, obstetrics, and ultrasound. In Bangladesh, the Dhaka EPZ has a hospital that provides prenatal care to female workers, and El Salvador’s American Park and Export Salva zones have clinics with gynecologists on staff.

* Targeted health intervention: Anemia and intestinal worm treatment, India

An anemia and intestinal worm treatment program and ROI study conducted in seven factories in Bangalore, India, from July 2004 through March 2005 provided drug treatment, dietary supplements, and awareness raising for women workers over a nine-month period. Health assessments and administration of drugs were delivered through a partnership with St. John’s Medical College, Bangalore. The program saw a reduction in workers who were anemic from 29.6 to 16.1 percent. Productivity rates for the treated group of anemic workers were increased by 6–8 percent on average. With an average of 30 percent of factory workers testing anemic in the study, treatment programs could be expected to raise overall factory productivity by 2–3 percent.71

Obstacle 5. Lack of Access to Quality and Affordable Child Care

Another major challenge for women in the zone workforce is child care. In many developing countries, traditional child care is often provided within the family by older relatives. However, as working in zones often requires migration to cities, female workers may not have such family nearby, which leads forces them to rely on “nonfamily child care”; finding affordable, convenient, and quality child care is a struggle in these instances.72

Reliable child care was found to be extremely important to the women workers interviewed in this study. For example, in Kenya, female factory workers are paying almost 3 times their cost of rent for good child-care services, and opt to live in the slums to afford these services. This indicates that high-quality workplace child care can serve as a strong nonfiscal incentive for women to remain in their job, thus increasing employee retention.

A few of the countries included in this study have laws requiring workplace child care to be provided. In Bangladesh, for example, the labor law requires that companies provide a “children’s room” for every 40 female workers with children below 6 years of age.73 This law is primarily directed at the RMG sector in Bangladesh, which represents a significant number of enterprises in the country’s SEZs. Unfortunately, this study found that in practice the law was not very effective. Workers interviewed reported they were not using the facilities because the services provided were inadequate, inaccessible, or culturally unacceptable.

Specific reasons given for underutilization of the child-care centers included:

1. They are not secure or oversight is poor (reported by 84 percent of interviewees)74
2. The center is too small or poorly ventilated (16 percent)75
3. Transporting children to zones is a challenge (16 percent)76
4. Many centers simply comply with the literal law and offer a room without child-care providers, or the child-care providers are under-qualified
5. Factories place limits on use of child-care centers, such as age or number of children
6. There is a cultural preference to leave the child with a relative or trusted elder near home

In other countries, such as China, Costa Rica, and Kenya, no law requiring child-care provision exists.

The benefits to businesses from providing workplace child care include reducing turnover, encouraging the return of new mothers to work, reducing absenteeism, and improving women’s ability to concentrate on work.77 The return of new mothers to work is also closely linked to upward-mobility opportunities, as few factories interviewed give women credit toward promotion based on previous work in other factories.

Enablers

5.1. Workplace or Zone Child Care
Quality and affordable child care within the workplace or within zones can help address this obstacle and help women reduce absenteeism and stay at work after they have children. Zones offer a unique opportunity to create shared services, and to reduce the burden of monitoring service quality by having fewer and larger child-care centers. This study found no existing examples of zone child care, but did find examples of successful workplace child-care programs.

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73 Section 94, Bangladesh Labor Law 2006.
74 BEPZA Counselor research, April–May 2010.
75 BEPZA Counselor research, April–May 2010.
76 BEPZA Counselor research, April–May 2010.
Providing workplace child care as a means to reduce absenteeism and improve productivity, India

Golkadas Images Private Limited has sixteen factories employing approximately 13,500 people in and near Bangalore, India. 85 percent of Golkadas Images’ employees are women. The company established a workplace “crèche” (child-care center) in one factory in Bangalore in response to a demonstrated need among workers, as well as a subsequent national law requiring such services. The crèche is available for workers’ children age 6 months and up, and there is no waiting list or restrictions on usage. Since creating the crèche, Golkadas Images’ management has observed improved productivity and attendance at work by female workers with children.78

Obstacle 6: Substandard or Unsafe Living Conditions, Located far from Place of Employment

Female workers in zones face several challenges related to their living conditions, and these challenges can impact their ability to go to work. Poor quality of accommodations and basic services, excessive distance between home and zone, and unavailability of safe and reliable transportation to and from work are the main issues female workers face.

In most of the countries included in this study, the majority of female workers are young, single rural migrants who must find their own housing or shared housing near their place of work. The majority of female workers in zones in Kenya and Bangladesh live in slums, where sanitation is poor, access to water and electricity are limited, and, particularly in Kenya, high risks to personal and property security exist.79 In other countries studied, workers live in slightly better conditions, but still face significant challenges regarding transportation access and proximity to work.

Dormitory housing, common in Chinese SEZs, is one option that can help alleviate these challenges. Such housing must have hygienic facilities available, and access to water and electricity for cooking and washing. In many countries, such housing will also need to be gender-segregated by building because of cultural sensitivities about single men and women having ready access to each other.

Living conditions can have significant time implications for women, for both their personal hygienic needs as well as their responsibilities for cooking and cleaning at home. A 2000 study in Bangladesh found that female garment workers used bathrooms shared “between 16–22 boarders, on average, and cooking gas burners or heaters shared between 10–15 families.”80

Enablers

6.1 Address Women’s Unique Needs at Home through Policies and Services

Living conditions, housing, and transportation impact both the quality of life of women workers as well as productivity, absenteeism, and turnover at the enterprise where they work. Some zones and enterprises have tried to identify innovative solutions for housing and transportation challenges.

Zone-organized transportation, Costa Rica

In Costa Rica, transportation can be a logistics and safety challenge for workers who live in communities located varying distances from the zone and work different shifts, who therefore do not always have access to public transportation; moreover, public buses are often crowded and are not always safe, particularly for women. As a solution, the zone administrator worked with companies to identify a bus route that meets the needs of the workers, and

78 Catherine Hein and Naomi Cassirer, Workplace Solutions for Childcare, ILO (2010).
79 Interviews, various, May 2010; Kibera slum visit and interviews, May 13, 2010.
established a contract with a private bus company for a defined route at established prices. The employees purchase bus tickets and therefore are liable (not the zone or enterprise); however, companies often subsidize the cost of the tickets. Workers save time by commuting on this express bus, and enjoy increased safety and convenience from being picked up in their community and arriving inside the zone. The enterprises benefit from workers’ increased punctuality, enhanced productivity (workers are less tired given the shorter and safer commute), and higher levels of control and security within the zone, as only private buses carrying zone workers are allowed to enter the zone.

Program costs are low, and most drivers obtain the required government permit and pay a related monthly fee of US$200. In the twelve years that the service has been in operation, the number of workers using it has stayed consistent, and at present it moves a population of 6,000 workers to and from their jobs.

Although it has been very successful, the program faces some challenges related to competition from a small number of private transport providers that corner the transportation market and control the prices.

* **Satellite factories located near rural villages, Jordan**

A satellite factory program in Jordan brings zone-status factories to workers by establishing factories in rural areas that hire almost entirely Jordanian women. These factories are established through a public–private partnership whereby the Jordanian government provides incentives and financial support, including zone status, for enterprises to locate a factory in rural villages and to provide four months’ on-the-job skills training for Jordanian women. The program also provides transportation from the factory to the workers’ communities. The program includes intensive community outreach to women and their families to encourage uptake of job opportunities. The five satellite factories currently employ 1,200 Jordanian women.

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81 Individual enterprises are awarded the financial and logistical benefits of locating within a physically delineated SEZ, although they are not actually located there.
The opportunities for women to invest in zones and for female entrepreneurs to benefit from opportunities linked to zones were evident in all the countries studied. Much of that potential is currently untapped—there are few, if any, successful examples of programs or policies targeting female entrepreneurial investment in zones.

In some countries, limited female entrepreneurship in the zones is consistent with businesses outside the zone; for example, women account for only 4% of entrepreneurs in the formal sector in Jordan, even though 90 percent of businesses in Jordan are SMEs. In other countries, such as Bangladesh and Kenya, female entrepreneurship is relatively strong, particularly in the informal economy. However, women struggle to create businesses in zones or businesses that link to the export market more generally. This is partly linked to the fact that women-owned businesses on average tend to have fewer employees and lower sales and invested capital as compared with businesses owned by men. Smaller businesses with limited growth potential also have limited investment opportunities in most SEZ programs, as these programs tend to favor larger, export-facing businesses.

Female entrepreneurs face the following obstacles to investing in zones:

- Lack of access to land;
- Intimidating, time consuming, and bureaucratic administrative requirements for starting a formal business;
- Unavailability of business support services such as training on business skills, management, and market identification; and
- Lack of access to capital and finance.

No good examples were found of programs specifically targeting women looking to invest in zones. Although there is currently limited female entrepreneurship in zones, the potential exists for women to own factories and small businesses in zones or linked to zones—for example, input businesses that serve clients in a zone. Another opportunity is to encourage women-owned service businesses, such as cafes, small shops, or privately owned daycare centers. For these opportunities to become a reality, however, female entrepreneurs require access to information on international markets and exporting, as well as access to finance and technical assistance to navigate the process of establishing a business in a zone.

82 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ)*.
Obstacle 1. Lack of Access to Land

Women are hindered from accumulating assets and growing their businesses in countries where women’s access to land is constrained by legal restrictions on land ownership and leasing, inheritance laws, mortgage laws, customary laws, or other administrative barriers. Where the overall legal and regulatory environment in a country constrains women, they may often not be aware of or able or confident to pursue entrepreneurship opportunities within zones, even in cases where SEZ laws and regulations do not overtly prevent investment by women.

Enablers

1.1. Enact Laws and regulations that Give Women and Men Equal Access to Land

SEZ development is frequently associated with the provision of serviced sites. In association with this, improved land-use and land-rights-acquisition laws and regulations may be developed. The resulting arrangements for investors to acquire land in SEZs by purchase or lease should be reviewed through a gender lens. The following checklist (Box 8) is designed to ensure that the legal framework for land acquisition enables women business owners to acquire and develop SEZ land on the same basis as their male counterparts. This also fits the incubator role of SEZs, where reforms are piloted that can then be scaled up to the national level.

Obstacle 2. Administrative Requirements

There is growing evidence that women can find it more difficult than men to start and operate their businesses in the formal economy. Legal or cultural limitations on their ability to travel may mean that women cannot get to a registry to file the necessary documents; time poverty may also constrain women’s ability to undertake the bureaucratic steps necessary to register a business, apply for licenses, or deal with customs authorities; and often when women seek to interact with bureaucratic procedures, they are much more likely than men to suffer harassment (including sexual harassment) and be disadvantaged in their dealings with public officials.

Enablers

2.1. Streamline Administrative Barriers that Hinder Women within SEZ Laws and Regulations; adopt Gender-Equality Policies and Guidelines for SEZ Operators

Where SEZ development is designed to include piloting of improved approaches to issues in the wider investment climate—such as business entry, tax, or import or export procedures—a gender lens should be applied to highlight the constraints of women entrepreneurs in the formal economy and to address those challenges within the SEZ regulatory framework. Zones’ piloting and incubating role could be expanded to streamline administrative processes required for business startup, licensing, and trade logistics and to introduce
Poor Investment Climate and Lack of Business Support Services

and implement new policies and procedures that would eliminate the barriers specific to women entrepreneurs.

In addition, modern best practice is for SEZs to be developed and administered by private-sector rather than public bodies. Even when laws and regulations are gender-neutral, the attitudes and practices of such bodies (whether public or private) can discriminate against women. The following checklist will help SEZ authorities assess the extent to which their policies and practices facilitate cultivation of both female and male business owners. Where the SEZ authority is not yet in existence, the checklist should be discussed with the government body or ministry responsible for advancing SEZ development as a means of incorporating a gender lens into that authority.

Obstacle 3. Unavailability of Business Support Services such as Training on Business Skills, Management, and Market Identification

Individual and group interviews with female entrepreneurs revealed that though small-scale female entrepreneurs were relatively common, expansion of their businesses into more medium-sized enterprises was a challenge shared by all female entrepreneurs. Growing businesses, and in particular expanding local and domestic businesses to be export-facing, requires networks and know-how that the majority of female entrepreneurs lack. The three main challenges reported by interviewees were acquiring business-management skills and knowledge; identifying markets, marketing products, and acquiring export-specific knowledge; and gaining access to a business network.

In Kenya and Bangladesh, though strong cultures of female entrepreneurship exist, female entrepreneurs have difficulty scaling up their businesses into sustainable operations. Export businesses in particular, which are often predominant within zones, are particularly difficult for women to break into because their businesses lack the necessary scale and financial backing for exports, and they lack the networks necessary to build an international client base.

Another great need is access to training and mentors. Women entrepreneurs in the Middle East and Africa are interested in receiving external training and support services. In Kenya, female entrepreneurs often learn better business practices through accidents and emergencies—for example, learning about taxes when the tax man comes to report that their taxes have not been filed properly. As such, female entrepreneurs need experts

85 Female entrepreneur focus group, IFC Nairobi, May 10, 2010.
and mentors to teach them the basics and prepare them for what is to come in order to avoid costly mistakes.

The Kenya Export Council has information about exporting on its website and offers one-on-one assistance in four centers in Nairobi. However, too few people, particularly women, knew about the services or where they were available. Another program, in the Athi River Zone in Kenya, offers a system that allows people to lease a space for cooperative use. This is a useful opportunity for women, because they often lack the capital to expand to an export scale independently.88

Enablers

3.1. Linkages to Training Programs, Networks, and Centers Targeting Female Entrepreneurs

Women entrepreneurs in Bangladesh and Kenya expressed the need for female entrepreneurship centers, where women could access information and training on topics like writing a business plan, creating a budget, and information and communication technologies (ICT) skills, and could get enrolled in mentorship programs with other female entrepreneurs. This study found innovative programs in Jordan, Egypt, Costa Rica, and Tunisia that are working to address these barriers and maximize the potential of female entrepreneurs. Plenty of opportunities remain to invest in this area.

* Export toolkit, Jordan

To help address lack of access to markets and education and business management training, an export toolkit for women was produced.89 The toolkit provides a step-by-step explanation of how to establish an export business, from the inception of the idea through to accreditation, marketing, and sales. It has the potential to increase the number of female factory owners in the EPZs and to be replicated in other countries, such as Bangladesh, where women entrepreneurs identified their lack of knowledge of export processes and procedures as a barrier to owning factories.

* Entrepreneurship and leadership training program for women, Egypt

The Women's Entrepreneurship and Leadership Program offered by American University of Cairo and Goldman Sachs' 10,000 Women program helps grow and develop female entrepreneurs in the Arab region. One hundred women are selected each year for a scholarship to attend a five-week certificate program in entrepreneurship at the American University of Cairo. As part of the program, they attend classes and participate in activities focused on personal leadership development, work-life balance, negotiation skills, management, finance and accounting, competitive strategy, operations, marketing, and the legal aspects of starting a business. The program covers all costs of tuition, instruction, and accommodation. An evaluation after the program’s first year found an increase in women's business expertise and management skills. These skills can be translated to starting their own business ventures, while also making them more marketable in the broader workforce.

* Chamber of Commerce Program for Female Entrepreneurs, Costa Rica

In Costa Rica, the Chamber of Commerce launched a national program for the Development of Women Entrepreneurs in 2009.90 Although not currently active in zones, the initiative provides relevant skills training to support women entrepreneurs, and if the program is expanded to include entrepreneurship within the zones, it could positively impact the opportunity for women entrepreneurs and innovation. The program builds on the credibility, resources, and convening power of the Chamber to specifically target the facilitation and creation of business initiatives to support the development of women-owned small businesses and to incorporate women's voices into a largely male-dominated business community and chamber. The objectives of the program include

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88 Female entrepreneur focus group, Kenya, May 2010.
90 http://www.mujerempresariacr.com/
representing businesswomen, promoting spaces for female entrepreneurs to develop their businesses, creating networks for women business leaders to establish and strengthen their participation in the national market, and promoting the spirit of entrepreneurship among women. Program activities include training, counseling, a Web site with online informational resources, an annual conference, and technical assistance and support to women business owners. As part of the opportunities for women entrepreneurs, a distance learning course in partnership with the University of Monterrey in Mexico was offered to women in the program in Costa Rica. Through this program, the women were assigned local tutors and took courses in law, accounting, marketing, human resources, manufacturing, information technology, and more. The first 10,000 women received a diploma and graduated in the summer of 2011, and they will use the knowledge they gained to build their small businesses.

* Center to mobilize female handicraft makers for export, Tunisia

Vital Voices, the Women’s Chamber of Commerce in Tunisia (Chambre Nationale des Femmes Chefs d’Entreprises [CNFCE]), and the Middle East Partnership Initiative (MEPI) recently launched a program in Tunisia to create a “Center for Excellence of Women Entrepreneurs in Handicrafts.” The center will serve as a “one-stop shop” for female artisans in Tunisia, providing training on a range of topics including product design, bookkeeping, costing and pricing, and marketing. The training courses will be specially designed to promote “export-readiness” among the women. The center will also have an IT facility, to provide training and access to computers for women. The success of the program will also be supported by public-private partnerships with government ministries and local industry.

3.2. Supplier Diversity Programs and Provision of Incentives to Source from Local Women-Owned Businesses

The study has found that it may prove difficult to expand the successful model of small, female-owned businesses, which are primarily in the service and retail sectors, into zones, which tend to be dominated by large, export-oriented companies. This status quo limits economic participation within zones to ownership of factories or other large export-oriented businesses. In this context, SEZ operators can play a role in facilitating supply-chain linkages to female-owned small or medium businesses that could offer products or services to enterprises in zones, such as button or zipper manufacturing, or privately run daycare centers. Generally, women’s lack of access or know-how limits their ability to market their products to companies operating in zones. Local supplier linkage programs could specifically target women’s businesses, which would provide them with increased growth opportunities and access to skills development.

* Supplier linkage program, Costa Rica

The National Costa Rica Provee (Costa Rica Supplies) Program encourages incorporation of Costa Rican companies into the supply chains of MNCs. As a part of Costa Rica Provee, a supply-chain linkage study was conducted to identify the inputs and raw materials required by companies in Costa Rican Free Zones. Study results were compared to existing Costa Rican companies’ products and services. A map was then created to identify Costa Rican companies that could serve the MNCs in the zones. Costa Rica Provee also includes incentives for MNCs to invest in training these Costa Rican companies, and encourages other companies to locate in Costa Rican zones in order to service existing MNCs in the zones. Additionally, the zone law provides an extra incentive for suppliers. If 40 percent of a supplier’s production is sold to companies in the zone, that supplier can benefit from the incentives provided to companies located in the zone, even if it is not located in the zone or designated as belonging to a strategic sector. As a result of this initiative, several Costa Rican companies have been successfully integrated into enterprise

91 Interviews, Female entrepreneur organizations, February 2010.
supply chains. For instance, through this program, an electronics company identified potential suppliers, and grew its local supplier base from zero when it entered Costa Rica in 1996 to over 300 in 2010. While the program is not specific to women’s entrepreneurship, the model could be adapted to target women entrepreneurs.

**Obstacle 4. Access to Finance**

Access to finance for business start-up and operations is a major issue globally for women entrepreneurs. A 2007 IFC study of women entrepreneurs in the Middle East and Africa found that though 50–70 percent of women surveyed had sought external financing for their businesses, very few had received financing from a formal financial institution. In Jordan, businesswomen believe they are discriminated against on the basis of gender when applying for a loan, through higher collateral, less favorable responses to new business ideas, and the requirement to provide a spousal guarantee. Only 14.2 percent of women business owners who responded to the survey acquired business or commercial bank loans, 9.2 percent received microfinance loans, and 8.1 percent took out personal bank loans. Other access-to-finance challenges identified in the study by Jordanian women business owners include high interest rates, a complicated application process, lack of collateral, and lack of business track record.

While no good examples were found of access-to-finance programs specifically targeting women looking to invest in zones, many microfinance and other programs exist that could be linked to investment opportunities in zones. For example, in Costa Rica in 2010, in recognition of women as potential leaders in economic recovery from the global recession, the National Bank released financial programs targeting women, including a credit card for women only and “Banca Mujer,” a suite of financial services for women, including millions of dollars in new loans for businesswomen. Zone authorities can work together with banks, microfinance institutions, and women’s entrepreneur groups to build links and support systems for female entrepreneurs looking to invest in zones. In addition, existing banks within zones can develop gender-equitable service offerings, such as loans available to women.

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94 IFC and Center of Arab Women for Training and Research. 2007. Women Entrepreneurs in the Middle East and North Africa: Characteristics, Contributions and Challenges.

Chapter 3: Recommendations

This chapter presents the study’s main recommendations to maximize women’s economic participation in SEZs through decent working conditions, opportunities for professional advancement, and access to investment opportunities within SEZs to start and grow their businesses. The recommendations focus on investments that create further opportunities for female workers and entrepreneurs, and that also generate economic benefits at the enterprise, zone, and/or national levels.

The recommendations are categorized around 3 levels of interventions as follows:

* Creating a legal, regulatory, and policy framework
* Strengthening enforcement of policies and ensuring compliance by investors
* Providing improved infrastructure for services and facilitating capacity building

The policy framework and enforcement recommendations are left broad to allow for country-specific modifications. Should a government wish to make regulatory modifications to its zone program to better promote women’s economic empowerment, it is recommended that it work in collaboration with the relevant ministries and stakeholders identified in the recommendations below to develop country-specific approaches.

Service and capacity-building recommendations are more specific, with the assumption that they will be undertaken based on needs identified in a baseline assessment of the targeted zone population. Individual governments and zone operators will need to assess whether the need exists, and then apply the corresponding recommendations if appropriate.

To implement the recommendations presented in this section, three key stakeholders—the national government, the SEZ authority and operator, and the zone investors (enterprises)—will need to work in partnership to gain the best results. This section highlights the specific role each of these stakeholders can play.

* The **national government** should ratify outstanding international conventions and treaties, enforce compliance with national laws pertaining to women’s safety and employment, and facilitate collaboration of government ministries on improved training for girls and women as well as effective utilization of national gender policies and national women’s institutions for the economic empowerment of women.
* **Zone authorities and operators** should create zone-level social services that are sensitive to women’s needs, support investment opportunities for female entrepreneurs, pro-
mote female workers’ skills development, and establish a zone gender committee where applicable.

* Individual enterprises should comply with national labor law and international conventions, contribute financially to zone-wide social services, support female workers’ right to redress and representation, promote women’s skills development, support female workers’ health, facilitate the growth of female workers’ financial assets, and participate in any zone-wide gender committee.

Ongoing stakeholder engagement and cross-sector collaboration will be critical to the success of these recommendations. Key stakeholders include unions, NGOs, relevant government ministries, and female entrepreneurs. Also critical, monitoring and evaluation will support continued investment by demonstrating the business and development impacts of these recommended actions. Tools and tips for successful stakeholder engagement are provided in Chapter 4, along with a full list of sample monitoring and evaluation indicators.

### I. Creating a Legal, Regulatory and Policy Framework

#### I.1. Create Laws to Enable Women’s Full Economic Participation

Governments should ratify all the ILO Core Conventions, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

In addition, governments should ensure that the national labor law and any zone-specific labor laws or specialized provisions protect the fundamental human rights and labor rights of female workers. The national labor law should support women’s economic participation and equal access to jobs and wages. Some key gender-relevant provisions include:

* Maternity leave, paid sick leave for pre- and postnatal care, reduced workplace responsibilities for pregnant workers
* Child care

### Table 7 Summary Recommendations, Legal, Regulatory Policy Framework

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Responsible Stakeholder(s)</th>
<th>Example(s)</th>
<th>Benefits</th>
</tr>
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<tbody>
<tr>
<td>1. Create laws to enable women’s full economic participation</td>
<td>Government</td>
<td>Costa Rica and the Philippines are the countries in this study with the broadest safeguards of laws and regulations affecting women.</td>
<td>• Increase in female labor force participation rate&lt;br&gt;• Decrease in discrimination against women&lt;br&gt;• Increase in women’s advancement/upward mobility&lt;br&gt;• Increase in women’s productivity</td>
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<td>2. Create policies to support female entrepreneurs’ access to zones, as either investors, suppliers, or small-business owners</td>
<td>Government, Zone Authority</td>
<td>No examples. Potential policies could include quotas for land dedicated to female investors or input business given to female entrepreneurs</td>
<td>• Diversity and localize zone investment portfolio&lt;br&gt;• Increase investment in zones&lt;br&gt;• Increase domestic backward linkages</td>
</tr>
<tr>
<td>3. Improve collaboration between national committees or ministries of women/gender and ministry of labor</td>
<td>Government</td>
<td>Costa Rica National Institute for Women (INAMU) worked with the Ministry of Labor and Social Security to create the “National Policy about Women, Work and Employment.”</td>
<td>• Creation of gender-sensitive policies&lt;br&gt;• Strategic alignment of national policies&lt;br&gt;• Accountability for implementation of principles outlined in “National Women’s Policy”</td>
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</table>
* Sexual harassment in the workplace
* Equal treatment and payment for equal work
* Nondiscrimination based on pregnancy or marital status

When creating such laws, key stakeholders should be consulted, including women’s legal advocates, workers’ organizations, and women’s health service providers. This will help ensure that robust laws are written that will serve women’s interests, and will not heighten their vulnerability in the workplace.

Governments can also explore potential incentive programs to encourage compliance with gender-relevant laws regarding, for instance, maternity leave and child care, which often have unintended consequences for women workers because of the perceived cost to businesses. Public-private partnerships to subsidize the costs of compliance can help reduce discrimination against married and pregnant women. For example, Jordan’s Social Security Corporation (SSC) conducted a study and found that access to child care is a major barrier for women who wish to enter the workforce. The SSC is now exploring potential models that would enable women workers’ access to affordable child care.

I.2. Create Policies to Support Female Entrepreneurs’ Access to Zones, as Either Investors, Suppliers, or Small-Business Owners

In partnership with zone authorities and operators, governments can help increase investment opportunities for female entrepreneurs in zones. From a regulatory perspective, quota systems could be introduced to promote investment by women-owned businesses or supply-chain linkages to women-owned businesses. Additionally, regulations could be changed or expanded to allow small service businesses to set up operations within zones.

Investment in zones by female entrepreneurs could occur at three levels:

1. As owners of small businesses in zones, such as a café or restaurant, dry-cleaning, or small shops;
2. As input suppliers to enterprises in zones, such as Costa Rica’s National Linkages program (see Costa Rica case study); and
3. As enterprise owners of their own export-oriented business.

Regulatory enablers could include zone requirements for investors to buy a quota of their inputs from female-owned input suppliers. In some zones, nonexport service businesses (not including traditional services such as banks, postal services, and expedited shipping services) are not encouraged or are not legally allowed. Allowing and encouraging such businesses to locate in zones may give opportunities to services often dominated by women, such as cafes, small groceries, and small-scale consumer-product retailers.

This study found all three forms of investment by women-owned businesses to be currently very rare.

I.3. Improve Collaboration Between National Committees or Ministries of Women or Gender and Ministry of Labor to Support Women’s Economic Opportunities in Zones

Some countries included in this study have already established women’s institutes or committees, such as Costa Rica’s National Institute for Women (INAMU), the Salvadorian Institute for the Development of Women (ISDEMU), the Jordanian National Commission for Women (JNCW), and the Egyptian National Council for Women. Other countries have dedicated government ministries that focus on gender and women’s issues, such as Kenya’s Ministry of Gender and Bangladesh’s Ministry of Women and Children. In Jordan, the JNCW requested that each government department have a “gender focal point” to be the liaison with JNCW, sitting on the JNCW Gender and Public Sector Committee, and to incorporate gender considerations into the mainstream of each department’s work.
The government should work to increase and improve cross-collaboration between ministries of labor and trade, education, and health; existing women’s institutes or committees; and private-sector entities and zones. The collaborators should share the objectives of ensuring that women are getting equal access to economic opportunities and that their rights are being effectively protected in the workplace. For example, in Costa Rica, INAMU worked with the Ministry of Work and Social Security to create the “National Policy about Women, Work and Employment.”

II. Strengthening Enforcement of Policies and Ensuring Compliance by Investors

II.1. Maintain an Effective and Gender-sensitive Enforcement System

Many countries explored in this study have some strong gender-relevant laws on the books. However, as with labor laws in general in many developing countries, enforcement remains a significant challenge. Maternity laws are regularly ignored or, as observed in Kenya, lead many employers to give female employees only temporary contracts to avoid honoring the regulatory requirements. Interviews in

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<th>Example(s)</th>
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</table>
| 1. Ensure efficacious enforcement of gender-relevant laws, and train gender-sensitive enforcement officers | Government, Zone Authority | In El Salvador, there is a gender unit within the Inspection Division of the Ministry of Labor. Jordan’s Ministry of Labor has established offices in zones to enhance enforcement. | • Higher rates of awareness of gender-sensitive issues and noncompliance  
• Higher rates of identification of gender-sensitive noncompliance  
• Higher rates of compliance  
• Improvements in working conditions for women |
| 2. Comply with legal requirements pertaining to female workers’ labor rights and basic human rights | Enterprise | Vietnam factory implements worker engagement and rights and responsibilities program and improves compliance and reputation of brand | • Reduce risk  
• Enhance reputation  
• Increase productivity and worker satisfaction  
• Reduce absenteeism and turnover  
• Attract and retain workforce |
| 3. Establish national or zone-level grievance mechanism specially targeted to women | Government, Zone | The JNCW has a women’s complaint office, which receives complaints about violence against women and workplace discrimination and harassment. | • Higher rates of identification of gender-related noncompliance  
• Higher rates of compliance with laws  
• Improvements in working conditions for women and job satisfaction |
| 4. Create or support the creation of women’s committees at zone and enterprise levels | Zone, Enterprise | Gender committees at Home-grown Flower Farm, Kenya, provide forum for female workers to voice concerns and address violations, and discuss potential improvements. | • Increase worker engagement  
• Reduce health- and violence-related absenteeism and turnover  
• Build employee loyalty and improve communication |
| 5. Conduct a gender diagnostic to assess women’s economic participation as investors and workers in zone program | Government – Department of Statistics, National Data; Zone | In Jordan, USAID conducted the Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality | • Help determine regulatory and social services needs of zone “population”  
• Demonstrate economic benefit based on women’s role in the labor force |
Bangladesh revealed that many women hide a pregnancy from their supervisors to avoid being forced to take the leave for prenatal care guaranteed under law, because the leave is rarely paid in practice.96

Enforcement should be universally improved in trade zones, and should be used as a competitive differentiator for attracting investors, offering them a way of limiting risk exposure. Zones should seek opportunities to participate in collaborative auditing programs, such as the ILO/IFC Better Work Initiative, currently active in Cambodia, Haiti, Jordan, Lesotho, and Vietnam. Zone authorities should explore establishing their own monitoring committee to maintain standards and promote continuous improvement. An example of a successful program is the Bangladesh Export Processing Zone Authority (BEPZA) Counselor program, which provides 56 counselors to assess social and environmental compliance in zone-based enterprises.97 In addition to improving general enforcement, enforcement officers should receive additional training on gender-relevant laws, as a disproportionate percentage of the workforce in zones is often female.

II.2. Comply with Legal Requirements Pertaining to Female Workers’ Labor Rights and Basic Human Rights

Enterprises must strive to comply with international conventions, national labor laws, and individual buyer codes of conduct. Though regulations pertaining to the employment of women, such as laws about maternity and child care, may seem costly, this study demonstrates that compliance with these regulations can deliver business benefits and cost savings in the form of reduced absenteeism and turnover. In addition, compliance is key from a risk-management perspective, as buyers and national governments continue to improve and expand their monitoring and evaluation capability and criteria.

Corporate policies and culture can encourage compliance at all levels of management. Human resources staff in particular should be trained on gender-sensitive monitoring and grievance mechanisms. Line and floor supervisors should also be trained to reduce the likelihood of harassment and discrimination, and to improve the effectiveness of policies, such as those allowing reduced responsibilities for pregnant workers that are in place in some enterprises.

Key focus areas should include fair and equal wages, a voice for women in workers’ associations and/or organized labor, freedom from sexual harassment and discrimination, child-care provision, and adherence to women-specific laws.

II.3. Establish National or Zone-level Grievance Mechanism

Safe and responsive grievance mechanisms are required to help women exercise their rights and to ensure remediation of some kind where they are violated. Grievance mechanisms are related to effective judicial and nonjudicial remediation; however, for most female workers and entrepreneurs an additional step is often required. In many cases, female workers are not fully aware of their rights, so access to a trusted counselor can help them assess whether a violation has occurred and how to proceed. Women’s legal aid organizations exist in many of the countries visited, such as the Federation of Women Lawyers in Kenya. Zones and enterprises should seek to create hotlines or drop-in services to connect female workers to legal aid resources.

II.4. Create or Support the Creation of Women’s Committees at Zone and Enterprise Levels

Women’s needs and challenges are often different from and additional to those of male workers and entrepreneurs. At the same time, with some notable exceptions, women’s participation in labor organizations is often low, which suggests that their unique needs are often not addressed. In many of the countries examined in this study,

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96 Interviews, BEPZA Counselors, Bangladesh, February 2010.
97 See Bangladesh Case Study for additional detail on the program.
culture dictates that men and women occupy different places in society. When they occupy the same place at work, having separate committees for women may facilitate more open and productive dialogue about how to better protect and empower female workers and entrepreneurs.

These committees can exist at the zone and enterprise levels. It is important that women at different levels be represented, and that workers receive a proportional voice on any committee. It is also important that such committees not replace but rather support existing workers’ committees or unions. For example, the head of the women’s committee could serve on a larger executive committee.

In addition, and working through women’s committees, zones could customize gender-sensitive training programs and initiatives, such as JNCW’s diversity training for private-sector human resource managers, baseline studies of gender at private companies that could serve as tools for improvement, and questionnaires on gender mainstreaming.

II.5. Establish Metrics and Conduct a Gender Diagnostic to Assess Women’s Economic Participation as Investors and Workers in Zone Program

This global study and the case studies provide the foundation for a zone diagnostic to understand women’s economic participation in trade zones, a better picture of the demographics of working women, and key national stakeholders and partners. A more in-depth study can provide additional information on whether the majority of women are young or old, married or unmarried, and locals or migrants, as well as identifying education levels, basic health indicators, and child-care needs. Like national diagnostics, a gender diagnostic for a particular zone program will help planners determine the demographics of the workforce, and the specific needs of the workforce population in that zone. Such a diagnostic, for example, could help demonstrate to ministries that hospitals or schools were needed in or near zones to serve the needs of the large working population.

III. Providing Improved Services and Facilitating Capacity Building

III.1. Create Zone-level Social Services

Social services can include hospitals or clinics that provide access to women’s health services. Zones should work with the government and enterprises to determine if the most effective solution for affordable child care and transportation is a zone-organized solution and, if so, implement accordingly. Zones could also consider providing schools and dormitories and work together with enterprises and government to determine if this is feasible and the best solution. Enterprises should contribute to zone-wide social services by buying in financially on behalf of the relevant percentage of their workers. Payment by enterprises will ensure workers’ access to medical clinics, child care, transportation, and any other relevant services.

* **Zone health care center**: Zone hospitals exist in roughly half of the countries and zones visited. Where such hospitals exist, they should provide specialized women’s health services, such as gynecological exams, family planning counseling and services, and pre- and postnatal care. Where they do not exist, zone authorities should explore partnerships with government ministries of health to build such services within densely populated areas within and near zones.

* **Zone child care**: Consolidating child care in a larger setting can improve compliance, help reduce the burden on individual enterprises, and improve quality of service and ease of monitoring.

* **Zone- or enterprise-sponsored housing and/or transportation**: Options for getting workers to the workplace in a safe, affordable way should be evaluated.
III.2. Promote Female Workers’ Health and Well-being through Education, Factory Meals, and Health Services

This study found a significant demonstrated benefit to individual enterprises from having healthy workers, and particularly healthy female workers. Likewise, the status quo of unhealthy workers is contributing to absenteeism, low productivity, early leave, and occupational health and safety issues, such as fainting at work.

Enterprises can invest in female workers’ health by providing women’s health-education programs, sanitary napkins, and clean and gender-segregated toilets. Where women’s health services are not provided, factories can employ a visiting doctor capable of providing those services, or partner with a relevant government health service. Nutritious and hot factory meals, and healthy snacks for workers on overtime shifts, can also contribute to boosting workers’ health and performance. Finally, taking better advantage of existing factory nurses by enrolling them in training programs or allowing them to participate in worker-engagement programs on health can help nurses take on a counseling role to assist workers with referrals, mental health and stress, disease prevention, and pre- and postnatal care.

TABLE 9 Summary Recommendations: Improved Services and Capacity Building

<table>
<thead>
<tr>
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<th>Responsible Stakeholder(s)</th>
<th>Example(s)</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Create zone-level social services to benefit women, such as hospitals, child care, schools, transportation, and housing.</td>
<td>Zone, Enterprise</td>
<td>Hospitals in zones in Bangladesh, El Salvador, and Jordan provide women’s health services. A Costa Rican zone coordinates transportation for workers.</td>
<td>Efficient use of resources to better meet women’s needs (e.g., enterprises pay fee for workers to have access to larger platform of services). Increased productivity and reduced turnover.</td>
</tr>
<tr>
<td>2. Promote female workers’ health and well-being through education, factory meals, and health services.</td>
<td>Zone, Enterprise</td>
<td>Young One factory in Bangladesh has a nutritionist on staff. Health-education programs are implemented in factories in Bangladesh, China, Egypt, India, Pakistan, and Vietnam.</td>
<td>Improve worker health. Reduce health-related absenteeism and turnover. Improve worker concentration and productivity. Build employee satisfaction and loyalty.</td>
</tr>
<tr>
<td>3. Help female workers grow financial assets through direct wage deposit and financial literacy programs</td>
<td>Enterprise</td>
<td>Apparel Factory, Kenya, has a direct deposit program including agreement with local bank to create accounts for new workers. Wages are deposited directly into accounts for withdrawal at ATM.</td>
<td>Reduce security risks and logistical demands of cash payroll. Help employees establish savings accounts.</td>
</tr>
<tr>
<td>4. Promote women’s skills development through vocational training program.</td>
<td>Government, Zone, Enterprise</td>
<td>The Costa Rican National Institute for Learning (INA) offers free specialized technical training to workers in zones. Zones/enterprises communicate desired skills for labor force and INA designs and delivers training. Some enterprises work directly in partnership with INA to design training programs.</td>
<td>Country can utilized skilled and educated workforce as a competitive advantage for attracting investment. Enterprises gain access to skilled workforce and can promote from within. Workers are more highly skilled and productive.</td>
</tr>
<tr>
<td>5. Support female entrepreneurs through access and training programs</td>
<td>Zone, Enterprise, (Women’s Business Association)</td>
<td>Jordan Export Toolkit. Tunisian Women Entrepreneurs’ Handicraft Center.</td>
<td>Increased investment in zones. Increased competition among input suppliers.</td>
</tr>
</tbody>
</table>
III.3. Help Female Workers Grow Financial Assets through Direct Wage Deposit and Financial Literacy programs

Most factories visited for this study remain on a cash payroll; however, many managers interviewed expressed that they were “exploring” direct deposit options. Direct deposit represents an excellent opportunity to help women grow their financial literacy and their financial assets while reducing factory costs. Such programs will disproportionately benefit young, unmarried female workers, who will be able to enter marriages with independent savings, or use their financial assets to delay marriage or not marry. Direct deposit programs must be linked to local banks and accounts must provide fair provisions to workers. Financial literacy education should also be offered, to explain basic financial principles surrounding saving and spending. Where numeracy levels are low, numeracy trainings can be embedded within financial literacy programs.

III.4. Promote Women’s Skills Development through Vocational Training Programs

This study found that female workers’ lack of access to skills-training programs was a significant barrier to upward mobility. The study also found that investments in skills-training programs for existing workers can be challenging for individual enterprises. Thus, this study recommends that governments and zones partner to create subsidized and streamlined training programs that zone investors can then utilize, paying a marginal fee for the service.

Training may be required or beneficial in the following areas:

* Basic literacy and numeracy;
* Technical skills required for job roles;
* Skills training for workers and supervisors on technical, communication, and management skills;
* IT skills; and
* Language training (i.e., English), especially for service-industry jobs and management positions.

Such training programs should emphasize the business benefits of promotion from within, and should encourage the participation of lower-skilled workers. Human resources staff can be trained to look out for lower-skilled workers with management potential. A promote-from-within policy, and the training to support it, should disproportionately benefit female workers because of their dominance of lower-skilled positions in most zone enterprises. Specialized programs for women may deliver increased benefits, given the segregation of men and women in many of the cultures visited.

III.5. Support Female Entrepreneurs through Access and Training Programs

In addition to the regulatory quotas for inputs purchased from women-owned suppliers discussed in the policy section above, zones are in a unique position to help female entrepreneurs in several other ways:

* Connect entrepreneurs to potential clients. For example, a zone authority could organize a trade show for female input suppliers to show their goods to zone investors.
* Connect entrepreneurs to export markets. For example, a zone authority or operator could work with the government or an NGO to provide training and access to export markets for female entrepreneurs.
* Offer a streamlined “one-stop-shop” process for starting a business in a zone. Zones can make it easier for women to bypass the red tape and bureaucracy associated with starting a business in a zone. Female entrepreneurs in Egypt, for example, cited bureaucracy as a key barrier, particularly given gender roles in Egyptian culture.98

Link female entrepreneur skills training to investment opportunities in zones. For example, a zone operator could partner with a women’s entrepreneurship association or women’s chamber of commerce to participate in training programs and contribute modules on export readiness and creating businesses in zones.

These recommendations are intended to improve women’s economic participation and contribute to their economic empowerment. Successful policy changes or program investments should deliver business benefits at the enterprise, zone, and national levels. It is our hope that this study will provide the necessary information and tools to help governments, zones, and individual businesses promote women’s economic empowerment more effectively in the future.

All zones need not implement all included recommendations, but rather will select relevant recommendations based on a zone gender diagnostic. Further research will be required to identify detailed action plans for implementing the recommendations above.
The previous chapters introduced the business case for improving women’s economic participation in zones, demonstrated some of the obstacles to and enablers of that participation, and outlined recommended actions that governments, zone authorities and operators, and zone enterprises can undertake to improve women’s employment, advancement, and entrepreneurial opportunities in SEZs.

These policy and program investments will benefit from rigorous stakeholder engagement, which can help to:

- Gather critical information about the state of women’s rights, health, education, living conditions, and access to land and financial services in SEZs;
- Design effective policy changes and government, zone, and enterprise programs that are closely aligned with women’s needs in specific SEZs;
- Garner support for initiatives from key constituencies whose support or resources result in effective and efficient implementation; and
- Provide feedback as part of ongoing monitoring and evaluation of the business and social impact of investments.

Key stakeholders include unions, NGOs, relevant government ministries, and female entrepreneurs.

It is also important to recognize that governments, zones, and individual enterprises have limited resources to dedicate to such investments, and any policy changes or programs should involve monitoring and evaluation to measure impact, and prioritize areas for continued investment. Monitoring and evaluation refers to a process of creating key performance indicators to assess the defined success of new policies and programs. Monitoring and evaluation can also benefit from rigorous stakeholder engagement, as different stakeholders will have different priorities to measure, and measuring impact from different perspectives can help promote collaborative implementation.

The following chapter outlines roles for government, zones, and enterprises in stakeholder engagement and monitoring and evaluation responsibilities, as well as tools and approaches to support policies and programs related to women’s economic opportunities in zones.

I. Stakeholder Engagement

Definition
IFC defines stakeholders as “persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either
positively or negatively.”

Stakeholder engagement refers to formal and informal dialogue to share information, gather feedback, and create opportunities for stakeholder participation in project design and implementation.

**Benefits of Stakeholder Engagement**

Engagement can be an important factor in project success. It can be used to:

* Assess needs and prioritize investments;
* Obtain insights and perspectives that can strengthen project design and, consequently, improve project effectiveness and impact;
* Build trust and earn the endorsement of key constituencies, whose support can help or hinder a project; and
* Identify resources and partnerships to support implementation and long-term project sustainability.

Throughout the stakeholder engagement process, short-term or lasting partnerships may be formed. Stakeholders can play specific roles in implementing policies or programs to support women’s economic participation in zones, for example. Different individuals or organizations can help conduct needs assessments, implement outreach, education, or training programs, run grievance mechanisms, and support project monitoring and evaluation.

In sum, projects are more likely to be successful and sustainable if key stakeholders support an initiative or policy design from the beginning, feel a sense of ownership from the design phase through implementation, and have opportunities to participate in, and ideally assume responsibility for, management components.

**Stakeholder Engagement and Women’s Economic Empowerment**

Stakeholder engagement is particularly important for initiatives aimed at increasing women’s economic participation. This study highlights how women workers’ and entrepreneurs’ needs are different, more nuanced, and more interrelated than those of men. Unfortunately, the marginalization of their voices in politics, industry, and even in the leadership of workers’ organizations such as unions or worker committees means these needs are neither identified nor met. Within this context, direct and focused engagement with female stakeholders will be a critical element of developing policies and programs to increase their employment, advancement, and entrepreneurship opportunities in SEZs. Furthermore, amplifying the voices of women workers themselves in projects will reinforce their contribution to self-empowerment.

Specifically, governments, zones, and enterprises can use stakeholder engagement to (1) assess the specific needs of female workers and entrepreneurs, (2) design programs and policies that will address those needs effectively, and (3) ensure that women are utilizing and benefiting from those programs and policies once put into place. Stakeholder engagement can also help identify appropriate partners to implement programs and enforce policies.

**Priorities and Roles of Key Stakeholder Groups**

Considering the objectives and priorities of key stakeholders will help ensure productive engagement with these groups. Programs and policies that integrate these diverse perspectives where possible, and emphasize the business case for the involvement of critical stakeholder groups, will likely have greater success and higher rates of uptake.

* **Zone regulator or authority:** The main concern of the zone regulator is to maintain the economic viability of individual zones and/or a multisite zone program. The regulator authorizes development and investor activity, and coordinates with the national government as needed. Compliance, the overall performance and reputation of the zone, and local commu-
Community acceptance of the zone will all be important to the zone regulator. Within this context, zone regulators should be approached as potential partners in establishing gender policies and programs. Existing zone infrastructure and access to financial and government services can be utilized for such initiatives. In addition, zone regulators sometimes have more capacity than national governments to regulate compliance, which makes them natural potential partners in legislation improvements and enforcement.

- **Zone operators**: The first priority of the zone operator is to manage the zone effectively, including to lease and sublease zone land plots or buildings to enterprises at a rate that delivers a profit for the zone. The zone operator also supervises the provision of facilities and services for zone tenants and their employees, and convenes tenants on a regular basis. Thus, the zone operator is in a position, and has a business incentive, to support gender-related initiatives and policies. If the zone operator is engaged effectively, it can become a partner not only in the oversight of policy and program implementation, but also in facilitating, requiring, and monitoring uptake of those policies and programs by zone investors.

- **Enterprise owners (zone investors) and enterprise operational management**: Enterprise owners are foremost concerned with ensuring that their business is profitable, which, among other things, is achieved through a skilled workforce that is efficient and delivers high-quality goods and services. Client relationships are highly important. Disruptions to an enterprise’s ability to meet contractual obligations are a serious concern as well, and these can include incidents such as worker strikes. Enterprises should be given the opportunity to review and comment on proposed programs or policies, and actors should seek to identify opportunities to support female workers that do not excessively disrupt enterprise business activity.

- **International clients**: The first considerations of MNCs purchasing manufactured goods and services are price, quality, and on-time delivery. Many of the infrastructural and financial incentive programs offered in zones help to encourage MNCs to contract with enterprises located in the zones. Compliance with national labor laws and international conventions has also become increasingly prioritized by MNCs, who conduct audits to assess the adherence to local and international law by companies supplying them with manufactured goods or services. When zones or individual enterprises can demonstrate superior compliance, including enhanced treatment of and benefits provided to their female workforce, this will increase their opportunities to secure business relationships with MNCs.

- **Worker organizations**: The foremost priority of worker organizations is to uphold the rights of workers to organize, bargain collectively, and receive fair treatment, including fair wage payment and decent working conditions. Worker organizations often struggle to access workers inside zones, and in extreme cases, worker organizations are banned within SEZs. Any proposed programs or policies should consider workers’ right to organize, either formally or informally, and should evaluate how to maximize women’s participation in such efforts. In addition to local unions or worker committees, global organizations such as Solidarity Center may be useful to involve in this process. Worker advocates and organizations can raise awareness of perceived abuses, amplify the voice of the community, and help to create pressure for action.

- **Relevant government ministries**: Government institutions that should be involved include those related to national legislation pertaining to labor laws and family laws, as well as women-specific institutions, such as ministries of gender or women’s issues, or other national bodies created to oversee women’s issues. These different bodies will have relevant national priorities that can be embedded into the achievement of recommended policies and programs, such as mainstreaming gender issues or improving labor law enforcement. A good place to start for dialogues related to women’s economic empowerment may be “gender focal points” in relevant ministries, in countries which have these designations, such as Kenya.
National women’s institutions are outlined in Box 10 for the study focus countries.

See the country case studies for comprehensive lists of additional relevant national stakeholders.

* **Technical experts (NGOs and multilateral organizations):** These organizations often have objectives pertaining to specific facets of socioeconomic development, and may be potential partners in the implementation of many of the recommendations presented in Chapter 5. Examples of these organizations include Vital Voices, CARE, Oxfam, United Nations Development Fund for Women (UN Women), UN Population Fund (UNFPA), and the International Labour Organization (ILO). Gender and compliance practitioners (government, multilateral organizations, industry) also may fit into this category, as well as local NGOs supporting issues related to workers’ rights, women’s rights, and issues such as women’s health and child care.

* **Other relevant stakeholders:** Other people and organizations may have interests or expertise pertaining to the implementation of specific recommendations, such as women’s entrepreneurship associations or technical experts offering assistance to women entrepreneurs, federations and chambers of commerce, and national or private zone investment promotion organizations.

Engaging key stakeholders is critical to achieving impact and developing partnerships to sustain and scale up that impact. All of the recommendations presented in the previous section should be discussed and evaluated with relevant stakeholders using the guidance provided in this section.

**How-To: Stakeholder Engagement**

Below is a diagram of steps to engage stakeholders. For longer-form guidance on stakeholder engagement, the reader may reference IFC’s *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*.

In taking these steps toward stakeholder engagement, the initiating or responsible body—e.g., a government ministry, zone authority or operator, or individual enterprise—should distinguish between process, objectives, and tactics. Objectives should be identified at the early stage by the implementing body and refined throughout the stakeholder engagement process as new priorities emerge. Objectives may include disclosure, consultation, partnership, reporting, or others. Tactics refer to methods of stakeholder engagement, such as grievance management, participation in monitoring, facilitated dialogue, and others. Tactics may also include considerations based on the circumstances of the stakeholder group identified.

For example, engaging women, and particularly female workers with lower education levels, will require some specific tactics and sensitivities. For example, direct engagement with female workers, particularly if they have less education, should

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**Box 10 Examples of National Women’s Institutions**

<table>
<thead>
<tr>
<th>Country</th>
<th>National Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Ministry of Women and Children Affairs</td>
</tr>
<tr>
<td>China</td>
<td>Provincial Women’s Federations</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Instituto Nacional de la Mujeres (INAMU)/National Institute for Women</td>
</tr>
<tr>
<td>Egypt</td>
<td>National Council for Women; National Council for Childhood and Motherhood</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Instituto Salvadoreño para el Desarrollo de la Mujer (ISDEMU) / Salvadoran Institute for Women’s Development</td>
</tr>
<tr>
<td>Jordan</td>
<td>Jordanian National Commission for Women (JNCW); gender focal points in each government entity</td>
</tr>
<tr>
<td>Kenya</td>
<td>Ministry of Gender, Children and Social Development</td>
</tr>
<tr>
<td>Philippines</td>
<td>Philippine Commission on Women (PCW; formerly National Commission on the Role of Filipino Women (NCRFW))</td>
</tr>
</tbody>
</table>
be conducted by local and trained persons, who may already be aware of some of the challenges or concerns those women may have. See the country case studies for examples of NGOs that might be appropriate for such engagement. It is important to take into account cultural and religious considerations when approaching women for conversations. For example, women may need permission from family members to speak to a stranger or to a man. In addition, women may be very shy about discussing certain issues, particularly health, as this is rarely discussed even within the family in many of the countries visited.

From a process perspective, the first step that the initiating or responsible body should take is to map potentially relevant stakeholder individuals and groups. Stakeholder identification should include an identification of issues and objectives, which will help create an order of priority for which stakeholders to engage. For example, if a national government wishes to revise zone labor law to require mandatory child care, the stakeholders will need to include legal experts and legislators, law enforcement agencies, zone authorities and operators that stand to be affected, worker organizations, workers, NGOs providing child-care services to low-income populations, and the relevant ministry on women and children.

Following from stakeholder identification (Step 1), there are seven additional steps to stakeholder engagement (see Figure 1). Next is information disclosure, an informative process in which relevant information is shared with identified stakeholders, and their opportunities for input and/or participation are explained. Engagement may take place through one-on-one meetings or larger group workshops, or a combination of both. The recommended gender diagnostic will provide data that a diverse selection of stakeholders will find highly useful and relevant. More focused needs assessments will provide similarly useful platforms for early discussion. Intended activities—for example, the construction of a zone-based women’s clinic—should also be communicated in full, and linked to identified needs.

Next follows stakeholder consultation (Step 3), which begins with engagement design and tactic identification. Approaches may include informal engagement, targeted interviews, multistakeholder meetings or forums, or the establishment of a formal advisory council. The choice of approach should be shaped by the topic under discussion and the stakeholders involved. For example, interviews with women will need to take into account cultural considerations as introduced above, whereas engagement with middle management in a zone-based manufacturing enterprise will require careful scheduling to avoid interrupting workflow.

During this step, opportunities for partnership or necessary negotiation points may emerge. These areas should be explored in full using the same engagement tactics, and should enable equal and active participation by stakeholders.

Critical tactics that should be employed for maintaining stakeholder relations throughout a project include grievance management and reporting of data and progress to stakeholders. Each will promote a continued open dialogue.

Finally, opportunity areas for productive partnership include stakeholder involvement in project monitoring and management. Dialogues can be held to discuss impacts and benefits, and external monitoring agents can ensure transparency and credibility. Building capacity among stakeholders to manage components of projects or policies can contribute to their sustainability and ensure that engagement is maintained over time.

**Monitoring and Evaluation**

This study looked at programs and policies that delivered or could deliver benefits to women as well as to business, zone authorities, and governments. Measuring the impacts of programs and policies on individuals, business entities, and national competitiveness is challenging, but critical. Key economic indicators are summarized in Table 10, divided by the levels of enterprise, zone, and government.
Whenever possible, metrics should disaggregate data by gender. Some countries included in this study are already collecting gender-disaggregated data. For example, the Jordanian Department of Statistics produces gender-disaggregated data in the “Woman and Man in Jordan: In Figures” report, and the Jordanian government has launched a project with the World Bank to establish a gender-sensitive system of monitoring and evaluation. In Kenya, the Ministry of Gender works with different ministries in the government to insure that national data collected are gender-disaggregated.
The table below provides additional detail and specific indicators for each of the program or policy focus areas, such as education and training, health, child care, housing, and transportation. This table is organized based on the logical framework, or logframe, that describes and illustrates the logical (causal) relationships among program elements and the problem to be solved, thus defining measurements of success. For the purpose of this study, the metrics included are (1) **outputs**—short-term results from the activities related to implementing policies or programs that will be completed during a one-year period, (2) **outcomes**—medium-term results from activities and outputs, which occur (on average) one to 3 years after implementation of the policy or program, and (3) **impacts**—long-term changes or benefits that may occur three years or more after implementation. Many of the long-term impacts are at the national level—in the long-term, governments are likely to see a benefit from enterprise—and zone-level programs with shorter-term objectives. The table also provides suggested data samples and data sources. Data sample refers to the body that should provide the data and the corresponding data population (e.g., national population, zone workforce, or enterprise workforce). Data source refers to the place the data likely come from, including data-gathering methodologies, such as surveys, and existing data sources, such as national legal documents.

The above are indicators to measure the results and impact of the gender-friendly policies and practices recommended in the preceding sections. Many enterprises likely already have evaluation systems in place, as do organizations who must report back to donors and governments that must justify spending. Monitoring and evaluation of initiatives to promote women’s economic opportunities should build on existing evaluation systems and data-collection processes to minimize the resources required to conduct this important task and to align with existing processes to improve overall management systems.

Monitoring and evaluation is critical for program sustainability. Demonstrating impact, in terms of both social development benefits as well as competitiveness, helps maintain funding from both private and public sources. Integrated measurement of both business and social indicators can help demonstrate the strategic nature of investments in women more quantitatively, and should be employed in all programs and policies targeting women in order to maximize both benefits and sustainability.
TABLE 11  Monitoring and Evaluation Indicators

Creating Legal, Regulatory, and Policy Framework

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Type</th>
<th>Indicator</th>
<th>Data Sample</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECOMMENDATION 1:</strong> Create laws to enable women’s full economic participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impacts</strong></td>
<td>Output</td>
<td>Increased female labor force participation, Increased GDP, Increased national competitiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Output</td>
<td>Establishment of national law(s) to enable women's full economic participation</td>
<td>Government</td>
<td>National law</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Establishment of national law requiring companies to provide compensated maternity leave</td>
<td>Government</td>
<td>National law</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Establishment of national law against sexual harassment in the workplace</td>
<td>Government</td>
<td>National law</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Establishment of national law against discrimination based on pregnancy or marital status</td>
<td>Government</td>
<td>National law</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Ratification of international conventions pertaining to human rights and women’s protection (e.g., CEDAW, ILO Covenants)</td>
<td>Government</td>
<td>Ratification record</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Decreased incidence of discrimination against women</td>
<td>Zone, Factory</td>
<td>Survey</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Decreased incidence of sexual harassment in the workplace</td>
<td>Zone, Factory</td>
<td>Survey, Factory records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Increased retention of female workers / Decreased turnover</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td><strong>RECOMMENDATION 2:</strong> Create policies to support female entrepreneurs’ access to zones, as either investors, suppliers, or small-business owners.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impacts</strong></td>
<td>Output</td>
<td>Increased GDP, Job Creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Output</td>
<td>Establishment of zone quota systems</td>
<td>Zone</td>
<td>Zone law</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Establishment of legal regulations enabling small service businesses to set up operations within the zone</td>
<td>Zone</td>
<td>National and/or zone law</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>% of zone investors that source from female-owned input suppliers</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Presence of nonexport service businesses (not including traditional services such as banks, postal services, and expedited shipping services) within the zone</td>
<td>Zone</td>
<td>Zone records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Number of female-owned enterprises within the zone</td>
<td>Zone</td>
<td>Zone records</td>
</tr>
<tr>
<td><strong>RECOMMENDATION 3:</strong> Improve collaboration between national committees or ministries of women/gender and ministry of labor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impacts</strong></td>
<td>Output</td>
<td>Increased female labor force participation, Improved enforcement of laws and other protections for female workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Output</td>
<td># of meetings between relevant groups</td>
<td>Government</td>
<td>Government records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td># of shared objectives or concerns identified</td>
<td>Government</td>
<td>Government records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Creation of gender-sensitive policies</td>
<td>Government</td>
<td>Government records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td># of collaborative initiatives identified</td>
<td>Government</td>
<td>Government records</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td># of collaborative initiatives implemented</td>
<td>Government</td>
<td>Government records</td>
</tr>
</tbody>
</table>

(Continued on next page)
### RECOMMENDATION 4: Establish national or zone-level grievance mechanism specially targeted to women

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Data Sample</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased compliance,</td>
<td>Zone</td>
<td>Factory records</td>
</tr>
<tr>
<td>Reduced turnover</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Assessment of the zone</td>
<td>Zone</td>
<td>Factory records</td>
</tr>
<tr>
<td>grievance mechanism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome # of female workers referred</td>
<td>Zone</td>
<td>Zone records</td>
</tr>
<tr>
<td>to legal aid resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome # of workers using</td>
<td>Factory</td>
<td>Grievance records</td>
</tr>
<tr>
<td>grievance mechanism, compared over</td>
<td></td>
<td></td>
</tr>
<tr>
<td>time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome % of workers who express</td>
<td>Factory</td>
<td>Survey</td>
</tr>
<tr>
<td>trust in grievance mechanism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome Increased rates of</td>
<td>Zone</td>
<td>Audit</td>
</tr>
<tr>
<td>identification of gender-sensitive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>compliance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strengthening Enforcement of Policies and Ensuring Compliance

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Type</th>
<th>Description</th>
<th>Data Sample</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECOMMENDATION 1: Ensure efficacious enforcement of gender-relevant laws, and train gender-sensitive enforcement officers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts</td>
<td>Output</td>
<td>Diagnostics or evaluation of monitoring system</td>
<td>Zone</td>
<td>Survey, Factory records</td>
</tr>
<tr>
<td>Increased female labor force participation, Increased GDP, Increased national competitiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome Establishment or improvement of a zone monitoring committee</td>
<td>Zone</td>
<td>Zone law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome Zone participation in collaborative auditing program, such as ILO/IFC Better Work where available</td>
<td>Zone</td>
<td>Zone law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome Increased zone and factory compliance</td>
<td>Zone</td>
<td>Audit, Survey</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| RECOMMENDATION 2: Comply with legal requirements pertaining to female workers’ labor rights and basic human rights | | | |
| Impacts Increased female labor force participation, Increased GDP, Increased national competitiveness | Output | # of trainings, workshops, seminars, etc. | Factory, Zone | Factory and zone records |
| | Output | % of human resource staff trained on gender-sensitive monitoring and grievance mechanisms | Factory | Factory records |
| | Output | % of line and floor supervisors trained on sexual harassment and discrimination | Factory | Factory records |
| | Output | % of factories with an operating workers’ association or organized labor association | Zone | Audit, Survey |
| | Output | % of female representation in factory workers’ associations or organized labor associations | Zone | Audit, Survey |
| | Outcome Increased zone and factory compliance | Zone, Factory | Audit, Survey |
| | Outcome Decreased incidence of discrimination | Zone | Audit, Survey |
| | Outcome Decreased incidence of sexual harassment | Zone | Audit, Survey |
| | Outcome Decreased turnover | Factory | Factory records |

| RECOMMENDATION 3: Create or support the creation of women’s committees in zones and individual enterprises | | | |
| Impacts Increased female participation in workforce | Output | Needs assessment or diagnostics of existing workers’ committees | Factory, Zone | Survey |
| | Output | % of committee members trained on rights and responsibilities | Factory | Factory records |
| | Output | # of annual committee meetings | Factory | Factory records |
| | Output | Committee turnover rate | Factory | Factory records |
| | Outcome % of women on workers’ association executive committee | Factory | Factory records |
| | Outcome # of policies/programs targeting women established as a result of committee recommendations | Factory | Factory records |
| | Outcome % of women workers with positive attitude toward management | Factory | Factory survey |
| | Outcome Reduced turnover rate | Factory | Factory records |
TABLE 11  Monitoring and Evaluation Indicators  (Continued)

**RECOMMENDATION 4:** Conduct a gender diagnostic to assess women’s economic participation as investors and workers in zone program.

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Output</th>
<th>Impact</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased access to social services for zone employees, improved working and living conditions for female zone employees</td>
<td>Gender diagnostic tool developed with country/culture-specific component</td>
<td>Zone program</td>
<td>Developed material</td>
</tr>
<tr>
<td># of zones within zone program that conducted gender diagnostic</td>
<td>Zone program</td>
<td>Government records</td>
<td></td>
</tr>
<tr>
<td>% of zones within zone program that conduct gender diagnostic</td>
<td>Zone program</td>
<td>Government records</td>
<td></td>
</tr>
<tr>
<td>Published female demographics of zone</td>
<td>Zone</td>
<td>Government records</td>
<td></td>
</tr>
<tr>
<td>Gender diagnostic results by zone, including regulatory and social service needs identified</td>
<td>Zone</td>
<td>Government records</td>
<td></td>
</tr>
<tr>
<td>Development of regulatory and social services needed by identified population</td>
<td>Zone</td>
<td>Government records</td>
<td></td>
</tr>
<tr>
<td>Increased access to social services for zone employees</td>
<td>Zone</td>
<td>Government records</td>
<td></td>
</tr>
</tbody>
</table>

Providing Improved Services and Facilitating Capacity Building

**RECOMMENDATION 1:** Create zone-level social services to benefit women, such as hospitals, child care, schools, transportation, and housing.

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Output</th>
<th>Impact</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased female labor force participation, lower unemployment rate, reduced incidence of violence against women in delineated area, population using an improved water source</td>
<td>Diagnostics, needs assessment</td>
<td>Zone, Factory</td>
<td>Zone/factory records, surveys</td>
</tr>
<tr>
<td>% of mothers (children under 6) in participating factories with children enrolled in zone child care</td>
<td>Zone / Factory</td>
<td>Center / factory records</td>
<td></td>
</tr>
<tr>
<td>% of mothers (children under 6) in participating factories with enrolled children in zone child care</td>
<td>Zone / Factory</td>
<td>Center / factory records</td>
<td></td>
</tr>
<tr>
<td>Factory worker satisfaction rate with child-care facility</td>
<td>Zone</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>Worker satisfaction with factory, schools, transportation, housing</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>Worker punctuality rate</td>
<td>Factory</td>
<td>Factory records</td>
<td></td>
</tr>
<tr>
<td>Absenteeism rate</td>
<td>Factory</td>
<td>Factory records</td>
<td></td>
</tr>
<tr>
<td>Number of factories reporting improved performance (e.g., improvements in productivity, operations, etc.)</td>
<td>Factory</td>
<td>Factory records</td>
<td></td>
</tr>
<tr>
<td>Decreased turnover</td>
<td>Factory</td>
<td>Factory survey</td>
<td></td>
</tr>
</tbody>
</table>

**RECOMMENDATION 2:** Promote female workers’ health and well-being through education, factory meals, and health services.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Output</th>
<th>Impact</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td># of trainings, workshops, seminars, etc.</td>
<td>Zone</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td># of factories providing meals</td>
<td>Zone</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>Total # of zone-wide clinics</td>
<td>Zone</td>
<td>Zone records</td>
<td></td>
</tr>
<tr>
<td>Total # of clinics offering women’s health services</td>
<td>Factory / Zone</td>
<td>Factory / zone records</td>
<td></td>
</tr>
<tr>
<td># of factories that contribute financially to zone-wide clinics</td>
<td>Zone</td>
<td>Zone records</td>
<td></td>
</tr>
<tr>
<td># or % of female workers using factory / zone clinics</td>
<td>Factory / Zone</td>
<td>Factory / zone records</td>
<td></td>
</tr>
<tr>
<td># of enterprises providing maternity and nursing leave</td>
<td>Zone</td>
<td>Zone records</td>
<td></td>
</tr>
<tr>
<td>Reduction of health-related absenteeism rate</td>
<td>Factory</td>
<td>Factory records</td>
<td></td>
</tr>
</tbody>
</table>
### TABLE 11 Monitoring and Evaluation Indicators (Continued)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Factory</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved employee loyalty (reduced turnover)</td>
<td>Factory</td>
<td>Records</td>
</tr>
<tr>
<td>Improved employee satisfaction</td>
<td>Factory</td>
<td>Survey</td>
</tr>
<tr>
<td>Number of factories reporting improved performance</td>
<td>Factory</td>
<td>Records</td>
</tr>
</tbody>
</table>

#### Factory Health Education

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Output</th>
<th>Factory</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased female labor force participation, Increased life expectancy, Decreased maternal mortality rates, More births attended by skilled health professional, Increased national competitiveness</td>
<td># of trainings, workshops, seminars, etc.</td>
<td>Zone</td>
<td>Records</td>
</tr>
<tr>
<td># of factories providing women’s health education training</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td># or % of factory workers trained</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td># of training hours</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td>Improved awareness level of key general and reproductive health topics</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>% of female workers using factory clinics</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>Health-related absenteeism rate</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td>Employee loyalty (reduced turnover)</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td># of factories reporting improved performance (e.g., improvements in productivity, operations, etc.)</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
</tbody>
</table>

#### Hot Meals and Nutrition

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Output</th>
<th>Factory</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased life expectancy, Decreased maternal mortality rates, Increased national competitiveness</td>
<td>Diagnostics / # or % of factories providing hot meals</td>
<td>Zone</td>
<td>Zone/factory records</td>
</tr>
<tr>
<td># or % of factories providing lunch allowance</td>
<td>Zone / factory records</td>
<td></td>
<td></td>
</tr>
<tr>
<td># or % of factories with nutritionist</td>
<td>Zone / factory records</td>
<td></td>
<td></td>
</tr>
<tr>
<td># or % of workers eating hot meal daily</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>Health-related absenteeism rate</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td>Employee loyalty (reduced turnover)</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>Number of factories reporting improved performance (e.g., improvements in productivity, operations, etc.)</td>
<td>Factory</td>
<td>Records</td>
<td></td>
</tr>
</tbody>
</table>

#### RECOMMENDATION 3: Help female workers grow financial assets through direct wage deposit and financial literacy programs

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Output</th>
<th>Factory</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased national savings rate, Increased school enrollment, Reduced infant mortality, Job creation, Increased GDP, Increased national competitiveness, Aggregate cost savings</td>
<td>Assessment of % workers with bank accounts</td>
<td>Factory</td>
<td>Bank/records</td>
</tr>
<tr>
<td>Assessment of % female workers with bank accounts</td>
<td>Factory</td>
<td>Bank/records</td>
<td></td>
</tr>
<tr>
<td>Assessment of average savings rate</td>
<td>Zone</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td># of financial literacy training courses held</td>
<td>Zone</td>
<td>Service provider</td>
<td></td>
</tr>
<tr>
<td>% of workers received training</td>
<td>Factory</td>
<td>Service provider</td>
<td></td>
</tr>
<tr>
<td>% of female workers received training</td>
<td>Factory</td>
<td>Service provider</td>
<td></td>
</tr>
<tr>
<td>Average savings rate</td>
<td>Zone</td>
<td>Records</td>
<td></td>
</tr>
<tr>
<td>% of workers with confidence in formal banking system</td>
<td>Factory</td>
<td>Survey</td>
<td></td>
</tr>
</tbody>
</table>

(Continued on next page)
TABLE 11  Monitoring and Evaluation Indicators  (Continued)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>% of workers whose actions demonstrate confidence in banking system</th>
<th>Factory</th>
<th>Bank records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome</td>
<td>% of women who feel control over financial decisions</td>
<td>Factory</td>
<td>Factory survey</td>
</tr>
<tr>
<td>Outcome</td>
<td>Reduction of costs of cash payroll</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td>Outcome</td>
<td>Instances of reported harassment/robbery</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
</tbody>
</table>

**RECOMMENDATION 4:** Promote women’s skills development through vocational training program

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Decreased unemployment rate, Decreased poverty rate, Increased literacy, Increased investment in higher-skilled industries, Increased GDP, Increased total exports, Increased national competitiveness</th>
<th>Zone</th>
<th>Zone records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td># of trainings, workshops, seminars, etc.</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># or % of workers trained</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># or % of female workers trained</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># or % of management trained</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># or % of female management trained</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># of training hours per factory</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td>Total # of workers trained</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Outcome</td>
<td>% of supervisors meeting job competency standards</td>
<td>Zone</td>
<td>Survey</td>
</tr>
<tr>
<td>Outcome</td>
<td>Internal promotion rate</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td>Outcome</td>
<td>Worker turnover</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td>Outcome</td>
<td>Supervisor turnover</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td>Outcome</td>
<td>Worker satisfaction with factory</td>
<td>Factory</td>
<td>Survey</td>
</tr>
<tr>
<td>Outcome</td>
<td>Supervisor satisfaction with factory</td>
<td>Factory</td>
<td>Survey</td>
</tr>
<tr>
<td>Outcome</td>
<td>% of women workers in managerial-level position</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
<tr>
<td>Outcome</td>
<td># of factories reporting improved performance (e.g., improvements in productivity, operations, etc.)</td>
<td>Factory</td>
<td>Factory records</td>
</tr>
</tbody>
</table>

**RECOMMENDATION 5:** Support female entrepreneurs through access and training programs

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Decreased unemployment rate, Decreased poverty rate, Increased GDP, Increased national competitiveness</th>
<th>Zone</th>
<th>Zone records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td># of trainings, workshops, seminars, etc.</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># of women trained</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Output</td>
<td># of events connecting entrepreneurs to potential clients</td>
<td>Zone</td>
<td>Survey</td>
</tr>
<tr>
<td>Output</td>
<td># of entrepreneurs connected to export markets</td>
<td>Zone</td>
<td>Survey</td>
</tr>
<tr>
<td>Output</td>
<td># of training hours per zone</td>
<td>Zone</td>
<td>Training center records</td>
</tr>
<tr>
<td>Outcome</td>
<td>Increased revenues for women-owned SMEs</td>
<td>Firm</td>
<td>Firm data</td>
</tr>
<tr>
<td>Outcome</td>
<td>Decreased rate of small-business failure</td>
<td>Zone</td>
<td>Survey</td>
</tr>
</tbody>
</table>
Case Studies
This study examines the role of special economic zones (SEZs) in promoting women’s economic empowerment and creating sustainable jobs as a way to boost zones’ competitiveness. The Bangladesh case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

- Fair employment and working conditions for female employees
- Equal access to opportunities for professional advancement
- Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

Bangladesh was selected for inclusion in the study because of the significant body of literature on the transformational effects of the RMG sector on role of women in one of the world’s poorest and most densely populated countries. It is a traditionally agricultural society, with an increasing trend toward urbanization and migration by young populations seeking employment in industrial sectors.

Methodology

This case study is based on findings from a combination of stakeholder organization interviews, qualitative factory-based research, and desk research. The primary research included 45 one-on-one and group interviews with civil society groups, workers’ organizations, government, and private-sector stakeholders (including international buyers and factory managers).
To collect EPZ-relevant statistical data, BEPZA counselors (see Good Practice Example 1, below) collected information on a randomized sample of factories and interviewed a sample of 395 workers—208 female and 187 male. These activities were used to assess unique challenges and opportunities for female workers in EPZs.

Using tools developed by the researchers, BEPZA counselors conducted 41 group interviews with a total of 395 workers. At least 2 women and 2 men were interviewed at each facility. Thirteen factories were randomly selected for detailed reports by counselors. The thirteen factories included 7 garment, 2 ladies’ undergarment, 2 tent, 1 pant (flat-knit), and 1 t-shirt (flat-knit) manufacturing facility. Of the factories included, the average size was ~2,000 workers with approximately 62 percent women and 38 percent men.

A significant body of literature exists on the RMG sector in Bangladesh and the role of women within that sector. Primary research was augmented by desk research, including twenty-four Bangladesh-specific reports, in addition to a review of related global research.

### Zone Program in Bangladesh

SEZs in Bangladesh are publicly owned and regulated zone programs, which include a total of 8 export processing zones (EPZs). Dhaka EPZ and Chittagong EPZ, the two largest zones, were visited for this study. Chittagong EPZ is slightly larger than Dhaka EPZ, but the management systems of the zones are identical.

Zones in Bangladesh are regulated by the Bangladesh Export Processing Zones Authority (BEPZA), which is the government body tasked with attracting foreign investment in EPZs, and with regulating practices within the zones. BEPZA regulates the EPZs through two main sets of legislation, Instructions 1&2, and the EPZ Workers’ Association and Industrial Relations Act (2010). The Bangladesh Labour Law does not apply in the zones, except in instances where there is no specific BEPZA Instruction, in which case the National Labour Law may be followed. Trade unions are outlawed in EPZs, in favor of worker-organized “workers’ associations,” according to the act noted above.

Dhaka and Chittagong EPZs are considered commercially successful, with US$64.38 and US$57.52 million in investment and US$1,216.49 and US$1,333.53 million in exports, respectively, in 2009–2010. The RMG sector as a whole generated US$12,347.77 million in exports in 2008–2009, representing 79 percent of Bangladesh’s total exports. Comparatively, EPZ exports represent 16.5 percent (US$2,581.70m) of Bangladesh’s total exports of US$15,565.19 million, implying

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that there is remaining opportunity to grow EPZs’ share of exports.²

The largest percentages of zone investment come from South Korean investors, followed by investors from Bangladesh, Japan, and China, including Hong Kong. As of 2008, 65 percent of EPZ units make garments, textiles, and related products, and these sectors also account for 74.8 percent of zone investment and 86 percent of zone employment. Furthermore, although the number of garment factories in EPZs represents only 1 percent of the total in the country, these factories are much larger than those located outside of zones, and represent over 20 percent of total garment exports.³

Dhaka EPZ and Chittagong EPZ have a total of 257 active enterprises and 208,365 Bangladeshi factory workers, 63 percent of whom are women. While both EPZs are significant employers of women, these jobs tend to be concentrated at the level of assembly line workers. As illustrated in Table 1, women’s participation drops significantly at the staff and officer levels.

Within this composition, women represent 72 percent of all permanent workers, which could indicate lower turnover rates among women and longer terms of service. Women represent much lower percentages of technical and nontechnical officer-level staff (25 and 12 percent, respectively), though it is worth noting the significant difference between Chittagong and Dhaka zones in this regard. It is also worth noting that women with technical qualifications seem more likely to receive an officer-level job than those without.


### Table 1: Number and Percentage of Female Local Workers at Job Levels

<table>
<thead>
<tr>
<th>Zone</th>
<th>Local Worker (minimum hourly wages)</th>
<th>Local Staff (higher hourly wages)</th>
<th>Local Officer (Executive Level) (salary wages)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Female as % of Total</td>
</tr>
<tr>
<td>CEPZ</td>
<td>46,842</td>
<td>92,451</td>
<td>66%</td>
</tr>
<tr>
<td>DEPZ</td>
<td>30,512</td>
<td>38,560</td>
<td>56%</td>
</tr>
</tbody>
</table>

Source: BEPZA Zone Data December, 2010.

### Table 2: EPZ Employee Positions Male/Female

<table>
<thead>
<tr>
<th>Data Point (CEPZ + DEPZ)</th>
<th>Male</th>
<th>Female</th>
<th>Female as % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Permanent (contracted) Workers</td>
<td>43,603</td>
<td>116,010</td>
<td>72%</td>
</tr>
<tr>
<td># of Casual (noncontracted) Workers</td>
<td>10,216</td>
<td>15,001</td>
<td>59%</td>
</tr>
<tr>
<td># at Technical Officer Level</td>
<td>3,978</td>
<td>1,302</td>
<td>25%</td>
</tr>
<tr>
<td># at Nontechnical Officer Level</td>
<td>5,716</td>
<td>791</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: BEPZA Zone Data December, 2010
Factories in EPZs are generally considered to have better working conditions, higher wages, and higher productivity than outside of the zones. Workers are also more skilled and have higher levels of education than those outside the zone—female workers in EPZs have an average of 8 years of education, compared with 4 years for women working outside the zones. Women working in EPZs tend to be younger and single or, if married, are likely to have fewer children than women in other industries.

Women work in garment and electronics factories, while men are more commonly found in textile and knitwear facilities. Jobs are often gender-segregated as well—women often dominate the sewing floor, while men are more likely to do ironing and cutting.

While there is a higher prevalence of women on average within the surveyed enterprises and women tend to have a similar length of service as men (8.1 and 8.6 years, respectively), they remain largely underrepresented in supervisory positions and in worker committees.

Reasons for turnover are also markedly different, with men leaving for better-paying jobs, often abroad, while women leave primarily to address family and child-care needs. This illustrates that investment in certain gender initiatives such as better child care could help zones retain female workers.

Overall, support services for workers are underutilized and underresourced. Most enterprise-based child-care facilities are only set up to adhere to the law, providing a room but no child-care staff. As noted by one worker, “Child-care facilities are just set up for buyers to examine. They are badly lit, poorly ventilated, and have no actual providers on staff.”

Within zones, all workers are eligible to use the BEPZA hospital facilities and to apply for their children to attend a school within the Dhaka EPZ. In practice, a large majority (92 percent) of factory workers do not send their children to the Dhaka EPZ school, as school fees are often prohibitive—up to half of their salary per child.

The BEPZA hospital in Dhaka EPZ provides prenatal examinations and vaccinations for pregnant women working within the zone, and factory management within the zone is required to release pregnant workers for these examinations during work—

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6 BSR Interviews with Chittagong EPZ Management and factory management in Dhaka and Chittagong, February 2010.
ing hours. Workers do use hospital services, though women are often reluctant to take time off from work to receive prenatal care, particularly if they are paid on a piece-rate basis and will lose wages by doing so. Stories of women hiding pregnancy from supervisors to avoid compulsory prenatal care were heard in interviews with BEPZA counselors.

58 percent of workers found the BEPZA hospital to be unsatisfactory because of inadequate medicine provided, not enough or poor-quality doctors, a long wait for service, and expensive and substandard service (answers varied). Interviews also revealed poor personal health and nutrition, due to workers’ skipping breakfast, enterprises’ providing “poor-quality” meals or no meals, and the common occurrence of dehydration and weakness, which contributed to absenteeism. Poor personal health has resulted in over 94 percent of workers interviewed taking sick days within the last 6 months. Simple investments in menstrual health and hygiene, nutrition, and child care would dramatically improve female absenteeism and turnover rates within these enterprises.

Although 44 percent of female workers have bank accounts, a very low percentage of these workers have established direct deposit of their salary. In Chittagong EPZ, though percentages of women with bank accounts are higher, almost no women or men have established direct deposit of salary.

Obstacles to Women’s Economic Participation in Bangladesh

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace.

This study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement, and entrepreneurial investment opportunities in Bangladesh. The study

TABLE 4  Key Findings, BEPZA Counselor Worker Interviews, Collected March–April 2010

<table>
<thead>
<tr>
<th>Data Point</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td># of workers surveyed 187</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td>Absenteeism: Most frequently cited reason Headache, poor nutrition</td>
<td>Menstrual pain, sick child</td>
<td></td>
</tr>
<tr>
<td>Frequently cited reasons for leaving Better-paying job</td>
<td>Child care and family</td>
<td></td>
</tr>
<tr>
<td>Have established bank accounts 52%</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Direct deposit of salary in bank account, DEPZ (out of workers with bank account) 45%</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Data Point</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware of BEPZA hospital 100%</td>
<td></td>
</tr>
<tr>
<td>Dissatisfied with hospital service 58%</td>
<td></td>
</tr>
<tr>
<td>Housing: Want dorms 22%</td>
<td></td>
</tr>
<tr>
<td>Child care: Not using or not available 92%</td>
<td></td>
</tr>
<tr>
<td>Missed work in last 6 months 94%</td>
<td></td>
</tr>
</tbody>
</table>

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7 BSR Interviews with BEPZA, Dhaka EPZ management and Chittagong EPZ management, February 2010.
found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

These themes are explored within Bangladesh specifically around the following categories.

* **Legal Framework**: International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.

* **Social and Cultural Factors**: Cultural norms dictate women’s home responsibilities and can impact their economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.

* **Professional Advancement**: Advancement opportunities for women are tied to education and skills development, and also influenced by social and cultural factors.

* **Entrepreneurship**: Female entrepreneurs often lack access to capital, land, and business networks, and need training on business skills, management, and market identification.

This study has also identified replicable good practices in Bangladesh, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in Bangladesh” that follows on page 17.

### Legal Framework and Impact on Women

The primary law affecting Bangladeshi workers is the Labor Act of 2006, which consolidated parts of 25 acts into one. The export processing zones are governed by a separate law, the EPZ Workers’ Association and Industrial Relations Act 2004 (amended October 2010), which forbids union membership but permits “workers’ associations” that have collective bargaining rights. The establishment and effectiveness of these workers’ associations varies widely, as they depend on the initiative of the workers in an individual factory to establish an association and on the effectiveness of the association members and executive leadership. Some organizations, like Solidarity Center in Bangladesh, have created capacity-building programs for worker associations to help support their effectiveness. However, survey results found that only 1 percent of women participated in workers’ associations, suggesting that the associations may not deliver benefits to female factory workers regardless of their effectiveness.

The National Minimum Wage Board increased the minimum wage of the RMG sector in 2010, following lengthy debate between the government and labor organizations. The new minimum wage, which came into effect on November 1, 2010, is Tk 3,000 (US$43) per month, up from the previous minimum wage of Tk 1,662 (US$25). Unrest followed the agreement, because the minimum wage fell far short of labor unions’ demands of Tk 5,000. The 2010 pay structure has seven grades, with the highest pay fixed at Tk 9,300 (US$140). The EPZ law amendment also included a minimum wage adjustment to rates above the new national minimum wage (see Table 6, p 10 for details). The amendment also stipulated additional benefits including Conveyance Allowance, House Rent, Medical Allowance, Maternity Benefit, Festival Bonus, Provident Fund, and Overtime.

Tables 5 and 6 summarize the conventions and laws currently in place that affect women.

Most laws related to women’s rights at work are acceptable or even good on paper, but enforce-
ment is largely ineffective. Weak enforcement limits most laws’ positive impact on women, and sometimes creates opportunities for unintended negative consequences. The child-care law, for example, is mostly ineffective in Bangladesh, both inside and outside of the EPZs. The language of the law is vague—it calls for a “room” but does not specify the requirement of a provider—and thus employers invest in the minimum required by the law and women do not benefit from workplace child care. Research found that 92 percent of workers surveyed were not using their factories’ child-care center or lacked access to a child-care center. A focus group of BEPZA investors confirmed that child-care centers were underutilized.  

TABLE 5  Ratification of ILO Core Conventions and CEDAW

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>87 Freedom of Association and Protection of the Right to Organize</td>
<td>Ratified</td>
</tr>
<tr>
<td>98 Right to Organize and Collective Bargaining</td>
<td>Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Not Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>With Reservations</td>
</tr>
</tbody>
</table>

TABLE 6  Laws and Regulations Affecting Women’s Economic Opportunities

<table>
<thead>
<tr>
<th>Law</th>
<th>Law Description</th>
<th>National or Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity Leave</td>
<td>Leave of 16 weeks with pay.</td>
<td>Both</td>
</tr>
</tbody>
</table>
| Section 46, Labor Law 2006 | Provisions:  
- Worker shall not receive benefit unless she has served for minimum period of six months prior to notice of probability of delivery.  
- No maternity benefit shall be payable to any woman if at the time of her confinement she has two or more surviving children. | Both |
| Child care | 1 “children’s room” required for every 40 female workers with children below 6 years of age. | Both |
| Section 94, Labor Law 2006 | Provisions: The room is required to be of such an area that it can provide 600 square centimeters (previously 20 sq. ft.) of space for each child and the minimum height of such room shall not be less than 360 centimeters. | Both |
| Pregnancy testing | No law prohibits testing workers for pregnancy prior to hire. | Both |
| Minimum wage | $39/month Apprentice $48/month Helper $55/month Junior Operator | Zone |
| $61/month Operator $61/month Senior Operator $109/month High Skilled Operator | National |
| $35/month Apprentice $42/month Helper $49/month Junior Operator | National |
| $53/month Operator $58/month Senior Operator $102/month Master | National |

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A strong government policy in support of child care should take into account the potential negative impacts of such a policy, and so should supportive innovative and collaborative solutions to minimize the cost of compliance with legislation. Some governments, for example, offer grants to companies for the cost to set up a child-care center; other governments provide subsidies to child-care centers near industrialized areas. A third option is the establishment of a voucher system, whereby employers pay for vouchers that can be redeemed at registered child-care centers.

Social and Cultural Factors
As Table 7 illustrates, Bangladesh’s performance in gender equality remains mixed. While some progress has been achieved in economic empowerment and education, women are still at a significant disadvantage in health, nutrition, employment, and political participation. Disparities in adult literacy persist, and women’s participation in leadership positions in the public and private sectors remains low. Women remain unequal under the law, especially regarding divorce, inheritance, and property rights. Rape, dowry-related assaults, acid throwing, and other violence are not uncommon, particularly in rural areas, and are widely underreported and underprosecuted.13

Major challenges for women entering or advancing within the formal workforce include access to education, vocational skills, health, finance and housing, family responsibilities, transportation to and from work, and rights awareness. Taken together, the evidence below demonstrates that economic empowerment through jobs in Bangladesh EPZs offers significant opportunities to women to improve their education and skill levels, employability, health, living conditions, and status within their family through increased income. What’s more, increasing women’s access to employment, upward mobility, and investment opportunities will help Bangladesh continue to grow the export industry, which has been fueled to date by young women workers. To achieve their continued economic empowerment, the challenges and opportunities detailed below must be addressed by a variety of stakeholders, and be supported by legal regulations and enforcement.

Employment
Women’s employment in Bangladesh has grown significantly in recent decades. From 1995 to 2003 women’s employment increased almost one and a half times.14 A notable area of growth for this study, and for the Bangladeshi economy, has been in the RMG industry, which has created hundreds of thousands of jobs for women since the early 1990s.

Factory managers interviewed in Bangladesh commented on their preference for female workers because of their reduced likelihood of unrest, their smaller hands, which enable them to do more delicate and intricate work, and their higher patience levels.15 One study identified a perception that women performed better than men, and that their “sincerity” and “law-abiding nature” made them more desirable employees.16 Women’s entry into the labor force in the RMG sector was further facilitated by the historical participation of Bangladeshi women in sewing and dressmaking at home. Thus, technically “unskilled” young women were seen as requiring only limited training.

However, jobs in the RMG sector have not come without challenges. A low minimum wage that does not meet living-wage standards,17 excessive

14 World Bank (2008), Whispers to Voices: Gender and Social Transformation in Bangladesh, South Asia Sustainable Development Department, Bangladesh Development Series Paper No. 22, World Bank, Washington D.C.
15 BSR Interviews with factory management in Dhaka and Chittagong, February and June 2010.
Bangladesh Case Study

Overtime, incorrect payment of wages, and limited freedom of association are issues pervasive throughout the sector in Bangladesh. External studies have similarly concluded that even where unions or workers’ associations are allowed, women often lack upward mobility opportunities, remain unable or unwilling to unionize, and have no representative voice in garment factories. A 2008 study of working women found that 70 percent of “operators” and 78 percent of “helpers” reported receiving verbal abuse from supervisors and having a resulting fear of supervisors. Another study found that 60 percent of women workers interviewed reported being subject to obscene and sexually suggestive language in the workplace; others reported instances of physical sexual abuse.

Table 7: Socioeconomic Indicators: Bangladesh (various sources, 2005–2009)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total Adult Population</th>
<th>Ratio, Female to Male</th>
<th>% Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population living on less than US$2 per day</td>
<td>81%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary)</td>
<td>1.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy (for ages 15+)</td>
<td>53.5%</td>
<td>0.82</td>
<td>48%</td>
</tr>
<tr>
<td>Labor force participation</td>
<td>0.68</td>
<td>57.2%</td>
<td></td>
</tr>
<tr>
<td>Earned income (USD annually)</td>
<td>$1,282</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Women-held seats in parliament and women in government at ministerial level</td>
<td></td>
<td>6%, 8%</td>
<td></td>
</tr>
<tr>
<td>Female legislators, senior officials, managers</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Female professional and technical workers</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women with unmet family planning needs</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Births attended by skilled health professional</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternal mortality rate (per 100,000 live births)</td>
<td>340</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Major Religions

<table>
<thead>
<tr>
<th>Religion</th>
<th>Population %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muslim</td>
<td>88.5%</td>
</tr>
<tr>
<td>Other</td>
<td>Hindu 10.5%, Christian 0.3%, Buddhist 0.6%</td>
</tr>
</tbody>
</table>

Gender Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender-related development index (GDI)</td>
<td>0.536, Rank 140/177 countries</td>
</tr>
<tr>
<td>Gender empowerment measure (GEM)</td>
<td>0.264, Rank 108/109 countries</td>
</tr>
</tbody>
</table>


Note: “The gender-related development index (GDI), introduced in Human Development Report 1995, measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between women and men. It is simply the HDI adjusted downward for gender inequality. The greater the gender disparity in basic human development, the lower is a country’s GDI relative to its HDI.” (source: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_BGD.html)

“The gender empowerment measure (GEM) reveals whether women take an active part in economic and political life. It tracks the share of seats in parliament held by women; of female legislators, senior officials and managers; and of female professional and technical workers- and the gender disparity in earned income, reflecting economic independence. Differing from the GDI, the GEM exposes inequality in opportunities in selected areas.” (source: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_BGD.html)


19 Paul-Majumder, Pratima (2008), Social, Economic and Health insecurity affecting women’s participation in the labor market and their labor productivity, Dhaka.
None of the above studies were focused on the EPZs, and as conditions within EPZs are viewed as better than those outside, they may experience the above issues less frequently.

Surveys found that women face additional unique challenges regarding transport to and from the zone and security concerns, a lack of access to in-factory child care, and limited representation in worker committees and supervisory roles, as well as inappropriate maternity leave and benefits. Female workers often suffer disproportionately because of their greater likelihood of being hired at a lower level than male workers, their lack of representative female voices in unions and workers’ associations, their home responsibilities, their lower education levels, and their vulnerability to sexual harassment. Wage discrimination, though against the law, still occurs in the RMG sector, both inside zones and outside. A 2007 study of the RMG industry found that women earn 15.9 percent less than men on average. Job discrimination or “occupational sex segregation” is also common. In addition, women tend to be restricted to lower-paying industries and lack access to higher-paying jobs (See the following section, Professional Advancement Opportunities). The study concluded that education reform and educational programs targeting women could reduce occupational segregation and improve women’s economic status.

**Education**

While Bangladesh has seen significant advances in gender equity in education due to targeted government policies to increase girls’ enrollment in primary and secondary schools, a significant gender gap persists in terms of adult education and economic and political participation.

The Female Stipend Program (FSP) was created in 1982 in Bangladesh to help increase the enrollment and retention of girls in secondary schools, and to delay marriage and motherhood and support poverty reduction. This strategy was a response to the growing population and its impact on poverty. FSP provided a monetary stipend to rural girls entering secondary school, including a monthly sum ranging from Tk 25 in Class 6 to Tk 60 in Class 10 (US$0.37–$0.88 in July 2006), as well as additional support for books and exam fees. Continued receipt of the stipend is conditional upon an individual’s attendance rate (minimum 75 percent), as well as a minimum exam score of 45 percent. Participants are also required to abstain from marriage until after obtaining their school certificate or turning 18. From the introduction of the nationwide program in 1994 through 2003, girls’ enrollment in secondary school almost doubled, from roughly 240,000 to almost 450,000.

In the 1990s, the focus of FSP expanded beyond reducing fertility to include increasing women’s employment opportunities in both the formal and informal sectors. This was seen as an effective means of reducing rural poverty and driving economic growth. These shifting objectives corresponded with the growth of the RMG sector and

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22 World Bank (2008), Whispers to Voices: Gender and Social Transformation in Bangladesh, South Asia Sustainable Development Department, Bangladesh Development Series Paper No. 22, World Bank, Washington D.C.
24 Universal Primary Education (UPE) program. The government launched several initiatives to increase enrollment: building new schools, establishing community and satellite schools, improving teacher training, and providing free tuition for female students. Targeting poor, underserved communities was central to programs like the Food for Education Program, which provided wheat or rice to poor families as an incentive for children to attend school regularly.
the creation of millions of unskilled job opportunities for women.

Women represent the majority of employees in RMG, which is the country’s major export sector. Over time, it is expected that the FSP will increase the education and skills of the RMG sector’s workforce. In the future, an educated female workforce could contribute to increased foreign investment in the RMG sector, and to potential investments in other higher-value sectors, such as electronics parts assembly and IT services.

A study underway at Yale University, seeking to demonstrate the positive impact of women’s employment in the garment sector on their village communities, has found a correlation between women with jobs in the garment sector and 5-year-old girls attending school: If the number of women with jobs in the garment sector doubles, the likelihood of girls in schools increases by almost 7 percent.26

Recent studies have noted that newer hires in zones tend to have higher education levels.27 Female workers in EPZs also tend to have higher education and skill levels than other female workers. One study found that female workers in EPZs had an average of 8 years of education, compared with 4 years for women working outside the zones.28 However, many older women currently working in Bangladesh’s zones likely left school prior to the government reforms and have lower levels of formal education. Also, the perception among managers is that female workers are less educated; efforts must be made to change these perceptions.

Health

Female factory workers in Bangladesh are vulnerable to myriad of health issues, including malnutrition, communicable diseases, pregnancy complications, incorrect use of family planning materials, and reproductive infections and diseases. Key areas of need included pre- and postnatal care, HIV/AIDS, nutrition, family planning, early detection of breast and cervical cancer, and occupational safety and general health.29 In general, workers in EPZs are thought to be healthier than those working outside, because of higher wages and better working conditions on average.30 Still, all the challenges below likely apply to EPZ workers, but are less frequent.

Priority issues include malnutrition and menstrual hygiene. “Women are more malnourished than men at every stage of life but this phenomenon is more visible in the case of adolescent girls and pregnant mothers. A quarter of maternal deaths are associated with anemia and hemorrhage.”31 In Bangladesh, 47 percent of preschool-age children and pregnant mothers are anemic, and 25 percent of pregnant women are deficient in vitamin A.32 A 2003 study by the Bangladesh Institute of Development Studies found that over 30 percent of women had developed chronic illnesses such as gastrointestinal infections, urinary infections, and anemia since starting work in the garment sector.33

29 BSR, Women’s General and Reproductive Health in Global Supply Chains, October 2006.
Sanitation, access to water, and health taboos impact women's menstrual hygiene and reproductive health. Reproductive-tract infections are common, and many women miss work during their menstrual cycle because of pain and embarrassment. In individual and focus-group conversations with approximately 25 factory operations and human resources managers, the study found that the majority were familiar with the issue of menstrual hygiene because of its impacts on their rates of absenteeism.

Family planning products are for the most part available to women (note the very low figure of 17 percent of women with unmet FP needs in Table 7), especially in urban areas, and are widely used by female garment workers. However, interviews also revealed common misuse of those products out of lack of awareness. For example, one NGO said that many women take 2–3 types of oral and injected contraceptives at once. Such misuse can enhance rather than reduce risk of unplanned pregnancies or other health risks to women.

Though illegal, domestic violence and other violent acts against women are common, and are closely related to women's isolation and restricted movement, particularly in rural areas. The 2007 Bangladesh Demographic and Health Surveys by the National Institute for Population Research and Training found that 49 percent of women who had ever been married had experienced violence in their current or most recent marriage. One in four married women surveyed said they had experienced physical and/or sexual violence often or sometimes in the past year.

Reported rape incidents also increased rapidly in the mid- to late 1990s, and reported sexual exploitation remained high as of 2004. Incidents of physical sexual abuse in the workplace are perhaps less common, especially in export processing zones, but findings did reveal higher levels of concern regarding security among female workers than among males. Earning wages has also been demonstrated to increase women's status in the home, and to help protect them from domestic violence.

**Religious-cultural Context**

Rural women migrating to urban areas for jobs in the RMG sector have participated in a social revolution, softening the conservative culture by increasing women's formal employment and freedom of movement.

Female garment-factory workers are seen to “represent the new generation of women workers and perhaps the future trend setters” from a sociocultural perspective. Employment in the garment industry has increased the age of marriage, improved the financial condition of young women's families through remittances, and reduced the dowry in many areas of the country. These changes have also corresponded with a significant increase...

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36 BSR Interview, Awaj Foundation, June 2010.
40 BEPZA Counselor survey data, March–April 2010.
41 Salway, Sarah, Sonia Jesmin, and Shahana Rahman (2005), *Women’s Employment in Urban Bangladesh: A Challenge to Gender Identity?* Proshika Manobik Unnayan Kendra, the London School of Hygiene and Tropical Medicine and the University of Bath.
in the availability and uptake of contraception—one study found that 99 percent of married women had access to contraceptives\textsuperscript{44}—although interviews found remaining challenges in the proper usage of contraceptives.\textsuperscript{45}

Women’s self-esteem and self-perception have also changed because of new sets of social relationships in all- or majority-female households and work environments—as Sabrina Islam, president of the Women Entrepreneurs’ Association, said, “Look at how they hold themselves, with confidence.”\textsuperscript{46} The acquisition of independent income has shifted women’s status in their family and in society at large, giving them personal purchasing power, access to bank accounts, and the ability to support their family financially.\textsuperscript{47} One study found that remittances from female garment workers had contributed to an increase from 22 percent to 43 percent of families living in brick houses.\textsuperscript{48}

Other studies have found that women remain financially dependent, especially married women, even when they are earning income from jobs in the garment industry. Single women are more likely to feel empowered by their earnings, while married women traditionally have tended to give their earnings to the male heads of household, who in turn give the women a monthly allowance,\textsuperscript{49} though there is some perception that this situation is changing. Research for the study also revealed a strong need for improving female workers’ financial literacy and access to microsavings accounts—both would enhance their financial independence and improve their ability to contribute to supporting their families via safer remittance processes.\textsuperscript{50}

**Housing**

The substandard living conditions of most garment workers create time, efficiency, health, and safety concerns. For example, the lack of running water and electricity in slums means that women often have to line up to use a shared gas burner to boil water. Similarly, they must stand in line to use shared bathrooms and showers. Finally, transportation is often a challenge, if slums are located far away from workplaces or in isolated areas. This study gathered reports of women needing to wake at 5am to be at work by 8am, for example, because of these combined issues.

Land availability, for industry and residential zoning, is an enormous and growing challenge in Dhaka and in the industrial areas of Chittagong. This limits the availability of safe housing for young women migrating to urban areas for work.

A 2007 study found that workers in the RMG sector (both in EPZs and outside) lived in tin-roof houses (74 percent), pucca\textsuperscript{51} houses (24 percent), or thatched houses (2 percent). In the same study, female workers expressed concerns about security in and near their homes, and researchers found that access to pure drinking water and sanitary toilets was limited.\textsuperscript{52} A 2000 study found bathrooms “shared between 16–22 boarders, on average, and cooking gas burners or heaters shared between

\textsuperscript{44} National Institute of Population Research and Training, Dhaka, *Bangladesh Demographic and Health Survey*, 2007.
\textsuperscript{45} BSR Interview, Awaj Foundation, June 2010.
\textsuperscript{46} BSR Interview, Sabrina Islam, WEA, February 2010.
\textsuperscript{47} Pakistan Institute of Labour Education & Research and South Asia Alliance for Poverty Eradication, *Organizing for Labour Rights: Women Workers in Textile/Readymade Garments Sector in Pakistan and Bangladesh*, 2009.
\textsuperscript{50} BSR Interviews with BEPZA Counselors, Chittagong EPZ, February 2010; BSR Interview, MAMATA, February 2010.
\textsuperscript{51} Pucca houses are made of brick and cement with iron reinforcement.
10–15 families. A 2004 study identified that 100 percent of female workers in EPZs were living in rented accommodations. However, women working in EPZs were more likely than women working in other industries or locations to live in a house made of durable materials with access to an independent water supply. These findings were confirmed in interviews with BEPZA counselors and NGOs, including Awaj Foundation and NUK (the Centre for Women's Initiatives).

The logistics of renting also come with complications. BEPZA counselors commented that most landlords require a man to sign a lease, and most women working in the garment sector cannot afford to live on their own. As a result, many women share cramped accommodations with two or more women or a married couple. Regarding cost of living, a 2000 report found that women garment-factory workers spent 52 percent of their income on housing, compared to only 34 percent for their male colleagues. This implies one of two things—that women tend to invest more in housing than men or that there is a gender-based wage gap. The likely reality is a combination of both factors, suggesting that women could increase their savings and remittances if safe, lower-cost housing options were made available to them.

BEPZA counselors emphasized the value of the government or the zone making gender-segregated housing options available, particularly for young female migrants.

**Professional Advancement Opportunities**

EPZs in Bangladesh provide significant and often unique opportunities for women to enter the formal workforce. A remaining challenge is providing opportunities for female workers to advance beyond entry-level positions, which are often unskilled or low-skilled jobs.

Although women tend to constitute the majority of unskilled or low-skilled workers in zones, the majority of supervisors remain male. For example, BEPZA Counselor reports on 13 randomly selected factories revealed that on average 22 percent of supervisors are female, compared to 62 percent of workers.

There are a variety of explanations for women’s failure to advance in the workplace in Bangladesh’s EPZs. One explanation provided by both BEPZA counselors and factory managers was that women didn’t want to be supervisors—the hours were too long, the pay was salaried, which meant no overtime, and they didn’t want the responsibility. Overall, women were found to be less likely to advance for the following reasons:

* Skills gap: Lack of technical, life, communication, and management skills;
* Education gap: Higher rates of illiteracy and innumeracy;
* Limited training to enable low-wage women workers to improve their skills and move up;
* Perception of women as short-term workers, likely to leave when they marry; and

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57 BSR Interviews with BEPZA Counselors, Chittagong EPZ, February 2010.
59 BSR Interview, BEPZA Counselors, Chittagong EPZ, February 16, 2010.
60 BSR/BEPZA Counselor research, April–May 2010.
61 BEPZA Counselor Interviews, Chittagong and Dhaka EPZs, February 2010; Factory visits, Dhaka and Chittagong EPZ, February 2010.
Inability to transfer length of service to new factories when women leave for marriage, maternity, or by choice for a new job.

Lack of education was the reason most frequently cited by factory managers for women not being promoted to line supervisor; the managers often explained that they would prefer to promote female workers if their education levels were higher.62

Another widely held perception, among both workers and management, was that women possess fewer leadership qualities than men. One manager said, “Many male workers prefer male supervisors over female,” which corresponded to a similar comment by a male worker: “I do not like female supervisors—they cannot lead workers”. Others said that women lacked critical management skills—for example, that women are afraid of decision making and they find it difficult to communicate with others.63

The study also found instances of high numbers of female supervisors and managers who valued female over male supervisors. For example, of the 13 factories surveyed, the two with the highest percentages of female supervisors had 71 and 45 percent, respectively.64 At a workshop with factory management in May 2010, representatives from one factory commented that they had over 90 percent female supervisors and that they felt women made excellent managers.65

Finally, perception and prejudice play a large role in women’s lack of advancement. In-factory interviews and focus groups with BEPZA counselors confirmed a widely held perception among factory managers of women, particularly young unmarried girls, as temporary or transient workers who are expected to leave the factory after 2–3 years to get married. This perception reduces factory management’s willingness to invest in female workers for long-term employment and up-skilling. In fact, BEPZA Counselor reports and surveys found that within EPZs, there was actually a negligible difference in service length between men and women (8.6 years on average for men versus 8 years for women), and that some factory managers noted less turnover and more loyalty in their female worker cohort.66 Another external study also found high proportions—between 40 and 50 percent—of married female workers within the RMG sector.67 A developing trend is for women to marry male factory workers and remain in the city past marriage, and sometimes after they have had children. It is particularly common for both male and female workers to want to keep jobs in EPZs, as these are viewed as more desirable, because of higher pay and better working conditions. Thus, the perception of women as short-term employees may be increasingly irrelevant within the EPZ context. Hopefully, this shift will be accompanied by an increased investment in women’s management potential and promotion.

Opportunities and Challenges for Female Entrepreneurs

The culture of female entrepreneurship is very strong in Bangladesh, largely founded and supported by the Grameen Foundation’s (and other organizations’) introduction of microfinance and, in particular, small loans programs targeting women. What’s more, the RMG industry has increased the population of women with expendable income, supporting the development of women’s entrepreneurial opportunities to sell goods such as clothes, jewelry, and food to a new generation of consumers.

Within this climate, small female-owned businesses flourish with strong leadership from women’s business associations and female entrepreneurship groups like the Bangladesh Federation of Women Entrepreneurs (BFWE), the Bangladesh Women’s

62 BSR/BEPZA Counselor research, April–May 2010.
64 BSR/BEPZA Counselor research, April–May 2010.
66 BSR/BEPZA Counselor research, April–May 2010.
Chamber of Commerce and Industry (BWCCI), Women in Small Enterprise (WISE), and the Women Entrepreneurs’ Association (WEA).

However, in Bangladesh, as in other countries visited for this study, women struggle to create businesses in zones, or businesses that link to the export market more generally.68

Female entrepreneurs in Bangladesh face challenges to investing in zones with regard to the following areas:

* Access to capital
* Access to land
* Skills and business-management knowledge
* Identification of markets, marketing products, and export-specific knowledge
* Intimidating, time consuming, and bureaucratic administrative requirements for starting a formal business
* Corruption or bribery in the system for obtaining a business license
* Access to a business network
* Location and distance of zones outside of cities (making it difficult to balance work with women’s responsibilities at home)
* Confinement to small businesses in female-dominated sectors

Administrative requirements for starting a formal business can be intimidating for women, particularly those with no formal business training. In addition, women creating businesses are as likely as men to fall victim to corruption, such as demands for bribery in exchange for a business license, and are often less adept at navigating their response to such situations.69 Organizations like the Women’s Chamber of Commerce are trying to minimize this disparity for female entrepreneurs through a training program on principles of women’s rights and negotiation skills for female entrepreneurs.

Once they are able to start a business, many female entrepreneurs remain confined to small businesses in female-dominated sectors. According to BFWE and WISE, many women they work with often resist expanding their business from small to medium, because of either risk aversion, lack of confidence, or lack of financial resources.70 Outreach programs run by WEA, WISE, and BWCCI are working to improve women’s confidence and to enhance the existing entrepreneurial culture among Bangladeshi women.

In addition to these general challenges, some zone-specific challenges exist. It may prove difficult to replicate the successful model of small, female-owned businesses, primarily in the service and retail sectors, within zones. Currently only export-oriented companies are allowed in zones, beyond a few limited service organizations (banks, post offices) that are located near BEPZA offices to serve administrative officials. This status quo limits economic participation within zones to factory ownership, and there are currently very few female factory owners.

A final challenge for women is the location of zones, which are often far from the city center. For example, Dhaka EPZ is located 1–2 hours outside of the city center. Given their traditional role at home, women find it difficult to locate a business so far away from their residence. To create realistic opportunities for female entrepreneurs in zones, any program or policy should first target local women who live within close proximity to zones.

**Investment Opportunities for Female Entrepreneurs in Zones**

Although there is currently limited female entrepreneurship in zones, the potential exists for women business owners to participate economically in zones in three ways:

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69 BSR Interview with President, Women’s Chamber of Commerce and Industry, February 2010.
70 BSR Interview with President, Women in Small Enterprise (WISE) and Bangladesh Federation of Women Entrepreneurs (BFWE), 2010.
1. Women-owned factories: Currently, female investors are very uncommon in Bangladesh’s zones. According to WEA, BWCCI, and WISE, many women lack the formal business training in communications, marketing, and budgeting that might help them create business opportunities in zones. Addressing this deficit will require providing women with training programs on international markets and exporting, access to capital, and possibly ongoing technical assistance.

2. Supply-chain linkages to female-owned businesses: According to WEA, BWCCI, and WISE, many women are running small businesses that could offer supply-chain services to enterprises in zones, such as button or zipper manufacturers. However, they generally lack access to these companies or the know-how to market their products to them. BEPZA could play a role in creating opportunities for such businesses to market their services to BEPZA investors.

3. Female-owned small businesses within zones: Small service and retail businesses in zones currently cater to the needs of investors and BEPZA. A collection of female-owned small businesses seeded in zones could broaden this scope to also serve workers through cafes, small shops, and services like laundries or privately run day-care centers. A partnership with WISE or WEA could identify female entrepreneurs and link to MIDAS, which provides small business loans to women.

Good-Practice Enablers of Women’s Economic Empowerment in Bangladesh

Through fieldwork and other research in Dhaka and Chittagong zones, this study identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs represent good practices we identified in Bangladesh, which have the potential to be replicated in other zones or enterprises in Bangladesh, as well as in zones and enterprises in other countries.

Zone Compliance Monitoring: BEPZA Counselors Program

* Type: Program that covers labor and social compliance, including gender, environmental, and occupational health and safety issues, as well as providing informal dispute mediation
* Who: BEPZA, IFC
* Where: In 300+ firms in all 8 EPZs in Bangladesh
* Time frame: 2006–present (as of June 2011)
* Cost: Approximately US$375,000 per year to cover 56 counselors’ salaries and benefits, as well as other program costs, such as materials and impact measurement
* Benefit to women: Residual but significant, as 64 percent of workers in the zones are women
* Benefit to business: (1) Low-cost and neutral monitoring mechanism supports level playing field for BEPZA investors; (2) Continuous compliance improvement mitigates risks for investors and BEPZA; (3) Worker counseling aspect addresses concerns before they become grievances; (4) Programs assist in reducing worker unrest in the zones

The BEPZA Counselors Program was introduced as a zone-level monitoring system to assess compliance with labor standards. The program currently has 56 counselors: 38 men and 18 women. Each Counselor is part of a 2-person team that is assigned to a zone and 5–10 individual factories, which they are responsible for monitoring. Monitoring results are shared with BEPZA and kept confidential from factories and buyers. The Counselors also work as informal dispute arbitrators and help resolve grievances.

Over the course of the 5-year program, BEPZA counselors contributed to significant improvements in the number of factories with proper grievance procedures, from 35 percent in 2005 to 90 percent in 2010. In addition, the number of factories with effective disciplinary measures in place also rose from 35 percent to 91 percent. As ex-

71 BSR Interviews, Female entrepreneur organizations, February 2010.
pected, the increase in proper grievance procedures and disciplinary measures helped to decrease filed grievances over time:Filed grievances fell from approximately 2,500 in 2005 to approximately 400 in 2009. This increase in grievance resolution shows a strong correlation with increased disciplinary measures and overall safety and security under the program.

Several factors contribute to the effectiveness of this program for female workers. First, the majority of workers in the zones are female. Second, the majority of supervisors in the zones are male. And third, there are sufficient numbers of female counselors to allow most female workers access to them. As a result of the above factors, female workers take advantage of the program to report workplace grievances, sexual harassment, and other concerns to female counselors. This model, first tested by YoungOne factory in Chittagong EPZ, empowers the Counselor to help workers address both personal and professional concerns and avoid unnecessary conflict.

Building on the success of the monitoring program, IFC and BEPZA have begun a new awareness-raising campaign for social management within zones. The campaign is being tested in Dhaka EPZ and will later be rolled out in Bangladesh’s other zones. The campaign will use the existing monitoring forms, a needs assessment of current levels of awareness of social compliance issues, and a campaign to raise awareness among both workers and factory management of rights and responsibilities through posters, booklets, and serial dramas to address the remaining gaps in awareness.

**Women’s Health Program for Business Returns: Extending Service Delivery Program and ROI Study**

- **Type**: Workers’ rights protection, health, and well-being program
- **Who**: Extending Service Delivery Project (USAID), Investor, Health Solutions Participatory Development Appraisal (HSPDA)
- **Where**: Chittagong garment factory
- **Time frame**: 2005–2006
- **Cost**: US$47 per week for direct and indirect costs for clinic staff and medicines and full pay to workers during clinic visits and scheduled peer education sessions; ROI research study costs were additional.
- **Benefit to women**: Direct benefits through increasing female workers’ health awareness and their access to information and services both within the factory clinic and through outside referrals.
- **Benefit to business**: Program delivered a $3:$1 return on investment in the form of reduced absenteeism, reduced turnover, and increased productivity.

The participating Chittagong factory had 450 employees, 84 percent of whom were women. A baseline assessment conducted by local partner HSPDA in November 2004 found the availability of “health facilities at the factory” to be the highest priority of workers at 66 percent, over a subsidized cafeteria, transportation assistance, or new machinery (each at 33 percent). Fifty percent of managers agreed that there was a need for health facilities.

HSPDA supported program implementation, which included funding a factory-based clinic operating 3 days per week at a cost of approximately US $47 per week. The health team comprised a
doctor (Ob/Gyn), a nurse-counselor, and an attendant. Over the 18 months of the program (Jan. 2005–June 2006), the clinic recorded 1,145 consultations, which provided 2,263 treatments.

The program also included a peer education program that sought to raise awareness among workers about the services available in the clinic and the importance of utilizing the services. For visiting the clinic and receiving basic health services and information, including reproductive health and family planning products, workers paid a co-pay of Tk 5 (or seven US cents) per visit—the equivalent of the cost of a cup of tea or two bananas at a local food vendor.

In examining the business value of the program over 18 months, the study found the following:

* Audit Data:
  - Average of 18 percent fewer days lost to absenteeism (from 867 to 712);
  - A 46 percent decrease in staff turnover (from 40 to 21)

* Worker Interviews: Whether or not they used the onsite clinic services, clinic availability made workers
  - Less likely to be absent from work
  - More likely to stay in their current job
  - More likely to have positive attitudes toward factory management

The study quantified the monetary value of the return on investment in reduced absenteeism and turnover as US $3:$1 over the 18-month program period.

Factors contributing to the program’s success included (1) support from senior management and line supervisors for the creation of the onsite clinic and worker use of the clinic; (2) the needs-based design of the program, which directly responded to workers’ expressed health needs; (3) the combination of services with information sharing using a peer education model; and (4) the high competency level of the clinic nurse.72

Comprehensive Partnership Program, Chittagong EPZ

* **Type:** Workers’ skills, health, and financial inclusion program
* **Who:** CARE Bangladesh, Timberland, Young One, Mamata
* **Where:** YoungOne facilities, Chittagong EPZ
* **Benefit to women:** Improved health awareness and communication skills, and increased financial decision-making power.
* **Benefit to business:** Improved worker-management communication, reduced turnover and absenteeism.

The Comprehensive Partnership Program began in 2002 with the objective of improving the skills, health, and financial stability of the more than 22,000 female workers in YoungOne factory in Chittagong EPZ. The program used a combination of peer education, community-based education, counseling, advocacy, and community mobilization to achieve its objectives.

Program contents included:

* Awareness-raising about health and hygiene and rights and responsibilities through peer-to-peer education, community outreach, and an information booth;
* A street fair exploring “women’s vulnerability in the home and at the workplace”;
* An early childhood development training program for mothers and nursery staff, including schooling, growth monitoring, and parenting methods;
* Health education about hygiene, HIV/AIDS, immunization, and food and nutrition as well as referral to health services, including Mamata and YoungOne clinics;
* Finance programs, including a savings account program and loans of Tk 3,000 to 25,000 with monthly repayment. The savings account program has a 2 percent monthly service charge

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72 ESD, “Effects of a workplace health program on absenteeism, turnover, and worker attitudes”, 2007
and yields 6 percent annual interest. Money is collected in the factory at booths set up on a monthly basis. The financial program is currently self-sustaining.

The program delivered multiple benefits for workers and YoungOne. For example, female workers improved their communication and decision-making skills, contributing to improved worker-management communication. Incidence of sickness decreased and turnover in production units decreased. In addition, the micro-savings and loan program was highly successful at increasing female workers’ control over their income, and the program will continue, funded by workers’ investments.73

**Various Brand and Industry Association Programs Supporting Women’s Health, Rights, and Literacy**

*Type:* Programs, various  
*Who:* International buyers, local NGO partners (various; see below)  
*Where:* Bangladesh, various locations  
*Benefit to women:* Improved awareness and skills, and improved health  
*Benefit to business:* Improved garment-industry workforce, specific factory workforce, and more stable communities.

Because of the importance of Bangladesh as a sourcing destination and the prevalence of women within the factory workforce, many international companies have invested heavily in social programs to benefit female factory workers in the country. Programs address women’s health challenges, rights awareness, and basic education.

Some examples of brand programs targeting women are highlighted below:

*H&M Rights and Responsibilities Soap Operas* introduce the concept of rights and responsibilities for workers through culturally sensitive and locally produced video dramas that can be shown during the factory lunch hour or other break periods. The soap opera format did not intentionally target female workers, yet the high percentage of women in the workplace were reflected in the films. The videos were made in 2008 and released in 2009, and cost approximately Tk 100,000 to produce, with additional resource investment by H&M staff in Bangladesh. H&M shares the videos with any company who demonstrates a clear commitment to improving its workers’ rights and responsibilities awareness.74

*Gap’s Literacy Program with CARE Bangladesh* provides basic literacy training to female garment workers and other women in their communities through community-based night schools. Literacy centers are open to participation by any women in the serviced communities.75

*A partnership between Bangladesh Garment Manufacturers Employers’ Association (BGMEA) and Smiling Suns Clinics arranges rotating doctor visits to garment factories with factory and BGMEA financial contributions.*

*The Wal-Mart Literacy and Empowerment Program with CARE Bangladesh* provides workplace skills and literacy training. Education sessions also address maternal and child health, nutrition, hygiene, and sanitation. Workplace skills training provide design, sewing, equipment handling, and other on-the-job skills.76

These multinational companies and others feel that the business benefits from such programs are significant to both themselves and their supplier factories. According to one company interviewed, the business benefits of investing in women go beyond one factory or one international company; supporting female factory workers is directly tied to the sustainability of the garment industry as a whole.77

73 BSR Interview, MAMATA and YoungOne, February 2010.  
74 BSR Interview, H&M, February 2010.  
75 BSR Interview, Gap, June 2010.  
77 BSR Interview, June 2010.
Opportunities for Innovation in Bangladesh

Women represent the majority of workers in export processing zones in Bangladesh, and as such, any investment in this group will have far-reaching impacts, from both business and social perspectives. This study recommends giving women additional access to health information and services, improved nutrition, improved representation, training and professional advancement opportunities, and child care.

The recommended investments will deliver business benefits to BEPZA investors in the form of reduced absenteeism and turnover, improved worker morale and worker-management communication, improved productivity, and enhanced reputation. The investments will also contribute to business benefits for BEPZA through increased investor satisfaction, enhanced “one-stop” service provision, and ideally, increased investment and employment opportunities in BEPZA zones.

In addition, there are opportunities for BEPZA and BEPZA investors to demonstrate innovative leadership and forward thinking. For example, stakeholders can acknowledge that the current system to provide child care under the law is not working, and suggest an alternative in the form of high-quality, independently run BEPZA child-care centers. This concept and three others are introduced below for consideration as opportunities to address challenges in Bangladesh EPZs through investment and innovation.

This study makes five recommendations for improvement in Bangladesh:

1. Establish bank accounts for workers with direct wage deposit, and deliver financial literacy training to them.
2. Create a zone-coordinated, government-subsidized, and investor-funded vocational training program to provide work- and life-skills training to workers and supervisors.
3. Create women’s welfare subcommittees within workers’ associations to support women’s participation in associations, and to ensure the inclusion of women’s perspectives and concerns in conversations with management.
4. Support women’s health education and services and improve workers’ nutrition for the sake of health and business benefits.
5. Create a zone-sponsored child-care center to increase workers’ uptake of and benefit from factory-level child-care services.

Implications for Competitiveness

Most current programs specifically targeting women in Bangladesh are conducted at the enterprise level, but there is great potential to expand the positive business impact of enterprise-level programs at the zone level.

The business case for programs targeting women in Bangladesh is presented below from three different angles:

Enterprise: Do programs and policies targeting women reduce turnover and absenteeism and/or increase profitability?

* Quantitatively and qualitatively, factories and international buyers have found benefits to businesses from workplace programs targeting women, in the form of enhanced worker loyalty and skills, reduced absenteeism, and reduced turnover. It can be assumed that the above results also contribute to improved productivity and quality.

* The second area of business benefit is in risk mitigation, preventing capital flight and supporting compliance with the law vis-à-vis women workers’ rights. This is important to buyers, and, as women are among the most vulnerable employees, their need for protection is heightened.

Zones and BEPZA: Do programs and policies targeting women increase the likelihood that businesses will locate in the zone?
Zones in Bangladesh currently have the reputation of providing generally better pay and working conditions than factories outside of the zones. This reputation can be further enhanced by announcing a renewed focus on women working in EPZ factories. In addition, the benefits of legal compliance and greater ability to meet buyers’ standards within the zones rather than outside can help Bangladesh’s EPZs grow their share of the export market. Though legal compliance is not specific to women, improved compliance will disproportionately impact women through compliance with policies providing protections such as child care and maternity leave.

If BEPZA develops some zone-level policies or programs targeting women, it can also use findings on the enterprise-level business benefit to encourage investors to locate in the zone.

**National Economy:** Do programs and policies targeting women contribute to job creation and increase foreign investment and GDP? There is less evidence of this type of impact; however, a few assumptions might be made:

- Improving the working conditions and living standards of female factory workers in the EPZs will contribute to an improved perception of Bangladesh as a sourcing destination for international buyers, which may lead to increased foreign investment.
- Increasing the skill level of the female workforce through enterprise- and zone-level programs will also contribute to enhancing Bangladesh’s competitiveness for foreign investment in the RMG industry. It may also support the growth of higher-skilled manufacturing industries, such as electronics.

**Methodology**

This case study is based on findings from a combination of stakeholder organization interviews, qualitative factory-based research, and desk research. The primary research included 45 one-on-one and group interviews with civil society groups, workers’ organizations, government, and private-sector stakeholders (including international buyers and factory managers).

To collect SEZ-relevant statistical data, BEPZA counselors (see Good Practice Example 1, above) supported collection of information on a randomized sample of factories and interviewed a sample of 395 workers—208 female and 187 male. These activities were used to assess unique challenges and opportunities for female workers in EPZs.

Using tools developed by the researchers, BEPZA counselors conducted 41 group interviews with a total of 395 workers. At least 2 women and 2 men were interviewed at each facility. Thirteen factories were randomly selected for detailed reports by counselors. The thirteen factories included 7 garment, 2 ladies’ undergarment, 2 tent, 1 pant (flat-knit), and 1 t-shirt (flat-knit) manufacturing facility. Of the factories included, the average size was ~2,000 workers with approximately 62 percent women and 38 percent men.

A significant body of literature exists on the RMG sector in Bangladesh and the role of women within that sector. Primary research was augmented by desk research, including twenty-four Bangladesh-specific reports, in addition to a review of related global research.
### Resources: Key Implementers and Experts in Bangladesh

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awaj Foundation</td>
<td>Dhaka</td>
<td>Workers' rights, workplace programs, living wage, women's rights, women's health</td>
</tr>
<tr>
<td>Bangladesh Federation of Women Entrepreneurs</td>
<td>Dhaka</td>
<td>Various programs to support women entrepreneurs: Advocacy, training, exchange programs, mini-mart startups, mentoring</td>
</tr>
<tr>
<td>Bangladesh Institute of Labour Studies (BILS)</td>
<td>Dhaka</td>
<td>NGO promoting workers' rights and human rights. Specific program targeting women workers, Common Demand for Women Workers, includes advocacy, leadership training programs, women's committees within trade unions.</td>
</tr>
<tr>
<td>Bangladesh Legal Aid and Services Trust (BLAST)</td>
<td>Dhaka</td>
<td>Legal aid NGO</td>
</tr>
<tr>
<td>Bangladesh Mahila Parishad</td>
<td>Dhaka</td>
<td>Women's legal aid and advocacy organization</td>
</tr>
<tr>
<td>Bangladesh National Women Lawyer's Association</td>
<td>Dhaka</td>
<td>Women's legal aid and advocacy organization</td>
</tr>
<tr>
<td>Bangladesh Women's Chamber of Commerce and Industry</td>
<td>Chittagong</td>
<td>Women's business association. Runs trainings for female business owners.</td>
</tr>
<tr>
<td>BRAC</td>
<td>Various</td>
<td>Poverty-alleviation programs including education, health, knowledge and skills training, social enterprise, and human rights and legal services.</td>
</tr>
<tr>
<td>CARE Bangladesh</td>
<td>Dhaka</td>
<td>Programs focused on women's health and empowerment. Some workplace programs, working with local organizations such as Mamata and Sheva.</td>
</tr>
<tr>
<td>Chittagong Women's Chamber of Commerce and Industry</td>
<td>Chittagong</td>
<td>Women's business association.</td>
</tr>
<tr>
<td>Engender Health</td>
<td>Various</td>
<td>Women's health experts. Provide trainings to doctors and nurses, work mostly in rural areas.</td>
</tr>
<tr>
<td>GTZ</td>
<td>Dhaka</td>
<td>German government donor supporting development programs. Progress Program promotes social and environmental production standards in the RMG industry. Joint program of Bangladesh Ministry of Commerce and the German Federal Ministry of Economic Cooperation and Development (BMZ), implemented by GTZ and partners.</td>
</tr>
<tr>
<td>INCIDIN</td>
<td>Dhaka</td>
<td>Community and Industrial Development Initiative in Bangladesh. Conducts research and implements programs serving vulnerable populations.</td>
</tr>
<tr>
<td>Karmojibi Nari</td>
<td>Dhaka</td>
<td>Organization of women workers, striving to establish rights, dignity, and authority of women workers as well as women and laborers.</td>
</tr>
<tr>
<td>Mamata</td>
<td>Chittagong</td>
<td>Workers' empowerment, women's empowerment, access to finance, women's health, literacy, community outreach</td>
</tr>
<tr>
<td>Marie Stopes International, Bangladesh</td>
<td>Various</td>
<td>Women's health experts and implementers. Have train-the-trainer programs for social compliance, offerings on women's health and life skills, also factory-nurse training programs.</td>
</tr>
<tr>
<td>NUK (Centre for Women's Initiatives)</td>
<td>Dhaka</td>
<td>Gender equality and women's rights organization. Large social audit program.</td>
</tr>
<tr>
<td>Phulki</td>
<td>Dhaka</td>
<td>Child care, services for working women, women's health. Programs training factory child-care providers and raising awareness of providers among mothers.</td>
</tr>
<tr>
<td>Partners in Chittagong</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheva</td>
<td>Dhaka</td>
<td>Social compliance monitoring, workers' rights and empowerment</td>
</tr>
<tr>
<td>Smiling Suns Clinics</td>
<td>Dhaka</td>
<td>Community health clinics. Recently signed agreement with BGMEA to provide factory doctor visits.</td>
</tr>
<tr>
<td>Solidarity Center, Bangladesh</td>
<td>Dhaka</td>
<td>Workers' rights education and community engagement. Worker association leadership training programs.</td>
</tr>
</tbody>
</table>

(Continued on next page)
### Resources: Key Implementers and Experts in Bangladesh (Continued)

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss Contact, Bangladesh</td>
<td>Dhaka</td>
<td>Vocational training and social auditing</td>
</tr>
<tr>
<td>UBINIG</td>
<td>Dhaka</td>
<td>Policy research for development alternatives</td>
</tr>
<tr>
<td>Women Entrepreneurs’ Association (WEA)</td>
<td>Dhaka</td>
<td>Membership organization for female entrepreneurs and prospective entrepreneurs. Runs business, management, skills training for members.</td>
</tr>
<tr>
<td>Women in Small Enterprise (WISE)</td>
<td>Dhaka</td>
<td>Connects female entrepreneurs, mostly in small business, with microfinance loans from MIDAS bank</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Number</th>
<th>Objective of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Society</td>
<td>10</td>
<td>Determine challenges facing Bangladeshi women at work and at home, and learn about programs and policies seeking to address those challenges.</td>
</tr>
<tr>
<td>Female Entrepreneurs</td>
<td>3</td>
<td>Identify general challenges facing female entrepreneurs and assess specific challenges to starting/owning a business in a zone. Identify recommendations to facilitate increased female entrepreneurship in zones.</td>
</tr>
<tr>
<td>Worker Organizations</td>
<td>2</td>
<td>Identify labor rights issues unique to women, challenges to their resolution, and recommendations for the private sector.</td>
</tr>
<tr>
<td>Government</td>
<td>4</td>
<td>Identify government's priorities, limitations, and potential role in solution. Discuss regulatory systems in place.</td>
</tr>
<tr>
<td>Private Sector</td>
<td>26</td>
<td>Identify drivers and challenges. Uncover perspective on female employees. Discuss existing or potential future programs or policies.</td>
</tr>
</tbody>
</table>
This study examines the role of special economic zones (SEZs) in promoting women’s economic empowerment and creating sustainable jobs as a way to boost zones’ competitiveness. The case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

* Working conditions for female workers
* Opportunities for upward mobility
* Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

The People’s Republic of China (hereafter referred to as China) was selected for inclusion in the study because of its dominance of the global export market and advanced zone program. China’s total exports reached US$1.2 trillion in 2009, surpassing Germany for world’s highest exports. Of the $1.2 trillion, $187.4 billion in exports are generated in the fifty-six national SEZs in China, which employ 6.46 million people.

**Methodology**

This case study is based on findings from a combination of stakeholder organization interviews, qualitative factory-based research, and desk research. The primary research included approximately 50 in-person or phone interviews with stakeholders.

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from civil society, workers’ organizations, govern-
ment, and the private sector (including factory
managers), between March and September 2010.

This study is informed by 6 factory visits from
March to July 2010 in Guangdong and Jiang prov-
inces. It is also based on eight salon discussions
and interviews of labor relations practitioners from
March to September 2010. Primary research was
supplemented by documentation received during
the fieldwork, and desk research.

**Zone Program in China**

In 1984, the Central Committee of the Commu-
nist Party of China and the State Council set up
economic and technological development zones
in China. The SEZs were a central component of
China’s reform and “opening up” program in the
1980s, led by Deng Xiaoping, then president of the
Communist Party.

There are currently two zone programs in China:
national SEZs and national economic and techno-
logical development zones (ETDZs).

In 2009, the overall economic development of
the 54 ETDZs and 14 BECZs (border economic
cooperation zones) maintained a steady growth
momentum. In 2009, the 54 state-level ETDZs
achieved a regional gross domestic product (GDP)
of 1.773 trillion yuan, tax revenue of 314.5 billion
yuan, total exports of US$187.4 billion, and total
imports of US$164.4 billion.3

As of 2006, over 40 million people were employed
in SEZs in China, representing two-thirds of all
employees in zones worldwide.4

**Key Characteristics of the Chinese Zone Program include the Following:**

* As of November 2010, there are 107 state-level
ETDZs.5
* The zone authorities, or regulators, for the Chi-
nese zone program are the Department of For-
eign Investment Administration, the Ministry
of Commerce, and the Administration Com-
mittee of Development Zones. Other minis-
tries monitor company operations within zones
just as they do outside of zones—for example,
the Ministry of Human Resources and Social
Security monitors labor compliance and the
Ministry of Environmental Protection moni-
tors environmental compliance.

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3 http://www.cadz.org.cn/Content.jsp?ItemID=1570&ContentID=78205
5 http://www.cadz.org.cn/en/content.jsp?ID=1567&ItemID=1723&keywords=
The labor law within zones is not entirely the same as national labor law. See Table 3 for noted variations between the two.

Current benefits of the zone program vary from industry to industry, from economic zone to economic zone, and from city to city, including entry-level support for manufacturing industries in land provision and continued support in R&D, and special funds support and tax benefits for service industries such as financial services.

Though Chinese zones have successfully attracted numerous industries, manufacturing remains the most prevalent industry in SEZs. In Tianjin SEZ, for example, 97 percent of companies are in manufacturing. Other industries present in the zones include communications, information and communication technologies, entertainment, sports facilities, automobile manufacturing, emerging energy, pharmaceuticals, software, and new chemical materials.

Four zones were visited in China for the study: Guangzhou Luogang Economic Zone, Shenzhen Economic Zone, Zhongshan Huoju Economic Zone, and Wuhan Economic and Technological Zone. The study also included interviews with representatives from Haidian Science and Technology Development Zone in Beijing. Additional information on the four zones visited is summarized in Table 1.

Obstacles to Women’s Economic Participation in China

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and entrepreneurial investment opportunities across eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

Women’s entry into the workforce, their welfare, and retention or dropout rates are affected by a variety of factors. For the China Case Study, key themes are explored around the following categories.

* Female Workers’ Welfare and Advancement
  * Legal Policies and Enforcement: International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.
  * Social and Cultural Challenges: Cultural norms dictate women’s home responsibilities and can impact women’s economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.
  * Professional Advancement Opportunities: Advancement opportunities for women are tied to education and skills development, and are also influenced by social and cultural factors.

* Women’s Entrepreneurship:
  * Policies and Access: Female entrepreneurs often lack access to capital and land.

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6 Invest in China: http://www.fdi.gov.cn/pub/FDI_EN/StateDevelopmentZone/Profile/History/t20070119_72629.htm
9 Wuhan Economic and Technological Zone is a state-level economic zone.
Support Networks and Training: Female entrepreneurs need training on business skills, management, and market identification, and would benefit from building networks among other entrepreneurs and within key sectors.

This study has also identified replicable good practices in China, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in China” that follows on page 11.

Female Workers’ Welfare and Advancement

Legal Policies and Enforcement

The primary laws affecting workers in China are the Chinese Labor Law\textsuperscript{10} and Chinese Labor Contract Law.\textsuperscript{11} The All-China Federation of Trade Unions (ACFTU) is the only legal workers’ organization in China, and government and company restrictions on worker organizing are common.\textsuperscript{12}

Ratification of international laws and domestic laws affecting women in the workplace are summarized in Tables 2 and 3.

The Chinese Labor Law is the key legal framework that affects women in the workplace—both inside and outside zones. In addition, the Law of the People’s Republic of China on the Protection

\begin{table}[h]
\centering
\caption{Zone Profiles}
\begin{tabular}{|c|c|c|c|c|}
\hline
\textbf{Measure} & \textbf{Guangzhou Luogang Economic Zone} & \textbf{Zhongshan Huoju Economic Zone} & \textbf{Wuhan Economic Zone} & \textbf{Beijing YIZhuang Economic Zone} \\
\hline
\textbf{Industries Operating in Zone} & \begin{itemize}
\item Electronic
\item Automobile
\item Smelting
\item Bio-industry
\item Chemistry
\item Food and beverage
\end{itemize} & \begin{itemize}
\item Automobile
\item Office equipment
\item Nickel-metal hydride battery
\item Biological reagent
\item Other high-tech industries
\end{itemize} & \begin{itemize}
\item Automobile manufacturing is the largest industry
\item Other: Electronics, printing, light industries, apparel, food and beverages, etc.
\end{itemize} & \begin{itemize}
\item Manufacturing (electronics and others)
\item Service industries (finance and others)
\end{itemize} \\
\hline
\textbf{Factories Operating in Zone} & Around 3,700, with an annual gross industrial output value of 343 billion yuan & Over 1,100 factories, with an annual gross industrial output value of 90 billion yuan & Over 260 factories, with annual sales of over 5 million yuan & Over 3,000 factories \\
\hline
\textbf{Workers Employed in Zone} & 155,000+ & 188,000+ & 100,000+ & 200,000+ \\
\hline
\textbf{Female Workers Employed in Zone} & No statistics available & No statistics available & No statistics available & No statistics available \\
\hline
\textbf{Amenities Provided by Zone} & \begin{itemize}
\item Hospitals
\item Schools
\item Banks/ATMs
\item Recreational facilities
\item Public security bureau
\item Customs offices, human resources and social security bureau, etc.
\end{itemize} & \begin{itemize}
\item Hospitals
\item Schools
\item Banks/ATMs
\item Recreational facilities
\item Public security bureau
\item Customs offices, human resources and social security bureau, etc.
\end{itemize} & \begin{itemize}
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\end{itemize} & \begin{itemize}
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\item Customs offices, human resources and social security bureau, etc.
\end{itemize} \\
\hline
\textbf{Dormitories} & Yes, some factories & Yes, some factories & Yes, some factories & Yes, some factories \\
\hline
\end{tabular}
\end{table}


\textsuperscript{11} The Labor Contract Law of the People’s Republic of China, No. 65, Promulgated by the National People’s Congress on June 29th, 2007, Effective on January 1st 2008.

\textsuperscript{12} Freedom House, “China Country Report”, (http://www.freedomhouse.org)
TABLE 2  Ratification of ILO Core Conventions and other Conventions*  

<table>
<thead>
<tr>
<th>ILO Core Conventions</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29  Forced Labor</td>
<td>Not Ratified</td>
</tr>
<tr>
<td>87  Freedom of Association and Protection of the Right to Organize</td>
<td>Not Ratified</td>
</tr>
<tr>
<td>98  Right to Organize and Collective Bargaining</td>
<td>Not Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Not Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
</tbody>
</table>

UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)  
With Reservations

International Covenant on Civil and Political Rights  
Ratified

International Covenant on Economic, Social, and Cultural Rights  
Ratified


TABLE 3  Illustrative Laws and Regulations Affecting Women's Economic Opportunities

<table>
<thead>
<tr>
<th>Law</th>
<th>National</th>
<th>Differences in Zones</th>
</tr>
</thead>
</table>
| Prenatal Care                          | • Female workers should be provided 15 days prenatal leave  
• Workers over 7 months pregnant are prohibited from working overtime or night shifts. Pregnant female workers cannot be assigned to manual labor of Class-III intensity.  
• Termination of contract or reduction in basic salary of a pregnant worker is prohibited.  
• The enterprise should set up a rest room for pregnant women if there are more than 5 pregnant female workers.  
• Half-day leave should be approved for pregnancy examinations for female workers after 6 months from the date of pregnancy.  
| Workplace Child Care                   | Companies are expected to assist their workers with child care, but no explicit regulations exist.  
| Nursing/Breast-feeding                 | • Termination of contract or reduction in basic salary of a female worker in nursing period is prohibited.  
• Enterprises are required to provide 2 breast-feeding breaks of 30 minutes each during each shift. For multiple births, 30 minutes more should be allowed for each additional infant. This feeding time and any related time spent traveling to different areas within the workplace should be treated as work time.  
| Pregnancy Testing                      | No written policy            |  

(Continued on next page)
of Rights and Interests of Women is another national law that protects women’s lawful rights and interests. Economic zones are required to abide by the Chinese law, but each economic zone can develop its own regulations. Based on desk research, no zone law variations were found to target women separately.

According to article 13 of the Chinese Labor Law, women enjoy equal rights to men in employment. Sex shall not be used as a pretext for excluding women from employment unless the types of work or posts for which workers are being recruited are not suitable for women according to state regulations (see above). Nor shall the standards of recruitment be raised when it comes to women. In reality, however, gender is often stipulated in classified ads, and it is well understood that certain jobs (e.g., assembly line worker, office assistant) are more appropriate for women.\(^{13}\)

Though laws do not exist on all relevant issues, there is an expectation that enterprises with a majority of female workers should establish services to help those workers, such as gynecological clinics, restrooms for pregnant women, breastfeeding rooms, nurseries, and kindergartens, either independently or cooperatively. However, among factories visited for this study, most have basic clinics, but do not provide women’s-health-related services and facilities or child care.

Specialized government agencies and institutions have been established to protect women’s rights, such as the All-China Women’s Federation (AWF), whose mission is to safeguard the legitimate rights and interests of women and children through, inter alia, putting forward suggestions and recommendations to the relevant government departments at all levels, pushing and assisting relevant authorities to investigate and deal with violations of the rights and interests of women and children, and providing assistance to the victims.\(^{14}\) The National Working Committee on Women and Children


\(^{14}\) http://www.women.org.cn/
under the State Council (NWCCW)\textsuperscript{15} has implemented the basic state policies of equality between men and women, and women and children’s survival, protection, and development.

**Social and Cultural Challenges**

China is located in Eastern Asia, bordering the East China Sea, Korea Bay, Yellow Sea, and South China Sea, between North Korea and Vietnam. China is the fourth-largest country in terms of land mass (9,596,961 sq. km.),\textsuperscript{16} after Russia, Canada, and the United States; the largest in terms of population, with 1.3 trillion people;\textsuperscript{17} and the second-largest economy, behind the United States, with an economic output of US$1.33 trillion.

There are seven major Chinese dialects. Mandarin (or Putonghua), the predominant dialect, is spoken by over 70 percent of the population;\textsuperscript{18} others speak Cantonese, Wu, Yue, Min, Xiang, Hakka, and Gan.\textsuperscript{19} Finally, there are many subdialects and non-Chinese languages spoken widely by ethnic minorities, including Mongolian, Tibetan, Uyghur and other Turkic languages (in Xinjiang), and Korean (in the northeast).\textsuperscript{20}

China is classified by the World Bank as a lower-middle-income economy\textsuperscript{21} with a GDP per capita of US$2,604.\textsuperscript{22} China ranks 24th out of 182 countries in UNDP’s Human Development Report 2009. China’s total exports are US$1.5 trillion, comprising electrical and other machinery, including data processing equipment, apparel, textiles, iron and steel, optical and medical equipment. China’s major trading partners include (by percentage of exports): the United States (19.1 percent), Hong Kong (15.1 percent), Japan (8.4 percent), South Korea (4.6 percent), and Germany (4 percent).\textsuperscript{23} Foreign investment in the export industry is a major driver of China’s rapid economic growth; foreign-owned enterprises produce about half of China’s exports.\textsuperscript{24}

Despite rapid economic growth and relatively high GDP, China still has high poverty levels: Chinese Premier Wen Jiabao recently estimated that 150 million people in China are still living below the poverty line.\textsuperscript{25}

According to the All-China Women’s Federation, the rate of women in high positions has been increasing. Currently 8 women are serving as state leaders, 230 women hold positions at the provincial and ministerial levels, and 670 women are serving as mayors and vice mayors in over 600 cities. However, most women remain in deputy positions, and most positions filled by women are in marginalized rather than mainstream departments.\textsuperscript{26}

Key social and economic indicators are summarized in Table 4, which is followed by contextual

\begin{itemize}
  \item \textsuperscript{15} [http://www.nwccw.gov.cn/html/news.html]
  \item \textsuperscript{21} World Bank classifications accessed at http://data.worldbank.org/about/country-classifications/country-and-lending-groups
  \item \textsuperscript{26} All China Women’s Federation, “Women and City Development Forum & Fifteenth Anniversary Forum of Fourth World Women Conference”, convened in Shanghai, September 17, 2010.
\end{itemize}
information, including the perceived challenges and barriers to greater gender empowerment.

**Education**

Women, especially those from rural areas, tend to have lower education levels than men.\(^{27}\) Interviews with workers and human resources management found that women working in zones typically have 9 years of education on average, although women born in the 1980s and 1990s typically stayed in school longer and on average have closer to 12 years of education.

According to the “Outline of China’s National Plan for Medium and Long-Term Education Reform and Development (2010–2020),” the government intends to modernize education, shape a learning society, and turn China into a country rich in human resources. To achieve this plan, the Chinese government has pledged to increase its educational investment to reach 4 percent of China’s GDP by 2012.\(^{28}\) As a component of this plan, the government has also committed to promoting girls’ right to compulsory education and increasing

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### TABLE 4 Socioeconomic Indicators: China

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total Adult Population</th>
<th>Female Population</th>
<th>Ratio: Female to Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population living on less than US$1.25, US$2 per day</td>
<td>15.9%, 36.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary)</td>
<td>68.7%</td>
<td>68.5%</td>
<td></td>
</tr>
<tr>
<td>Literacy (for ages 15+)</td>
<td>93.3%</td>
<td>90%(^{4})</td>
<td>0.91</td>
</tr>
<tr>
<td>Labor Force Participation</td>
<td></td>
<td>69.3%</td>
<td>0.72</td>
</tr>
<tr>
<td>Unemployment</td>
<td>4.2%</td>
<td>11.82%</td>
<td></td>
</tr>
<tr>
<td>Earned Income (PPP US$ annually)</td>
<td></td>
<td>4,323</td>
<td>0.68</td>
</tr>
</tbody>
</table>

#### Major Religions

- **Primary**: Atheism is official religion. Buddhism is also widely practiced, with an estimated 100 million adherents.
- **Other**: Traditional Taoism also is practiced. Official figures indicate there are also 20 million Muslims, 15 million Protestants, and 5 million Catholics, but unofficial estimates are higher.

#### Gender Measures

- Gender-related development index (GDI): 0.770, Rank 75/157 countries
- Gender empowerment measure (GEM): 0.533, Rank 72/177 countries
- Women-held seats in People’s Congress, women in government at ministerial level (% of total): 21%, 9%
- Female legislators, senior officials, managers (% of total): 17%
- Female professional and technical workers (% of total): 52%
- Women with unmet family planning needs: 2.3%
- Births attended by skilled health professional: 97%
- Maternal mortality rate (per 100,000 live births): 45

Source: UNDP Human Development Report, UN Statistics Division, World Statistics Pocketbook, Chinese Academy of Social Science, U.S. Department of State, DHS.
the net enrollment rate for girls to 99 percent for primary school, and 75 percent for junior education, by the end of 2010.29

**Employment**

China’s government and society have promoted gender equity in the sense that women and men are officially equal under the law, and few societal restrictions exist for women seeking work opportunities. This has contributed to significant participation of women in the workforce. About 60 percent of China’s approximately 150 million migrant workers are women, most between the ages of 21 and 35.30

Manufacturing jobs for female migrant workers in China have not come without challenges. Female migrant workers in China face several major employment challenges, many of them shared with men.31

- Lack of contracts resulting in limited negotiation power;
- Minimum wage payment, and other wage payment issues;
- Health and safety hazards, particularly chemical and dust exposure, including during pregnancy;
- Excessive overtime in the manufacturing and service industries;
- Workplace stress and/or supervisor abuse;
- Lack of access to labor unions or other worker representation;
- Unhygienic, overcrowded, or unsafe dormitories; and
- Workplace sexual harassment.

These issues tend to be shared by enterprises within SEZs and outside, with significant differences between different industries. In general, both inside and outside of SEZs, manufacturing and service industries tend to have the highest occurrences of the above challenges, and problems are more common for lower-income wage earners.

Research has identified that workplace gender discrimination is widespread from recruitment to retirement in China. A 2010 Peking University study, “China Workplace Gender Discrimination Research,” surveyed 3,000 workers in Beijing, Changsha, and Kunming, and conducted individual worker interviews. The study found that workplace gender discrimination exists in recruitment, remunerations, promotion, rights protection, and retirement. Surveys found that 61.9 percent of women believed that workplace gender discrimination was due to lack of awareness of workplace gender equality, 58.2 percent felt it was a result of the greater supply of female workers, 60.3 percent felt it was related to maternity leave costs, and 61.3 percent said it was due to women’s family burden. Only 39.1 percent said gender discrimination was due to women’s lesser capability in comparison to men.32

In an ongoing program to elevate gender awareness among worker advocacy organizations, the Asia Monitor Resource Center found that women are less likely to seek legal assistance for workplace grievances or abuse—instead they are more likely to tolerate injustices and move to a new job as a last resort.33 Interviews for this and other studies34 confirm this finding as well.

Within this context, violations against women’s rights are common. A study by the All-China Women’s Federation found that 86.6 percent of enterprises did not provide maternity insurance for

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female workers.\textsuperscript{35} Because of the historical excess of cheap, available labor in China, it became common for enterprise management to refuse payment of maternity benefits or to fire pregnant workers.\textsuperscript{36} As of 2010, labor shortages were becoming increasingly common in Chinese industrial areas, and this may contribute to improved rights protection over time.

Finally, a critical employment challenge shared by both men and women is the Hu Kou household registration system, which profoundly affects migrant workers’ employment and welfare. Migrants’ temporary household registration status limits their access to education, housing, and health care, and can affect their legal protection. Impacts on women are significant because they carry the pressure to return home and care for elderly parents and young children—whom the registration system will not recognize or protect. This also contributes to a perception among management of women as short-term employees. If women choose to stay in the cities longer, financial and legal restrictions associated with the Hu Kou system often serve to trap them and their families in the cycle of poverty.\textsuperscript{37}

\textit{Health}

In China, health services are delivered by both public and private health organizations (including clinics, community and township health centers, hospitals, the Center for Disease Control and Prevention, etc.). The public hospitals play the major role, providing more than 80 percent of inpatient services, while the private sector supplies a vast amount of outpatient care. According to the National Health System Reform Plan of 2009, the health system should cover all rural and urban areas by 2020. The government is taking action to expand insurance coverage and reinforce security, and to strengthen development of the health system through capacity building in urban and rural communities. Although there is no supportive policy or action plan specifically designated for women, the Chinese government promotes equal access to essential public health services.

Among female factory workers poor health is common, and about 70 percent of working women report feeling work pressures that exacerbate health problems.\textsuperscript{38} HERproject, a health education initiative targeting female factory workers in Asia, has identified the following health issues affecting female factory workers in China:

* Breast cancer and cervical cancer: Of the more than 500,000 new cervical cancer patients each year worldwide, approximately one-third are in China. The incidence of cervical and breast cancer is highest among Chinese women in the 15–44 age group.\textsuperscript{39}
* Exposure to chemical hazards: Women are especially at risk of chemical exposure given their predominance in manufacturing industries. They often do not receive sufficient training in handling hazardous materials and commonly choose not to wear personal protective equipment.
* Feminine hygiene and reproductive complications of STDs such as pelvic inflammatory disease (PID): PID and cervical inflammatory disease often occur in older women who are married or sexually active with men. A lack of knowledge about personal hygiene among migrant workers contributes to the spread of these diseases.
* HIV/AIDS and Hepatitis B: Women workers possess a basic understanding of these diseases and awareness of preventive methods, but they lack a complete understanding of their own risk. Factory management often ignores sexually

\textsuperscript{35} All-China Women’s Federation, 2010.
\textsuperscript{36} Zhang Ye, Asia Foundation, “Hope for China’s Migrant Women Workers”, \textit{The China Business Review}, 2002.
\textsuperscript{38} 2009 Survey Report on the Survival Situation of Working Women in China, jointly organized by All-China Women’s Federation, Sun Media Group and Sina.com, with support from IBM and Universum.
\textsuperscript{39} WHO, Human Papillomavirus and Related Cancers, China, June 2010.
transmitted infections as a health issue because workers live in gender-segregated factory dormitories and management assumes that unmarried workers are not engaging in sexual activity. By contrast, research indicates that premarital sex is common among female factory workers.

Malnutrition: Most Chinese factories’ canteens provide 3–4 daily meals to workers, but management rarely invests in ensuring that the food has nutritional value. Women workers spend frugally on food to maximize their wage earnings. Many have limited knowledge of what constitutes a balanced diet. In addition to longer-term impacts, poor nutrition results in workplace health problems such as dizziness and tiredness.40

Most factories in the zones provide only very basic health care to women workers, and not all women workers have access to regular examinations, including gynecological and cancer screenings. Considering the work environment and the poor sanitation facilities in dormitories, women workers are a group at high risk for general and reproductive diseases.

Housing
As the majority of Chinese workers are rural migrants, they are often thousands of miles from home. Migrants arrive in industrial areas unfamiliar with the locale and with limited family or friends to rely on. Most factories in zones provide housing and food, and workers prefer and seek out jobs in factories with these benefits. According to research conducted in 2001–02 by the Institute of Contemporary Observation (ICO), 82.9 percent of workers (male and female) live in factory dormitories, 1.3 percent live in relatives’ home, and 15.8 percent rent rooms privately with other workers. Factory dormitories provide rooms for 1–16 occupants each, with an average of 12–13 people per room. The average room size is between 20 and 26 square meters.41

Living in dormitories is the first choice for most workers since they are unfamiliar with the local environment, while the dormitories are close to the workplace and convenient for the workers’ commute. Dormitories are also relatively safe; most have security guards both day and night. The most important factor is cost; most factories charge very small amounts for rent, electricity, and water. Events in 2010 at the Foxconn factory complex’s dormitory facilities, including an estimated 14 worker suicides between January and November 2010,42 revealed high levels of stress and some mental health challenges associated with dormitory life.

Factory management often prefers for workers to live onsite, as this makes the management of workers easier and means workers are available if overtime is required. For this reason, living in dormitories is compulsory in some factories.

A small number of female workers prefer to rent an apartment near their factory; however, they usually don’t do this alone. Instead, they rent a house with their husband or boyfriend or with friends from the same hometown. Couples generally have to rent privately because most factories don’t provide rooms for couples.

Religion and Culture
China’s largest ethnic group is Han Chinese, which represents 91.5 percent of the total population. The remaining 8.5 percent are Zhuang (16 million), Manchu (10 million), Hui (9 million), Miao (8 million), Uyghur (7 million), Yi (7 million), Mongol (5 million), Tibetan (5 million), Buyi (3 million), Korean (2 million), and other ethnic minorities.43 Officially, the national religion is atheist, but an estimated 100 million Chinese practice Buddhism. Other less common religions include Taoism, Islam, and Christianity.

Traditional beliefs especially common in rural areas tend to value men and boys over women and girls. These beliefs can be attributed to women’s historical lack of financial independence, as well as the traditional practice of women moving into their husband’s parents’ home. This practice has created the assumption that boys are more reliable than girls as the pillar to uphold the family and provide for their parents later in life. China’s lack of a reliable social security system further contributes to this perception.

China’s 2002 Population and Family Planning Law also contributes to the imbalance between girl and boy children, by allowing preferential treatment that reinforces the value system. For example, local governments can permit a couple to have a second child if their first child is female. Although government policy opposes forced abortion, the practice is still common, particularly with female fetuses. As a result of preferences for boy children, in 2009 the sex ratio of Chinese babies was 119 boys to 100 girls.

Working women are still expected to maintain their traditional family responsibilities. According to this study’s interviews with workers and HR managers, when women workers have a child, they typically move back to the countryside to raise their baby. Mothers often return to the factories after their child or children turn three, at which point they may be left with grandmothers to raise them. However, this study found that one positive outcome of job opportunities in zones in China has been delayed marriage for young women and more bargaining and decision-making power in the selection of their spouses.

Domestic violence and sexual harassment are not as common as in other countries but do occur—Freedom House estimates that approximately 30 percent of Chinese families are affected.

Professional Advancement Opportunities

SEZs in China have provided and continue to provide significant opportunities for women to enter the workforce and develop independent finances. As this group of workers has matured and gained experience over the past two decades, upward mobility has become increasingly common. To take advantage of these opportunities, female migrant workers in China often move between factories to seek promotion opportunities, sometimes lying about their experience in order to be hired.

However, men continue to occupy the majority of management positions, both at the middle and senior management levels. A 2009 study found that men take 57.9 percent of positions at the manager level, 15 percent more than women. The same study revealed that men occupy 83.4 percent of positions at the general manager and more senior levels, with women filling only 16.6 percent.

Several challenges continue to prevent women’s professional development and advancement in Chinese SEZs:

- Limited formal training to enable low-wage women workers to improve management and communication skills;
- Perceptions of women as being suitable only for certain jobs and discriminatory hiring; and
- Registration and retirement legislation.

49 2009 Survey Report on the Survival Situation of Working Women in China, jointly organized by All-China Women’s Federation, Sun Media Group and Sina.com, with support from IBM and Universum.
Perception and prejudice play a large role in women’s lack of advancement in China. Overall, women find more job opportunities in preliminary unskilled or lower-skilled positions, because women are considered to be more obedient and disciplined. Gender is often stipulated in classified ads, and it is well understood by workers that certain jobs are more appropriate for women.50

**GAOBU HANDBAG FACTORY SEEKS TO EMPLOY**

**SALESPERSON: FEMALE ONLY, GRADE FOUR ENGLISH**
**RECEPTIONIST: FEMALE ONLY, CAN SPEAK CANTONESE**
**SECURITY GUARDS: MALE, UNDER 30, 1.7 METERS OR ABOVE, EX-MILITARY, KNOWS FIREFIGHTING, CAN PLAY BASKETBALL A PLUS**51

As the example above illustrates, women are believed more suitable for work on the assembly line, in the service sector, and as office assistants, while men are expected to work in security, high-technology, and management positions.

According to a 2009 survey on the situation of working women in China, 55.2 percent of women interviewed said they had encountered gender discrimination in the process of promotion or wage increase. 66.1 percent of women interviewed said they felt it was easier for men to obtain a wage increase and 38.1 percent of respondents said that men received higher wages than women at the same job level. 65.7 percent of women surveyed also felt that maternity leave had a negative impact on their work to some extent.52 Finally, the rural-urban status divide further complicates migrant women workers’ opportunities for upward career advancement.

Registration legislation also contributes to restrictions on women’s professional advancement and should be revised to allow women to stay in the workforce as long as men if they choose to do so. Retirement legislation is another barrier preventing women’s advancement. According to Chinese legislation, men normally retire at the age of 60, but women retire at 55. Evidence and statistics show that some women workers are forced to retire much earlier—for example, at 50 or in their forties—for contract, health and other reasons. After retirement, most women’s career comes to an end and they stay at home to do housework and take care of children.

Within this context, there exists an opportunity to support female factory workers’ development more formally, in order to help factories and zones retain female workers as they pursue professional growth.

**Women’s Entrepreneurship Opportunities**

Women’s economic empowerment through entrepreneurship opportunities in zones depends on (1) policies and access and (2) support networks and training. In China, this study found evidence of supportive policies and programs and determined that access was not significantly limited by gender. We did not find significant information on support networks or training programs for female entrepreneurs.

**Policies and Access**

Regarding female entrepreneurs’ access to zones, the study identified that small businesses are permitted in the SEZs. According to an interview with a woman entrepreneur who set up her own business in Haidian Science and Technology Development Zone in Beijing, women and men can almost equally enjoy preferential policies for setting up businesses. She said that she did not encounter any unique challenges for women as compared to men.

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Fostering Women’s Economic Empowerment through Special Economic Zones

The same interviewee explained that the zone provided “one-stop” service to businesses and funding support along the following lines:

* The small business registration process is easier inside the zone than outside;
* Companies with highly qualified services and technologies in the zone can access financial support from the Science and Technology Innovation Fund through administrative bodies at three different levels: (1) Haidian Science and Technology Development Zone, (2) the Beijing Municipal Government, and (3) the Ministry of Science and Technology;
* There are many advantages and benefits to running businesses in zones; specific benefits will vary by province and depend on local government. For example, some zones may provide factory buildings, while others may offer discounted rent.

In 2009, the Ministry of Finance, the Ministry of Human Resources and Social Security, and the All-China Women’s Federation jointly released a policy53 “to offer micro-credit with subsidized interest to women entrepreneurs and support women’s employment and entrepreneurship. Women in rural areas can apply for micro-credit from their local women’s federation and can receive loans without interest or with low interest.” This effort could be linked to zones to stimulate additional investment by female entrepreneurs, such as the enterprise described above.

Good-Practice Enablers of Women’s Economic Empowerment in China

Through fieldwork and other research, we have identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs represent good practices that were identified in China, which have the potential to be replicated in other zones or enterprises in China, as well as in zones or enterprises in other countries.

Enablers for Female Workers’ Welfare and Advancement

Legislation on Gender Equality

* **Enabler Type(s):** Legal
* **Who:** Shenzhen Special Economic Zone Government
* **Where:** Shenzhen Special Economic Zone
* **Time frame:** 2007–present; listed on the government legislation track in 2011

Shenzhen Special Economic Zone in Guangdong Province has put the “Gender Equality Promotion Regulation” into the legislative track, which will fill a gap in local regulations on gender equality in China. In 1993, Shenzhen Special Economic Zone was the first in China to issue implementation guidelines for the “Law of the People’s Republic of China on the Protection of Rights and Interests of Women.” After over ten years of practice and implementation, it is clear that an amendment of current guidelines will not be sufficient, and there is a need for new regulation to promote gender equality in the current social and economic situation in China.

Legislation detailing the system and implementation of reemployment training and poverty alleviation policies for women will take into account women’s education level and family responsibilities in order to develop programs that can meet their needs.54

The Women’s Federation in Shenzhen Special Economic Zone is spearheading the legislation with support from the Legal Affairs Committee and the Internal and Judicial Affairs Committee of Shenzhen People’s Congress. It will be the first local regulation to address the survival and development challenges of women in the new social and economic situation in China.55

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**Grievance Programs for Women Workers**

- **Enabler Type(s):** Legal
- **Who:** Maple Women’s Psychological Counseling Center, Beijing
- **Where:** Beijing
- **Time frame:** 1992–present (as of 2011)
- **Cost:** Approximately US $50,000 per year for managing the hotline service
- **Benefit to women:** Over 100,000 women have received counseling services.
- **Benefit to business:** Through the counseling services, women are able to address and resolve emotional, physical, and workplace stress in a safe way.

The Maple Women’s Psychological Counseling Center in China runs several hotlines and manages hundreds of volunteer counselors. The center listens to women’s grievances and tries to help them solve problems such as domestic violence. In 1992, the center started the first women’s hotline in China to provide free services to women.

The program has successfully established a process for screening, interviewing, and assessing volunteers to run the hotline service. In this way, the quality of the volunteers’ service is built and maintained, creating a valuable resource for the local community. The volunteer structure of the program also creates some challenges, including the difficulty of predicting volunteer availability for staffing the hotline. There is also the challenge of volunteer turnover. The center addresses these challenges by providing continuous training opportunities for volunteers to expand their capacity in counseling, which also helps maintain their interest in providing service.

Other NGOs also provide similar services to disadvantaged women in China. For example, the Shaanxi Association of Women Lawyers provides women with legal services, such as securing injury compensation and bringing sexual harassment lawsuits.

**Labor Contract Law Enforcement and Capacity Building for Labor Relations Practitioners and Workers**

- **Enabler Type(s):** Legal
- **Who:** Business for Social Responsibility (BSR)
- **Where:** Guangdong, Qingdao, and Hubei
- **Time frame:** 2008–2010
- **Cost:** Training cost and associated costs were approximately US$450 per participating factory representative
- **Benefit to women:** Female supervisors and human resources staff benefited from improved skills and professional advancement opportunities. Female workers benefited from improved treatment by trained supervisors and improved systems for grievance reporting and handling.
- **Benefit to business:** In 2008, nearly one million labor disputes were filed (with more than 693,000 litigation cases and more than 237,000 labor arbitration cases), representing an increase of 93.93 percent over the disputes filed in 2007. Improved communication and management practices related to grievance handling can provide business benefits including risk management, improved worker satisfaction and loyalty, and increased productivity.

From 2008 to 2010, BSR partnered with international buyers, Qingdao Economic Development Zone, Wuhan Economic Development Zone, the Federation of China Trade Associations and Chambers of Commerce, the Labor Bureau of Qingdao Economic Development Zone, the Labor Bureau of Wuhan Economic Development Zone, and the Guangdong Human Resource Management Association to run the Labor Relations Practitioners (LRP) program.

The LRP program provided training to supervisors and HR managers in communication skills and employee relations management, prevention and handling of labor disputes, and worker participation and collective bargaining, addressing the communication gaps within the workplace and broader systems. The program organized large-scale training for over 1,500 factory representatives, small
salon discussions, and industry-specific pilot programs for the footwear and garment industries.

The project was developed in response to the 2008 Labor Contract Law, with the aim of providing solutions to support buyer and supplier compliance and strengthen labor rights in Chinese factories by creating a constituency of trained professional labor relations specialists.

To support uptake and replication, the program also developed a training curriculum for professional labor relations practitioners, three case studies, and practical tools to help companies in China develop a systematic way of engaging employees, including dealing with grievances or providing opportunities for worker participation. The case studies and practical tools cover topics such as participatory communication at workplace (PCW), employee assistance programs, and workplace peer education about women’s health, demonstrating how factories benefit from workers’ engagement and participation.

Factors in the program’s success included strong engagement by the Chinese government, key industry groups, buyers, suppliers, and workers and buy-in from local governments. As a result of successful government buy-in and participation, and following positive feedback from buyers and factory suppliers, the Guangdong Province Shantou Labor and Insurance Bureau has decided to adopt and replicate the LRP program.

The major challenge the program faced was a delay due to a merger in the Chinese government of the Ministry of Labor and the Ministry of Human Resources into the Ministry of Human Resources and Social Security. This transition slowed BSR’s ability to secure buy-in and scale up the project at the start.

**Women Workers’ Committees in the Labor Unions**

* **Enabler Type(s):** Legal
* **Who:** Guangdong Provincial Labor Union, Nanhai City Labor Union, and Shunde Labor Union

**All-China Women’s Federation Trainings**

* **Enabler Type(s):** Social and Cultural, Professional Advancement
* **Who:** All-China Women’s Federation
* **Where:** Women’s Federation branches nationally, including in economic zones

Women leaders in Women’s Federation branches at all different levels nationwide, including many economic zones, receive training on women’s issues and gender mainstreaming. The training consists of two parts: training for the trainers and training for women leaders. The training for trainers normally takes 5–6 days, the training for women leaders 3–4 days. The training content varies, with modules including gender mainstreaming, international trends and practices, Millennium Devel-
opment Goals, issue analysis for China with regard to laws, political participation, employment, rural development, gender culture, and women’s development through project-based engagement. Each training module takes a half day. The training was jointly initiated by the All-China Women’s Federation and the Organization Department of the Chinese Communist Party Committee, and was aimed at women leaders. In Shenzhen city, the training has been extended to all districts, and 800–1,000 women leaders are trained each year; the same group of women takes part in different training courses every year. Each training class contains about 40 women leaders. The core material is a book, Mainstream of Social Gender (2009, by Ms. Liu Bohong, Deputy Director of China Women’s Studies Institute), which covers topics such as gender-responsive budgeting and gender auditing.

As a result of this training, many women leaders become champions in their industry sector for gender equity and mainstreaming of gender in their business operations. For example, Maggie Liu, former Corporate Citizenship Lead in Cisco Greater China, has incorporated diversity and inclusion into Cisco’s business operations in China. Another expert, Professor Qu Ning of Guangdong Women’s Professional Technical College, has helped incorporate gender inclusion and mainstreaming into the training curriculum of the Chinese Communist Party School in Guangdong.

Community-based Interactive Training Project of Migrant Women Workers

* **Enabler Type(s):** Legal, Social and Cultural, Professional Advancement
* **Who:** The Asia Foundation, Levi Strauss Foundation
* **Where:** Nanhai Zone of Foshan City, Sanxiang Town of Zhongshan City, Wujiang Zone of Nanjing City, and Beijing

* **Cost:** Training costs are approximately US$1,500 to US$2,000 per 100 participants.

As of the end of 2007, this project provided migrant women workers with free training and relevant services on related laws, occupational health and safety, psychological health and stress management, reproductive health and HIV/AIDS protection and prevention, interpersonal communication skills, social safety, financial literacy and life planning, and start-up of small businesses, among other topics. This project was organized and implemented by a task force from Tsinghua University, the Guangdong Women’s Professional Technical College, the Guangdong Women’s Federation, and local women’s federations in Sanxiang and Wujiang. Additional partners include local governments, trade unions, factories, universities, NGOs, and others. Following the completion of the project in 2007, according to the factory managers in Sanxiang, the factories continued to implement the project activities themselves.

This project developed social aid and services for migrant women workers, and mobilized resources from government, enterprises, local communities, and all aspects of society to support social integration of rural migrants. The project provided 510 themed lectures, special training for 134,000 women, and distribution of 53,500 copies of 38 editions of Mailbox for Migrant Women Workers. The project also oversaw publication of the Sanxiang Newspaper for Migrant Women Workers, the organization of an amateur performance troupe of workers, and themed activities such as forums, seminars, special competitions, large-scale counseling activities, and research.

Topics covered in program activities were chosen based on the needs of migrant women workers. They included self-esteem and social values, interpersonal relationships and communication, psychological health, legal and rights protection, hygiene and health care, self-development, love and marriage, social safety, occupational health and safety, safe sex and prevention of AIDS, vocational
skill training, business start-up training, predeparture training before migration, and others.

As a result of the program, more than 570 legal aid cases were handled, 495 of those cases for women. Among the cases, 565 were closed, and 522 were won or mediated successfully, with over 14 million RMB in compensation won. 100 migrant women workers’ lives were saved; 73 of these women who suffered poisoning from toxic substances at work were able to go to hospital or continue to receive treatment after accidents.56

Success factors for the program included collaboration between multiple parties with shared objectives, including the local government, unions, and organizations working on issues of family planning, migrant workers, or women.

Scholarship Program for Chinese Women Workers

* **Enabler Type(s):** Professional Advancement
* **Who:** Wal-Mart Foundation
* **Where:** Guangdong Province
* **Benefit to Women:** Access to education scholarships and opportunities for skills development.
* **Benefits to Business:** Female workers gain skills at no cost to individual enterprises.

From 2006 to 2010, the Wal-Mart Foundation donated US$255,000 to the Scholarship Program for Chinese Women Workers, providing educational scholarships for 70 migrant women workers across Guangdong Province, the heart of China’s booming manufacturing center. The program sponsors advocated vocational education for migrant women workers to improve their career prospects. Of the 70 recipients of the scholarship, 40 studied preschool education and computer application technology at the Guangdong Women’s Professional Technical College, while the other 30 studied at other vocational schools. Courses provided by those colleges and schools include human resource management, business administration, logistics management, computer science, foreign languages, and economics. By 2010, it is expected that all 70 students will have completed their vocational training and completed internships in their professional field of choice.57

China Training Institute: Supervisor management trainings

* **Enabler Type(s):** Social and Cultural, Professional Advancement
* **Who:** China Training Institute (BSR)
* **Where:** Guangzhou, Guangdong Province
* **Time frame:** 2008–present (as of 2011)
* **Cost:** US$8,500 per facility inclusive of travel cost
* **Benefit to women:** Indirect; improved management skills of supervisors may encourage better treatment of female workers, reduce sexual harassment, and improve sensitivity to gender issues.
* **Benefit to business:** Supervisors’ management skills are improved, and worker-management relations can also improve.

The China Training Institute (CTI), started in 2004, helps companies and their Chinese suppliers improve corporate social responsibility (CSR) performance and overall competitiveness through a wide range of training, roundtables, salons, and long-term training programs. CTI offers supervisor training relevant to the needs of supervisors, such as communication and supervisory skills and stress management.

* The **communication** training workshop provides skills and advice for starting constructive dialogue between supervisors and employees. It helps to enhance the communication efficiency of the team. The workshop provides supervisors with hands-on experience in team communication and coaching skills.
* The **supervisory** skills-training course teaches trainees how to build leadership competencies

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56 Asia Foundation: Community-Based Interactive Training Project for Migrant Women Workers in the Pearl River Delta.
such as communication, authorization, and coaching and motivating subordinates. It also focuses on the common issues that supervisors face and solutions to address these issues.

The stress-management training workshop focuses managing stress and identifying ways to mitigate stress. The course will start by identifying the symptoms and signals of stress and then provide good practices for better stress management.

A factor contributing to the success of the program is that it demonstrates to management that as workers’ management skills are improved, their professional satisfaction also often improves. Another success factor is the participatory methodology used in trainings, which helps trainees internalize messages and support peer-to-peer learning after the training.

The main challenges faced by the program are related to the timing of training around the tight schedule of management teams inside factories, especially during the peak season. To address this challenge, CTI trainers work to gain commitment at the senior management level, and enlist senior management to communicate the value proposition to participating middle managers. CTI further encourages participating factories to incentivize worker participation with promotion opportunities on completion of training programs.

Remaining Challenges and Opportunities for Innovation in China

While uncovering best practices, we have also identified major barriers and poor practices that affect women trying to enter the workforce, achieve upward mobility, or start their own business in China’s special economic zones. The following are areas where further innovation and program development can help address remaining challenges to women’s economic empowerment in China in trade zones and beyond.

Innovations to Further Female Workers’ Welfare and Advancement

Legal: Address Sexual Harassment in the Workplace

Research by the All-China Federation of Trade Unions (ACFTU) on workplace sexual harassment indicates that the state-owned enterprises have the lowest incidence of sexual harassment, followed by multinational companies and large private enterprises, with small businesses demonstrating the highest incidence of sexual harassment.

Based on the interviews and the questionnaire survey conducted by BSR over the two years of research for this study, more than half of female workers have encountered sexual harassment themselves and most female workers said that sexual harassment happens in their workplace. The survey’s definition of sexual harassment included harassment conducted through language, text, physical behavior, photographs, and electronic information in the workplace. It is worth noting that most female workers don’t view making dirty jokes as sexual harassment; such behavior is common in zone workplaces in China. Sexual harassment lawsuits do occur, but many more women choose to keep silent when they experience sexual harassment.

According to a 2010 study by Peking University, 42.8 percent of working units interviewed had no policy to prohibit workplace sexual harassment. As a result of this lack of workplace protection, 28.7 percent of women interviewed reported sexual harassment by peer colleagues and 17.2 percent reported sexual harassment by supervisors. A further 54.1 percent of women interviewed reported having experienced sexual harassment from both peer colleagues and bosses.

This research highlights an urgent need for businesses to develop workplace sexual harassment policies, to provide related training to female workers about their rights vis-à-vis sexual harassment and management training on gender sensitivity, and to create anonymous hotlines for women to report abuse.

**Legal: Increase the Role of Unions in Protecting Female Workers’ Rights**

In China, independent labor unions are prohibited. The only union is the government-affiliated ACFTU, whose role is stipulated in the China Law on Labor Unions. Enterprises are required to allow worker participation in the state union and to treat all employees equally, regardless of whether they are members of the union or not. Within this context, however, labor union participation is very low, and labor organizations do not believe the ACFTU correctly represents workers’ interests.

Except for a few efforts, most factory management teams do not have regular dialogue with labor union representatives with regard to wages, work time, and benefits. According to interviews with the economic zones’ female workers, very few workers realize that a labor union exists, let alone understand the function of the labor union and how to assert their rights through it.

There are a small number of innovative programs trying to establish independent labor unions, but far more are needed for significant change. For example, Reebok conducted a pilot program in one factory in Xiamen Economic Zone. Workers were allowed to elect their own labor union representatives and the pilot factory was encouraged to respect the election process and the results of the election at their factory.

**Legal: Revise the Hu Kou System**

The Hu Kou registration system in its current form places significant restrictions on migrant workers’ welfare and career development, with disproportionate impacts on female migrant workers. According to the system, workers have to return to their hometown when they get old or their family needs them unless they are granted local registered residence status. This system perpetuates the particular expectation that female migrants will return to their hometown to raise their children and look after their elders at an earlier age than male workers. Therefore, most female workers view the length of their working career as restricted, and likewise, most managers view them as a transient population.

If migrant workers are not registered locally, it is extremely difficult for them to settle in the industrial areas. For example, their children would not be able to attend school in the town, and the workers themselves would not receive a pension. The household registration system also restricts access to social security and health care, thus increasing out-of-pocket costs for personal and occupational health diagnoses and treatment for nonregistered workers. If women choose to stay in the cities longer, such restrictions often serve to trap them and their families in the cycle of poverty.

Some local governments in small towns and cities are pilot-testing loosening the Hu Kou system to allow rural migrant workers to stay in the industrial communities where they work after accumulating a certain number of years of work. Shenzhen SEZ revised the Hu Kou system in the early 1980s to issue temporary household registration to migrant workers; however, this effort also entailed restrictions that affected marriage, childbirth, and support for family members. The experiment in Shenzhen can be used as an example to be replicated and improved upon in other SEZs in China.

**Advancement: Remove Limitations on Women’s Professional Advancement**

To address gender discrimination in professional advancement opportunities in China there is a
need for all employers to develop workplace nondiscrimination policies. Additionally, gender quotas for management positions and policies prohibiting gender-specific job descriptions could be introduced.

There also exists an opportunity to formalize training for female workers to support their skills development in order to help factories and zones retain female workers as they pursue professional growth. Formal studies and interview series have demonstrated that female workers have a strong desire to grow professionally and advance in the workplace in China. At the same time, high turnover levels continue to plague factory managers. Developing female workers to allow internal promotion within factories can help women realize their objectives and may help factories reduce turnover.

Finally, registration legislation also contributes to restrictions on women’s professional advancement, and it should be revised to allow women to stay in the workforce as long as men if they choose to do so.

Resources: Key Gender Stakeholders in China

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Foundation</td>
<td>Beijing</td>
<td>Factory-based programs for women including health, education, empowerment, and rights awareness.</td>
</tr>
<tr>
<td>Asia Monitor Resource Center</td>
<td>Hong Kong</td>
<td>Workers’ rights and democratic labor movements throughout Asia, including China.</td>
</tr>
<tr>
<td>BSR</td>
<td>Guangzhou, Beijing, Hong Kong</td>
<td>Factory-based programs for women including health, education, empowerment, and rights awareness.</td>
</tr>
<tr>
<td>China Labor Bulletin</td>
<td>Hong Kong</td>
<td>Workers’ rights advocacy network.</td>
</tr>
<tr>
<td>China Labor Watch</td>
<td>New York</td>
<td>Workers’ rights education and advocacy; legal assistance; research and publications.</td>
</tr>
<tr>
<td>China Training Institute (CTI)</td>
<td>Guangzhou</td>
<td>Professional training institute providing courses in management, communications, social and environmental compliance, and other topics.</td>
</tr>
<tr>
<td>China Women’s Studies Institute</td>
<td>Beijing</td>
<td>Research and advocacy. Affiliated with All-China Women’s Federation.</td>
</tr>
<tr>
<td>China Working Women’s Network</td>
<td>Shenzhen</td>
<td>Women workers’ rights advocacy.</td>
</tr>
<tr>
<td>Fair Labor Association</td>
<td>Beijing</td>
<td>Women workers’ rights research and advocacy.</td>
</tr>
<tr>
<td>Maple Women’s Psychological Counseling Center</td>
<td>Beijing</td>
<td>Hotline and counseling services for women.</td>
</tr>
<tr>
<td>Shaanxi Association of Women Lawyers</td>
<td>Shaanxi</td>
<td>Women’s legal advice and services.</td>
</tr>
<tr>
<td>World Health Organization</td>
<td>Beijing</td>
<td>Health research and programs, including TB and HIV/AIDS prevention for women.</td>
</tr>
</tbody>
</table>
This study examines the role of special economic zones (SEZs) in promoting women’s economic empowerment and creating sustainable jobs as a way to boost zones’ competitiveness. The Costa Rica case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

- Fair employment and working conditions for female employees
- Equal access to opportunities for professional advancement
- Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

Costa Rica was selected as one of two Central American countries to be included in the study because Costa Rica is a stable country with progressive regulation and government policies toward women, a relatively high GDP, and strong, healthy free trade zones (FTZs). Costa Rican zones have attracted diverse and advanced manufacturing firms, including medical devices and electronics makers, as well as companies from the service sector.

**Methodology**

This case study is based on findings from a combination of stakeholder organization interviews, qualitative factory-based research, and desk research. The primary research included sixteen in-person interviews conducted June 7–11, 2010, in Costa Rica, and one phone interview conducted in April 2010. The study is also informed by interviews with managers at five enterprises in three free trade zones, and with representatives from two zones in Costa
Rica: Coyol Free Zone & Business Park, and Forum Business Park and Free Zone. Primary research was supplemented by documentation received during the field work and desk research.

Zone Programs in Costa Rica

Costa Rica’s zone program was established in 1981 with the enactment of the Free Zone Act (Law 7210). Costa Rica has one zone regime, and each FTZ is individually managed by a private corporation supervised by the FTZ Board, consisting of PROCOMER and COMEX (Ministry of Foreign Trade), which grants companies benefits and operational permits.

Costa Rica recently reformed the zone law by removing the minimum export requirement so that it is in compliance with the World Trade Organization (WTO). The reform also encourages development in less developed areas of the country and strategic investment in key sectors. PROCOMER said that there are currently 29 zones in Costa Rica, including zones that have both manufacturing and services, and zones that have manufacturing only. Additionally, there is a business park with locations called Forum I and Forum II that currently only contains service companies; floors within buildings in the park are designated as free zones so that companies located on those floors receive the benefits and incentives provided in the free zone law.

Costa Rica’s zones are unique compared to other zones in this study, as they comprise many service enterprises as well as advanced manufacturing of electronics, medical devices, and aerospace equipment. Originally, the companies in the Costa Rican zones were mainly in manufacturing, largely apparel. However, over the last decade there has been a transition to more advanced manufacturing and the introduction of service companies. For example, according to CINDE and PROCOMER, in 2000 there were five service companies employing about 2,000 workers, and in 2010 there are over 90 service companies employing over 20,000 workers. Additionally, there are now very few “maquilas” (apparel manufacturers), as they have been replaced by more advanced manufacturers, such as medical device makers. Costa Rica is focused on attracting “high-tech” investments. For example, in 2005, service companies represented 26 percent of the productive activity developed in the free zones, electric/electronic activities along with medical equipment and precision instruments represented another 26 percent, and the textile/garment industry represented only 16 percent.1

Key characteristics of the program as of 2008 are as follows:2


<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Number</th>
<th>Objective of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Society</td>
<td>2</td>
<td>Determine challenges facing Costa Rican women at work and at home, and learn about programs and policies seeking to address those challenges.</td>
</tr>
<tr>
<td>Female Entrepreneur</td>
<td>1</td>
<td>Identify general challenges facing female entrepreneurs and assess specific challenges to starting/owning a business in a zone. Identify recommendations to facilitate increased female entrepreneurship in zones.</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>Identify government’s priorities, limitations, and potential role in solution. Discuss regulatory systems in place.</td>
</tr>
<tr>
<td>Private Sector</td>
<td>8</td>
<td>Identify drivers and challenges. Uncover perspective on female employees. Discuss existing or potential future programs or policies.</td>
</tr>
</tbody>
</table>
Costa Rica Case Study

* Continuous increase in the number of companies in the FTZs, totaling 259 in 2008
* FTZ companies account for 52.1 percent of Costa Rica’s exports
* Service-company FTZs account for 22.4 percent of Costa Rica’s service exports
* About two-thirds of imports to FTZ companies are assembly parts, which is evidence that many of the FTZ companies are dedicated to high-value-added production
* Total accumulated investment grew on average by 10.1 percent per year between 2004 and 2008, reaching a peak of US$2,722 million. The biggest increase in this area is due to investment services companies.
* Foreign direct investment (FDI) generated by the FTZs recovered in the last three years, reaching US$444.7 million in 2008, and increasing its share of total FDI to 22.1 percent.
* In 2008, the number of jobs generated by FTZs was 52,742, growing on average by 10.4 percent per year since 2004
* Salaries paid by enterprises in FTZs have grown on average by 10 percent since 2004, reaching an average value of US$842.50 per month per worker. The average salary in the FTZs is 65 percent higher than the average wage in Costa Rica

The study included interviews with representatives from two zones in Costa Rica: Coyol Free Zone & Business Park, and Forum Business Park and Free Zone. There were few, if any, zone-wide programs specifically targeted at women in either of the FTZs that we visited; however, some initiatives may benefit women more than men, such as the zone-organized transportation programs.

Regarding female entrepreneurship in zones, the study identified that small businesses are permitted in the zones, but this is not a common practice, beyond a few cafeterias (“sodas”), none of which were known to be owned by women.

Obstacles to Women’s Economic Participation in Costa Rica

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and entrepreneurial investment opportunities across eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

Women’s entry into the workforce, their welfare and retention or dropout rates are affected by a variety of factors. Key themes are explored around the following categories.

* Female Workers’ Welfare and Advancement
  
  **Legal Policies and Enforcement:** International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.
  
  **Social and Cultural Challenges:** Cultural norms dictate women’s home responsibilities and can impact women’s economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.
  
  **Professional Advancement Opportunities:** Advancement opportunities for women are tied to education and skills develop-
ment, and are also influenced by social and cultural factors.

This study has also identified replicable good practices in Costa Rica, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in Costa Rica” that follows on page 8.

Female Workers’ Welfare and Advancement

Legal Policies and Enforcement

Costa Rica is a democratic republic with executive responsibilities vested in a president. In addition, there are two vice presidents and a cabinet with over 20 members. In 2010, Costa Rica elected a female president, Laura Chinchilla, whose platform included “supporting women’s issues.” Additionally, some ministers—including the minister of labor, Sandra Piszk—are female.

Nationally, there is a government institution dedicated to women, the “Instituto Nacional de la Mujeres” (INAMU) or National Institute for Women. Together with the Ministry of Work and Social Security INAMU created a women’s policy, “Política Nacional Sobre Mujeres, Trabajo, y Empleo,” or the National Policy about Women, Work and Employment, after six consultations with over 542 women workers from March to July 1999. Additionally, many government ministries, such as the Social Security Department and the Ministry of Labor, have established “gender units.” The Ministry of Labor’s gender unit’s initiatives include identifying and disseminating good practices related to women and work, conducting a campaign to eliminate pregnancy tests as part of the hiring process, and educating workers and employers on the revisions to the Costa Rican Labor Code. The Social Security Department’s Gender Equity Program also carries out gender initiatives to empower women workers and to educate employers and human resource managers. These include the development of the Social Security Department’s internal gender policy, the delivery of trainings, campaigns to reduce sexual discrimination, and the mainstreaming of gender considerations in the Social Security Department.

The free zone law states that companies must comply with the other national laws, such as the Costa Rican Labor Code (Código de Trabajo), which is the legal reference for all labor regulations.

Tables 1 and 2 summarize illustrative conventions and laws currently in place that affect women.

Despite legislation prohibiting discrimination at the workplace, some interviewees said that discrimination against pregnant women and mothers persists. Interviewees reported that some enterprises still give pregnancy tests as part of the hiring process, and as maternity leave is seen as a cost, some enterprises have started to provide short-term contracts rather than full-time positions to women.

Social and Cultural Challenges

Costa Rica is located in Central America, between Nicaragua and Panama, and has a population of 4.3 million. Spanish is the official language, and English is becoming widely spoken given the government’s priority to include English courses starting in grade school and companies’ investment in providing English language courses for their employees. According to the National Institute of Statistics and Census (INEC), 11 percent of men and 9 percent of women are fluent in English.

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6 Costa Rican Instituto Nacional de Estadística y Censos (INEC), cifras de la Encuesta de Hogares y Propósitos Múltiples, Julio 2009.
Costa Rica, classified by the World Bank as an upper-middle-income economy,\(^7\) has a GDP per capita of US$5,801.\(^8\) Costa Rica ranks 54th out of 182 countries in UNDP’s Human Development Report 2009. Costa Rica has the highest standard of living in the region, and among the highest in Latin America and the Caribbean, as well as one of the lowest poverty levels.\(^9\) Costa Rica is known for its political stability and inclusive democracy. Factors that have contributed to this stability, orderly democratic institutions, and smooth government successions include “enlightened leadership, comparative prosperity, flexible class lines, educational

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**TABLE 1  Ratification of ILO Core Conventions**

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29  Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>87  Freedom of Association and Protection of the Right to Organize</td>
<td>Ratified</td>
</tr>
<tr>
<td>98  Right to Organize and Collective Bargaining</td>
<td>Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>Ratified</td>
</tr>
</tbody>
</table>


**TABLE 2  Illustrative Laws and Regulations Affecting Women’s Economic Opportunities**

<table>
<thead>
<tr>
<th>Law Description</th>
<th>National or Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory paid maternity leave during the month before and three months after delivery.</td>
<td>Both</td>
</tr>
<tr>
<td>Every mother in the nursing period (the minimum period of lactation is the first three months) may have a break from work of fifteen minutes every three hours or half an hour twice a day in order to breastfeed her child.</td>
<td>Both</td>
</tr>
<tr>
<td>Forbids and sanctions sexual harassment</td>
<td>Both</td>
</tr>
<tr>
<td>It is prohibited for employers to dismiss workers who are pregnant or breastfeeding, except for serious misconduct arising from the duties under the contract.</td>
<td>Both</td>
</tr>
<tr>
<td>It is forbidden to contract women to perform work with unhealthy, dangerous, or heavy physical aspects. It is forbidden to have women perform work at night, with the exception of work at home or in family, nursing, social visiting, and other similar domestic service.</td>
<td>Both</td>
</tr>
</tbody>
</table>

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\(^7\) World Bank classifications accessed at http://data.worldbank.org/about/country-classifications/country-and-lending-groups
opportunities that have created a stable middle class, and high social indicators. … Because Costa Rica has no armed forces, it has avoided military involvement in political affairs, unlike other countries in the region.10

Costa Rica’s total exports are US$8.9 billion, and its major trading partners are the United States (36.6 percent of exports) and China (9.4 percent).11 Costa Rica’s exports include integrated circuits, medical equipment, bananas, pineapples, coffee, melons, ornamental plants, sugar, textiles, electronic components, and medical equipment.12 The United States accounts for more than two-thirds of the foreign investment in Costa Rica.13

Costa Rica ranks 59th out of 134 countries in the World Economic Forum’s 2008 Global Competitiveness Index, reflecting an improvement of 9 places since 2006, and, with Panama, is ranked as the most competitive country in Central America. Costa Rica’s competitive advantages include fairly efficient institutions, relatively good primary and higher education systems, flexible labor markets, and a capacity for innovation in the business sector.14

In 2010, in recognition of women as potential leaders in economic recovery from the global recession, the National Bank released financial programs targeting women, including a credit card for women only and “Banca Mujer,” a suite of financial services for women, including millions of dollars in new loans for businesswomen.15

Key social and economic indicators are summarized in Table 3, which is followed by contextual information, including the perceived challenges and barriers to greater gender empowerment.

**Employment**

Costa Rica has a relatively low unemployment rate of 7.8 percent and relatively high female labor force participation at 43.1 percent. According to CINDE, 43 percent of the population is between the ages of 15 and 40,16 which results in a labor force of approximately 2.05 million people. The government’s investment in education, among other factors, has created many employment opportunities in Costa Rica.17 The global recession of 2008–2009 hit working women harder than men, driving women’s unemployment levels up to almost 10 percent, as compared with 6.6 percent for men.18

The free trade zones employ a significant and increasing number of workers: from 16,697 workers in 1997 to 49,904 workers in 2007.19 Additionally, the new jobs created by companies in the free trade zones pay higher wages than the average national wage. In 2007, the free-zone wage was double the average income of a skilled worker, and, in some cases, such as INTEL, the wage was almost three times the national minimum wage.20 However, there is a gender income gap—according to a representative of the United Nations Development Fund for Women there is a consistent gap of 19 percent between men’s and women’s wages.21

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Since 1948, when Costa Rica abolished the armed forces, significant additional resources have been invested in education and health services for the population. The government is constitutionally required to allocate at least 6 percent of the country’s GDP from its annual budget to educational programs.\(^{22}\) From 2000 to 2007, the public expenditure on education was 20.6 percent of total government expenditures.\(^ {23}\)

Since 1870, elementary schooling has been free and compulsory for all children between the ages of 6 and 13; additionally, the government has programs to guarantee literacy in computer sciences and English as a second language.\(^ {24}\)

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**TABLE 3** **Socioeconomic Indicators: Costa Rica**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total Adult Population</th>
<th>Female Population</th>
<th>Ratio: Female to Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population living on less than US$1.25, US$2 per day</td>
<td>2.4%, 8.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary)</td>
<td>73%</td>
<td>74.4%</td>
<td></td>
</tr>
<tr>
<td>Literacy (for ages 15+)</td>
<td>96%</td>
<td>96.2%</td>
<td>1.00</td>
</tr>
<tr>
<td>Labor force participation</td>
<td></td>
<td>43.1%</td>
<td>0.54</td>
</tr>
<tr>
<td>Unemployment</td>
<td>7.8%</td>
<td>9.9%</td>
<td></td>
</tr>
<tr>
<td>Earned income (PPP US$ annually)</td>
<td></td>
<td>6,788</td>
<td>0.46</td>
</tr>
</tbody>
</table>

**Major Religions**

- Primary: Roman Catholic 70.5%
- Other: Evangelical Protestant 13.8%

**Gender Measures**

- Gender-related development index (GDI): 0.848, Rank 47/155 ranked countries
- Gender empowerment measure (GEM): 0.685, Rank 27/109 ranked countries
- Women-held seats in parliament, women in government at ministerial level (% of total): 37%, 29%
- Female legislators, senior officials, managers (% of total): 27%
- Female professional and technical workers (% of total): 43%
- Women with unmet family planning needs: 5%
- Births attended by skilled health professional: 99%
- Maternal mortality rate (per 100,000 live births): 30


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\(^{23}\) UNDP Human Development Report 2009

dition to free grade schools, Costa Rica has 95 technical schools, 60 universities, and the National Training Institute (INA), an autonomous public institution created in 1965 that offers free technical training. The INA is financed primarily by resources coming from an earmarked 1.5 percent payroll tax, resources from the private sector, and the government budget. In addition to free technical training provided across Costa Rica, the INA offers customized training programs for companies “that need their employees to learn an innovative process or technology that is still non-existent in the country and essential to their productive process.” In 2008, INA trained around 50,000 people and had a budget of close to US$89 million.

The results of these investments are impressive. The literacy rate is 96 percent and the combined gross rate of enrollment in education is 74.4 percent for women and 71.6 percent for men. The level of education of the population is believed to have been a decisive factor that influenced electronics and medical device companies to locate in Costa Rica.

Religion and Culture
Christianity is the main religion in Costa Rica. According to the 1949 Constitution, Roman Catholicism is the official state religion. 70.5 percent of the population is Roman Catholic and 13.8 percent is evangelical Protestant. Costa Rica appears to have an egalitarian culture, with women reaching top positions in government, including currently the presidency. However, the study “Tendencias Recientes de la Inserción Femenina en el Mercado Laboral en Costa Rica,” presented by the Estado de la Nación and the Instituto Nacional de las Mujeres (INAMU), found that despite the relatively high female labor force participation, women’s employment is not always in high-quality positions, and women face problems of unemployment, underemployment, and income gaps. For example, 25 percent of working women work fewer than 30 hours per week, and the income gap has shown an upward trend in the last five years, from 20 percent in 2003 to 26 percent in 2008.

Health
Costa Ricans have access to a system of public health care including community health centers, clinics, and hospitals. Costa Ricans have high health indicators: a life expectancy of 78.7 years, and a maternal mortality rate of only 30 per 100,000 live births (99 percent of births are attended by a skilled health professional).

Housing
The population is concentrated in the “greater metropolitan area,” which includes the cities of San Jose, Alajuela, Cartago, and Heredia, where approximately 2.1 million people, 49 percent of the population, live. Historically, the majority of free trade zones have been located in or near the greater metropolitan area; however, there is a government initiative by the Ministry of Planning and Economic Policy to provide incentives to locate zones in areas of lesser development to encourage local development and create employment opportunities.

32 UNDP Human Development Report 2009 (2007 data)
Within the greater metropolitan area, workers often commute by public bus to the zones, which can take time and can create safety concerns, especially for women. Some companies provide access to transportation for their workers, and one zone coordinates (but does not pay for) private transportation for workers (see example below). Most entry-level working mothers leave their children with family or friends at or near home as they cannot afford private child care; however, management-level working women in zones may have access to private child care, although many stated that they still prefer to leave their children in the care of someone they know.

Professional Advancement Opportunities
Most enterprises interviewed appear to understand that developing their staff is good for business, specifically for productivity, worker retention, and worker satisfaction. However, few, if any, enterprise-level programs specifically targeted women. Several challenges remain that prevent women’s professional development and advancement in Costa Rican trade zones:

- Lack of sufficient education and skills required for advancement
- Limited formal training to enable low-wage women workers to improve management and communication skills;
- Perception of women as being suited for only certain jobs and discriminatory hiring; and
- Limited upward mobility for women at senior management level,

Many companies in Costa Rica require a university degree for upward mobility at a certain level (typically management and above). This type of requirement prohibits promotion of operators who often have not finished high school. Many female workers in zones tend to be single working mothers, who, as many interviewees noted, have a substantial need for education and advancement opportunities. Even with a university degree, a few respondents said that there is still limited upward mobility for women at the senior management level. On the basis of interviews, it appears that this situation has improved, and that upward mobility at lower levels is not uncommon, but in many enterprises it is still a challenge.

Within this context, there exists an opportunity to support female zone workers’ development more formally, in order to help enterprises and zones retain female workers as they pursue professional growth.

Our research identified some good examples of investment in professional development opportunities such as internship placements, government-sponsored training, and enterprise support for continued adult education and training. In particular, service and advanced manufacturing enterprises tend to be more sophisticated and supportive in this area. These examples are outlined in the following section, “Good-Practice Enablers of Women’s Economic Empowerment in Costa Rica.”

Good Practice Enablers to Women’s Economic Empowerment in Costa Rica
Through fieldwork and other research, we have identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs represent good practices we identified in Costa Rica, which have the potential to be replicated in other zones or enterprises in Costa Rica, as well as in zones or enterprises in other countries.

Enablers for Female Workers’ Welfare and Advancement

Gender Certification Program

* **Enabler Type:** Legal
* **Who:** National Institute for Women (INAMU)
* **Where:** National
* **Time frame:** 2002–present (as of June 2011)
* **Benefit to Women:** Improved working conditions and relations as a result of companies tracking performance against a national standard and striving to improve in order to be certified.

* **Benefit to Business:** Positive impact on reputation from receiving certification, as well as on productivity, turnover, absenteeism, and recruitment from improved performance.

INAMU has a “System for Labor Certification on Gender Equity and Equality in Costa Rica,” a mechanism based on international norms to certify companies’ performance on gender equity in the workplace. The purpose is to gradually eliminate the gender equity gap at work. This program has the potential to eliminate inequity and create opportunities for women.

Initiated in 2002, the certification program is a management system. Currently, 5 companies are implementing the system and 10 more are interested in starting in 2012. The phases of implementation include training, issue diagnosis, establishment of a gender policy, and development of a plan of action. Participating companies must invest in these phases, and INAMU serves as the certifying body.

One challenge that the program faces is becoming financially self-sustaining. To achieve this, participating companies must fund the entire certification process. At present, companies pay a portion and INAMU pays the rest. Human resource capacity is also needed to continue to develop the model, as INAMU’s staff is only able to work part-time on the program. This is a result of spending cuts by the Costa Rican government that are affecting staffing on this and other governmental programs.

**Strategic Development in Rural Communities**

* **Enabler Type:** Legal, Social, Advancement
* **Who:** Costa Rican government and a zone
* **Where:** National
* **Benefit to Women:** Rural women will have access to employment and education opportunities.

**Benefit to Business:** Businesses will have access to an educated workforce.

Costa Rica’s free zone law and investment attraction strategy include encouraging development of strategic priorities for Costa Rica, such as economic development in areas outside of the densely populated “Gran Metropolitan” (which includes the capital, San Jose, and neighboring towns such as Alajuela and Heredia) by providing higher financial incentives for investments outside the metropolitan area and by requiring that companies in zones be either (a) located outside the metropolitan area or (b) in a strategic sector. This strategy should enable employment opportunities for rural women and high-quality, long-term jobs in strategic sectors.

Currently, many of the zones in Costa Rica are located outside San Jose, in former agricultural fields; therefore, the members of these communities are often farm laborers who do not have the education or previous experience to work in the zones. Some of these communities sometimes see the zone and the corresponding development in the area as a threat to their livelihoods. However, each zone has an initiative to integrate the community, which includes hiring local adults to do maintenance work on the buildings and grounds in the zone, investing in local schools to educate the future local workforce to potentially work in the zone, and providing services to elderly people. Each company also has an initiative to try to employ local community members, by accepting a slightly lower level of education (no high school) for operators and by providing scholarships for community members to get their high school equivalency degree. The positive impact for the company and the zone is a social license to operate and access to a workforce. Benefits to the community members include increased access to jobs and educational opportunities.

**Zone-organized Private Transportation**

* **Enabler Type:** Social
* **Who:** Zone
* **Where:** Alajuela, Costa Rica

* **Benefit to women:** Access to safe, affordable, and faster transportation. Workers save time by commuting on an express bus, and enjoy increased safety and convenience from being picked up in their community and arriving inside the zone.

* **Benefit to business:** The companies benefit from the increased punctuality of workers, the enhanced productivity of workers who are less tired given the shorter and safer commute, higher levels of control and security within the zone as only private buses carrying zone workers are allowed to enter the zone, and avoidance of liability as workers purchase the bus ticket as individuals and therefore are liable themselves.

Transportation is often a logistical and safety challenge for workers who live in different communities that are varying distances from the zone. Also, workers on different shifts do not always have access to public transportation. Moreover, public buses are often crowded and are not always safe. As a solution, the zone administrator worked with companies to identify a bus route that meets the needs of the workers, and established a contract with a private bus company for a defined route at established prices. Over time, the bus route has been adapted to the changing needs and demands of workers.

Program costs are low, and most drivers obtain the required government permit and pay a related monthly fee of US$200. Many employees purchase their bus tickets, but increasingly tickets are subsidized by their companies. In the twelve years that the service has been in operation, the number of workers using it has stayed consistent, and at present it moves a population of 6,000 workers to and from their jobs.

Although it has been very successful, the program faces some challenges related to competition from a small number of private transport providers that corner the transportation market and control the prices.

**Government-sponsored Training Program**

* **Enabler Type:** Advancement

* **Who:** Public-private partnership between government’s National Learning Institute (INA), the Costa Rica Investment Promotion Agency (CINDE), and enterprises in zones

* **Where:** National

* **Benefit to women:** Access to INA provides free specialized technical training to workers in zones and increases their skill level, which can lead to opportunities for advancement.

* **Benefit to business:** Free technical training for workers on the skills that businesses require, resulting in higher-skilled, more productive workers.

The Costa Rican government’s National Learning Institute (INA) offers free specialized technical training to workers in zones. To identify the skills training desired by investors (enterprises), CINDE facilitates a working group of companies in free zones. The working-group participants are general managers and human resource managers who meet quarterly to communicate their concerns and needs—including desired skills in the labor force—to INA in order to inform its curriculum. Additionally, some investors work directly in partnership with INA to design training programs.

As a result, companies have greater access to skilled workers and are able to have policies to “promote from within.” At one company, a worker had been there 8 years, working her way up from operator, to supervisor, to supervisor of the most complex production line.

The government also provides incentives to encourage companies to invest in training. For example, the free trade zone law states that (a) a company in the free zone that trains small and medium enterprise (SME) suppliers receives a discount through a fiscal credit, (b) INA offers free specialized technical training and English courses to workers in free zones upon demand by companies, and (c) the government commits to ensuring that universi-
ties and technical institutes include curricula that match the workforce needs of companies in free zones. Additionally, some companies have internal training centers known as “company universities.” These incentives enable Costa Rica to use the existing infrastructure of universities, colleges, and technical training institutes.

**Enterprise Support for Training and Advancement**

- **Enabler Type:** Advancement
- **Who:** Enterprises (various)
- **Where:** Zone and outside
- **Benefit to women:** Skills advancement and promotion
- **Benefit to business:** Higher-skilled workers who are more satisfied and dedicated

Service and advanced manufacturing enterprises in Costa Rica tend to be more advanced in providing training and advancement opportunities for their workforce, including female workers. In addition to the examples in this section of internship programs and the government-sponsored training program, other examples include enterprise-customer training partnerships, and an enterprise-wide “Women’s Network.”

For example, one enterprise has a policy that all employees must participate in 40 hours of training annually. Another enterprise has a “promote-from-within” corporate policy; a worker who had been there 8 years said she had worked her way up from operator, to supervisor, to supervisor of the most complex production line. One enterprise has a program “Career Force” for all workers that maps all the positions in the company’s Costa Rican operations, identifies different ways employees can reach their ideal position, and outlines courses available to strengthen their skills. Additionally, one enterprise’s managers are responsible for holding bi-monthly career development meetings with their staff.

Another enterprise had strict requirements for promotion tied to university degrees, but supported educational opportunities by providing employees with a few hours of paid time off per week to continue their studies. 28 percent of employees were studying at the time the interview was conducted.

Finally, one electronics enterprise’s training model includes internal new-employee training and on-the-job production line training, as well as training and onsite coaching from the customer. The enterprise also recruits second-year university engineering students and allows them to conduct an internship with the company as an opportunity for the students to develop on-the-job skills and for the enterprise to develop skilled workers to hire upon graduation.

**Internship Program in Shared Services Provider**

- **Enabler Type:** Advancement
- **Who:** Enterprise
- **Where:** Zone
- **Benefit to women:** Work experience, employment, professional development
- **Benefit to business:** Trained and dedicated full-time employees

A shared service provider multinational corporation (MNC), like many other service companies in the zone, faced the challenge of a shortage of skilled, bilingual workers, and identified the need to provide opportunities for students at low-income public schools who had potential but lacked previous work experience. The company partnered with the Costa Rica Investment Promotion Agency (CINDE) and a public high school to offer two-month placements for students in their last year of high school in one of the company’s four core business areas: call center/customer service, IT, accounting, and secretaries.

Although the program did not directly target female students, over half of the participants were female: 19 (73 percent) in year 1 (2008) and 26 (59 percent) in year 2 (2009). The program provided the girls with on-the-job experience and frequently resulted in the offer of a full-time position in the company.
Company employees (including the former interns) have access to free language courses (100 percent of tuition reimbursed) and, after 6 months, free college courses (100 percent of tuition reimbursed).

**Enablers to Support Female Entrepreneurs**

**Incentives to Source from Costa Rican Suppliers**

* **Enabler Type:** Access  
* **Who:** Government  
* **Where:** National  
* **Benefit to women:** The program to create linkages with national companies could be aimed specifically at women’s businesses, which would provide them with increased growth opportunities and access to skills development.  
* **Benefit to business:** For MNCs, the stability and reduced cost from access to raw materials and inputs from the national (Costa Rican) market. For Costa Rican companies, increased revenue—for example, Costa Rican companies earned US$7.5 million in first purchase orders from MNCs in 2009.

Additionally, the zone law provides an extra incentive for suppliers. If 40 percent of a supplier’s production is sold to companies in the zone, that supplier can benefit from the incentives provided to companies located in the zone, even if it is not located in the zone or designated as belonging to a strategic sector.

Costa Rican companies have been successfully integrated into MNC supply chains. For example, an electronics MNC worked with PROCOMER to identify potential suppliers, and grew its local supplier base from 0 when it entered Costa Rica in 1996 to about 300 local suppliers in 2010.

The key to increasing the impact of these opportunities on women will be to encourage women’s entrepreneurship so that some of these suppliers are women-owned businesses.

The national program “Costa Rica Provee” (“Costa Rica Supplies”), initially funded by the Inter-American Development Bank and now supported by the Foreign Trade Corporation of Costa Rica (PROCOMER), encourages incorporation of Costa Rican companies into the supply chains of MNCs. As a part of Costa Rica Provee, a supply-chain linkage study was conducted to identify the inputs and raw materials required by companies in Costa Rican Free Zones. Study results were compared to existing Costa Rican companies’ products and services. A map was then created to identify Costa Rican companies that could serve the MNCs in the zones. One example referenced in interviews was that of Baxter Healthcare Corporation. After Baxter established operations in a Costa Rican FTZ, many medical companies entered Costa Rican zones to service Baxter, creating high-quality jobs, enabling technology transfer, and attracting more MNCs. Many women will benefit from this creation of high-quality employment. As per CINDE’s statistics, women represent 52 percent of the workforce in medical devices, 40 percent in advanced manufacturing, and 48 percent in services.

BusinessWomen’s Program in the Chamber of Commerce

* **Enabler Type:** Access, Training and Networks  
* **Who:** Chamber of Commerce’s Program for the Development of Women Entrepreneurs (“Programa para el Desarrollo de la Mujer Empresaria”)  
* **Where:** National (based in San Jose), not currently in zones  
* **Time frame:** 2009–present (as of 2011)  
* **Benefit to women:** Women entrepreneurs have access to a network of support, capacity building, and contacts.  
* **Benefit to business:** Strong small businesses help stimulate the economy and act as suppliers to large businesses in the zones.

In 2009, the Chamber of Commerce created the Program for the Development of Women Entrepreneurs (“Programa para el Desarrollo de la Mu-
Although not currently highly active in zones, the initiative supports female entrepreneurs nationally. If this program is expanded to include entrepreneurship within the zones, it could greatly impact the opportunity for women entrepreneurs and innovation.

The program builds on the credibility, resources, and convening power of the chamber to specifically target the facilitation and creation of business initiatives that support the development of women-owned small businesses and incorporate women’s voices into a largely male-dominated business community and chamber. The objectives of the program include representing businesswomen, promoting spaces for female entrepreneurs to develop their businesses, establishing networks for women business leaders to create and strengthen their participation in the national market, and promoting the spirit of entrepreneurship among women. The program’s activities include training, counseling, a Web site with important information, an annual conference, and technical assistance and support to women business owners.

As part of the opportunities for women entrepreneurs, a distance learning course was offered to women in the program in Costa Rica in partnership with the University of Monterrey in Mexico. Through this program, the women were assigned local tutors and took courses in law, accounting, marketing, human resources, manufacturing, information technology, and more. The first 10,000 women received a diploma and graduated in the summer of 2011 and will use the knowledge they gained to build their small businesses.

Remaining Challenges and Opportunities for Innovation in Costa Rica

While uncovering best practices, we have also identified major barriers and poor practices that affect women trying to enter the workforce, achieve upward mobility, or start their own business in Costa Rica’s free zones. The following programs reflect areas where further innovation and program development can address remaining challenges to women’s economic empowerment in Costa Rica in trade zones and beyond.

Innovations to Further Female Workers’ Welfare and Advancement

Legal: Increase Women’s Participation in Unions

Encouraging active participation of women workers in unions would be a good practice; however, unions appear to be prohibited, which is a violation of the ILO Core Convention on Freedom of Association. There appear to be no unions in the free trade zones. According to Costa Rican government statistics from 2009, only 2.62 percent of women and 2.85 percent of men are members of unions. In addition to the total lack of union presence in zones, few if any organizations engage women workers in zones, unlike in other countries.

Workers’ associations cannot replace unions in representing workers and bargaining collectively; however, workers’ associations can play a different role. A few companies in Costa Rica referenced “Asociacion Solidarista,” a workers’ association that functions like a credit union (investing and sharing earnings, providing loans) and organizes initiatives such as “Back to School” fairs at which companies attend and offer products at a discount. For one company, the association has an exclusive contract with a private bus company to provide transportation for workers (with the cost shared 50/50 by the company and workers). Additionally, women entrepreneurs can organize in cooperatives or associations, which enable them to have better access to financing.

Chamber of Commerce’s Programa para el Desarrollo de la Mujer Empresaria http://www.mujerempresariacr.com/
**Legal: Labor Rights and Discrimination**

Many rural women are not aware of their rights. Out of economic need, they often work overtime, but they are not always paid time and a half. Additionally, some stakeholders said that wage discrimination persists, although some human resource managers noted that they have wage matrices based on competencies and not gender.

Despite legislation prohibiting discrimination at the workplace, some interviewees said that discrimination against pregnant women and mothers persists. It is believed that many companies still give pregnancy tests as part of the hiring process, even though it is illegal. As maternity leave is seen as a cost, some companies provide short-term contracts to women rather than full-time positions.

As the Ministry of Labor and the National Institute for Women (INAMU) have limited resources for monitoring conditions and violations against women’s rights and workers’ rights in the zones, it is difficult to measure and regulate these potential violations.

**Social: Zone-level Child-care Provision**

Companies are not currently required by law to provide child care, and this study found a lack of access to affordable child care for most women. No zones or companies included in the sample provide child-care facilities, which is particularly important as there are many women heads of household.

There is opportunity for zones to provide a shared child-care center for all zone workers. Enterprises could pay into the center so that their workers have the option of using it. This would improve the attractiveness of locating a business in the zone by reducing the financial burden on any one enterprise, while providing a valuable service to female workers in the zone, potentially reducing absenteeism and the likelihood that women will miss work because their child-care provider is unavailable or sick.

**Social: Transportation and Infrastructure**

The limited public transportation and infrastructure (roads, bridges) between San Jose and zones on the outskirts of the city is a barrier for women in San Jose who want to work in the zones. Additionally, only one zone and a few companies facilitate private direct or express transportation for workers, and so it can take workers a long time to travel to work.

**Social: Gender Data and Vision**

There is a lack of gender-disaggregated data on workers in trade zones, such as the number of women at different levels and positions. There is no vision of gender incorporated into free zones, except indirectly through the vision of developing rural areas, which will benefit women.

Public and private zone authorities can work with the National Institute for Women and the Ministry of Labor’s Gender Unit to ensure that correct and useful data are being collected on women working in zones.
## Resources: Key Gender Stakeholders in Costa Rica

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centro Feminista de Informacion y Accion (CEFEMINA)</td>
<td>San Jose</td>
<td>NGO dedicated to improving quality of life and opportunities for women.</td>
</tr>
<tr>
<td>Centro de Investigacion y Estudios de la Mujer (CIEM) de la Universidad de Costa Rica</td>
<td>San Jose</td>
<td>Research center.</td>
</tr>
<tr>
<td>ILO Researcher (Maria José Chamorro)</td>
<td>San Jose</td>
<td>Studies on child care and women and work.</td>
</tr>
<tr>
<td>Ministry of Labor's Gender Unit</td>
<td>San Jose</td>
<td>Organizes campaigns, undertakes research on challenges that women workers face,</td>
</tr>
<tr>
<td>National Institute for Women (INAMU)</td>
<td>San Jose</td>
<td>Activities around women and paid labor including the norm/gender certification program (SIGEG) and a new project with high-tech companies; addressing challenges that women workers face.</td>
</tr>
<tr>
<td>Programa para el Desarrollo de la Mujer Empresaria, Chamber of Commerce</td>
<td>San Jose</td>
<td>Women entrepreneurs and small business owners.</td>
</tr>
<tr>
<td>Rinfogam</td>
<td>San Jose area</td>
<td>Women and entrepreneurship and communication media.</td>
</tr>
<tr>
<td>Social Security Gender Equality Department</td>
<td>San Jose</td>
<td>Internal gender policy funded by UNFPA, training, sexual discrimination, mainstreaming gender in the Social Security Department</td>
</tr>
</tbody>
</table>
This case study examines the role special economic zones (SEZs) can play to create regulatory frameworks and initiatives that promote women’s economic participation as a way to boost trade zone competitiveness and sustainable jobs. This case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

* Working conditions for female workers
* Opportunities for upward mobility
* Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

The Arab Republic of Egypt (hereafter “Egypt”) was selected for inclusion in the study because of its mature zone program, growing manufacturing sector and trade, and its reflection of the culture of the Middle East and North Africa (MENA) region.

**Methodology**

This case study is based on findings from a combination of stakeholder organization interviews, enterprise site visits, and desk research. The primary research included twenty-one in-person or phone interviews with civil society, worker organizations, government, and private-sector stakeholders (including factory managers) in May and July 2010. This case is also informed by 3 factory visits in Cairo, Mubark Industrial City, and Port Said. Primary research was supplemented by documentation received during the fieldwork and desk research.
Zone Programs in Egypt

Egypt’s zone program was established in the 1970s, and the country was among the first to establish zones in the MENA region. Key characteristics of the program are described below:

* There are 119 zones in Egypt, including 68 public zones in governorates, 16 in new cities, 27 heavy-industry zones, 6 free zones, and 1 SEZ. In addition, enterprises can earn qualified industrial zone (QIZ) status if more than 11 percent of inputs come from Israel and 100 percent of production is exported to the United States.¹

* Free zones were the primary focus of our study. Businesses operating within free zones must export 50 percent of their total production, and in return receive incentives from the General Authority for Investment (GAFI), including a lifetime exemption from all taxes, customs, and import/export regulations, and the option to sell a portion of production domestically if custom duties are paid. Free zones can be publicly or privately owned, and nearly all (if not all) are publicly owned at this time.

* Investment Law No. 8 of 1997 and Companies Law No. 159 of 1981 identify GAFI as the government body responsible for zone projects, and state that labor law in zones is consistent with national labor law. Egypt’s one operational SEZ is the only zone that operates under separate law (Special Economic Zone Law No. 83 of 2002) and is being developed in partnership with the government of Tianjian, China.²

* In 2007, the Egyptian government introduced a new zone regime, moving away from “free zones” to “investment zones,” which do not offer tax and customs incentives. Each investment zone is run by a multistakeholder group of government, private-sector, and GAFI representatives. Some have said this management structure has made it more difficult for the private sector to invest; thus, IFC is working with GAFI and the Egyptian government to streamline the process.³

* Migrant labor in zones, and throughout Egypt in general, cannot exceed 10 percent of a factory’s employee base.

* Key industries operating in zones include the garment, textile, electronics manufacturing, IT services, food processing, printing, and chemicals industries.

* There is no restriction on the types of enterprises that can operate in zones. However, small businesses do not typically operate in zones.

The study included visits to two zones in Egypt: Port Said Free Zone and Nasr City Free Zone.

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¹ Interview: Ashraf Dowidar, Internal Trade Development Authority, May 4, 2010.
² http://www.gafinet.org
³ IFC Egypt
and a meeting with GAFI, the zone authority, to gain a better understanding of the zone program in Egypt. There were no zone-wide programs specifically targeted at women in either of the zones. However, GAFI officials at both zones acknowledged that the zone is a large employer of women, and many of the enterprises operating within the zone preferred to hire women because of their stability and demeanor. Additional zone information is summarized in Table 1.

Obstacles to Women’s Economic Participation in Egypt

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This case study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and entrepreneurial investment opportunities across eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

Women’s entry into the workforce, their welfare, and retention or dropout rates are affected by a variety of factors. For the Egypt Case Study, key themes are explored around the following categories.

- **Female Workers’ Welfare and Advancement**
  - **Legal Policies and Enforcement:** International and local laws, and their enforcement,

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**TABLE 1 Zone Profiles**

<table>
<thead>
<tr>
<th>Industries Operating in Zone</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90% of enterprises are in the textile industry, including 6 of the top 10 garment exporters in Egypt</td>
<td>Textile is the largest industry in the zone</td>
</tr>
<tr>
<td></td>
<td>Other industries represented include electronics, food processing, and storage</td>
<td>Other industries represented include electronics, software, food processing, and printing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factories Operating in Zone</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100 total</td>
<td>132 total</td>
</tr>
<tr>
<td></td>
<td>0 small or medium enterprises in the zones</td>
<td>0 small or medium enterprises in the zones</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enterprise Owners</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 woman-owned enterprise</td>
<td>0 woman-owned enterprise</td>
<td></td>
</tr>
<tr>
<td>Many foreign owners</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workers Employed in Zone</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>35,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Female Workers Employed in Zone</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 50% of total workers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Migrant Workers Employed in Zone</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wages and Benefits</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher wages in zone than outside (US$600 vs. US$300–400 / month)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amenities Provided by the Zone</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax / customs office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATMs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker training (in partnership with the Egyptian Ministry of Manpower)</td>
<td>Worker training (in partnership with the Egyptian Ministry of Manpower)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dormitories</th>
<th>Port Said Free Zone</th>
<th>Nasr City Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Where data is not reported it is not available.
pertaining to female employees. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.

- **Social and Cultural Challenges:** Cultural norms dictate women’s home responsibilities and can impact women’s economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.

- **Women’s Entrepreneurship:**
  - **Policies and Access:** Female entrepreneurs often lack access to capital and land.
  - **Support Networks and Training:** Female entrepreneurs need training on business skills, management, and market identification, and would benefit from building networks among other entrepreneurs and within key sectors.

This study has also identified replicable good practices in Egypt, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in Egypt” that follows on [page 8](#).

### Female Workers’ Welfare and Advancement

#### Legal Policies and Enforcement

The primary law affecting workers in Egypt is the Labor Law (No. 12 of 2003), and Egypt has ratified all eight ILO Core Conventions. Ratification of international laws and domestic laws (at the national and zone levels) affecting women in the workplace are summarized in Tables 2 and 3 below.

Egyptian Labor Law No. 12 of 2003 is the key legal framework that affects women in the workplace—both inside and outside zones. Women have benefited from several advancements under the new law, including an increase in paid maternity leave from 50 days to 90 days, and an increase in the amount of unpaid leave women can take for child care from one year to two years. Additional laws affecting women in the workplace are summarized in Table 3.

While the law intends to address forms of discrimination against women, women still face significant challenges. Chief among them are a lack of enforcement of the law in the workplace and employer efforts to circumvent the law. For example, employers have been known to hire no more than 99 women at a facility in order to avoid the child-care law, and the child-care law is not en-

### TABLE 2  Ratification of ILO Core Conventions

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Forced Labor</td>
</tr>
<tr>
<td>87</td>
<td>Freedom of Association and Protection of the Right to Organize</td>
</tr>
<tr>
<td>98</td>
<td>Right to Organize and Collective Bargaining</td>
</tr>
<tr>
<td>100</td>
<td>Equal Remuneration</td>
</tr>
<tr>
<td>105</td>
<td>Abolition of Forced Labor</td>
</tr>
<tr>
<td>111</td>
<td>Discrimination (Employment and Occupation)</td>
</tr>
<tr>
<td>138</td>
<td>Minimum Age Convention</td>
</tr>
<tr>
<td>182</td>
<td>Elimination of the Worst Forms of Child Labor</td>
</tr>
<tr>
<td>UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>With Reservations</td>
</tr>
</tbody>
</table>
Women’s rights have expanded in the past decade. Legal prohibitions preventing women’s equal access to and representation in the judiciary have been lifted, and social taboos that have restricted their access to certain professions have been broken. In 2008, laws were passed to allow women to become judges for the first time in the country’s history, and set a minimum representation of women in parliament. In addition, amendments to child law included increasing the minimum age of marriage to 18. While this is a positive trend for women, gender discrimination remains prevalent throughout Egyptian society. This illustrates the need for extensive awareness-raising in communities to challenge societal practices that run counter to laws protecting women’s equality and empowerment. Without awareness-raising, women-friendly laws are not likely to be translated into greater support and protection of women.

**Social and Cultural Challenges**

Egypt is located in the Middle East and North Africa (MENA) region, bordering Israel, Libya, and Sudan. It is the most populous country in the Arab world, and the second-most-populous country on the African continent. Nearly all of Egypt’s population of 80 million lives in Cairo, Alexandria, the Nile delta, along the Nile, or along the Suez Canal. It is a mainly urbanized population (42.8 percent), as much of the country is desert. The small population living in rural areas continues to decrease as people move to cities in search of employment.

Egyptian industry includes food processing, textiles, chemicals, and light manufacturing, and its primary exports are petroleum, clothing and textiles, cotton, fruits and vegetables, and manufactured goods. GDP per capita is around US$5,500, and GDP has been growing approximately 5 percent per year since 2005. Total 2009 exports

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6 U.S. Department of State, 2010 Background Note: Egypt (http://www.state.gov/pa/ei/bgn/5309.htm)
7 Human Development Report, 2009 (2010 data)
8 U.S. Department of State, 2010 Background Note: Egypt, 2009 estimate (http://www.state.gov/pa/ei/bgn/5309.htm)
9 U.S. Department of State, 2010 Background Note: Egypt (http://www.state.gov/pa/ei/bgn/5309.htm)
were US$25.2 billion,\textsuperscript{10} with the following major trading partners (as measured by a percentage of exports): Italy (10.3 percent), India (6.3 percent), and Netherlands (5.7 percent).\textsuperscript{11}

Egypt ranked 81\textsuperscript{st} out of 134 countries in the World Economic Forum’s 2008 Global Competitiveness Index, reflecting a drop of four places from 2007. The low ranking was largely due to macro-economic instability, including high government debt, double-digit inflation, and high budget deficits. In addition, Egypt’s labor-market efficiency was ranked last among the countries evaluated.\textsuperscript{12} With higher minimum wages than other countries in the food processing and textile industries, Egypt struggles to be cost competitive. Technological readiness and investment in education are perceived as critical to Egypt’s economic development and global competitiveness.

Egypt is classified as having “Medium Human Development,” ranking of 123\textsuperscript{rd} out of 182 countries in UNDP’s Human Development Report 2009—the third-lowest ranking among the countries studied in this global research initiative. In addition, Egypt is rated third lowest for gender-related development and gender empowerment. Key social and economic indicators are summarized in Table 4, which is followed by contextual information, including the perceived challenges and barriers to greater gender empowerment.

### Education

Primary and secondary education rates have increased in recent years; the combined gross enrollment rate was 76.4 percent in 2007. While education is free to Egyptians through university and required until age 15, required testing is said to prevent students from low-income families from passing higher education entrance exams because they cannot afford tutors and assistance with studying.\textsuperscript{13} Literacy is notably lower among women than men (roughly a 3:4 ratio). Many employers provide on-the-job training for line workers, but up-skilling (e.g., management skills training) is rare.

### Employment

Despite gradual increases in women’s participation in the workforce, women represent a notable minority. In 2008, women’s labor force participation was 24.3 percent.\textsuperscript{14} Female unemployment rates are also trending positively, dropping from 24.3 percent in 2004 to 18.6 percent in 2007. Key barriers to women’s participation in the workforce include cultural norms and family duties, lack of skills, lack of child care, and poor health.

Women’s percentage of the workforce in free zones, however, is much higher than national rates. In both zones, women constituted a majority of the workers. Factory management claimed to prefer female workers because of their stability, demeanor, and attention to detail.

### Health

Cultural norms may inhibit women’s ability to make decisions about their health. Women prioritize the health of their family over their own health. Class is the primary factor in determining a woman’s access to health care, and lower-income families will tend to direct their limited resources toward children and men.\textsuperscript{15} Societal rules also prevent women from discussing their health and learning best practices from others.\textsuperscript{16}

\textsuperscript{10} U.S. Department of State, 2010 Background Note: Egypt (http://www.state.gov/r/pa/ei/bgn/5309.htm)
\textsuperscript{13} Interview: Elizabeth Kalifa, Institute of International Education, May 3, 2010
\textsuperscript{16} Interview: Dr. Mervat Nessiem, Center for Development Services, May 2, 2010.
HERproject, a health education initiative targeting female factory workers in Asia and North Africa, has identified the following health issues affecting female factory workers in Egypt:

- **Anemia**: HERproject surveys found that 67 percent of 390 female workers surveyed currently had or had previously had anemia and 20 percent currently had or had previously had intestinal worms during their lifetime.

- **Family planning and sexually transmitted infections (STIs)**: Female workers in HERproject factories stated that they knew at least one family planning method, but between 5 and 13 percent had never heard of condoms. STI knowledge was predominantly limited to HIV/AIDS.

- **Female genital mutilation (FGM)**: FGM remains a very common practice in Egypt though it became officially illegal in 2007. Women surveyed in HERproject factories had differing views on FGM, with between 32 and 67 percent arguing that FGM was a necessary practice.

- **Occupational health**: Neck and back aches, eye strains, and headaches are commonly occurring problems for workers because of long working hours either sitting or standing at work stations.

- **Menstrual hygiene**: 91 to 93 percent of women surveyed reported using sanitary napkins, but 51 percent of workers in one factory also said they had missed work because of painful menstruation.

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**TABLE 4 Socioeconomic Indicators: Egypt**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total Adult Population</th>
<th>Female Population</th>
<th>Ratio: Female to Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Population living on less than US$1.25, US$2 per day</td>
<td>&lt;2%, 18.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary)</td>
<td>76.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy (for ages 15+)</td>
<td>66.4%</td>
<td>57.8%</td>
<td>0.77</td>
</tr>
<tr>
<td>Labor Force Participation</td>
<td></td>
<td>24.3%</td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>8.9%</td>
<td>18.6</td>
<td>3.1</td>
</tr>
<tr>
<td>Earned Income (PPP USD annually)</td>
<td></td>
<td>2,286</td>
<td>0.27</td>
</tr>
</tbody>
</table>

**Major Religions**

- Primary: Muslim (90%)
- Other: Coptic Christian (9%), other Christian (1%)

**Gender Measures**

- Gender-Related Development Index (GDI): Not available
- Gender Empowerment Measure (GEM): 0.287, Rank 107/109 ranked countries
- Women-Held Seats in Parliament, Women in Government at Ministerial Level: 4%, 6%
- Female Legislators, Senior Officials, Managers: 11%
- Female Professional and Technical Workers: 32%
- Women with Unmet Family Planning Needs: 10.3%
- Births Attended by Skilled Health Professional: 74%
- Maternal Mortality Rate (per 100,000 live births): 130

Source: UNDP Human Development Report, UN Statistics Division, World Statistics Pocketbook, Sanja Kelly and Julia Breslin, eds., U.S. Department of State, DHS, Note: Where data is not reported it is not available.
Personal hygiene: HERproject surveys found that female workers tended to have poor personal hygiene, because of irregular bathing practices, unwashed hands, and the sharing of bottles, cups, and cutlery during meals.

Postnatal care: Most young women in Egypt have very low awareness about the importance of breastfeeding. One serious consequence of this is malnutrition; most irreversible damage from malnutrition occurs during gestation and in the first 24 months of the baby’s life.17

Housing
Given that much of Egypt is desert, the majority of Egyptians live in high-density urban areas near their place of employment. Most working women with children leave their children with family or friends near their home. A small portion will bring children to a company-sponsored child-care center, if a center is provided. The provision of worker dormitories is not a common practice because of the importance of the home in Egyptian culture and the low proportion of migrant labor (which must be less than 10 percent by law).

Religion and Culture
Egypt is a predominantly Muslim country, and religion plays a large role in Egyptian society and culture. Islamic law has an influence on national laws, particularly civil law and family law. Sometimes conservative interpretations of Islamic law can create challenges for women. For example, under Islamic personal status law, men have the right to divorce at will by telling their wives three times that they are divorced and registering the announcement at a religious notary office. Women, on the other hand, are required to petition the court and seek a fault-based or no-fault divorce, wherein they must either prove that the husband exhibited one of four recognized “faults” (such as physical abuse) or waive their rights to alimony.18

Islamic law can be interpreted to excuse domestic violence by permitting the disciplining of disobedient women.19 Islamic law and cultural norms encourage women to prioritize their family responsibilities. This can pose a challenge to a woman who wants to join the workforce, develop skills, and be promoted. In Egyptian culture, both Christian and Muslim women are expected to be home by early evening to care for the family, and there is a lack of training courses accessible during daytime hours.20 Women are expected to miss work to care for a sick child, and repeated absenteeism is a barrier to promotion and advancement in the workplace.

Women’s Entrepreneurship Opportunities
Women’s economic empowerment through entrepreneurship opportunities in zones depends on (1) policies and access and (2) support networks and training.

In Egypt, this study found that women were underrepresented among business owners and entrepreneurs. Only 18 percent of small and medium-sized enterprises are owned by women.21

Although some legal support for female entrepreneurs exists, Egypt lacks a strong culture of entrepreneurship, particularly among women. A lack of confidence and empowerment, as well as women’s societal roles, prevent them from taking the risk of starting a business. Other barriers include lack of knowledge on how to run a business and excessive bureaucracy in registering a business.

Policies and Access
In Egypt, women have their own financial rights and property ownership rights. The main access barriers are logistical challenges, mainly red tape and government bureaucracy, and corruption. Culturally, it is very uncommon for a woman to be in-

18 Interview: New Woman Foundation, May 6, 2010
19 Human Rights Watch, Divorced from Justice
20 Interview: Elizabeth Kalifa, Institute of International Education, May 3, 2010
volved in bribery, and women feel uncomfortable with this often-necessary component of starting and running a business.

Though not unique to women, one challenge from a finance perspective is the prohibition within Islamic law against taking out a loan. This often leads women to borrow capital from a male member of their family, such as a father or brother, to start a business. Awareness and training on this issue, as well as targeted financial services products that are compliant with Sharia, can help address this challenge.

**Support Networks and Training**

Interviewees\(^22\) noted that even if a woman has a good idea for a business, she doesn’t know where to start. The majority of female entrepreneurs lack accounting knowledge, information and communication technologies training, and awareness of marketing strategies and dissemination. Women also often lack customer service training or an understanding of how to build and manage a customer database. Women in the handicraft or clothing manufacturing business also can struggle to meet product-quality expectations for markets external to Egypt. Finally, women are also often unlikely to take the risks necessary to get a business started.

Targeted training programs and mentoring networks may help women build and expand their businesses. See “Enablers to Support Female Entrepreneurs” on page 9 in the following section for an example.

**Good Practice Enablers of Women’s Economic Empowerment in Egypt**

Through fieldwork and other research, the study identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs were among the best practices identified in Egypt, which have the potential to be replicated in other zones in Egypt, as well as in zones in other countries.

**Enablers for Female Worker Welfare and Advancement**

**Women’s Health Education**

* **Enabler Type:** Social & Cultural
* **Who:** Center for Development Services, BSR, Extending Service Delivery Project (USAID), 2 garment factories
* **Where:** Factories in and around Cairo, Port Said, and Alexandria
* **Time frame:** 2009–2011
* **Cost:** US $8,000 / factory for health education program; return-on-investment study carries additional costs
* **Benefit to women:** Improved health, decreased absenteeism (potentially removing a barrier to promotion), decreased medical costs
* **Benefit to business:** Decreased health-related absenteeism, decreased turnover, increased productivity, and improved worker-management relations.

HERproject was launched to address low levels of health awareness among female factory workers\(^23\) as well as to demonstrate the benefits to businesses of factory-based health programs.\(^24\) It was implemented in three garment factories in Egypt over the period 2009–2011. The model included identifying peer educators in each factory, delivering monthly training sessions to the peer educators on women’s health topics, and then encouraging the peer educators to spread their learning to peers and be available to counsel female workers while at work.

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\(^22\) Interviews, American University in Cairo Women’s Entrepreneurship and Leadership Program, May 2010; AWTAD and Vital Voices, July 2010.


Factories in zones are a rare location where women are away from their home and together in large groups, creating a critical opportunity to offer peer-based learning. By starting with general training and discussion on life skills, factory participants have grown comfortable talking about additional issues that are taboo in Egypt, such as reproductive health and family planning. As one factory worker said, the program has "broken the silence." At completion, the program was found to have improved women’s health knowledge on key topics including family planning, menstrual hygiene, pre- and postnatal care, and sexually transmitted infections and blood-borne diseases. Health behavior and attitudes also improved with regard to hygiene, nutrition, a healthy lifestyle, and female genital mutilation. By investing in women’s health education, the participating factories have also benefited and increased their competitiveness. Specific business benefits include:

- Reduced health-related absenteeism: One factory saw a reduction from 13.5 to 9.5 percent, the other from 15 to 10 percent;
- Reduced requests for early leave, particularly for reasons related to menstrual pain;
- Increased employee loyalty, especially among women workers: One factory saw a 5+ percent difference between the turnover rates of women and men at the end of the project;
- Improved productivity;
- Improved worker-management relations;
- Improved worker concentration; and
- Increased leadership and communication skills among workers.

Challenges encountered during the program included limitations on time for training within the factory, mostly tied to production peaks; resistance from some factory managers; turnover of key program staff such as peer educators, nurses, and HERproject trainers; and cultural challenges in addressing sensitive women’s health topics. Challenges were addressed throughout the project using collaboration, training for new team members and peer educators.

A key factor in the program’s success was the focus on factory nurses’ involvement, development, and leadership. Nurses’ roles and performance expectations were also expanded in some factories, to include counseling and factory-based presence— their role was made more proactive and focused on preventative care, rather than reactive and focused on basic treatment for accidents and emergencies.

This program has the potential to be rolled out to factories operating in zones around the world. It is currently being successfully implemented in more than seventy factories in Bangladesh, China, India, Mexico, Pakistan, and Vietnam.

**Government-Sponsored Worker Training Program**

- **Enabler Type:** Professional Advancement
- **Who:** Ministry of Manpower
- **Where:** Throughout Egypt
- **Benefit to women:** Increased employability and potential for promotion.
- **Benefit to business:** Higher-skilled workforce, which enables promotion from within and increases employee loyalty, reducing costs associated with hiring and turnover.

The Egyptian government’s Ministry of Manpower offers a subsidized skills-training program for factories. Factories apply and pay 20 percent of the training costs, while the ministry pays 80 percent and provides an onsite trainer. Workers who participate in the program have developed managerial skills and increased their chances of being promoted. In turn, this enables factories to promote from within, extending workers’ tenure rather than hiring from the outside.

25 Interview: Dr. Mervat Nessiem, Center for Development Services, May 2, 2010.
Enablers to Support Female Entrepreneurs

Community-Based Skills Training
- **Enabler Type:** Training & Networks
- **Who:** Center for Development Services (CDS)
- **Where:** Rural communities throughout Egypt
- **Benefit to women:** Increased employability and knowledge of how to start a business
- **Benefit to business:** Job creation and economic development in the community; reduced unemployment

Recognizing the large population of unemployed young women in rural communities, CDS saw an opportunity to take advantage of these women’s free time by engaging them in community-based initiatives. Many of the women, however, lacked the project-management skills to start or run a community program. Thus, CDS developed Technology Resource Centers—a central, safe place for women in rural communities to access information, attend training programs on project management and other business skills, and participate in community projects focused on a range of issues.

Centers have been implemented in 8 communities in Egypt. While the program was founded to keep unemployed women busy and engaged in their community, the Centers discovered that participating women were very interested in skills training to improve their overall employability and help them get jobs. Anecdotal feedback from women using the Centers has indicated that the Centers have enabled women to enter the workforce for the first time, and built skills for women to start their own ventures, such child-care centers, tutoring programs, and other profitable community services.

Women’s Entrepreneurship and Leadership Program
- **Enabler Type:** Training & Networks
- **Who:** American University of Cairo, University of Pennsylvania
- **Where:** Cairo, Egypt

- **Benefit to women:** Knowledge of how to start or grow a business; increased business expertise and management skills, which increase overall employability
- **Benefit to business:** Job creation and economic development; reduced unemployment.

Recognizing the economic and social benefit of developing more women entrepreneurs in Egypt, the American University of Cairo and the University of Pennsylvania developed the Women’s Entrepreneurship and Leadership Program. Funded as part of the Goldman Sachs 10,000 Women initiative, the Women’s Entrepreneurship and Leadership Program is a program committed to growing and developing female entrepreneurs in the Arab region. The program was founded based on the recognition that women’s participation in the workforce is critical to economic development, and entrepreneurial ventures are an effective way of creating job opportunities.

One hundred women are selected each year for a scholarship to attend a five-week certificate program in entrepreneurship at the American University of Cairo. As part of the program, they attend classes and participate in activities focused on personal leadership development, work-life balance, negotiation skills, management, finance and accounting, competitive strategy, operations, marketing, and the legal aspects of starting a business. This provides the fundamental skills and knowledge necessary to start, grow, and sustain a business.

The program also covers all costs of tuition, instruction, and accommodation. Results of the program’s first year include an increase in women’s business expertise and management skills. These skills can be translated to starting their own business venture, while also making them more marketable in the broader workforce.
Remaining Challenges and Opportunities for Innovation in Egypt

While uncovering best practices, the study also identified major barriers and poor practices that affect women’s ability to enter the workforce, achieve upward mobility, or start their own business in Egypt’s free zones. The following programs reflect opportunities for further innovation and program development.

Innovations to Further Female Workers’ Welfare and Advancement

**Advancement: Zone-coordinated Training**

While there are several training resources available to workers, skill development remains a key barrier to women’s upward mobility. Factory owners claim to not like investing in training because once workers are trained in management, they are more likely to leave the factory for better-paying work. A way to overcome this dilemma is to ensure that training is generally more widespread across factories, making it less appealing for workers to switch factories post-training. To promote training, zones can facilitate and coordinate enterprise participation in the Ministry of Manpower’s subsidized training program, offering more regular training sessions to workers in the zone. As a result, more enterprises would realize the benefits of a more skilled workforce, with a lower risk of turnover.

**Social: Zone-sponsored Child-care Center**

Child care remains a barrier to women’s ability to stay in the workforce. Zones have the opportunity to address this barrier by providing a shared child-care center for all workers in a zone. Enterprises could pay into the center to provide their workers the option of using the center. This would improve the attractiveness of locating a business in the zone by reducing the financial burden on any one factory, while ensuring that all factories operating in the zone are in compliance with Egyptian law. All women working in the zone would have a reliable child-care resource, potentially reducing their absenteeism and their likelihood of missing work because of their child-care provider being unavailable or sick.

Innovations to Promote Female Entrepreneurship

**Access: Streamlined Process for Starting a Business**

Zones can make it easier for women to bypass the red tape and bureaucracy associated with starting a business in a zone. As Egypt has moved toward “investment zones,” the process for starting a business in a zone has grown more complex because more parties are involved. Zones have an opportunity to partner with organizations like IFC to offer a streamlined process. In addition, zones have the opportunity to partner with programs focused on women’s entrepreneurship and skills development (e.g., CDS’s Technology Resource Centers and the Goldman Sachs 10,000 Women Entrepreneurship Leadership center) to connect women’s development of skills with opportunities to start their business in a zone. This has the benefit of both increasing women’s participation in the workforce and bringing additional business to zones.
## Resources: Key Gender Stakeholders in Egypt

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Chamber of Commerce Women’s Commission</td>
<td>Cairo</td>
<td>Women’s employment</td>
</tr>
<tr>
<td>Association for Women’s Total Advancement and Development</td>
<td>Cairo</td>
<td>Women’s entrepreneurship, mentoring program</td>
</tr>
<tr>
<td>Ayoun Foundation</td>
<td>Cairo</td>
<td>Women’s rights, workers’ rights, labor relations</td>
</tr>
<tr>
<td>Centre for Development Services / Near East Foundation</td>
<td>Cairo</td>
<td>Women’s health awareness, women’s leadership and skill development, anti-trafficking</td>
</tr>
<tr>
<td>Center for Egyptian Women’s Legal Assistance (CEWLA)</td>
<td>Cairo</td>
<td>Women’s rights, workers’ rights, labor relations</td>
</tr>
<tr>
<td>Endeavor Egypt</td>
<td>Cairo</td>
<td>Women’s entrepreneurship</td>
</tr>
<tr>
<td>Family Health International</td>
<td>Cairo</td>
<td>Health awareness among vulnerable populations</td>
</tr>
<tr>
<td>Goldman Sachs 10,000 Women Entrepreneurship and Leadership Center</td>
<td>Cairo</td>
<td>Women’s entrepreneurship</td>
</tr>
<tr>
<td>Institute for International Education</td>
<td>Cairo</td>
<td>Education and training</td>
</tr>
<tr>
<td>Nahdet Elmaroussa (Egyptian Renaissance)</td>
<td>Cairo</td>
<td>Women’s entrepreneurship</td>
</tr>
<tr>
<td>New Women Foundation (NWF)</td>
<td>Cairo</td>
<td>Women’s health, economic / legal protection of women, women’s rights</td>
</tr>
<tr>
<td>Vital Voices Global Partnership</td>
<td>Cairo</td>
<td>Women’s entrepreneurship</td>
</tr>
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</table>
This study examines the role of special economic zones (SEZs) in promoting women’s economic empowerment and creating sustainable jobs as a way to boost zones’ competitiveness. The case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

* Working conditions for female workers
* Opportunities for upward mobility
* Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment–climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

The Republic of El Salvador (hereafter El Salvador) was selected for inclusion in the study because of its mature zone program that has been in existence for over 30 years, the growing importance of zones for manufacturing and services exports, and the large percentage of women employed.

### Methodology

This case study is based on findings from a combination of stakeholder organization interviews, enterprise site visits, and desk research. The primary research included twenty-four in-person interviews with twenty-three organizations in El Salvador in May and June 2010. The researchers visited and spoke with zone developers and operators of two free trade zones (FTZs) and factory management at four factories located within these zones. Primary research was supplemented by documentation and desk research conducted on zones in El Salvador.
Fostering Women’s Economic Empowerment through Special Economic Zones

Zone Programs in El Salvador

El Salvador’s zone program was established in the 1970s. Although zones have existed in the country for over 30 years, prior to 1990 there was only one zone and it was public. There was strong growth in public zones in the 1990s, but the last ten years have posed challenges to zone growth for various reasons—including the events of September 11, 2001, the end of the Multi-Fibre Agreement in 2005, and the economic crisis of 2008.

Key characteristics of the zone programs include the following:

- There are 17 zones in El Salvador—16 private zones and one public zone—of which 14 are primarily industrial, and about 200 single-factory “Deposits for Active Improvement” (see below for more details). There are two types of zone programs, one falling under the Free Trade Zone and Deposits for Active Improvements Law and one under the International Services Law. The zone authority—or regulator—for both zone programs is the Ministry of Economy, while the Ministry of Treasury is responsible for monitoring the fiscal regime within zones. Other ministries monitor company operations within zones just as they do outside of zones—for example, the Ministry of Labor monitors labor compliance and the Ministry of Environment and Natural Resources monitors environmental compliance.
- The labor law within zones is the same as national labor law. There are some restrictions on the types of companies that can operate within FTZs, with the International Services Law creating the more restrictive of the two types of programs. Companies are permitted to sell a portion of their production domestically but are required to pay import duties, value-added tax, and income tax on the operations related to that production.
- Current benefits under both programs include complete exemption from both import and export duties and tax on revenue. However, the World Trade Organization (WTO) has recently ruled that the tax exemptions on revenue under the Free Trade Zone and Active Perfection Law are an explicit export subsidy and has ordered El Salvador to make changes by 2015. This ruling currently does not apply to the International Services Law. The ruling has created significant confusion in the country, where many believe that the WTO is requiring El Salvador to eliminate FTZs altogether.
- Zones represent about 200 companies, and an estimated 96,000 employees, or about 3 percent of the country’s labor force. Textiles and light manufacturing are by far the most prevalent industries in FTZs. Other industries include electronics, automotive parts, and services. Logistics, business process outsourcing (BPO),

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Number</th>
<th>Objective of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Society</td>
<td>7</td>
<td>Determine challenges facing Salvadoran women at work and at home, and learn about programs and policies seeking to address those challenges.</td>
</tr>
<tr>
<td>Female Entrepreneur</td>
<td>1</td>
<td>Identify general challenges facing female entrepreneurs and assess specific challenges to starting/owning a business in a zone. Identify recommendations to facilitate increased female entrepreneurship in zones.</td>
</tr>
<tr>
<td>Workers’ Organizations</td>
<td>2</td>
<td>Identify labor rights issues unique to women, challenges to their resolution, and recommendations for the private sector.</td>
</tr>
<tr>
<td>Government</td>
<td>7</td>
<td>Identify government’s priorities, limitations, and potential role in solution. Discuss regulatory systems in place.</td>
</tr>
<tr>
<td>Private Sector</td>
<td>7</td>
<td>Identify drivers and challenges. Uncover perspective on female employees. Discuss existing or potential future programs or policies.</td>
</tr>
</tbody>
</table>
and call centers are fast-growing industries under the International Services Law.

- Under the “Deposits for Active Improvement” component of the free trade zone law, some enterprises are allowed to operate physically outside of FTZs while still falling under the free trade zone legal regime. This component of the law is highly controversial within El Salvador. Although it allows smaller, primarily local export-oriented companies to enjoy the same benefits as the larger, primarily international companies operating within zones, it is also much more difficult to monitor their practices given their geographic dispersion. Most stakeholders interviewed agree that labor violations are the most common—and egregious—in the companies operating outside of the FTZs.

- It is important to note that “maquila” is technically a term for a factory-style export manufacturer; however, it is widely used in El Salvador to describe any type of factory setting. This fact makes it difficult to distinguish between specific challenges and practices within and outside of free trade zones. However, it is generally agreed that practices inside of zones tend to be better than those outside of zones.

Two zones were visited in El Salvador for the study: American Industrial Park (AIP) and Export Salva. Both zones contracted with at least one gynecologist to work in their health clinic, and AIP also provided a pediatric clinic in addition to the general clinic. There were no other zone-wide programs specifically targeted at women. Additional zone information is summarized in Table 1.

### Obstacles to Women’s Economic Participation in El Salvador

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and entrepreneurial investment opportunities across

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**Table 1: Zone Profiles**

<table>
<thead>
<tr>
<th></th>
<th>American Industrial Park</th>
<th>Export Salva</th>
</tr>
</thead>
</table>
| **Industries Operating in Zone** | • Textiles and light manufacturing are largest industries  
• Other industries represented include distribution centers, BPOs, and screen printing | • Textiles and light manufacturing are largest industries  
• Other industries represented include logistics and BPOs |
| **Factories Operating in Zone** | 19 | 15 |
| **Workers Employed in Zone** | 8,700 | 7,700 |
| **Female Workers Employed in Zone** | 72% | Manufacturing: 69%  
Services: 37% |
| **Migrant Workers Employed in Zone** | Almost 100% Salvadoran | Almost 100% Salvadoran |
| **Amenities Provided by the Zone** | • Health clinic with gynecologist and ambulance  
• Pediatric clinic  
• Recreational facilities  
• Tax / customs office  
• ATM | • Health clinic with gynecologist and ambulance  
• Canteens/cafeterias  
• Recreational facilities  
• Customs office  
• ATM |
| **Dormitories** | None | None |
eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

Women’s entry into the workforce, their welfare, and retention or dropout rates are affected by a variety of factors. For the El Salvador Case Study, key themes are explored around the following categories.

* Female Workers’ Welfare and Advancement
  ♦ **Legal Policies and Enforcement:** International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.
  ♦ **Social and Cultural Challenges:** Cultural norms dictate women’s home responsibilities and can impact women’s economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.
  ♦ **Professional Advancement:** Advancement opportunities for women are tied to education and skills development, and are also influenced by social and cultural factors.

* Women’s Entrepreneurship:
  ♦ **Policies and Access:** Female entrepreneurs often lack access to capital and land.
  ♦ **Support Networks and Training:** Female entrepreneurs need training on business skills, management, and market identification, and would benefit from network building among other entrepreneurs and within key sectors.

This study has also identified replicable good practices in El Salvador, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in El Salvador” that follows on page 7.

Female Worker Welfare and Advancement

**Legal Policies and Enforcement**

El Salvador is a republic led by a president who acts as both chief of state and head of government. The legislative branch is led by the unicameral Legislative Assembly and the judicial branch is led by a supreme court. The primary law affecting workers in El Salvador is the “Codigo de Trabajo,” or Labor Code. The country has ratified all eight ILO Core Conventions, although there is debate as to how successful it has been in bringing its legislation in line with those conventions. Tables 2 and 3 summarize a few illustrative conventions and laws currently in place that affect women.

El Salvador is still grappling with the aftermath of a violent recent history: 50 years of authoritarian control followed by a 12-year civil war, which officially ended in 1992 with the signing of the Chapultepec Peace Accords. In June of 2009 Mauricio Funes of the left-wing FMLN political party won the presidency, ending decades of right-wing rule including 20 years of rule by the right-wing ARENA party. Although the election was significant for El Salvador, it remains to be seen if the change in political parties will have a lasting impact on the Salvadoran people, or women in particular.

As compared to other developing countries, Salvadoran women have enjoyed rights relatively equal to those of men. Most barriers to women are based in economics, culture, or violence as opposed to the law. Women’s participation in both business and government is considerably high as compared to some peer countries—although this tends to be limited to the highest class. The poverty and extreme violence plaguing El Salvador pose a significant challenge to women’s empowerment and advancement for all other population segments, especially the poor and less educated. El Salvador will need to focus on reducing violence and increasing access to education and skills development in order to make significant advances in development—in terms of both economics and gender.
TABLE 2  Ratification of ILO Core Conventions

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>87 Freedom of Association and Protection of the Right to Organize</td>
<td>Ratified</td>
</tr>
<tr>
<td>98 Right to Organize and Collective Bargaining</td>
<td>Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
</tbody>
</table>

UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) With Reservations

TABLE 3  Illustrative Laws and Regulations Affecting Women’s Economic Opportunities

<table>
<thead>
<tr>
<th>Law</th>
<th>Law Description</th>
<th>National or Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity Leave (Article 309 of Labor Law)</td>
<td>Women are entitled to at least 12 weeks of paid leave (six of which must be taken directly after birth) at 75% of salary.</td>
<td>Both</td>
</tr>
<tr>
<td>Breastfeeding Leave (Article 312 of Labor Law)</td>
<td>Women are entitled to up to one paid hour for breastfeeding, which can be broken up into two half-hour breaks if mother prefers.</td>
<td>Both</td>
</tr>
<tr>
<td>Child Care in Workplace (Article 42 of Constitution)</td>
<td>Unclear. The constitution says that the laws will regulate a company’s responsibility to provide child-care facility, but labor law does not discuss.</td>
<td>Both</td>
</tr>
<tr>
<td>Nondiscrimination Based on Pregnancy or Marital Status (Articles 30, 123, 204, and 415 of the Labor Law; Article 38 of Constitution)</td>
<td>Prohibits any type of distinction, exclusion, or preference based on sex, both in employment and in union participation. Prohibits gender-based wage discrimination. Exceptions to this must be described in labor law and current exception is that pregnant women are prohibited from participating in any work that would endanger them or their child.</td>
<td>Both</td>
</tr>
</tbody>
</table>

Social and Cultural Challenges

El Salvador is located in Central America, bordering Guatemala and Honduras. It is the third-most-populous country in Central America. The estimated population of El Salvador in July 2010 was 6,052,064.¹ About 1.6 million people live in the capital city of San Salvador, while an estimated 37.3 percent live in rural areas.²

Industries in El Salvador include textiles and apparel, food processing, medicine, chemicals, petroleum products, electronics, and call centers. Its primary exports are textiles and apparel, ethyl alcohol, coffee, sugar, medicines, iron and steel products, tuna, light manufacturing, and paper products.³ GDP per capita (PPP) was estimated at US$5,842 in 2007, and the GDP annual real growth rate in 2009 was—3.5 percent.⁴ Total 2008 exports were about US$4.6 billion,⁵ with the following major trading partners (by percentage of exports): the

² U.S. Department of State, 2010 Background Note: El Salvador (http://www.state.gov/r/pa/ei/bgn/2033.htm)
³ U.S. Department of State, 2010 Background Note: El Salvador (http://www.state.gov/r/pa/ei/bgn/2033.htm)
⁴ U.S. Department of State, 2010 Background Note: El Salvador (http://www.state.gov/r/pa/ei/bgn/2033.htm)
⁵ U.S. Department of State, 2010 Background Note: El Salvador (http://www.state.gov/r/pa/ei/bgn/2033.htm)
United States (48.1 percent), Guatemala (13.6 percent), and Honduras (13.0 percent).\footnote{UN Statistics Division, World Statistics Pocketbook, 2008, (http://data.un.org/CountryProfile.aspx?crName=El Salvador)}

El Salvador ranked 79\textsuperscript{th} out of 134 countries in the World Economic Forum’s 2008 Global Competitiveness Index.\footnote{World Economic Forum, “Global Competitiveness Report 2008–2009”, (http://www.weforum.org/documents/GCR0809/index.html)} The low ranking was largely due to very poor rankings of 100\textsuperscript{th} on institutions—primarily driven by excessive crime and the associated business costs—and 118\textsuperscript{th} on innovation. Areas of competitive advantage include infrastructure, goods market efficiency, and labor market efficiency—although in the labor category women’s participation is markedly low compared to other countries, at 95\textsuperscript{th}. The country’s 2008 ranking reflects a drop of 12 places from 2007, due mostly to significant declines in intellectual property protection, fair dealing by the government, policy-making transparency, and ethical behavior by companies.

El Salvador is classified as having “Medium Human Development,” with a ranking of 106 out of 182 countries in UNDP’s Human Development Report 2009—the fifth-highest ranking among the countries studied in this global research initiative. In addition, El Salvador is rated 89\textsuperscript{th} for gender-related development and 70\textsuperscript{th} for gender empowerment. Key social and economic indicators are summarized in Table 4, which is followed by contextual information, including the perceived challenges and barriers to greater gender empowerment.

**Employment**

Although the trend is improving, women remain remarkably underrepresented in the workforce. In 2008, women’s labor force participation was only 44.5 percent.\footnote{UN Statistics Division, World Statistics Pocketbook, 2008, (http://data.un.org/CountryProfile.aspx?crName=El Salvador)} This fact is significant since gender equity in El Salvador is relatively high as compared to other developing countries. In interviews with local stakeholders, the study found that key barriers to women’s participation in the workforce include violence, family duties, lack of skills, lack of education (especially in rural areas), and lack of child care.\footnote{Interviews, various, June 2010} Pregnancy testing of female hiring candidates is a relatively common form of discrimination.\footnote{BSR Interviews in El Salvador, May 2010; Pernan, Sarah et al, “Behind the Brand Names: Working conditions and labour rights in export processing zones”, International Confederation of Free Trade Unions, December 2004.}

The unemployment rate for females was 4 percent, although this low rate—especially as compared to men’s—is likely driven by a large number of women who are not actively seeking employment.

Women in El Salvador continue to earn less than men, and this gap increases as education levels increase. For example, in 2006, while women with 1–3 years of schooling earned 6 percent less than their male counterparts, women with 13 or more years of schooling earned 24 percent less than their male counterparts.\footnote{USAID/DevTech Systems, “Gender Assessment, USAID/El Salvador (http://www.usaid.gov/our_work/cross-cutting_programs/wid/resources/El_Salvador.html)}

There is a strong culture of entrepreneurship among Salvadoran women, with almost 40 percent of firms having female participation in ownership.\footnote{Enterprise Surveys (http://www.enterprisesurveys.org/ExploreEconomies?economyid=62&year=2006)} However, the vast majority of women-owned businesses are limited to the informal sector—especially in rural areas—as women seek ways of earning money without impacting their household duties. In many cases, poor women employed by the formal sector supplement their income through entrepreneurial activities in the informal sector.

**Education**

Primary and secondary education rates are almost equal for men and women, with the combined gross enrollment rate in 2007 being just under 75
percent for women and just over 73 percent for men. Literacy is only slightly lower among women than men. There is a large differential in education between urban and rural areas; average number of years enrolled in school drops from 7 in urban areas to 3.9 in rural areas. It is also significant that in rural areas, girls are much more likely to leave school in order to support a household.13

Some employers provide on-the-job training for line workers, but up-skilling (e.g., supervisor or management skills training) is rare. There are mobility opportunities, though limited, within both lower levels (e.g., line worker to supervisor) and upper levels of employment (e.g., from human resources support to human resources manager). However, a significant challenge remains making the leap between the lower and upper levels (e.g., from supervisor to manager).

**Health**

Access to health care in El Salvador has seen significant improvement in the past decade, leading to better health indicators. However, maternal and infant mortality rates remain moderately high and fluctuate considerably between years. Despite advances in promoting sexual and reproductive health, many women in El Salvador—especially in rural areas—feel uncomfortable discussing these issues. The macho culture and extreme violence

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against women, including femicide and rape, also
stifle advances in sexual and reproductive empower-
erment. HIV/AIDS is quickly becoming a gender
issue, as the rate of infection of women is increas-
ing much more rapidly than that of men.

Housing
The population is split roughly evenly between
rural and urban areas, although the trend is shift-
ing toward urbanization as Salvadorans seek em-
ployment. The majority of free trade zones are lo-
cated outside of urban areas in strategic locations
intended to attract rural populations to low-skill
jobs. This allows many workers to remain close to
their extended families and community but also
implies daily commutes. El Salvador’s extreme
violence is often played out in public transporta-
tion vehicles, which creates a higher risk for com-
muting workers, especially women. Most working
mothers leave their children with family or friends
at or near their home.

Religion and Culture
El Salvador is a predominantly Christian coun-
try—about 57 percent of the population is Catho-
lic and the majority of the remaining 43 percent
is Protestant. While these religions do not overtly
limit women’s participation in society, the domi-
nance of Catholicism throughout postconquest
history has contributed to an underlying culture
of machismo. In terms of gender, this most often
plays out in the areas of family planning and re-
productive health, and household responsibilities.
Contraception can be a controversial subject and
women’s sexual and reproductive rights are rarely
discussed—especially in rural areas. Women are
expected to take care of the family, which for single
mothers and women in poor families provides an
extra burden as they are expected to both complete
household duties and provide economic income.

Professional Advancement
Opportunities
Many workers in FTZs in El Salvador are from
rural areas and have little education or technical
skills. FTZs often offer women their first job in
the formal sector, but opportunities to continue
advancing or acquiring skills are limited in entry-
level factory positions. Some of the companies
interviewed had clearly defined indicators for
advancement, communicated those expectations
to workers, and provided support to help work-
ers with potential gain the skills needed. However,
while there is mobility from worker to supervi-
sor positions and from manager upward, there
remains a clear barrier to moving from the supervi-
sor to the manager level. These challenges tend
to be the same for men and women, although in
certain factories where women dominate at the
worker level, this dynamic can limit their upward
mobility.

Entrepreneurship Opportunities
Opportunities for female entrepreneurs in zones
depend on (1) policies and access and (2) support
networks and training.

Policies and Access
In El Salvador women have independent financial
rights and property ownership rights. The main ac-
cess barrier for both male and female entrepreneurs
is financing. Banks require proof of property own-
ership or a co-signer as a guarantee for loans, and
many Salvadorans find both requirements difficult
to fulfill. However, women feel a greater impact
from this policy since they are less likely to own
property and less likely to ask others to co-sign a
loan. Alternatives for accessing capital—such as
microfinance programs targeting women—can
help address this challenge.

Support Networks and Training
While there is a strong entrepreneurial spirit
among Salvadoran women, there is a clear dis-
tinction between high-income and low-income
women in their tendency to take risks and pursue
innovative ideas.

Low-income female entrepreneurs tend to remain
in the informal sector and replicate the entrepre-
neural activities of others. Two interviewees noted that self-esteem plays a large role in this trend. Women in rural and poorer areas lack strong female role models that can encourage them to value themselves and to look inward for strength and courage rather than relying on others—particularly men—for validation and support. These women also lack access to training on basic business skills and legal requirements, which could give them more confidence to expand their activities and move into the formal sector.

Good-Practice Enablers of Women’s Economic Empowerment in El Salvador

Through fieldwork and other research, the study identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs were among the best practices identified in El Salvador, which have the potential to be replicated in other zones in El Salvador, as well as in other countries.

Enablers for Female Workers’ Welfare and Advancement

Women’s Health Services

- **Enabler Type:** Social
- **Who:** Zones: American Industrial Park and Export Salva; 1 Garment Factory
- **Where:** American Industrial Park and Export Salva Zones
- **Benefit to women:** (1) Improved reproductive and personal health; (2) reduced risk of death during childbirth; (3) improved family health and nutrition
- **Benefit to business:** (1) Reduced absenteeism and turnover; (2) increased productivity and product quality

El Salvador has high maternal and infant mortality rates. Rural populations (where most FTZ workers originate) have poor access to nutritional and re-productive health education, which can have significant repercussions when women begin working in FTZs if they aren’t empowered to make informed decisions. Health issues are one of the most commonly cited reasons for absenteeism and turnover.

Both zones visited have clinics with at least one gynecologist, and American Industrial Park has a separate pediatric clinic. Both zones have strong preventative initiatives—including nutritional campaigns, other health education campaigns, and health fairs. One garment factory offers in-factory health services in addition to those provided at the zone clinic and a “Future Mother’s Club” that offers prenatal and postnatal training and support. The factory also conducts investigations into health-related issues that are driving absenteeism and uses the results to shape the content of health training programs and/or health fairs.

Poor single mothers often make personal sacrifices for their families; the most commonly identified practice is for women to skip meals. Although beneficial in the short term, in the long run this is detrimental to the women, their families, and the companies for which they work. All factories visited provide subsidized meals to prevent women from skipping meals in order to save money for their families. Additionally, once a month, Fruit of the Loom offers a 50 percent subsidy to its workers for a “basic goods basket”, and the Export Salva zone provides a “basic goods basket” twice a month to its maintenance workers.

Financial Literacy Training

- **Enabler Type:** Social
- **Who:** Zones: American Industrial Park and Export Salva; Companies: 2 Garment factories, 1 Textile and garment factory
- **Where:** American Industrial Park and Export Salva Zones

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14 Interviews, EMPREPA, May 2010; Chamber of Commerce Women’s Committee, May 2010.
Fostering Women’s Economic Empowerment through Special Economic Zones

* **Benefit to women:** (1) More money to provide to their family; (2) empowerment through improved financial skills.
* **Benefit to business:** More financially stable employees are less distracted and worried, leading to increased productivity and product quality.

Most stakeholders identified poor financial planning and management as a significant challenge for FTZ workers, especially women. In addition to the need for better basic financial management (e.g., of savings, expenses, and emergency funds), credit card debt is fast becoming an issue. Although access to credit is sometimes unavailable to women entrepreneurs, the booming credit card market has been detrimental to families’ financial well-being. Stakeholders, including many companies and zones, identified credit card debt as a key issue—with problems ranging from workers not understanding that they must repay their expenses to poor decision making.

Both garment factories offer financial literacy training to help their workers better manage their income and avoid or reduce credit card debt. One garment factory works with the Economía Familiar program of the Central Reserve Bank. League Central America plans to use a co-op structure to improve workers’ economic situation and financial literacy, educating them about savings and loans and then on getting workers out of credit card debt.

**Free Transportation**

* **Enabler Type:** Social
* **Who:** Textile and garment factory
* **Where:** Export Salva Zone
* **Benefit to women:** (1) Reduced risk of violence; (2) more reliable transportation means more stable time with family; (3) more salary retained: some workers pay up to 1/3 of their daily salary in transportation; (4) less money spent on taxes (in comparison to the alternative of increased salary to cover transportation expenses)
* **Benefit to business:** (1) More stable production and reduced absenteeism: workers arrive at the same time and miss less work); (2) less downtime, especially given the propensity of public transportation workers to go on strike; (3) increased income: less expenditure on taxes and benefits (in comparison to the alternative of using the money to pay workers more)

El Salvador remains a very violent country, and this includes violence against women. Most stakeholders referred to the high levels of violence as a threat to women workers when they travel to and from work, particularly after dark.

Benefits for women workers include more reliable and safer transportation and more net income to provide for their families. Benefits for the company include less money spent on taxes and benefits (assuming the alternative would be to give employees a transportation stipend as part of their salary) and punctual shift changes, which result in more reliable production.

**Policy and Training to Promote Upward Mobility**

* **Enabler Type:** Advancement
* **Who:** 1 Elastics factory, 1 Garment factory, 1 Textile and garment factory
* **Where:** American Industrial Park and Export Salva
* **Benefit to women:** (1) Additional and/or increased skills; (2) opportunity for advancement within or outside of company; (3) potential for higher income.
* **Benefit to business:** More loyal, satisfied, and skilled workforce leads to higher productivity and improved product quality.

All three factories visited have “promote-from-within” policies. One garment factory has clear criteria for operators or line workers to be considered for promotion to supervisors. If workers meet these criteria, they can enroll in a company training course, and, if they pass this course, they will be considered when a supervisor position
opens. The elastics factory also has a clear evaluation and promotion process that includes mentoring, which has allowed employees to move from floor worker to supervisor. The elastics factory also offers various training programs and educational scholarships for higher-level positions. One textile and garment factory has several former line workers who moved into quality control and training areas.

Mobility from the supervisor to the manager level remains a key challenge. Based on stakeholder interviews, the study found that successful mobility programs include both

1. Clearly explained performance indicators so workers know what they need to do to reach the next level and
2. Formal training and mentoring so they have the ability and resources to gain the relevant skills.

Remaining Challenges and Opportunities for Innovation in El Salvador

While uncovering best practices, the study has also identified major barriers and poor practices that affect women trying to enter the workforce, achieve upward mobility, or start their own business in El Salvador’s free zones. The following programs reflect opportunities for further innovation and program development.

Innovations to Further Female Workers’ Welfare and Advancement

Legal: Zone-based Social Dialogue Forums

Every non-private-sector stakeholder interviewed highlighted the lack of dialogue between companies and civil society as one of the biggest challenges affecting Salvadoran workers, including women. The tumultuous history between companies and unions permeates labor relations today—to the degree that NGOs have overtaken unions as the most important and influential promoters of worker rights. It is also important to note that there are no unions within trade zones, aside from the National Trade Union Federation of Salvadoran Workers (Federación Nacional Sindical de Trabajadores Salvadoreños, FENASTRAS)—which is widely regarded as being a company-backed, “fake” union.

When asked what expectations they have for business, most non-private-sector stakeholders stated first and foremost that they expect companies to simply comply with the labor law. A formal, zone-level social dialogue forum would help ensure compliance by creating a more robust conversation between sectors and would also respond to stakeholder perceptions that

* Unions need training in how to more effectively represent workers’ interests, including women’s issues
* Companies need to engage with civil society (either voluntarily or by requirement)
* Government needs to more effectively monitor labor practices
* Both companies and unions need guidance on how to more effectively interact with each other

In the context of gender, it is also important to note that Salvadoran unions continue to be dominated by a macho culture, such that women’s issues are notably lacking from the union agenda. An interesting result of the lack of unions in FTZs is that unions have had to look to alternative ways of reaching FTZ workers, and women’s organizations have been a key ally. Through partnerships with these organizations, unions are advancing—at least to some extent—in incorporating women’s issues into their agendas. Women’s organizations have also been at least moderately successful in engaging with business. Therefore, it is essential to include women’s organizations in the proposed social dialogue forums—both to help bridge the gap between companies and unions and to ensure the inclusion of gender in the discussion.
Legal: Improved Regulation and Monitoring of Contracted Domestic Workers

Current laws allow companies to subcontract production to workers operating out of their homes—the majority of whom are women. While some stakeholders argue that women prefer this type of employment because it gives them more flexibility and allows them to take better care of their household and family duties, it also creates significant risk. Stakeholders allege that companies only do this to avoid payment of benefits (e.g., social security and pension) and other legally mandated responsibilities to workers. Since such a system is difficult to monitor, it can easily lead to poor working conditions and excessive production goals with pay below minimum wage.

Given that this type of law creates both great opportunity and risk for women workers, the use of domestic contractors needs to be closely regulated and monitored. To the extent that this type of subcontracting is used by companies operating under free trade zone regimes, there needs to be some kind of mechanism—financial or otherwise—that allows the Ministry of Labor to more effectively monitor the labor conditions.

Social: Community Child-care Centers

Child care is a significant issue for FTZs. One-third of Salvadoran women are single mothers who are the head of household. The need to leave the house to earn an income to support their children creates significant challenges to raising healthy, happy, and productive future citizens—productiveness being particularly important in El Salvador, given the extreme levels of violence and gang activity. Most stakeholders expressed concern that children who stay at home without a parental figure are much more likely to join gangs as an “alternative” family.

Although they are required by law, the study did not find any zones or companies that provided child-care facilities. All companies interviewed identified the need to take care of children as the single most common driver of absenteeism and turnover for women. They agreed that child-care centers are an important need but were not sure as to the best structure for providing them. Several studies have been conducted—including by some of the stakeholders interviewed—and it is unclear whether women would actually use child-care centers in zones given (1) the cost and safety of public transportation; (2) the distance from their home, particularly during rainy season; and (3) the cultural norm of having a relative or neighbor—rather than a stranger—watch one’s child.

Some stakeholders agreed that the most viable solution is community-based centers created as public-private partnerships. The private sector would fund the centers, NGOs or other community organizations would run them, and the government would regulate them and monitor their practices. Although this type of center would not respond to the issue of women being unaccustomed to using a caregiver who is not a relative or neighbor, interviewees agreed that this is a cultural issue that would change over time. Salvadoran law would need to be changed to recognize these types of child-care centers as alternatives to company-based centers.
## Resources: Key Gender Stakeholders in El Salvador

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPREPA</td>
<td>San Salvador</td>
<td>Work-life balance</td>
</tr>
<tr>
<td>Salvadoran Institute for Women’s Development (ISDEMU)</td>
<td>San Salvador</td>
<td>Women’s rights, labor rights, public policy</td>
</tr>
<tr>
<td>Organization of Salvadoran Women for Peace (ORMUSA)</td>
<td>San Salvador</td>
<td>Gender equity, violence against women, women’s rights, access to justice</td>
</tr>
<tr>
<td>National Coordinating Committee of Salvadoran Women (CONAMUS)</td>
<td>San Salvador</td>
<td>Women’s health, women’s rights, women’s entrepreneurship</td>
</tr>
<tr>
<td>Women Transforming (Mujeres Transformando)</td>
<td>San Salvador</td>
<td>Women’s rights, labor rights, education and training, access to justice</td>
</tr>
<tr>
<td>Female Entrepreneurs Committee, Chamber of Commerce and Industry</td>
<td>San Salvador</td>
<td>Women’s entrepreneurship</td>
</tr>
<tr>
<td>Committee of Women Union Members of El Salvador, FEASIES</td>
<td>San Salvador</td>
<td>Women’s rights, labor rights, education and training, labor conditions</td>
</tr>
<tr>
<td>Salvadoran Foundation for Social and Economic Development (FUSADES)</td>
<td>San Salvador</td>
<td>Entrepreneurship, education and training</td>
</tr>
<tr>
<td>Human Rights Institute, University of Central America “José Simeón Cañas”</td>
<td>San Salvador</td>
<td>Women’s rights, labor rights, labor conditions</td>
</tr>
<tr>
<td>National Foundation for Development (FUNDE)</td>
<td>San Salvador</td>
<td>Women’s rights, women’s entrepreneurship, public policy</td>
</tr>
<tr>
<td>Independent Monitoring Group of El Salvador (GMIES)</td>
<td>San Salvador</td>
<td>Women’s rights, labor conditions, labor rights</td>
</tr>
<tr>
<td>National Committee of Women Cooperative Members (CNMC)</td>
<td>San Salvador</td>
<td>Women’s entrepreneurship, education and training</td>
</tr>
<tr>
<td>Honorable Women: Association of Women for Dignity and Life (Las Dignas)</td>
<td>San Salvador</td>
<td>Women’s health, access to justice, women’s rights, labor rights</td>
</tr>
<tr>
<td>Bridges Network (Red Puentes)</td>
<td>San Salvador</td>
<td>Women’s rights, labor rights, multisector dialogue</td>
</tr>
</tbody>
</table>
This case study examines the role special economic zones (SEZs) can play to create regulatory frameworks and initiatives that promote women’s economic participation as a way to boost trade zone competitiveness and sustainable jobs. This case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

- Working conditions for female workers
- Opportunities for upward mobility
- Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

This case study focuses on the Hashemite Kingdom of Jordan (hereafter Jordan).

**Methodology**

This case study is based on findings from a combination of stakeholder organization interviews, enterprise site visits, and desk research. The primary research included twenty in-person and two phone interviews with twenty-four individuals, conducted in March and April 2010. These included interviews with the general managers at three factories in zones: Al Hassan Industrial Estate (Irbid), Al Dulayl Private Industrial Park (near Zarka), and a satellite factory in Shauna, as well as interviews with representatives from two of the five zone programs in Jordan: (1) Jordan Industrial Estates Corporation (JIEC) headquarters and Al Hassan Industrial Estate staff, and (2) Al Tajamouat, a private industrial city.
Zone Programs in Jordan

Jordan currently has four zone regimes or programs:

1. **Public and Private Industrial Estates**: Public industrial estates are operated under the Jordan Industrial Estates Corporation (JIEC). JIEC currently operates five industrial estates, including Al-Hassan, as well as Abdullah II, Al-Hussein bin Abdullah II, Aqaba International Industrial Estate, and Ma’an Industrial Estate.

   Similar to public industrial estates, private industrial estates do not have separate regulations or laws, and are regulated by the Ministry of Labor in accordance with the National Labor Law. Private industrial estates, such as Al Dulayl and Al Tajamouat, are privately developed, owned, and operated.

2. **Jordanian Free Zone**, established in 1976 per temporary law No. 39, is a financially and administratively independent public corporation managed by a board of directors that is chaired by the minister of finance. The body in charge of the zone is the Jordanian Free Zone Corporation.

3. **Aqaba Special Economic Zone** (ASEZ) is a partially autonomous area surrounding the city of Aqaba.

4. **Development Zone**, established in 2008, is a Jordanian governmental entity responsible for creating, regulating, and monitoring the development zones in Jordan. The body in charge of the zone is the Development Zone Commission (DZC), which is in the process of developing its regulations.

The study included visits to two zones, Al Hassan Industrial Estate and Al Dulayl Private Industrial Park, and a meeting with a representative from Al Tajamouat. Al-Hassan Industrial Estate was established in 1991 and designated the world’s first qualifying industrial zone (QIZ) in 1998; as of 2009, Al-Hassan had 98 companies, 1,300 workers, total investment of JD 183 million, and US$292 million in exports. In 2000, Al Tajamouat Industrial City was designated by the U.S. government a QIZ; Al Tajamouat is the largest QIZ in all aspects—employment, exports, number of factories, and foreign direct investment (FDI).[^1]

Legislation regulates the creation of zone regimes, such as the Jordanian Industrial Estates Corporation Law (1985)[^2] and the Development Zones Law (2008). Except for ASEZ, “zone regimes”

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regulations for working conditions fall under the Ministry of Labor in accordance with the National Labor Law. For example, the interviewee from Al Tajamouat said that Al Tajamouat does not have laws other than the national law. ASEZ has an independent regulatory authority, Aqaba SEZ Authority (ASEZA) and has separate regulation, such as provisions for foreign workers under ASEZA’s “Labor and Residency Regulation.” However, ASEZA’s regulations for working conditions are consistent with the National Labor Law.

In 1996, in an effort to support the peace process, the U.S. Congress created QIZs, which must contain a certain percentage of Israeli input and then can export to the United States tariff- and quota-free. The QIZ regime is not a separate zone program; it is a U.S. government-designated status that can be granted to public or private industrial estates. Currently, there are 13 QIZs in Jordan hosting over 50 factories. The JIEC develops, owns, and operates the industrial estates. There are no JIEC-specific regulations; the Ministry of Labor regulates working conditions under the National Labor Law. Zones included in the case study fieldwork—Al-Hassan Industrial Estate (Irbid), Al Dulayl Industrial Park (near Zarka), and Al Tajamouat Industrial City—have QIZ status, but not all zones in Jordan do.

**Women in Zones**

According to the Jordan Ministry of Industry and Trade’s February 2010 statistics on six zones, over half (55 percent) of the workers are women. However, 75 percent of both male and female workers in these zones are foreign contract workers, predominantly from Bangladesh, China, India, and Sri Lanka.

The Jordanian government has invested in zones as one of its efforts to increase women’s access to employment. For example, governmental programs provide meals and transportation to zones for rural women, as well as outreach activities in villages explaining to parents how the program works and the potential benefits. The government is also involved in the Satellite Factory program (see below in the good-practice section). According to the Ministry of Industry and Trade, women represent approximately 70 percent of all QIZ employees; of the Jordanian women employed in QIZs, nearly 70 percent had no previous work experience. Therefore, zones appear to be an effective mechanism for providing an entry point for women into the formal sector.

The zones included in this study did not appear to have current programs or policies targeting women; however, they did have services available that could benefit women. For example, in Al-Hassan there is a health clinic that workers can use, although it does not provide prenatal or postnatal

### TABLE 1  Workforce Demographics from a Sample of Six Zones

<table>
<thead>
<tr>
<th></th>
<th>Foreign</th>
<th>Jordanian</th>
<th>Total</th>
<th>% of Total Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>12,312</td>
<td>2,873</td>
<td>15,185</td>
<td>45%</td>
</tr>
<tr>
<td>Female</td>
<td>13,244</td>
<td>5,528</td>
<td>18,772</td>
<td>55%</td>
</tr>
<tr>
<td>Total</td>
<td>25,556</td>
<td>8,401</td>
<td>33,957</td>
<td>100%</td>
</tr>
</tbody>
</table>

% of Total Workforce: 75% for Male, 25% for Female, 100% for Total

*Source: Ministry of Jordan Women’s Work Department interview respondent provided statistics on April 11, 2010.*
care for women workers. Al-Tajamouat also has a medical center.

Al-Hassan Industrial Estate has an agreement with two privately run child-care centers in the zone whereby the zones provide the infrastructure (land, water, and electricity) for free to support the service. The Al Tajamouat representative also said that there were three women-owned businesses in the industrial park—a grocery shop, a dry cleaner, and a hair salon.

There is potential to create policies and practices targeting women in the Jordanian government’s newly created Development Zone Commission (DZC). The DZC oversees six elements including local economic development, an element that can impact women and entrepreneurship. The DZC policies and regulations are currently being drafted.

Obstacles to Women’s Economic Participation in Jordan

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and entrepreneurial investment opportunities across eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

Women’s entry into the workforce, their welfare, and retention or dropout rates are affected by a variety of factors. For the Jordan Case Study, key themes are explored around the following categories.

* Female Workers’ Welfare and Advancement
  * Legal Policies and Enforcement: International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.
  * Social and Cultural Challenges: Cultural norms dictate women’s home responsibilities and can impact women’s economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.
  * Women’s Entrepreneurship:
    * Policies and Access: Female entrepreneurs often lack access to capital and land
    * Support Networks and Training: Female entrepreneurs need training on business skills, management, and market identification, and would benefit from network building among other entrepreneurs and within key sectors.

This study has also identified replicable good practices in Jordan, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in Jordan” that follows on page 10.

Female Workers’ Welfare and Advancement

Legal Policies and Enforcement

Jordan is a constitutional monarchy. King Abdullah II is the chief of state and Prime Minister Samir Rifai is the head of government. There is a democratically elected parliament. Jordan’s legal system is based on Islamic law and French codes, and is divided into three categories of courts: civil, religious, and special, which involves various bodies including the Supreme Council, which, if requested, interprets the constitution. Jordan’s multiparty political system includes 30 political parties.
The Jordanian government has ratified the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), and the Convention on the Political Rights of Women, among others. The JNCW reports on gender in Jordan to CEDAW. The Ministry of Planning and International Cooperation and the World Bank have a project to establish a system of gender indicators to measure the impact of policies and practices on gender equality. Despite these advancements, however, other laws continue to restrict women’s equality. For example, women’s pension and social security cannot be passed on to their husbands or children after their death, whereas men’s can.6

Except for one zone (Aqaba Special Economic Zone), zone regulations regarding working conditions fall under the Ministry of Labor in accordance with the National Labor Law. The labor law states that in the case of an employer who hires women, the employer is obliged to provide appropriate child-care facilities under certain circumstances (see below). The employer is not required by law to provide medical facilities. Tables 2 and 3 below summarize Jordan’s ratification of the core ILO Conventions, and national laws that directly affect working women.

Although maternity, breastfeeding, and child-care laws have the intention of protecting women’s rights, private companies believe these laws result in increased costs, which can lead to discrimination against married women, pregnant women, and/or working mothers. To avoid the costs associated with the above policies, factories often opt to hire migrant female workers, who tend to be unmarried and without children.

The National Labor Law prohibits foreign workers from joining unions and, therefore, from collective bargaining. Thirty-nine percent of the workforce in zones is foreign female workers, who, without formal union representation, have fewer venues to express concerns and negotiate for their rights.

**Social and Cultural challenges**

Jordan borders Israel, Saudi Arabia, Syria, the West Bank, the Dead Sea, and the Red Sea. With limited natural resources, Jordan is one of the poorest countries in the world in terms of

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**TABLE 2**  
**Ratification of ILO Core Conventions**

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>87 Freedom of Association and Protection of the Right to Organize</td>
<td>Not Yet Ratified</td>
</tr>
<tr>
<td>98 Right to Organize and Collective Bargaining</td>
<td>Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>With Reservations</td>
</tr>
</tbody>
</table>

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6 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ).*
water.7 18 percent (1,060,000) of the population of 5,924,000 live in the capital city, Amman.8 Jordan is considered a modern Arab nation; 92 percent of its population is Sunni Muslim and there is a small Christian minority.

Jordan, classified by the World Bank as a “lower-middle-income country,” has a GDP per capita of US$2654.20.9 Jordan’s total exports are US$5.7 billion, with the following major trading partners, as measured by percentage of exports: the United States (21.8 percent), Iraq (12.7 percent), and India (8.3 percent).10 Jordan’s exports include garments, fertilizers, potash, phosphates, pharmaceutical products, and vegetables. Jordanian exports have increased steadily, except during the global economic downturn in 2008 and 2009. According to the U.S. International Trade Commission, Jordan exported US$796.2 million in goods to the United States in the first 10 months of 2009, compared to US$6.9 million in 1997.11

The royal family is engaged in efforts to empower women through education and employment opportunities. For example, Her Majesty Queen Rania Al Abdullah chairs the Jordan River Foundation, an NGO established in 1995 to empower women and children in order to support economic

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3 Based on interview with Better Work.

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### TABLE 3 Illustrative Laws and Regulations Affecting Women’s Economic Opportunities

<table>
<thead>
<tr>
<th>Law</th>
<th>Law Description</th>
<th>National or Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity Leave (Article 70 of the Labor Law)</td>
<td>Companies to provide women with a 70-day maternity leave.</td>
<td>Both</td>
</tr>
<tr>
<td>Unpaid Maternity Leave (Article 67 of the Labor Law)</td>
<td>Working mothers can take a year-long leave of absence without pay to raise their children.</td>
<td>Both</td>
</tr>
<tr>
<td>Discrimination against Pregnant Workers</td>
<td>Labor law (1996) prohibits employers from terminating women’s jobs if they are in the 6th month of their pregnancy or maternity leave.</td>
<td>Both</td>
</tr>
<tr>
<td>Child Care</td>
<td>A private employer with 20 or more female workers must provide an onsite child-care facility for their children under the age of four if at least 10 children need care.</td>
<td>Both</td>
</tr>
<tr>
<td>Breastfeeding Leave (Article 171 of the Labor Law)</td>
<td>A mother is entitled to paid breaks to breastfeed during the first year after birth.</td>
<td>Both</td>
</tr>
<tr>
<td>Working Hours Restrictions (Article 23 of the constitution and article 69 of the labor code)</td>
<td>Women are not allowed to work between 8:00 p.m. and 6:00 a.m., except in some service industries, and exceptions are made for special circumstances such as annual inventories; women have a maximum 10-hour workday, as outlined in Article 23 of the constitution and Article 69 of the labor code.</td>
<td>Both</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>JD 110 in QIZs&lt;br&gt;JD 150 outside QIZs</td>
<td>National</td>
</tr>
</tbody>
</table>

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development and improved quality of life for Jordanians. Her Royal Highness Princess Basma Bint Talal chairs the Jordanian National Commission for Women (JNCW), a semigovernmental body established by the prime minister in 1992 as the coordinating committee for NGOs that is part of the “National Committee”.12

The JNCW has produced a “National Strategy for Jordanian Women” every five years since 1993. The JNCW established gender focal points in each government department who sit on the JNCW Gender and Public Sector Committee, and assist with gender mainstreaming in their departments. The Jordanian government has also made efforts to collect gender-disaggregated data as well as data to track gender equality. The Department of Statistics produces gender-disaggregated data in the “Woman and Man in Jordan: In Figures” report.

The JNCW reported in the 2006–2010 National Strategy for Women that “huge achievements have been made in the last decade on legislative, economic, political and social levels that have contributed to the development of the status of women in critical activities such as education, health, work, politics and other fields.” For example, the number of women educated at all school levels has increased, and general health conditions have improved, resulting in a higher life expectancy for women and lower maternity and infant mortality rates.13 As the JNCW National Strategy report states, the “official recognition of the need for systematic, organized, and sustainable efforts on women’s issues…reflected in the National Strategy for Jordanian Women by the government in 1993…is one of the most prominent achievements.”14

Despite these achievements, women still face challenges in labor force participation and are sometimes subject to restricted freedom of movement tied to cultural norms. See Table 4 for relevant statistics on women’s status in Jordan.

**Education**

Jordan has relatively high levels of education, with 78.7 percent combined gross enrollment in primary, secondary, and tertiary education, and an adult literacy rate of 91.1 percent. Although Jordanian women have high literacy and education rates, the tertiary education rate of women is a third that of men.15

**Employment**

Despite Jordan’s high levels of education, there is high unemployment—the official rate is 12 percent but unofficial estimates are closer to 30 percent.16 There are numerous factors contributing to unemployment, such as demographics (75 percent of the population is between 20 and 39 years old). Another factor is women’s low level of participation in the labor force. In 2007, women constituted only 12 percent of the workforce in the private sector in Jordan,17 which is low even for the Middle East and North Africa region, where the average of 32 percent is the lowest regional rate in the world.18 The unemployment rate of women is also much higher than that of men—for women under the age of 25, unemployment soars to 82 percent.19

Factors contributing to low female labor force participation and high unemployment may include:20

15 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ)*.
16 U.S. Department of State http://www.state.gov/r/pa/ei/bgn/3464.htm#econ
19 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ)*.
20 Based on interviews conducted for this study.
Fostering Women’s Economic Empowerment through Special Economic Zones

- Cultural and religious dictums on women’s societal roles and their movement outside of the home
- Lower levels of tertiary education
- Lack of work experience and appropriate skills
- Lack of access to finance
- Lack of access to child care
- Disincentives for companies to hire women, such as the perceived high cost of providing maternity leave
- Discrimination, including wage discrimination by occupation, segregation, and the presence of fewer women in high positions, and discriminatory hiring practices against married or pregnant women.

At the same time stakeholders commented that buyers prefer women workers, and that women are more disciplined. This could imply a belief, without supporting data, that women have lower rates of absenteeism and higher productivity, as well as a more obedient character that makes them less likely to resist management directives. Additionally, a study on women in export industries in Jordan (research conducted in 2008) quoted an employer as saying the following about the impact of turnover: “The continuous change of the labor is a ‘bleed’ for the factory, it is much better for the factory to keep someone who is skilled and efficient.”

With the increasing cost of living and rising unemployment among men, more women are entering

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the workforce than in the past. Against this backdrop, the zones have been a driver of job creation in Jordan, often providing the first formal-sector employment for many women from rural areas. A joint study by the Jordanian government and the International Labour Organization (ILO) on textiles found that “most women working in textile industry are single, below 30 years age, and mostly belong to poor families living in rural remote geographical areas. ... The majority of their families have high unemployment among the male family members.”

Most interviewees noted that women and their families prefer for women to work in the public sector, a claim reinforced by a study on Jordanian society’s view of women’s work that found that “the public sector is considered more suitable for women’s work.” Women prefer the public sector because of better wages, more favorable conditions and nonwage benefits, job security, and a stable schedule of 8 hours per day and 2 days off per week, compared to the zone schedule of one day off per week. IFC reported that approximately 45 percent of the female labor force, or 54,000 women, are employed in the public sector.

Almost all stakeholders referred to women’s dual role at home and work as a barrier to employment in the formal sector, which can also impact upward mobility. This belief is reinforced by studies. For example, in Freedom House’s report Women’s Rights in the Middle East and North Africa, contributor Rana Husseini notes, “Women’s career paths are negatively affected by the continuing duty to perform traditional household chores, especially after marriage, as well as the expectation that they work near their family home, preferably in the government sector.” A U.S. Agency for International Development (USAID) report cites an estimate that married women represent only 7 percent of the female labor force in Jordan, indicating that married women seek employment less frequently.

**Health**

Reportedly, every Jordan Industrial Estates Corporation (JIEC) industrial estate must have a clinic for factory workers and JIEC employees. JIEC provides the clinic, and factories can contract with an insurance company to provide health insurance for their workers. Additionally, the union, with support from the Japanese government, provides two clinics for industrial estates, one each in Irbid and Al Dulayl. Factories can sign agreements with the unions to enable their workers to use these facilities. Some factories also have onsite clinics, including one factory that has a full-time doctor (many other onsite clinics only have a doctor for a few hours a week) and three trained nurses. However, health issues are a concern for workers, as factory clinics can only service basic health needs, not more serious health issues or women’s health needs. Not all zones have zone-wide medical clinics, such as the union-managed clinics; many workers do not have access to public hospitals; and most, if not all, workers do not have health insurance.

A 2011 report from the Institute for Global Labor and Human Rights (formerly the National Labor Committee) found instances of sexual abuse and rape in one factory supplying goods to American companies and located in a Jordanian zone. Abuse was perpetrated by supervisors and was found to be common and repeated against migrant work-

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22 While the study was not focused on zones, many enterprises in zones are in the textile industry.
ers; in this factory, migrants largely come from Sri Lanka. Such instances may be wider-spread and underreported, because of the isolation and dependence of most migrant workers, whose passports are commonly forfeited to management, and who often arrive for work in debt and highly dependent on their employer.

**Housing and Foreign Contract Workers**

Foreign contract workers constitute about 65–75 percent of the zone workforce. The challenges outlined above are more complicated with a predominantly migrant workforce, where different languages are spoken, different cultures are represented, and the duration of employment is generally limited to a three-year contract, which inhibits opportunities for advancement. Additionally, migrant workers live in dormitories in the zones or in the areas surrounding the zones. Factory-provided housing ensures that workers have a place to live; however, some stakeholders interviewed noted that this may limit workers’ opportunity to leave the zones.

Jordanian workers typically live in private residences. As zones are often located far from villages, Jordanian women must travel significant distances to work in them. This is a significant barrier to entering the workforce, as cultural norms often dictate that Jordanian women’s primary responsibilities are to their families, and cultural norms also sometimes prevent or limit women from traveling alone on public transportation, particularly after dark.

**Religion and Culture**

There are significant cultural and religious barriers to women’s employment and advancement, particularly for women in rural villages with more conservative societies, such as limited mobility, family responsibility, and cultural resistance in some families to women working outside of the home. An innovative public-private partnership that directly targets women has been launched in Jordan to address these challenges. See the good-practice example “Satellite Factories Program” below for more information.

In terms of upward mobility, factory managers interviewed stated that this is largely linked to years of experience at the facility. Jordanian women workers may leave and re-enter the workforce because of marriage, childbirth, religious or cultural resistance of family members, or to access their retirement fund—the Social Security (Articles 44/45) and Civil Retirement (Article 14) laws allow women to resign and withdraw their retirement fund after working for a certain period. This impacts women’s opportunity for upward mobility because the law provides an incentive for women to quit their jobs if their family has financial difficulties. Upward mobility can be improved by policies and practices that seek to build community support for women entering the workforce and to provide services like child care, to help women balance home and work responsibilities, while developing the requisite skills for promotion.

**Entrepreneurship Opportunities for Women**

There is great potential for Jordanian women entrepreneurs; however, much of this potential is currently untapped. “Women’s entrepreneurial potential in Jordan is woefully under-utilized; women’s businesses play only a peripheral role in Jordan economy” stated USAID’s 2007 Jordan Gender Assessment.

This is evident in the zones. Small businesses, such as supermarkets, banks, restaurants, salons, and dry cleaners, are permitted in the public and private industrial estates visited for this study; however, only the Al-Tajamouat respondent was aware of

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the existence of women-owned small businesses. Additionally, in the zones there are few, if any, female factory owners.

With three-quarters of women’s businesses being based at home and these businesses representing a narrow range of traditionally feminine skills—sewing, embroidery, handicraft production, provision of beauty services, and commercial trade in groceries or clothing—women-owned small and medium enterprises (SMEs) only serve the local Jordanian markets. A survey by IFC and the Center of Arab Women for Training and Research (CAWTAR) found that 74.1 percent of women business owners surveyed are not involved in international trade. Women face challenges related to identifying markets, marketing products, and gaining export-specific knowledge such as registration and export market procedures.

**Policies and Access**

In terms of access to finance, many businesswomen believe that they are discriminated against on the basis of gender when applying for a loan—they are asked to provide higher collateral, they receive less favorable responses to new business ideas, and they are required to provide a spousal guarantee. In the IFC-CAWTAR study mentioned above, only 14.2 percent of women business owners surveyed acquired business or commercial bank loans, 9.2 percent received microfinance loans, and 8.1 percent took out personal bank loans; other challenges around access to finance identified in the study by Jordanian women business owners include high interest rates, a complicated application process, lack of collateral, and lack of a business track record.

**Support Networks and Training**

A major barrier for female entrepreneurs is lack of education and business-management training. Results from a 2007 study of Jordanian women business owners indicated that “women business owners’ involvement in international trade is more likely as women business owners’ levels of education increase.” Limited female entrepreneurship in the zones is consistent with businesses across Jordan; for example, women account for only 4 percent of entrepreneurs in the formal sector in Jordan, even though 90 percent of businesses in Jordan are SMEs.

Organizations such as Business and Professional Women—Amman (BPW-A) and the Jordan Forum for Business & Professional Women (JFBPW) are contributing to providing training and creating economic opportunities for women entrepreneurs; however, many challenges remain. Jordanian women entrepreneurs face cultural barriers related to the role of women in society; women’s disinterest in working in the private sector because of beliefs that it is unfair or unsafe; access to finance, markets, networks, affordable transportation, and child care; a lengthy and costly bureaucratic process to register a business; and limited ability to market their business.

Although there are challenges, innovative practices already exist to help address these barriers and maximize the potential of women entrepreneurs. Examples are highlighted in the next section.

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31 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ).*
33 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ).*
34 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ).*
37 USAID. 2007. *Jordan Gender Assessment: Sustainable Achievement of Business Expansion and Quality (SABEQ).*
Good-Practice Enablers of Women’s Economic Empowerment in Jordan

Through fieldwork and other research, this study identified policies, initiatives, and business practices that support economic opportunities for women and can increase competitiveness for enterprises and zones. The following programs were among the good practices identified in Jordan, which have the potential to be replicated in other zones in Jordan, as well as in zones in other countries.

Enablers for Female Workers’ Welfare and Advancement

Grievance Mechanisms and Monitoring of Workers’ Rights
* **Enabler Type:** Legal
* **Who:** National Center for Human Rights and the Jordanian National Commission for Women (JNCW)
* **Where:** National
* **Benefit to women:** Female workers have two avenues, in addition to the Ministry of Labor office, to express concerns and grievances about working conditions in zones.
* **Benefit to business:** Improved worker satisfaction and productivity; risk mitigation and improved compliance.

The National Center for Human Rights (http://www.nchr.org.jo), an independent national institution established by law in 2002, conducts activities including monitoring and follow-up on violations of human rights in Jordan. The center receives complaints about violations of human rights, including women workers’ rights, follows-up on complaints and cases of violation, and provides assistance and advice to people about their rights. In addition to receiving workers’ complaints, the National Center for Human Rights visits enterprises in zones with Ministry of Labor inspectors.

The JNCW has a women’s complaint office, which receives complaints about violence against women and workplace discrimination and harassment.

Community Outreach to Support Women’s Employment
* **Enabler Type:** Social
* **Who:** Government, zones, and enterprises
* **Where:** In rural communities in Jordan near zones
* **Time frame:** 2002–present (as of June 2011)
* **Benefit to women:** Women have increased employment and income-generation opportunities when their families permit them to work in zones.
* **Benefit to business:** Address the labor shortage through bringing more Jordanian women into the workforce. For example, a zone outreach program in partnership with the Ministry of Labor successfully recruited 200 Jordanian workers—most, if not all, women—from the southern part of the country.

To address the resistance to women working outside of the home, government, zones, and enterprises, often in partnership, conducted community outreach in rural Jordanian communities near zones with the goal of increasing the number of Jordanian women workers. The outreach included speaking at community halls and also inviting women’s parents to visit the factories. For example, every Saturday one enterprise invited 100 workers’ families to the factory, and about 50 percent of the invited families attended. The factory used these visits to build a relationship with the community, and families became more comfortable with their daughters or sisters working in factories in zones, which led to an increase in employment and formal-sector income-generation opportunities for Jordanian women. One of these zone outreach programs, in partnership with the Ministry of Labor, successfully recruited 200 Jordanian workers from the southern part of the country, most of them women.

One community outreach program faced significant challenges related to conservative parents of female workers, some of whom did not allow their daughters and sisters to go to work because of social pressures. There were additional cultural challenges related to a sense of shame about women working in factories rather than at administrative or even managerial tasks, as well as a general lack of awareness of and training on both technical and soft skills among workers and a need for a vocational training center. Overall, the project has been an ongoing success; some women workers within the community outreach program stayed at work for over 8–9 years and saved money that enabled them to open their own workshops, earn academic certificates, and help their families financially.

**Union-Provided Zone Health Clinics**
- **Enabler Type:** Social
- **Who:** Union (General Trade Union of Workers in Textile, Garment, & Clothing Industries [JTGCU]); TWARO Japan (Asian and Pacific Regional Organization of International Textile, Garment and Leather Workers' Federation)
- **Where:** Irbid and Al Dulayl zones
- **Time frame:** 2002–present (as of 2011)
- **Cost:** US$92,000 for each of two clinics to equip, launch, and maintain facilities; workers using the clinics pay no fee for service
- **Benefit to women:** Women workers with access to the union clinics can use women's health services and likely have better health indicators
- **Benefit to business:** Improved health can lead to reduced absenteeism and increased productivity

Factory clinics provide basic services (most only have a doctor for a few hours per week) and the clinics are often ill equipped to address female health issues. Given the limited capacity of factory clinics, the General Trade Union of Workers in Textile Garment & Clothing Industries, with financial support from the Japanese government, has established and manages two zone-wide general medical clinics in Irbid and Al Dulayl. Factories can pay the union a fee to treat their workers at the union clinic, which has more advanced medical services than factory clinics and provides women's health care services (gynecology, obstetrics, ultrasound). The clinics provide service to more than 70,000 workers annually.

The program has encountered some challenges in getting started and achieving success. At the beginning, the QIZ area had been boycotted by the Jordanian doctors’ association, because of Israeli investments there, so there were no doctors able to work in the clinic. This challenge was addressed by hiring the doctors as employees of the textile union, which is not connected to Israeli investors.

Another challenge was convincing employers to allow their workers to use the clinics. One tactic used was to sign medical agreements with zone-based companies for the clinics to cover the cost of treatment, medical examinations, and initial tests. This was successful, particularly because Jordanian law requires factories to provide a doctor, and the clinics made it easier for factories to meet this requirement. A remaining challenge is securing updated medical instruments and tools, and obtaining medicine for dispensing, because companies do not cover these costs.

One major success of the clinic project was to put in place a system of medical check-ups for hearing and lung health, as these are key occupational health issues in the garment sector. This model was so successful that it was adopted by the Jordanian Ministry of Health and Labor Ministry for use by all factories and nearby hospitals, both inside and out of qualified industrial zones.

**Satellite Factory Program**
- **Enabler Type:** Social, Advancement
- **Who:** Public-private partnership between Jordanian Ministry of Labor and factories
- **Where:** Five rural villages in Jordan
- **Benefit to women:** Rural women have access to an employment opportunity near their village and are provided skills training to succeed at the job.
Benefit to business: Factory owners have access to trained, local workers to address the shortage of supply of workers

Factories face a shortage of Jordanian workers, and have to employ migrant workers instead, a tactic that comes with high costs and risks. However, rural women in Jordan face many challenges in seeking employment in trade zones, including limited work experience, limited mobility, and the double burden of family responsibilities.

The satellite factory program is a public-private partnership that seeks to address these challenges and deliver benefits for women, factory owners, and the government. Five “satellite” factories have been established near rural villages, employing a total of approximately 1,350 Jordanian workers, almost all women. Two more branches of the program are expected to open in 2011, which will employ an additional 400 young women. These satellites factories qualify for the same incentives and benefits offered to factories located inside a zone.

Challenges faced by this project included gaining funding, as well as convincing young women from remote areas in Jordan to work in the factory, as factory work is not considered desirable work for women in the local culture. Another challenge is that minimum wage for the sector is JD 110, and this amount is considered low and, often, an inadequate incentive for young women to join the factory’s workforce. Despite these challenges, the program has been successful. Key success factors include:

- Feasibility study
- Community engagement: Consultation began with tribal heads, local governments, and family heads. Public forums were also conducted at local young women’s schools.
- Skills training: The satellite program provides workers with four months of training and then a full-time position. The position has limited or no overtime, so that the Jordanian women remain able to fulfill their household duties.
- Partnership: To support the program the government contributes a rent-free building for five years, 30 percent of the workers’ salaries during the training program, a food allowance of JD 35 per month, social security for 1.5 years, and a transportation allowance to the companies for 18 months. The factory owner provides the equipment, pays the rent after the fifth year, and covers 70 percent of the workers’ salaries during the training period and 100 percent thereafter.

Skills Training to Support Women’s Employment and Advancement

- **Enabler Type:** Social, Advancement
- **Who:** Public-Private partnership, the Jordan Forum for Business and Professional Women (JFBPW)
- **Where:** National
- **Benefit to women:** Access to skills and enhanced employment opportunities
- **Benefit to business:** The initiative will provide the private sector with 5,000 trained women

Many factories in zones have a shortage of local labor availability, and unemployed women often lack previous experience and appropriate skills. Many women workers in zones have lower levels of education, limited work experience, and a lack of relevant skills. They tend to work mainly as line workers, which limits their opportunities for “up-skilling” training and paths toward promotion. The JFBPW offers a public-private partnership training program, the “National Initiative for Training and Direct Employment for Women,” to address these deficits.

Upward Mobility Policy

- **Enabler Type:** Advancement
- **Who:** Enterprise
- **Where:** Enterprise in a zone
- **Benefit to women:** Access to new skills and opportunity for advancement
- **Benefit to business:** Potential for productivity gains from skills enhancement
One company interviewed had an explicit policy of providing workers with skills training and promoting from within. The former general manager of a zone enterprise built a systematic training program aimed at teaching local Jordanian workers the soft and technical skills needed for promotion and introduced a “promote-from-within” policy. The former manager reported that during a 20-year period, more than 200 supervisors were trained, all of whom were promoted from within, and that most middle managers, excluding engineers, were also promoted from within. The business benefited from the skills enhancement through increased productivity and employee satisfaction.

A primary challenge was that all trainees also held supervisory responsibilities and were expected to deliver results in a certain time frame, which at times made some of them miss classes. Unfortunately, the program was stopped when the company underwent downsizing that cut the workforce and management in half.

**Enablers to Support Female Entrepreneurs**

**Enhancing Finance from Commercial Banks to Women**

- **Enabler Type:** Access
- **Who:** USAID SABEQ-JFPQ project
- **Where:** National

Women have limited access to bank loans and likely face discrimination when applying for loans. The USAID-funded project “Enhancing Finance from Commercial Banks to Business Women” provided education to commercial banks on lending to women, educated women on how to be a “bankable client,” and hosted a dialogue between businesswomen and bank representatives. The project helped increase access to finance for female entrepreneurs.

**Women’s Entrepreneurship Incubators**

- **Enabler Type:** Training and Networks

**EXPORT TOOL KIT**

- **Enabler Type:** Training
- **Who:** Jordan Forum for Business and Professional Women (JFBPW), USAID
- **Where:** National

Many female entrepreneurs struggle to enter the export market because of a lack of higher education and business-management training. A survey conducted by the JFBPW found that 74.1 percent of women business owners were not involved in international trade. The main challenges for female entrepreneurs in creating an export business include identifying markets, marketing, and gaining export-specific knowledge such as registration and export market procedures.

To address these challenges, the JFBPW, in cooperation with a USAID program, launched a export tool kit (in Arabic only), which includes a step-by-step explanation of how to export from the inception of the idea through to accreditation, marketing, and sales.

39 The tool kit is available at http://www.sabeq-jordan.org/SABEQ_Files/633371800617959856.pdf
Remaining Challenges and Opportunities for Innovation in Jordan

While uncovering best practices, we have also identified major barriers and poor practices that affect women trying to enter the workforce or achieve upward mobility. The following programs reflect opportunities for further innovation and program development. With the long-term goal of empowering women to participate in the economy, contribute to economic growth, and support their families, this study has highlighted a few suggested recommendations for enterprises, zones, and the national government and stakeholders.

Innovations to Further Female Workers’ Welfare and Advancement

Legal: Awareness of Workers’ Rights and Grievance Processes
Adapting it to the zone context as necessary, disseminate the Jordanian National Commission for Women (JNCW) booklet that summarizes the rights granted to women working in the private sector under the Jordanian Labor Law. Include with the booklet an explanation of avenues for women workers to express concerns, including internally at enterprises and externally with resources such as the Ministry of Labor offices located within the zones, the JNCW, and the National Center for Human Rights. As witnessed by the negative backlash to the 2006 National Labor Committee Report, which impacted the competitiveness of the apparel industry (and therefore of zones in Jordan), the Jordanian government is committed to ensuring that working standards are met.

Legal/Social: Integration of a Gender Perspective
Replicate the JNCW model of “gender focal points” in factories and zones and create a zone-wide gender committee to discuss key issues and implement programs. Encourage a representative from one enterprise per zone to participate on the soon-to-be-created JNCW Gender and Private Sector Committee. Customize methodologies developed (a) by JNCW, such as diversity training for private-sector human resource managers, baseline studies of gender at a private company, and a questionnaire on gender mainstreaming in government institutions, and (b) by government gender focal points, such as gender budgeting and training on gender sensitivity, for application at the zone level and at the enterprise level.

Social: Child Care and National Maternity Fund
The Social Service Corporation (SSC) conducted a study and found that access to child care is a major barrier to women entering the workforce. Traditionally, relatives watch the children of working mothers; however, this is not always possible. Few factories provide subsidies or onsite child care. When women have access to affordable child care, it can lead to an increase of women in the workforce, and child-care centers can provide jobs to women directly.

In partnership with government bodies such as SSC, as well as women’s associations and enterprise owners, zones can conduct a study (a) to understand the best methods of providing child care to working mothers in zones, such as a zone-wide child-care facility or a subsidy for community child-care options, and (b) to explore options or models that provide financial assistance to enterprises to subsidize the cost of maternity leave in order to reduce discrimination against married and pregnant women. The zones can establish a policy implementing the approach that best meets the needs of the workers and eliminates incentives for companies to discriminate against married and pregnant women.

Advancement: Zone-Wide Training Program
Develop a mechanism to identify the skills required by enterprises for new hires and for promotion of existing employees and design a zone-wide training approach, likely a public-private partner-
ship, to provide effective and cost-effective training programs. Deliver the training in partnership with existing government-funded training institutes, colleges and universities, city economic development associations, and other programs that provide training and technical assistance.

**Resources: Key Gender Stakeholders in Jordan**

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Location*</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jordanian National Commission for Women (JNCW)</td>
<td>Amman</td>
<td>Gender mainstreaming in the public and private sector. Umbrella organization representing NGOs and engaging with the government.</td>
</tr>
<tr>
<td>Business and Professional Women—Amman (BPW-A)</td>
<td>Amman</td>
<td>Promotes leadership, education, and job-linked training, advocates for women's economic empowerment, and improves work-life balance of professional women.</td>
</tr>
<tr>
<td>Better Work Jordan</td>
<td>Amman</td>
<td>Conducts assessments and offers advisory and training services for apparel enterprises in Jordan with an emphasis on multistakeholder dialogue and continuous improvement.</td>
</tr>
<tr>
<td>French Institute for Near East</td>
<td>Amman</td>
<td>Researcher Ms. Oroub El-Abed co-authored study on women in the export industries.</td>
</tr>
<tr>
<td>Gender focal points in government departments such as Social Security Corporation, Ministry of Labor, Ministry of Planning and International Cooperation</td>
<td>Amman</td>
<td>Liaise with JNCW by sitting on the JNCW Gender and Public Sector Committee, and mainstream gender in their departments.</td>
</tr>
<tr>
<td>General Federation of Jordanian Women</td>
<td>Amman</td>
<td>National NGO comprising women's associations and societies working to enhance political, economic, and social status of women. Membership includes over 80 societies. Offers educational opportunities, guidance in family welfare and health, legislative reform advocacy, and income-generating activities.</td>
</tr>
<tr>
<td>General Trade Union of Workers in Textile, Garment, &amp; Clothing Industries (JTGCU)</td>
<td>Amman and offices at zones</td>
<td>Is aware of workers' needs and concerns and runs two zone-wide general medical clinics.</td>
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<tr>
<td>International Labour Organization (ILO) Gender Specialist</td>
<td>Amman</td>
<td>Gender-related issues at work focusing on pay equity and access to education.</td>
</tr>
<tr>
<td>Jordan Forum for Business and Professional Women (JFBPW)</td>
<td>Amman</td>
<td>Technical and professional support (e.g., incubator, export tool kit), advocacy, networking, access to finance.</td>
</tr>
<tr>
<td>Jordan River Foundation</td>
<td>Amman</td>
<td>Income-generating activities in rural communities.</td>
</tr>
<tr>
<td>National Center for Human Rights</td>
<td>Amman</td>
<td>Human rights: Criminal justice, legislation, complaints, and follow-up on complaints on issues such as right to work, women's rights, child labor, human trafficking, and migrant workers.</td>
</tr>
<tr>
<td>Princess Basma Women's Resource Centre (PBWRC)</td>
<td>Amman</td>
<td>Acts as a support mechanism for women’s groups, linking grassroots efforts to policy makers. Conducts training on gender and development, as well as research. Oversees a national information network on women's issues.</td>
</tr>
<tr>
<td>UN Women Western Asia Regional office</td>
<td>Amman</td>
<td>Global women's advocacy and empowerment organization.</td>
</tr>
<tr>
<td>USAID-funded SABEQ</td>
<td>Amman</td>
<td>Broad economic development initiative focusing on private-sector-led growth.</td>
</tr>
</tbody>
</table>

* These organizations are headquartered in Amman, but most have activities across Jordan.
This case study examines the role special economic zones (SEZs) can play to create regulatory frameworks and initiatives that promote women’s economic participation as a way to boost trade zone competitiveness and sustainable jobs. This case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

* Working conditions for female workers
* Opportunities for upward mobility
* Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

The Republic of Kenya (hereafter Kenya) was selected for inclusion in the study because its zone program is relatively new and its government is focused on bringing new investors to the country.

**Methodology**

This case study is based on findings from a combination of stakeholder organization interviews, enterprise site visits, and desk research. This case study included twenty-six in-person interviews with fifteen organizations in and around Nairobi, Kenya, in May 2010. The interviews included site visits at two enterprises operating outside export processing zones (EPZs) and meetings with representatives from Kenya’s zone authority—Kenya Export Processing Zone Authority (KEPZA)—at the Athi River zone outside of Nairobi. Primary research was supplemented by a review of relevant existing literature.
Fostering Women’s Economic Empowerment through Special Economic Zones

Kenya’s zone program was established in 1990 with the enactment of the Export Processing Zones Act (CAP 517, Laws of Kenya). All zones are overseen and managed by Kenya EPZ Authority. Key characteristics of the program include:

- Forty-one operational EPZs in Kenya concentrated around the following cities: Eldoret, Nairobi, Athi River, Voi, Malindi, Kilifi, and Mombasa. This includes 39 privately owned and operated zones, and 2 publicly owned and operated zones. The largest concentration of zones is in the port city of Mombasa.
- Enterprises operating in EPZs are required to export at least 80 percent of production.
- There were 83 enterprises operating in EPZs in 2009, up from 77 in 2008. Nearly 20 percent of the enterprises were wholly owned by Kenyans, 24 percent were joint ventures, and 56 percent were wholly owned by foreign investors.
- Key industries represented in zones include food processing, garments, light manufacturing, and call centers.
- There is no restriction on the types of enterprises that can operate in zones. However, small businesses do not typically operate in zones.
- Direct employment in EPZs stood at 30,115 in 2009, reflecting a slight decrease from 2008 due to the global economic crisis. The largest concentration of workers is in the garment industry (81 percent).¹

On the whole, Kenyan EPZs appear to face several challenges preventing further development. These include high costs of production (primarily due to high energy and transportation costs) and high wages, driven up by MFA quotas (which have since been phased out).² With the quotas phased out, Kenya faces intense competition from manufacturers in Southeast Asia, particularly in China, India, Bangladesh, Vietnam, and Cambodia. National laws and incentives, as well as zone programs, will be critical to maintaining competitiveness.

In order to meet objectives outlined in the Kenyan government’s Vision 2030, the EPZ program is in the midst of transitioning to a special economic zone (SEZ) program, which would relax export requirements for enterprises operating in zones.

This study examined one EPZ in Kenya—Athi River. KEPZA, the zone authority, was interviewed to gain a better understanding of the zone program in Kenya. There were no zone-wide programs specifically targeting women in either the EPZ visited or the factory with EPZ status visited. However, KEPZA officials acknowledged that the zone is a large employer of women, and many of the enterprises operating within the zone

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¹ Interview: Jonathan Chiffallu, Kenya Export Processing Zone Authority, May 12, 2010.
² Interview, Jonathan Chiffallu, Projects Executive and Maira Ouya, Corporate Secretary, Kenya Export Processing Zone Authority, May 12, 2010.
preferred to hire women because of their stability and demeanor. Additional zone information is summarized in Table 1.

### TABLE 1 Zone Profile

<table>
<thead>
<tr>
<th>Athi River Export Processing Zone</th>
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<tbody>
<tr>
<td>• First publicly developed zone—developed at a cost of US$30 million.</td>
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<tr>
<td>• Amenities provided by the zone: health clinic, zone staff canteen, infrastructure</td>
<td></td>
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<tr>
<td>• One enterprise provides a child-care center for its workers</td>
<td></td>
</tr>
<tr>
<td>• There are no dormitories for workers in the zone</td>
<td></td>
</tr>
</tbody>
</table>

Obstacles to Women’s Economic Participation in Kenya

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and living conditions impact women’s ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This study sought to identify key barriers and enablers within zones that impact women’s fair employment, advancement opportunities, and entrepreneurial investment opportunities across eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women’s economic empowerment. Policies, initiatives, and business practices can become enablers to spur women’s economic participation.

Women’s entry into the workforce, their welfare, and retention or dropout rates are affected by a variety of factors. For the Kenya Case Study, key themes are explored around the following categories:

- **Female Workers’ Welfare and Advancement**
  - **Legal Policies and Enforcement:** International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.
  - **Social and Cultural Challenges:** Cultural norms dictate women’s home responsibilities and can impact women’s economic participation, and social factors including education, health, child care, and living conditions can impact women’s ability to work and excel at work.
  - **Women’s Entrepreneurship Opportunities:**
    - **Policies and Access:** Female entrepreneurs often lack access to capital and land
    - **Support Networks and Training:** Female entrepreneurs need training on business skills, management, and market identification, and would benefit from network building among other entrepreneurs and within key sectors.

This study has also identified replicable good practices in Kenya, which are outlined in the section “Good-Practice Enablers of Women’s Economic Empowerment in Kenya” that follows on page 7.

Female Workers’ Welfare and Advancement

**Legal Policies and Enforcement**

Kenya is a republic, led by a president (chief of state, commander in chief of armed forces), prime minister (head of government), and two deputy prime ministers. **Tables 2 and 3** summarize a few illustrative conventions and laws currently in place that affect women.

The political and legal climate in Kenya is rife with change. Corruption is one of the biggest barriers to economic and societal progress. Suspicious election results in late 2007 spurred riots throughout Kenya, ultimately leading to political reform and the drafting of a new constitution. Responding to concerns

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Fostering Women’s Economic Empowerment through Special Economic Zones

over rampant corruption, the draft constitution introduces additional checks and balances on executive power and greater devolution of power to the subnational level.

Human rights and workers’ rights have generally expanded in the past decade, but not without challenges. Government monitoring of enterprises operating in zones has shown that not all laws are being upheld, or in some instances, when they are upheld, they are causing unintended consequences for women. For example, a new maternity leave law was passed in 2008 to align with International Labour Organization (ILO) recommendations, requiring employers to provide 90 days of paid leave. As the law has been implemented, there have been a number of instances of factories firing pregnant workers or workers who may become pregnant in order to avoid paying for the leave. In addition, the government reported challenges in getting access to zones to monitor practices.

**TABLE 2  ** Ratification of ILO Core Conventions*

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>87 Freedom of Association and Protection of the Right to Organize</td>
<td>Not Ratified</td>
</tr>
<tr>
<td>98 Right to Organize and Collective Bargaining</td>
<td>Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>Ratified</td>
</tr>
</tbody>
</table>


**TABLE 3  ** Illustrative Laws and Regulations Affecting Women’s Economic Opportunities

<table>
<thead>
<tr>
<th>Law</th>
<th>Law Description</th>
<th>National or Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity Leave</td>
<td>Employers are required to provide 90-day paid maternity leave. Law is consistent with ILO recommendation.</td>
<td>Both</td>
</tr>
<tr>
<td>Law Against Sexual Harassment</td>
<td>General law; does not address sexual harassment in the workplace.</td>
<td>Both</td>
</tr>
<tr>
<td>Nondiscrimination Based on Pregnancy or Marital Status</td>
<td>Employers are prohibited from any form of gender-based discrimination.</td>
<td>Both</td>
</tr>
<tr>
<td>Law Against Female Genital Mutilation (FGM)</td>
<td>FGM is a crime.</td>
<td>Both</td>
</tr>
<tr>
<td>Child Care</td>
<td>No law.</td>
<td>Both</td>
</tr>
</tbody>
</table>

1 Interview, FIDA, May 14, 2010; FIDA website, http://www.fidakenya.org/cases/Sexual%20harassment%20case.pdf

...
Up until 2003, workers in Kenyan zones were banned from joining trade unions. In 2003, over 15,000 workers, most of them women, went on strike to protest pay below minimum wage, lack of medical insurance, lack of paid sick leave, repression of trade unions, excessive and unpaid overtime, and sexual harassment. The strikes ultimately led to a collective bargaining agreement for 10,000 workers, negotiated by the Tailors and Textile Workers’ Union. Unfortunately, interviews for this study revealed that many of the circumstances workers protested in 2003 still exist today.6

The coming years will be critical to Kenya’s economic and social development, as citizens and lawmakers shape key laws and reform past practices. There is a new law in development regarding HIV/AIDS, gender equality, and sexual harassment, which stands to be another important step forward for women in Kenya, assuming the government can improve enforcement.

Social and Cultural Challenges

Kenya is located in East Africa, bordering Uganda, Sudan, Ethiopia, Somalia, and Tanzania. It has a population of 39 million,7 with the largest concentration in Nairobi. Nairobi continues to be the primary communications and financial hub of East Africa because of its transportation linkages, communications infrastructure, and trained personnel. The rest of the Kenyan population is widespread throughout rural communities. English is the official language and nearly all Kenyans speak both English and Swahili, in addition to a local tribal language.

Kenya is classified as having “Medium Human Development,” with a ranking of 147th out of 182 countries in UNDP’s Human Development Report 2009—the lowest ranking among the countries studied in this global research initiative.

The Kenyan economy depends heavily on the following industries: tourism, petroleum products, grain and sugar milling, horticulture, cement, beverages, textiles, vehicle assembly, paper, and light manufacturing. Primary exports are tea, coffee, horticultural products, petroleum products, and cement.8 GDP per capita is around US$770, with a meager annual GDP growth rate of 1.7 percent in 2008 and 2009.9 Total 2008 exports were US$4.4 billion,10 with the following major trading partners (by percentage of exports): Uganda (12.3 percent), United Kingdom (11.0 percent), and Tanzania (8.5 percent).11

Kenya benefits significantly from the African Growth and Opportunity Act (AGOA). Ninety-four percent of AGOA exports are garments, but the Kenyan garment and textile industry is struggling to hold its ground against competition from Asia, where labor is cheaper. Currently there are 19 apparel factories, 1 yarn/fabric company, and 6 accessory companies (labels, sewing supplies, hangers) operating in the EPZs.12

The Kenyan economy is also undergoing privatization. The Privatization Law became operational in 2008, it aimed to spur private-sector investment in the region and increase economic stability.

Kenya ranked 93rd out of 134 countries in the World Economic Forum’s 2008 Global Competitiveness Index, reflecting an improvement of six places from 2007. Reasons for the improvement included high company spending on research and development, and increased collaboration between

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7 U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
8 U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
9 U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
10 U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
12 U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
the scientific community and the private sector. Corruption, government inefficiencies, poor health indicators, and security concerns were the primary reasons that Kenya continued to have an overall low ranking.¹³ With a large portion of the population fluent in English, call centers represent a significant opportunity for economic growth.¹⁴ Accordingly, the Kenyan government has announced the development of an EPZ outside of Nairobi designed to attract more investors and enterprises in the information technology (IT) industry.

Key social and economic indicators are summarized in Table 4, which is followed by contextual information, including the perceived challenges and barriers to greater gender empowerment.

**Education**
The first eight years of primary school are provided tuition-free by the government. In January 2008, the government began offering a program of free secondary education, subject to some restrictions.¹⁵ While the overall proportion of the population being educated is low, the quality of education is perceived to be better than that in surrounding countries.¹⁶ The combined gross enrollment rate for primary and secondary education was 59.6 percent in 2007.¹⁷ Literacy is generally high and only slightly lower among women than men, with literacy rates of 70.2 percent and 77.7 percent, respectively.¹⁸

On-the-job training is rare in Kenyan factories. There are no incentives for employers to train workers given the abundant supply of workers relative to job opportunities. Workers are expected to pay for training on their own and report to potential employers with the necessary skills to do the job. This poses a significant challenge for women as they rarely have personal savings or financial support from a family member.

**Employment**
There is a significant lack of employment opportunities in Kenya relative to the population looking for work. While there are 1.95 million formal-sector workers, there are 6.4 million informal-sector workers.¹⁹ Interviewees reported that formal, long-term contracts are rare for workers, particularly female workers.²⁰

In 2008, women’s labor force participation was 74.1 percent.²¹ Female unemployment rates are trending positively, dropping from 24.3 percent in 2004 to 18.6 percent in 2007. The primary barrier to women’s participation in the workforce appears to be the lack of jobs; interviewees reported that the majority of women are employed in agriculture and the informal sector. In addition, stakeholders commented that many women who have jobs face grim working conditions, underpayment relative to men, and rampant sexual harassment.²² Because of the high levels of unemployment, interviewees explained, women frequently refrain from reporting abuses to authorities.

**Health**
Poor nutrition, malaria, maternal mortality and morbidity, and HIV/AIDS are key health concerns throughout Kenya. Officially, national HIV prevalence is just under 5 percent.²³ However, interviews uncovered that less than 40 percent of

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¹⁴ Interview: Sarah Ochieng, Office of the Prime Minister, May 11, 2010.
¹⁵ U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
¹⁹ U.S. Department of State, 2010 Background Note: Kenya. (http://www.state.gov/r/pa/ei/bgn/2962.htm)
²² Interviews, various, May 2010.
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Kenyans know their HIV status, and some estimate that closer to 1 in 5 Kenyans are infected. Women are particularly affected by the epidemic, as they are biologically more vulnerable to sexual transmission and it is their societal responsibility to care for sick family members.

**Housing**

Given that nearly 40 percent of the Kenyan population lives on less than US$2 a day, the large majority of workers live in slums. Poverty prevents many women from being able to afford child care, and children are often left in the slums with family and friends while mothers go in search of day labor. Other risks and challenges associated with living in the slums include extremely poor sanitary conditions, lack of access to clean water, shared toilets and cooking implements, high personal and property security risk, and reliance on stolen electricity and pay-for-use water.

Factories generally do not provide dormitories for workers. Interviews with female factory workers found that women with children opted to live in the slums for K Sh 800–1,000 per month so that they could afford to pay an estimated K Sh 2,000 per month in child care. A single woman interviewed said that she lived outside the slum and paid approximately K Sh 3,000 per month in rent.

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**TABLE 4 Socioeconomic Indicators: Kenya**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total Adult Population</th>
<th>Female Population</th>
<th>Ratio: Female to Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population living on less than US$1.25, US$2 per day</td>
<td>9.7%, 39.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary)</td>
<td>59.6%</td>
<td>58.2</td>
<td>0.95</td>
</tr>
<tr>
<td>Literacy (for ages 15+)</td>
<td>66.4%</td>
<td>70.2%</td>
<td>0.90</td>
</tr>
<tr>
<td>Labor force participation</td>
<td></td>
<td>74.1%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Unemployment</td>
<td></td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>Earned income (PPP US$ annually)</td>
<td></td>
<td>1,213</td>
<td>0.65</td>
</tr>
</tbody>
</table>

**Major Religions**

- Primary: Christian (80%)
- Other: Muslim (10%), traditional African religions (10%)

**Gender Measures**

- Gender-related development index (GDI): 0.538, Rank 121/155 ranked countries
- Gender empowerment measure (GEM): Not available
- Women-held seats in parliament, women in government at ministerial level: 7.3, not available
- Female legislators, senior officials, managers: Not available
- Female professional and technical workers: Not available
- Women with unmet family planning needs: 10.3%
- Births attended by skilled health professional: 42%
- Maternal mortality rate (per 100,000 live births): 560

**Source:** UNDP Human Development Report, UN Statistics Division, World Statistics Pocketbook, U.S. Department of State, DHS.

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26 Interview, Female factory workers, Factory, Nairobi, May 18, 2010.
Religion and Culture

While women are less visibly restricted in Kenya than in other countries studied in this global initiative, they still shoulder a disproportionate amount of family responsibilities relative to men and are discriminated against in society based on entrenched norms and gender roles. This includes the “double burden” expectation that women will both take care of children and work full-time to support the family.

Kenyan women are subjected regularly to sexual violence, in the workplace, the community, and the home. The conservative Catholic faith practiced by the majority of Kenyans has traditionalist views of women. In some cases, religious and cultural norms can result in barriers to financial independence and sexual freedom. A married female factory worker interviewed for this study reported turning over her weekly wages to her husband, and the Kenyan government banned abortion in March 2010 (though a fierce debate is ongoing). FGM and arranged marriages are common in the northern areas bordering Somalia, where the population is majority Muslim.

Women’s Entrepreneurship Opportunities

Women’s economic empowerment through entrepreneurship opportunities in zones depends on (1) policies and access, and (2) support networks and training.

This study hosted a focus group of seven female entrepreneurs in Kenya in May 2010. Although Kenya has a strong culture of female entrepreneurship in the informal economy, much of the potential to link these activities to exports and to provide investment opportunities in zones remains untapped. Many women feel empowered to start their own business, such as creating crafts and selling items at local markets. However, women lack access to capital, proper training, and local and international networks to scale their businesses into sustainable operations.

Policies and Access

Female entrepreneurs face the following access challenges to investing in zones in Kenya:

* Lack of collateral, especially land ownership rights: In Kenya only 1 percent of land titles are owned by women, with an additional 5 to 6 percent held jointly by women and men.

* Bureaucratic and corrupt administrative requirements for starting a formal business: Female entrepreneurs interviewed for this study advised hiring a lawyer to navigate bribery requirements in the process.

* Lack of access to finance: Entrepreneurs are required to have a business entity established before applying for a loan (see above). Interest rates are very high. Banking is also dominated by men, and many women are intimidated by this. Women-focused bank branches started by Equity Bank have been highly successful.

* Confinement to small businesses in female-dominated sectors: Women lack opportunities and resources to show handicrafts and other products at international trade shows and get the attention needed to enter export markets.

Kenyan law regarding land ownership rights will need to be modified to improve women’s access to loans. Women-oriented banking products and services can help make the process of applying for a loan easier. Zone authorities can work together with banks, microfinance institutions, and women’s entrepreneur groups to build links and support systems for female entrepreneurs. In addition, existing banks within zones could develop gender-equitable service offerings, such as loans available to women.

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28 Interview, Female factory workers, Factory, Nairobi, May 18, 2010.
Support Networks and Training

Interviewees said that women face challenges in particular in starting and growing businesses because of a lack of know-how and networks. When they start a business, women often don't know where to begin—for example, women often overlook creating a well-thought-out business plan when they are faced with more immediate demands.

Female entrepreneurs interviewed reported that one of their greatest needs was access to training and mentors. Interviewees in Kenya explained that female entrepreneurs often learn through accidents and emergencies—for example, they may learn about taxes when the tax man comes to report that they haven't filed properly. Female entrepreneurs need experts and mentors to teach them the basics and prepare them for what is to come. Interviewees said they would benefit from a “one-stop” center where they could access training and tools (like computers), seek advice, and receive mentoring from their peers and from successful businesswomen.

There are some existing training programs, but few small-scale female entrepreneurs know how to access them, and they are often unable to use other existing resources because of lack of awareness or skills. For example, the Export Council provided information about exporting on its Web site and offered one-on-one assistance in four centers in Nairobi, but too few people, particularly women, knew about the services or where they were available. Another program, in the Athi River Zone, offers a cooperative program sponsored by Commonwealth, which allows people to lease a space for cooperative use. This is a useful opportunity for women especially, because they lack the capital to expand to an export scale independently, but the EPZ wants applicants to show a business plan before it will sign an agreement with them. This requirement eliminates most women because they don't have time to make a business plan, don't know how, or don't want to.31

Finally, taking businesses to scale was a challenge that extended beyond export sectors—one inter-

viewed described it as “a vicious cycle of thinking you are ready to move to the next level, but then financially, you are not ready. It’s very hard to break from small to medium, and from medium to large.”32

Good-Practice Enablers of Women’s Economic Empowerment in Kenya

Through fieldwork and other research, this study identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs represent good practices identified in Kenya that have the potential to be replicated in other zones or enterprises in Kenya, as well as in zones or enterprises in other countries.

Enablers for Female Workers’ Welfare and Advancement

Flower Farm Gender Committees

* **Enabler Type:** Legal
* **Who:** Flower Farm Enterprise
* **Where:** Naivasha, Kenya
* **Time frame:** 2004–present (as of June 2011)
* **Cost:** Small cost, mostly for training of committee members
* **Benefit to women:** Increased health awareness and fewer unplanned pregnancies; decrease in workplace sexual harassment
* **Benefit to business:** Reduced health- and pregnancy-related absenteeism; improved stability and productivity; improved worker-management relations

This cut-flower farm in Kenya’s Naivasha region has established an innovative system of gender committees, as subcommittee of the already established workers’ association. The gender committees enable the farm’s human resources department to monitor and address women-specific issues by working directly with female workers on the

31 Female entrepreneur focus group, Kenya, May 2010.
32 Female entrepreneur focus group, Kenya, May 2010.
committees. The farm established the committees in response to a growing awareness among management of unplanned pregnancies, HIV/AIDS infection, and sexual harassment experienced by female workers. These challenges were recognized by management as a serious risk to stability, safety, and productivity in the workplace, yet the workers’ association (dominated by men at the time) seemed unable to identify or address the issues.

When the committees were first established in 2004, the company faced some challenges with getting them set up. The biggest challenge was a lack of understanding among committee members of their proper roles and responsibilities, which resulted in some initial conflicts with supervisors. To address this, the company invested in capacity-building training programs to help the committee members understand their roles and responsibilities, and to ensure effective management of each role. Examples of training topics include communication, running effective meetings, leadership, rights and responsibilities, HR policies and procedures, challenges women face in management, and others.

Another challenge was a misunderstanding by the workers of what the gender committees should be responsible for—many inappropriate issues were brought in front of the committees in the beginning, so the proper role of the committees needed to be communicated to the workers as well. A final challenge was encouraging women to take up positions as committee members, made difficult by a cultural view of women as inferior and incapable of taking positions of authority, according to a company HR manager.

Addressing these challenges and making the committees successful required patience and guidance from more senior HR staff. Another lesson learned was that after this initial hand-holding period, workers became highly capable of addressing the issues assigned to them with minimal supervision. Encouraging this sense of ownership by workers’ committee members will help make such committees successful.

Since establishing the gender committees, the farm has seen a reduction in unplanned pregnancies, an increase in HIV/AIDS awareness, an increase in condom use, and a reduction of workplace sexual harassment as well as active worker participation in developing a workplace sexual harassment prevention policy.33

**Worker Bank Accounts & Factory Direct Deposit**

* **Enabler Type:** Social
* **Who:** Africa Apparels factory; KCB Bank
* **Where:** Nairobi, Kenya
* **Time frame:** 2008–present (as of June 2011)
* **Cost:** US$500/month
* **Benefit to women:** Lower risk of having wages stolen; increased security; increased likelihood of savings.
* **Benefit to business:** Lower-cost system for disbursing wages (compared to high cost of security associated with a cash payroll system).

One factory in this study had established a partnership with a Kenyan bank, KCB, to make checking and savings accounts available to its workers through reduced deposit minimums. The factory established this system to address the high cost of security associated with the cash payroll—including a person to dispense cash, a guard for cash transit, and police hired for payroll day—and to reduce the security risks encountered by workers when carrying cash home. In all, the factory estimated US$300 per month in hard savings on insurance costs, as well as significant cost savings in reduced administrative burden and reduced risk. It now pays workers through direct deposit into their KCB accounts.34 The program had been active for 3 years as of January 2010.

To ensure that workers would take advantage of the program, the factory conducted outreach to

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33 Interview and site visit, flower farm, Kenya, May 2010.
34 Interviews, Factory management, Nairobi, May 18, 2010.
workers to explain the benefits of banking. However, the program has still faced some challenges. Some workers complain that the bank charges for withdrawing cash are too high for them. The factory has worked in partnership with the bank to reduce charges for workers.

The system also encounters some cultural barriers in delivering full benefits to female workers. In interviews, two married female factory workers told different stories: one withdrew her full paycheck and carried it in cash to the slums to turn over to her husband, while the other said the account enabled her to keep some finances separate from her husband, like those that she used for her children’s school fees and food for the family. The second woman also said she was trying to use the account to save a small amount of money so she could someday buy a plot of land in the country. The group that appears to benefit the most from this system, however, is unmarried women, who are able to build savings before marriage and reduce dependence on their future husbands.35

HIV/AIDS Workplace Programs

- **Enabler Type**: Social
- **Who**: Kenya HIV/AIDS Business Council
- **Where**: Throughout Kenya
- **Benefit to women**: Improved health and decreased risk of contracting HIV/AIDS, reduced medical costs
- **Benefit to business**: Decreased health-related absenteeism, decreased turnover, and decreased medical costs (for companies that pay worker medical benefits)

Because of the high prevalence and risk of HIV/AIDS in Kenya, many organizations and companies have established workplace HIV/AIDS programs. The Kenya HIV/AIDS Business Council offers a sophisticated example of such programs, which it implements for some of its business members.

Its comprehensive HIV/AIDS workplace program includes:

- Various training methodologies: peer education, a counseling-skills course for human resources staff, training for CEOs and for healthcare providers;
- Mobile voluntary counseling and testing (VCT) services;
- Advocacy: including outreach at the policy level, with top management within a company, and broader sensitization campaigns;
- Management, coordination, and strategy: including policy development, corporate commitment, advocacy for workplace program implementation, resource mobilization, and capacity building and technical support;
- Monitoring and evaluation of workplace HIV/AIDS programs; and
- Condom distribution.36

The program intends to reduce the impact of HIV/AIDS on both employees and businesses. The business case for workplace HIV/AIDS programs rests on the mitigation of costs associated with high prevalence rates among employees and their families, such as high rates of absenteeism, reduced productivity, and high medical costs.

Young Women In Enterprise Training Program

- **Enabler Type**: Advancement
- **Who**: TechnoServe
- **Where**: Slums throughout Kenya
- **Benefit to women**: Increased skills and employability.
- **Benefit to business**: Higher-skilled workers and increased ability to promote from within (which costs less than hiring from outside)

TechnoServe in Kenya has a Young Women in Enterprise Program that seeks to build adolescent

girls’ and young women’s skills and connect them to formal-sector job opportunities. TechnoServe works with secondary schools and community programs in the slums to reach the target 15–25 age group. The training program focuses on business skills, life skills, communication, and entrepreneurship. Interestingly, the original objective of the program was to help young women start their own businesses, but the young women overwhelmingly preferred formal employment opportunities and requested training to help them access such opportunities. Once young women have gone through the initial training program, they are connected with CareerLink, a job-placement partner of TechnoServe that helps women find jobs, including in zones. Both CareerLink and TechnoServe also become resources to the participating women to help them understand their rights, and to serve as advisers in instances of rights violations.37

This program provides employers in EPZs with skilled and educated young women, free of cost, who are able to communicate effectively within the workplace. Barriers to this business case’s relevance to the Kenyan export sector are the high levels of unemployment and the widely held perception that workers are easily replaceable.

Innovations to Further Female Workers’ Welfare and Advancement

Legal: Encouraging Permanent Worker Contracts

Because of the very limited number of formal-sector jobs in Kenya, low-wage workers in the formal sector are often considered replaceable. This has led to the widespread practice of giving workers only temporary contracts, including within the EPZs. According to EPZ management interviewed for the study, temporary contracts are also used as a buffer against unpredictable buying patterns of the international companies sourcing products from export manufacturers. Companies frequently hire back the same workers the same day or the day after they have fired them.

Women are disproportionately vulnerable to this practice because of a combination of factors. First, Kenyan law includes some strong protections for women, particularly around maternity leave, which make employers reluctant to take women under permanent contract, as they are not obligated to provide benefits to temporary workers. Second, women are considered less skilled generally and often have a more difficult time obtaining a job than men. Finally, the temporary nature of their contracts is frequently used by management as a means to solicit sexual favors from female factory workers.

The Kenyan Export Processing Zone Authority (KEPZA) can play a larger enforcement role in ensuring that permanent contracts are in place. The current circumstances create work environments with extremely high turnover, where only a small percentage of workers are skilled, and where abuse and harassment are common and distract management from productivity priorities. If undertaken by KEPZA, permanent contract enforcement could become a component of the zones’ “one-stop-shop” offerings to international buyers.

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37 Interview, Technoserve and CareerLink, May 11, 2010.
Legal: Addressing Sexual Violence in the Workplace

Sexual violence is highly common in Kenya, particularly in rural areas. Interviews revealed that sexual harassment is a common practice in the workplace—sexual favors are often required in exchange for work or advancement opportunities, such as renewing a female worker’s temporary contract, offering a second day of work for daily workers, granting a promotion or a raise, or providing preferential treatment in the instance of a mistake or misbehavior. Women are unlikely to report incidents of abuse because prevention policies have not been adopted or communicated effectively, because of the stigma associated with sexual harassment, or out of fear of losing their job.

Some workplaces have been successful at establishing a policy and reducing the incidence of sexual harassment (see the good-practice example on page 8). KEPZA can encourage similar improvements within the export zones by advocating the adoption of sexual harassment policies and improving monitoring and enforcement when harassment does occur.

Sexual harassment is extremely harmful to workers’ morale and to the promotion of a transparent and safe workplace, and can interfere with productivity. Most international buyers prohibit sexual harassment in the workplace in their codes of conduct. Addressing sexual violence in export-zone workplaces is a critical step to enhancing the international competitiveness of Kenya as a sourcing destination. A first step should be expanding Kenya’s sexual harassment law to explicitly address sexual harassment in the workplace.

Innovations to Promote Female Entrepreneurship

Access: Expansion of Gender Mainstreaming to Zone Development

The Kenyan government is actively transitioning the EPZ program to a special economic zone (SEZ) program, which would relax export requirements for enterprises operating in zones. The Kenyan government has already committed to mainstreaming gender considerations throughout all agencies and government ministries. Given this, there is opportunity to extend the gender-mainstreaming efforts into zone development planning to ensure that women’s employment needs are addressed. For example, zones could be established that more proactively support small, female-owned businesses, connecting female entrepreneurs to materials suppliers and export markets. This would have the benefit of both increasing women’s participation in the workforce and bringing additional businesses to zones.

Networks: Creation of Female Entrepreneur Center

Female entrepreneurs interviewed in Kenya said that female entrepreneur centers were needed: places where women could access information and training on topics like writing a business plan, creating a budget, and ICT skills, and could enroll in mentorship programs with other female entrepreneurs. The culture of entrepreneurship is very strong, but to help them grow their businesses in size and scope—that is, to enter the export sector—women need training and support networks. Interviewees felt that a center of this kind would become self-sustainable over time, but would require substantial initial investment in securing a physical space, purchasing equipment (such as computers and software), and marketing the center’s services and amenities.

38 Interview, Family Health Options, May 18, 2010; Interview, KENWA, May 17, 2010.
## Resources: Key Gender Stakeholders in Kenya

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Economic Research Consortium (AERC)</td>
<td>Nairobi</td>
<td>Research institution</td>
</tr>
<tr>
<td>Center for Rights, Education, and Awareness (CREAW)</td>
<td>Nairobi</td>
<td>Workers’ rights</td>
</tr>
<tr>
<td>Family Health Options</td>
<td>Nairobi and branches</td>
<td>Reproductive health, HIV/AIDS and family planning information and services</td>
</tr>
<tr>
<td>Federation of Women Entrepreneurs Associations (FEWA)</td>
<td>Nairobi</td>
<td>Women’s entrepreneurship</td>
</tr>
<tr>
<td>Federation of Women Lawyers, Kenya (FIDA)</td>
<td>Nairobi</td>
<td>Women’s rights, workers’ rights</td>
</tr>
<tr>
<td>Global Business Coalition on HIV/AIDS</td>
<td>Nairobi</td>
<td>HIV/AIDS</td>
</tr>
<tr>
<td>ILO Growth Oriented Women Entrepreneurs (GOWE) program</td>
<td>Nairobi</td>
<td>Workers’ skills development, entrepreneurship</td>
</tr>
<tr>
<td>JamiiBora Bank</td>
<td>Nairobi</td>
<td>Microfinance</td>
</tr>
<tr>
<td>Kenya Human Rights Commission</td>
<td>Nairobi</td>
<td>Workers’ rights, human rights, labor rights</td>
</tr>
<tr>
<td>Kenya Network of Women Living with AIDS</td>
<td>Nairobi, Mombasa</td>
<td>HIV/AIDS, women’s empowerment, women’s networks and entrepreneurial activities</td>
</tr>
<tr>
<td>Kenya Women Finance Trust</td>
<td>Nairobi</td>
<td>Microfinance for women</td>
</tr>
<tr>
<td>National Council of Women of Kenya</td>
<td>Nairobi</td>
<td>150 affiliated women’s organizations; focal point for NGO implementation of the Beijing Platform for Action</td>
</tr>
<tr>
<td>One Kid, One World</td>
<td>Nairobi, branches</td>
<td>Child care and education, women’s empowerment</td>
</tr>
<tr>
<td>Swedish Workplace HIV/AIDS Programme</td>
<td>Nairobi</td>
<td>HIV/AIDS</td>
</tr>
<tr>
<td>TechnoServe</td>
<td>Nairobi</td>
<td>Workers’ skills development, entrepreneurship</td>
</tr>
<tr>
<td>UNIFEM, East and Horn of Africa Sub-Regional Office</td>
<td>Nairobi</td>
<td>Regional financial and technical support</td>
</tr>
</tbody>
</table>
This case study examines the role special economic zones (SEZs) can play to create regulatory frameworks and initiatives that promote women’s economic participation as a way to boost trade zone competitiveness and sustainable jobs. This case study supports a global research initiative to uncover good practices for women’s economic advancement within the zones and define a practical approach to design, promote, and implement gender-inclusive SEZs across the globe. Findings are based on field research in eight countries, as well as a global literature review.

To support women’s improved economic participation in zones, this study seeks to identify good-practice programs and policies that can be implemented by SEZs throughout the world to promote women’s advancement at three levels:

- Working conditions for female workers
- Opportunities for upward mobility
- Investment opportunities for female entrepreneurs

In doing so, the study identifies key legal and regulatory issues, social and cultural constraints, lack of support services, and investment-climate issues affecting women as the main obstacles to decent working conditions, upward mobility, and investment opportunities within SEZs. The study argues that these obstacles can also be used positively as “enablers” for women’s economic participation in zones if they are addressed directly and effectively through policies and programs at the government, zone, and enterprise levels. As such, the study presents numerous examples of good practices. In addition to a small number of relevant replicable practices in zones, the study also finds useful examples outside of zones that could be replicated within zones.

The Republic of the Philippines (hereafter the Philippines) was selected for inclusion in the study because of the maturity of its zone program, the high prevalence of female workers in the zones, and the importance of the zones in attracting foreign direct investment. Additionally, service industries such as call centers and business process outsourcing firms (BPOs) are growing much more rapidly in Philippine economic zones than manufacturing. Therefore, lessons learned from the Philippines can be extended to other low-wage English-speaking countries where this trend is also apparent—such as India, Malaysia, and Indonesia.1

Methodology

This case study is based on findings from a combination of stakeholder organization interviews, qualitative factory-based research, and desk re-

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search. The study included 22 one-on-one and group interviews with civil society, workers’ organization, government, and private-sector stakeholders (including international buyers and factory managers).

### Zone Program in the Philippines

The history of the Philippines’ zone program dates back to the 1970s, when there were four export processing zones (EPZs); the program has since evolved to include over 200 Ecozones. In the Philippines, “Ecozone” is the term that describes any type of SEZ—including industrial estates, export processing zones, free trade zones, and tourist and recreation centers. Businesses in Ecozones are not limited to exporting activities; they can also use the zones for medical, tourism, and real estate purposes.

The Special Economic Zones Act, established in 1995, formed the Philippines Economic Zone Authority (PEZA) to manage and attract foreign investors to the Ecozones in the Philippines. Companies or organizations that build the infrastructure and necessary facilities for the companies operating in Ecozones are termed “developers.” Developers could be PEZA for the public zones, local and national government initiatives, or the private sector for other types of zones. An operating company in an Ecozone is referred to as a “locator.”

The Bases Conversion & Development Act of 1992 established the Bases Conversion & Development Authority (BCDA) to oversee the conversion of former military bases into productive areas for civilian use. The Subic and Clark free trade zones—former U.S. military bases—are overseen by the BCDA (not PEZA) and managed by the Subic Bay Metropolitan Authority (SBMA) and the Clark Development Corporation (CDC), respectively. In order to retain the ownership of the land, BCDA has a policy requiring foreign companies to develop the zones as a joint venture with local Philippine companies. Although both free trade zones are of a similar historical nature, CDC has greater autonomy, as it is registered as a private corporation with its own officers and board of directors, while SBMA is an affiliated agency of BCDA.

Companies in zones that are engaged in exporting activities enjoy additional incentives if 50 percent or more of their revenue is from overseas, as stated by the Export and Development Act (EDA) of

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Number</th>
<th>Objective of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Society</td>
<td>5</td>
<td>Determine challenges facing Bangladeshi women at work and at home, and learn about programs and policies seeking to address those challenges.</td>
</tr>
<tr>
<td>Female Entrepreneurs</td>
<td>2</td>
<td>Identify general challenges facing female entrepreneurs and assess specific challenges to starting/owning a business in a zone. Identify recommendations to facilitate increased female entrepreneurship in zones.</td>
</tr>
<tr>
<td>Workers’ Organizations</td>
<td>3</td>
<td>Identify labor rights issues unique to women, challenges to their resolution, and recommendations for the private sector.</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>Identify government’s priorities, limitations, and potential role in solution. Discuss regulatory systems in place.</td>
</tr>
<tr>
<td>Private Sector</td>
<td>7</td>
<td>Identify drivers and challenges. Uncover perspective on female employees. Discuss existing or potential future programs or policies.</td>
</tr>
</tbody>
</table>

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2 Philippines Economic Zone Authority (http://www.peza.gov.ph/index.php?option=com_content&view=article&id=77&Itemid=84)

3 Special Economic Zone Act of 1995 (http://actrav.itcilo.org/actrav-english/telearn/global/ilo/frame/epzppi.htm)

4 Philippines Economic Zone Authority (http://www.peza.gov.ph/index.php?option=com_content&view=article&id=77&Itemid=84)
1994. They are qualified by one of the accredited institutions, namely, PEZA, BOI, the Garments and Textile Export Board, SBMA, CDC, Philippine Exporters Confederation, Inc. (Philexport), and the Philippine Chamber of Commerce and Industry.

Key characteristics of the Philippine Ecozone program include the following:

- As of July 2010, there were 229 zones in the Philippines, of which 4 are public zones managed and owned by PEZA.\(^5\)
- Key industries operating in zones include textiles and apparel, automotive, and electronics. BPOs and call centers represent a large percentage of locators and are the fastest-growing segment.
- The Special Economic Zones Act of 1995 states that labor law in zones is consistent with national labor law.
- Migrant labor cannot exceed 5 percent of a factory’s employee base in zones.
- Zones focusing on manufacturing activities were the primary focus of this study. Locators in these zones receive incentives from PEZA, including an income tax exemption for four years, extendable up to eight years, and exemption from export taxes, wharfage dues, impost, and fees, as well as other incentives.

The study included interviews at two zones in the Philippines—Cavite Economic Zone and Laguna Techno Park—as well as with PEZA, the zone authority, to gain a better understanding of the zone program in the Philippines. Additional information about these zones is summarized below in Table 1.

### Obstacles to Women’s Economic Participation in the Philippines

A country’s legal framework and cultural norms play a significant role in determining women’s economic opportunities and fair employment. In addition, key issues such as education, health, and

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5 Philippines Economic Zone Authority (http://www.peza.gov.ph/index.php?option=com_content&view=article&id=77&Itemid=84)

### TABLE 1 Zone Profiles

<table>
<thead>
<tr>
<th></th>
<th>Cavite Economic Zone</th>
<th>Laguna Techno Park</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industries Operating in Zone</strong></td>
<td>• Apparel and electronics are the largest industries</td>
<td>• Electronics is the largest industry</td>
</tr>
<tr>
<td></td>
<td>• Other industries represented include other light manufacturing and warehousing/logistics</td>
<td>• Other industries represented include automotives, plastics, chemicals, pharmaceuticals, and warehousing/logistics</td>
</tr>
<tr>
<td><strong>Factories Operating in Zone</strong></td>
<td>• 347</td>
<td>• 209</td>
</tr>
<tr>
<td><strong>Workers Employed in Zone</strong></td>
<td>• 64,000</td>
<td>• 92,000</td>
</tr>
<tr>
<td><strong>Female Workers Employed in Zone</strong></td>
<td>• 67%</td>
<td>• 75%</td>
</tr>
<tr>
<td><strong>Wages and Benefits</strong></td>
<td>• Minimum wage is observed inside the zone</td>
<td>• Minimum wage is observed inside the zone</td>
</tr>
<tr>
<td><strong>Amenities Provided by the Zone</strong></td>
<td>• Banks, TESDA training center, Social Security office, Recreational facilities, Post office, Customs office, Fire trucks, Ambulance</td>
<td>• Banks, Customs office, Medical facilities, Social hall</td>
</tr>
<tr>
<td><strong>Dormitories</strong></td>
<td>• None</td>
<td>• None</td>
</tr>
</tbody>
</table>
living conditions impact women's ability to excel and advance in the workplace. Finally, entrepreneurship is an area of opportunity where women face unique challenges.

This study sought to identify key barriers and enablers within zones that impact women's fair employment, advancement opportunities, and entrepreneurial investment opportunities across eight countries. The study found several common factors across countries that can act as obstacles to or enablers of women's economic empowerment. Policies, initiatives, and business practices can become enablers to spur women's economic participation.

Women's entry into the workforce, their welfare, and retention or dropout rates are affected by a variety of factors. For the Philippines Case Study, key themes are explored around the following categories:

* **Female Workers’ Welfare and Advancement**
  - **Legal Framework**: International and local laws pertaining to female employees and their enforcement. Women often lack access to employment opportunities in the formal sector, and require additional protections as employees, such as maternity leave and child care.
  - **Social and Cultural Factors**: Cultural norms dictate women's home responsibilities and can impact women's economic participation, and social factors including education, health, child care, and living conditions can impact women's ability to work and excel at work.
  - **Professional Advancement**: Advancement opportunities for women are tied to education and skills development, and also influenced by social and cultural factors.

* **Women’s Entrepreneurship**
  - **Policies and Access**: Female entrepreneurs often lack access to capital and land.
  - **Support Networks and Training**: Female entrepreneurs need training on business skills, management, and market identification, and would benefit from network building among other entrepreneurs and within key sectors.

This study has also identified replicable good practices in the Philippines, which are outlined in the section that follows on page 9.

**Female Workers’ Welfare and Advancement**

**Legal Framework and Impact on Women**

The primary law affecting workers in the Philippines is the Labor Code. As shown in Tables 2 and 3, the Philippines is a signatory to many international conventions—including all the eight ILO Core Conventions—and it has a robust set of laws, regulations, and constitutional protections for women. However, the impact of these legal safeguards is inconsistent. The Philippines’ decentralized system makes it unclear how regulations can be effectively enforced, including gender laws and regulations that companies should comply with. Some interviewees were concerned that too many regulations are stifling business innovation, while others alleged that overregulation is an excuse that the private sector commonly uses to try to avoid its responsibilities.6

The Philippines has ratified ILO Conventions 87 and 98 and its Labor Law upholds the rights of Freedom of Association and Collective Bargaining. However, many interviewees for this study expressed concern about the relatively small number of unionized companies and collective bargaining agreements within zones. Some claimed that this is due to an unspoken “no union” policy within zones, while others attributed this phenomenon to the ineffectiveness of unions and the need for unions to rethink their approach to promoting workers’ rights and well-being in the modern economy.7 Whatever the cause, unions tend to be uncommon in zones in the Philippines.

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6 Interviews, Manila, Philippines, August 2010
7 Interviews, Manila, Philippines, August 2010
Tables 2 and 3 summarize a few illustrative conventions and laws currently in place that affect women.

Social and Cultural Factors
The Philippines is located in the Southeast Asia (SEA) region. It is an archipelago east of Vietnam between the Philippine Sea and the South China Sea. It is the second-most-populous country in the SEA region, behind Indonesia. The estimated population of the Philippines in July 2010 was 97,976,603. About 11.55 million people (11.7 percent) live in the metropolitan area of the national capital, Manila, and an estimated 35 percent live in rural areas.

Over half of Philippine economic output is based in the service sector, and about one-third of economic output comes from manufacturing. Some of the most important industries are food processing, textiles and garments, electronics and automobile parts, and business process outsourcing (BPOs). GDP per capita was estimated at US$1,746 in 2009, and the GDP annual real growth rate in 2009 was 0.9 percent. Total 2009 exports were US$38.3 billion, with the following major trading partners (by percentage of exports): the United States (16.7 percent), Japan (15.7 percent), and China (11.1 percent). BPOs are the fastest-growing sector of the Philippine economy. Remaining fairly resilient through the recent economic downturn, BPOs accounted for about 4.5 percent of GDP and employed about 442,000 Filipinos in 2009.

The Philippines ranked 71st out of 134 countries in the World Economic Forum’s 2008 Global Competitiveness Index. Areas of competitive advan-

<table>
<thead>
<tr>
<th>ILO Convention</th>
<th>Ratified or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>87 Freedom of Association and Protection of the Right to Organize</td>
<td>Ratified</td>
</tr>
<tr>
<td>98 Right to Organize and Collective Bargaining</td>
<td>Ratified</td>
</tr>
<tr>
<td>100 Equal Remuneration</td>
<td>Ratified</td>
</tr>
<tr>
<td>105 Abolition of Forced Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>111 Discrimination (Employment and Occupation)</td>
<td>Ratified</td>
</tr>
<tr>
<td>138 Minimum Age Convention</td>
<td>Ratified</td>
</tr>
<tr>
<td>182 Elimination of the Worst Forms of Child Labor</td>
<td>Ratified</td>
</tr>
<tr>
<td>UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>Ratified</td>
</tr>
</tbody>
</table>

9 U.S. Department of State, 2010 Background Note: Philippines (http://www.state.gov/r/pa/ei/bgn/2794.htm)
11 U.S. Department of State, 2010 Background Note: Philippines (http://www.state.gov/r/pa/ei/bgn/2794.htm#econ)
12 U.S. Department of State, 2010 Background Note: Philippines (http://www.state.gov/r/pa/ei/bgn/2794.htm#econ)
13 U.S. Department of State, 2010 Background Note: Philippines (http://www.state.gov/r/pa/ei/bgn/2794.htm#econ)
15 U.S. Department of State, 2010 Background Note: Philippines (http://www.state.gov/r/pa/ei/bgn/2794.htm#econ)
At 7.3 percent, the unemployment rate in the Philippines is low for a developing country. However, this figure does not accurately reflect the relatively low number of formal employment opportunities within the country itself. Many Filipinos seek employment in the informal sector or abroad as Overseas Filipino Workers (OFWs). These workers are considered “precariously employed” because of the lack of employment benefits and social safety nets associated with these types of jobs. Within the Philippines, some interviewees were concerned about the formal sector’s trend toward “contractualization,” whereby workers are hired through agencies or on a temporary basis. This phenomenon may reduce job stability and decrease social benefits.

The Philippines is classified as having “Medium Human Development,” with a ranking of 105th out of 182 countries in UNDP’s Human Development Report 2009—the fourth-highest ranking among
the eight countries studied in this global study. The World Economic Forum considers gender equity in the Philippines to be extremely high. With a rank of 6 out of 128 countries on the World Economic Forum’s Gender Gap Index, the Philippines is the only developing country appearing in the top 10. In addition, the Philippines is rated 77th for gender-related development and 45th for gender empowerment. Key social and economic indicators are summarized in Table 4, which is followed by contextual information, including the perceived challenges and barriers to greater gender empowerment.

**Education**
Primary and secondary education rates are very similar for men and women, with combined gross enrollment rates of 77 percent for men and 81 percent for women. Literacy is exceptionally high for a country with medium human development and is almost equal between women and men—93.7 and 92.7 percent, respectively. Even though women have a high rate of participation in secondary and tertiary education and a high literacy rate, they still lag behind men in higher-paying and more stable jobs.

**Employment**
The Philippines’ high gender-equity rankings seem to be validated by a high rate of 49.8 percent for women’s participation in the workforce. The key barrier to employment for women is the same as that for men—the lack of job opportunities. Discrimination against pregnant women is commonly reported—the Trade Union Congress of the Philippines reported instances of workers being forced to resign at four months of pregnancy, and being denied work placements after the birth of their baby.

The proportion of women working within Ecozones, however, is much higher than the overall female labor force participation rate. 64 percent of the 660,600 workers employed in Ecozones are female, and this percentage is much higher in certain industries such as electronics and apparel manufacturing. Coinciding with many studies and reports on female factory workers in Asia, some interviewees noted that factory managers in these industries prefer female workers because of their patience, dexterity, and attention to detail.

Several stakeholders reported that women are generally expected to take care of family members both physically and financially. This expectation, combined with limited domestic employment opportunities, has contributed to a large number of female overseas Filipino workers (OFWs), as women travel abroad seeking employment and higher wages. The Philippines government reported that there were 901,000 female OFWs in 2009. In addition to general issues associated with female workers being abroad—fractured families, cultural gender disparities, and childbirth abroad—the fact that most female OFWs find employment as domestic workers creates the potential for more serious problems such as forced labor, violence, and rape. Of those women who do stay in the Philippines, more than half work in the informal sector. While the informal sector is often a convenient way to increase family income without impacting household duties, it also fails to provide employment benefits and social safety nets.

**Health**
In general, women have access to the clinical health services provided by the government. However, given the decentralized system, the availability and

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21 Philippines Economic Zone Authority. Gender and Development Survey 2009
22 Interviews, Manila, Philippines, August 2010
23 Interviews, Manila, Philippines, August 2010
quality of service varies among different provinces and local governmental units (LGUs). In terms of reproductive health, women—especially in the rural areas—are poorly informed and have limited access to family planning products such as condoms and birth control pills.

Lack of knowledge and limited access to prenatal care contributes to a high maternal mortality rate of 230 deaths per 100,000 births. It is reported that over 50 percent of women in the Philippines give birth at home and an estimated 10 Filipino women die every day because of pregnancy and childbirth complications. Strong cultural opposition to the use of birth control is also considered by most stakeholders interviewed to be one of the major sources of societal problems. Given the country’s high population growth rate, limited economic opportunities, and high number of adolescent pregnancies, the issue of reproductive health has broad and significant social and economic implications.

Currently the only legal requirement addressing reproductive health is in the Labor Code, which states that all companies with over 200 employees must provide family planning services. Companies within zones usually have their own clinics and/or provide health benefits for employees to access

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TABLE 4  **Socioeconomic Indicators: Philippines (various sources, 2005–2009)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total Adult Population</th>
<th>Female Population</th>
<th>Ratio: Female to Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of population living on less than US$1.25, US$2 per day</td>
<td>22.6%, 45%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education (combined primary, secondary, tertiary)</td>
<td>79.6%</td>
<td>81.6%</td>
<td>1.05</td>
</tr>
<tr>
<td>Literacy (for ages 15+)</td>
<td>93.4%</td>
<td>93.7%</td>
<td>1.01</td>
</tr>
<tr>
<td>Labor force participation</td>
<td>49.8%</td>
<td></td>
<td>0.62</td>
</tr>
<tr>
<td>Unemployment</td>
<td>7.4%</td>
<td>6.5%</td>
<td>0.93</td>
</tr>
<tr>
<td>Earned income (PPP US$ annually)</td>
<td>4,571</td>
<td>2,506</td>
<td>0.58</td>
</tr>
</tbody>
</table>

**Major Religions**

| Primary                      | Roman Catholic (80.9%) |
| Other                        | Muslim (5%), Christian (4.5%) |

**Gender Measures**

| Gender-related development index (GDI)                                   | 0.748 (Rank: 86 out of 155 countries) |
| Gender empowerment measure (GEM)                                         | 0.56 (Rank: 59 out of 182 countries)  |
| Women-held seats in parliament, women in government at ministerial level | 20%, 9%                                |
| Female legislators, senior officials, managers                           | 57%                                   |
| Female professional and technical workers                                | 63%                                   |
| Women with unmet family planning needs                                   | 22.3%                                 |
| Births attended by skilled health professional                           | 60%                                   |
| Maternal mortality rate (per 100,000 live births)                        | 230                                   |


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26 Interviews, Manila, Philippines, August 2010
Company clinics generally provide lactation facilities, basic consultation, prenatal care, vaccination, and some counseling. Specialists such as gynecologists are available in some cases.

**Housing**

Most workers in Ecozones live either in nearby provinces or in slums near their workplace. The living conditions in the slums are characterized by a lack of access to basic needs, such as security, safe drinking water, health services, and electricity. For those zone workers living in slums, the impact of these precarious conditions extends beyond their personal lives into their professional lives—ultimately impacting productivity, product quality, accident rates, absenteeism, and turnover.

A potential solution to poor worker living conditions would be to provide worker dormitories, but most employers in the zones do not currently provide housing to workers. According to several interviewees, dormitories have been perceived by the private sector as a breeding ground for labor activism, since organizing within communal-type housing is thought to have contributed to a costly 1982 zone-wide strike in the Bataan Export Processing Zone. However, while worker dormitories are rare, some companies do provide housing allowances for workers.

**Religion and Culture**

The Philippines is a predominantly Catholic country, and religion plays a large role in Philippine society. Certain Catholic beliefs influence practices as much as, if not more than, Philippine law. Contraception is a controversial subject and women’s sexual and reproductive rights are not commonly discussed, especially in rural areas. The Catholic Church’s political influence against reproductive health initiatives was mentioned by almost every stakeholder as one of the key obstacles to promoting and improving women’s health. The Philippine congress has been debating a nationwide reproductive health bill for ten years that has yet to pass in large part because of the political influence of the Catholic Church.

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**Professional Advancement Opportunities**

There are few cultural restrictions on women’s professional advancement in the Philippines, and the expansive zone program would seemingly provide a great opportunity to further promote women’s career advancement. However, the larger socioeconomic context in the Philippines was found to restrict professional advancement for both men and women in the country. The Philippines’ combination of a highly educated workforce and limited employment opportunities has created a large pool of skilled workers competing for a relatively small number of jobs. This job scarcity has led to higher-skilled workers either seeking work abroad or accepting lower-skilled jobs domestically. Those who remain in country often receive lower wages relative to their skill level, and they also fill jobs that would otherwise be available to lower-skilled workers. Consequently, lower-skilled workers face intense competition in an already constrained employment environment. While this phenomenon affects both men and women, it has a disproportionate impact on lower-skilled female heads of households.

An additional challenge is that the growth in formal-sector employment has been driven primarily by business process outsourcing firms (BPOs). From 2005 to 2008 alone, employment in BPOs more than doubled, from 81,578 to 187,146 workers. During this same period, total employment only increased from 2,741,292 to 2,742,771, or about 0.05 percent. This represents a short-term opportunity for women, who represent 52.5 percent of all BPO employees and up to 61 percent in BPOs in certain subsectors such as medical tran-
scription and data processing. However, as the country focuses on BPOs for economic growth, other sectors are being negatively impacted. This phenomenon has forced some graduates to accept jobs in BPOs when they cannot find employment in a field related to their degree. While BPOs offer a decent salary as compared to other entry-level positions in the Philippines, relatively few workers consider BPOs as a career option. The skills they learn at BPOs can be useful for other sectors, but the lack of opportunities in those sectors as compared to the demand for jobs remains a key issue.

A final complication is that even lower-skilled female workers who find employment in the zones often do not consider work in zones as a career path but instead treat it as a stepping stone to working abroad. Unfortunately, they do not seem to find better jobs when they travel abroad. In 2009, more than 80 percent of the 900,000 female OFWs were employed in low-skilled jobs. Therefore, zones currently do not seem to be contributing to women’s upward mobility in the country or for migrant workers traveling abroad.

Within this context, there is a clear opportunity for zones and companies within zones to build programs aimed at attracting and training lower-skilled women who have a high potential for growth within the company. A necessary component of such programs would be clear communication about the opportunity and the process for internal advancement so as to help retain the most qualified candidates.

Entrepreneurship Opportunities

Women’s economic empowerment through entrepreneurship opportunities in zones depends on (1) policies and access and (2) support networks and training.

Filipino women tend to play a large role in entrepreneurial activities as compared to women in other medium-developed countries. There is a strong culture of entrepreneurship among Filipino women, with 69.4 percent of firms having female participation in ownership. However, one interviewee who focuses on legal issues mentioned that this number is misleading because of the fact that while a man’s and a woman’s names may appear on a contract as co-owners, in certain circumstances (especially with small to medium enterprises [SMEs]) the man’s signature is required before any action can be taken on behalf of the company. Further complicating this issue is the fact that the vast majority of women-owned businesses are limited to the informal sector, especially in rural areas.

Although this study found a rich culture of female entrepreneurship in the Philippines, there are limited policies and support mechanisms promoting the growth of domestic and female-owned businesses within the Ecozones.

Policies and Access

In some cases, individual workers in the zones are encouraged by the Department of Labor and Employment (DOLE) to supplement their income by engaging in entrepreneurial activities. For example, as a response to the financial crisis of 2008, DOLE established a program to provide training and capital to spur workers to develop alternative sources of income. While these activities have the potential to significantly improve family income for those women who participate, there is still an opportunity to create a broader initiative focused on women’s entrepreneurship in zones.

Despite such efforts, there is currently very little entrepreneurial activity within Ecozones, particularly by women-owned businesses. Locators within the zones are primarily internationally owned, and the
service providers within zones tend to be owned by the zone developer or zone operator. Consequently, there is a significant opportunity for zones to take advantage of the Philippines’ entrepreneurial culture by promoting inclusion of women-owned SMEs, both as enterprises operating in the zones and as service providers to enterprises and workers.

**Good Practices in Women’s Economic Empowerment in Philippine Economic Zones**

Through fieldwork and other research, the study has identified policies, initiatives, and business practices that support economic opportunities for women and increase competitiveness for enterprises and zones. The following programs were among the best practices identified in the Philippines, which have the potential to be replicated in other zones in Philippines, as well as in zones in other countries.

There were very few zone-wide programs at the zones visited, and no zone-wide programs specifically targeted at women. However, there was a concerted effort to link companies and workers within zones to existing government programs. The most interesting program was a “One-Stop Worker Assistance Center,” which addresses the negative impacts of the global economic downturn by

- Linking displaced zone workers with new companies and existing companies that are hiring, and
- Partnering with government agencies such as the Technical Education and Skills Development Authority (TESDA) to provide training, scholarship vouchers, livelihoods, and credit assistance for affected workers.

**Creating ways for workers to share concerns and provide ideas for improvement is an effective way to both increase operational efficiencies and reduce the risk that problems will escalate into labor disputes. Since its employees are higher-skilled workers who are familiar with technology, the Nidec Corporation has taken the idea of a suggestion box and put it online. The company has placed a computer station next to the canteen to allow workers to provide feedback in an easily accessible and nonintimidating location. Workers can choose whether or not to submit the feedback anonymously. The system has had a positive response from workers, and the company sees the tool as a great resource for management decisions—in terms of both listening to employees’ needs and concerns and collecting creative business solutions based upon the on-the-ground perspective.

One factor contributing to the success of this program is strong management support—the company sees value in reducing the likelihood of workers making complaints to external organizations. Workers also welcome this online system as it is easily accessible and they can provide feedback without attribution. There were some initial user-friendliness challenges in first week of installing the program; these were resolved by making improvements to the system based on worker input.
MultiStakeholder Approaches to Freedom of Association

* **Enabler Type(s):** Legal
* **Who:** SALIGAN and NGO partner, a global-rights-focused NGO
* **Where:** Ecozones
* **Benefit to women:** (1) Reduced likelihood of violations of labor standards, especially freedom of association; (2) increased possibility of more equitable representation before employer
* **Benefit to business:** (1) Reduced risk of backlash from buyers for not complying with labor standards, including freedom of association; (2) reduced conflict in labor relations; (3) reduced reputational risk via improved relationships with stakeholders

In the absence of a union, workers are not able to bargain collectively with their employer about their expectations for working conditions, wages, and other benefits. Companies in the Philippines, including those in the zones, prefer to avoid unionization. According to several stakeholders, this tendency is due in part to a historically conflictive relationship between companies and unions. Consequently, there is a clear need for improved understanding about the role of each and increased dialogue among stakeholders. Verité, with funding from the U.S. Department of State, has created a program to encourage a multistakeholder approach to the issue of freedom of association in the Philippines. Among the partner organizations is SALIGAN, a Philippine nonprofit offering legal assistance services to workers. In a recent workshop, the program arranged for a presentation by a company and a union representative who had recently started to work together. Company attendees responded positively to this innovative approach, as they heard first-hand accounts of the benefits of collaboration.

Promoting CSR Knowledge in Union Leaders

* **Enabler Type(s):** Legal, Professional Advancement
* **Program:** Union and worker training
* **Who:** Trade Union Congress of Philippines (TUCP)
* **Where:** Ecozones
* **Benefit to women:** (1) Increased empowerment through peer-to-peer training methodology; (2) improved knowledge of labor rights, particularly occupational health and safety
* **Benefit to business:** (1) Reduced training costs through peer-to-peer methodology; (2) reduced production costs through reduced stoppage time, accidents, and injuries; (3) reduced tension between company and union, resulting in reduced costs

One of the key obstacles to improving labor relations is the lack of a “common language” that allows companies, NGOs, and unions to have effective dialogue. Understanding that corporate social responsibility (CSR) can be an effective entry point for a dialogue around labor practices in factories, TUCP has created a CSR program. It has trained union leaders in CSR—both what it entails and how to talk about it in a way that management understands. For example, it has developed a train-the-trainer program with Japanese experts from the Japan International Labour Foundation (JILAF) to equip union leaders with occupational health and safety (OHS) knowledge. These leaders are then enabled to implement both regional and onsite workshops on their own. By creating a shared terminology, the program allows workers and management to more easily discuss OHS issues and focus on continuous improvements in OHS.

Women’s Health Services

* **Enabler Type(s):** Social and Cultural
* **Who:** USAID PRISM (Private Sector Mobilization for Family Health)
* **Where:** Cavite Economic Zone
* **Benefit to women:** (1) Improved reproductive and personal health; (2) reduced risk of death during childbirth; (3) increased awareness of family planning information

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35 Interviews, Manila, Philippines, August 2010
**Benefit to business:** (1) Reduced absenteeism and turnover; (2) increased productivity and product quality

While women are empowered in many ways in the Philippines, the one area in which there is an urgent need for improvement is reproductive health. For many reasons, both sociopolitical and religious, the subject of reproductive health and family planning remains highly taboo—exacerbating social and economic issues the country already faces. The Philippines has a very high population growth rate in spite of its fairly high maternal and infant mortality rates. In part because of a decentralized system where local governments make decisions on how to invest funds, most rural populations have poor access to nutritional and reproductive health education.

Many women working in zones are young, from rural areas, and away from home for the first time. Without knowledge on reproductive health, these women are not empowered to make informed decisions regarding sexuality and reproductive health. They are at high risk of suffering from sexually transmitted diseases, unexpected pregnancy, and sexual violence. While companies within zones generally have clinics and provide at least some type of reproductive health services, the quality of these services varies greatly. Additionally, women who do not work in zones generally have poor access to reproductive health services at their local government clinic.

The USAID PRISM program connects women in zone communities to necessary services and commodities for health and family planning from commercial service providers. In Phase I, the project worked with 57 companies in the Cavite Economic Zone and trained over 200 people, including human resources managers, doctors, nurses, and peer educators (employee volunteers). The training covers regular updates and topics in promotion of nursing, child health, family planning, and women’s empowerment. In Phase II, the project is focusing on convincing the local government units (LGUs) and regional health authorities of the merits of addressing women’s health issues and creating better linkages between the public and private sectors to increase the availability of, and access to, products and services.

**Enablers Promoting Female Entrepreneurship**

**Improving Women’s Life Skills**

* **Enabler Type(s):** Support Networks and Training

* **Program:** Gender and Development (GAD) programs: Livelihood programs initiated by Department of Labor and Employment (DOLE)

* **Who:** DOLE, TESDA, and companies

* **Where:** Selected companies, including those in Ecozones

* **Benefit to women:** (1) Increased household income; (2) increased empowerment via additional technical abilities and life skills; (3) increased resiliency to downsizing

* **Benefit to business:** (1) Retention of skilled workers, even during production downtimes; (2) reduction in turnover rate as bonds are formed among workers

The Technical Education and Skills Development Authority (TESDA) of the Philippine government provides company-level livelihood training to workers according to their interests, and DOLE provides the necessary capital to help women to start a small business. In selected companies, women employees who are interested in learning some livelihood skills can choose a topic of interest, such as chocolate making, fish processing, or packaging, with training provided jointly by DOLE and TESDA. In one of the companies visited, after obtaining such skills women employees are selling their homemade chocolates to colleagues and even to workers in other companies in the zone. Employees at another company visited gather during breaks to make and package detergents that are sold to their own company. These products are then given out to high-performing workers as a token of appreciation from the company. These programs are good examples of public-private partnership
whereby the government provides the necessary capital and skills training to workers and their companies also provide some resources to support the programs, which allow them to retain workers even during economic downtimes and reduces the negative impact on workers’ income.

Remaining Challenges and Opportunities for Innovation in the Philippines

While uncovering best practices, the study has also identified major barriers and poor practices that affect women trying to enter the workforce, achieve upward mobility, or start their own business. The following areas reflect opportunities for further innovation and program development.

Innovations to Further Female Workers’ Welfare and Advancement

Legal: Transparency and Collaborative Programs

Some interviewees pointed to the lack of transparency as a key barrier to improving women’s lives inside zones. They claimed that a lack of access to zones for NGOs, unions, and other stakeholders—including DOLE in some instances—has, at best, made it difficult to determine the needs of workers and, at worst, created an environment in which labor violations can go unchecked.

PEZA is tasked with attracting companies to Ecozones as well as with regulating those companies’ practices inside the zones. Some interviewees argued that this creates a disincentive for PEZA to uncover labor violations. Although this study cannot validate the legitimacy of these claims, it is clear that there is distrust between stakeholders operating inside the zones and those operating outside of the zones.

If this distrust could be reduced, there are a wealth of government and civil-society programs—addressing health, education, life skills, and financial literacy, for example—that would directly benefit workers and indirectly benefit companies in Ecozones. PEZA, zone operators, and companies have the opportunity to refute interviewees’ claims by making their activities more transparent and by increasing their collaboration with existing programs run by civil-society and government agencies—especially those of local government units—that would benefit workers. A strategy based on transparency and collaboration would also attract more responsible businesses. In a global economy that increasingly scrutinizes practices at all levels of the supply chain, attracting more responsible businesses means that the Philippines will create a more sustainable zone program.

Legal/Social: Zone-Level Cultural and Labor Law Training

Management style and company culture play a large role in shaping working conditions. A PEZA representative cited cultural differences between foreign-owned companies and Philippine society as a common reason for labor complaints and some instances of noncompliance. This phenomenon is not unique to the Philippines. In fact, it is increasingly common in a globalized economy where companies establish operations in foreign locations. However, the impact on workers is exacerbated in situations where the local culture is fairly reserved, such as the Philippines, while the culture of the foreign-owned companies is more aggressive.

In some cases, PEZA has responded by partnering with DOLE to deliver training to factory management on Philippine culture. PEZA could expand this program by making it mandatory for the managers of all new companies entering zones to receive training on Philippine culture and Philippine labor law. A repeat training would then be required for those companies receiving labor complaints and/or committing violations related to managerial conduct. The goal would be to reduce worker-management tension.

36 Interviews, Manila, Philippines, August 2010
by sensitizing foreign management to the aspects of their native culture that may be unacceptable in the Philippine working environment. Training should also highlight relationships between men and women in the country and appropriate and inappropriate behavior related to women and gender.

**Social: Zone-Sponsored Child-Care Centers**
Child care remains a barrier to low-wage women workers’ ability to remain in the workforce. There is opportunity for zones to provide a child-care center for all workers in the zone. Companies could pay into the center so that their workers have the option of using it. This offering would improve the attractiveness of locating a business in the zone by reducing the financial burden on any one factory, while ensuring that all factories operating in the zone are in compliance with the law. Additionally, all women working in the zone would have access to a reliable child-care resource, thereby reducing absenteeism due to mothers’ inability to find affordable child care and reducing low productivity levels associated with mothers who are concerned about their child’s well-being.

**Innovations to Promote Female Entrepreneurship**

**Access/networks: Entrepreneurial Opportunities within Zones**
Since the Philippines has a relatively strong culture of entrepreneurship, zone developers could identify the needs of companies and workers for services within the zone—such as transportation, personal care, finance, and entertainment. Developers could then create opportunities for entrepreneurs to establish businesses inside the zones, with some targeted outreach to and benefits for female entrepreneurs. These services would provide added value for companies and workers inside the zones and would entail minimal cost and risk to developers.
## Resources: Key Gender Stakeholders in Philippines

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arugaan – Support System for Women with Children</td>
<td>Quezon City</td>
<td>Family health and wellness</td>
</tr>
<tr>
<td>Asian NGO Coalition</td>
<td>Quezon City</td>
<td>Women's empowerment</td>
</tr>
<tr>
<td>Asian Women in Cooperative Development Forum (AWCF)</td>
<td>Quezon City</td>
<td>Women's cooperative development</td>
</tr>
<tr>
<td>Association of Major Religious Superiors in the Philippines – AMRSP</td>
<td>Quezon City</td>
<td>Women's rights</td>
</tr>
<tr>
<td>Bagong Ina ng Bayan Barangay Federation, Inc. (BINB)</td>
<td>Makati City</td>
<td>Women’s welfare</td>
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<tr>
<td>Batis Center for Women</td>
<td>Quezon City</td>
<td>Distressed overseas Filipina workers’ welfare</td>
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<tr>
<td>Business and Professionals Women’s Association of the Philippines (BPWAP)</td>
<td>Pasig City</td>
<td>Women’s entrepreneurship</td>
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<tr>
<td>Catholic Women’s League Philippines, Inc. (CWL)</td>
<td>Manila</td>
<td>Women’s livelihood and children’s education</td>
</tr>
<tr>
<td>Center for Integrative &amp; Development Studies</td>
<td>Quezon City</td>
<td>Women’s rights</td>
</tr>
<tr>
<td>Center for Prevention &amp; Treatment of Child Sexual Abuse</td>
<td>Quezon City</td>
<td>Family health and wellness</td>
</tr>
<tr>
<td>Center for Women’s Resources</td>
<td>Quezon City</td>
<td>Knowledge empowerment for women</td>
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<tr>
<td>Center for Women’s Studies (CWS)</td>
<td>Quezon City</td>
<td>Gender research and programs</td>
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<tr>
<td>Centre for Asia Pacific Women in Politics</td>
<td>Paranaque City</td>
<td>Women’s participation in politics and decision making</td>
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<tr>
<td>Coalition Against Trafficking in Women – AP</td>
<td>Quezon City</td>
<td>Working against prostitution and trafficking of women</td>
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<tr>
<td>Democratic Socialist Women of the Philippines (DSWP)</td>
<td>Quezon City</td>
<td>Women’s health and rights</td>
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<td>Department of Labor and Employment, Bureau of Workers with Special Concerns</td>
<td>Ermita, Manila</td>
<td>Women workers’ development; women’s welfare</td>
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<tr>
<td>Development Action for Women Network</td>
<td>Manila</td>
<td>Women migrant workers and Japanese-Filipino children</td>
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<tr>
<td>Development Institute for Women in Asia-Pacific (DIWA)</td>
<td>Manila</td>
<td>Women’s education</td>
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<td>Engenderhealth</td>
<td>Pasay City</td>
<td>Women’s health</td>
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<td>EnGenderRights</td>
<td>Quezon City</td>
<td>Women’s rights</td>
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<tr>
<td>Federation of Free Workers</td>
<td>Malate</td>
<td>Capacity building; women’s empowerment</td>
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<tr>
<td>Friendlycare Foundation, Inc.</td>
<td>Mandaluyong City</td>
<td>Family health services</td>
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<tr>
<td>GABRIELA National Alliance of Women’s Organizations in the Philippines</td>
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<td>Women’s rights</td>
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<td>Grassroots Women’s Empowerment Center, Inc.</td>
<td>Calloocan City</td>
<td>Women’s empowerment</td>
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<tr>
<td>ISIS International, Manila</td>
<td>Quezon City</td>
<td>Women’s rights, leadership, and empowerment</td>
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<tr>
<td>Kababaihan Laban Sa Karahasan (KALAKASAN) Foundation, Inc.</td>
<td>Manila</td>
<td>Domestic violence</td>
</tr>
<tr>
<td>Kabalikat Ng Pamilyang Pilipino, Inc. (KABALIKAT)</td>
<td>Quezon City</td>
<td>Family planning and reproductive health</td>
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<td>KALAKASAN Foundation, Inc. – Kababaihan laban sa Karahasan</td>
<td>Manila</td>
<td>Women’s rights</td>
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<tr>
<td>Kanlungan Center Foundation, Inc.</td>
<td>Quezon City</td>
<td>Women’s rights</td>
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</table>

(Continued on next page)
## Resources: Key Gender Stakeholders in Philippines (Continued)

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
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<tbody>
<tr>
<td>Let's Go Foundation</td>
<td>Makati City</td>
<td>Women's entrepreneurship</td>
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<tr>
<td>Center for Women's Health, Inc. (Linangan Ng Kababaihan, Inc. – LIKHAAN)</td>
<td>Quezon City</td>
<td>Women's health; family health and well-being</td>
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<tr>
<td>MAKALAYA</td>
<td>Quezon City</td>
<td>Women workers’ rights</td>
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<tr>
<td>Philippine Commission on Women – PCW (formerly National Commission on the Role of Filipino Women – NCRFW)</td>
<td>San Miguel, Manila</td>
<td>Women’s rights; women’s entrepreneurship; gender equality</td>
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<td>National Council of Women of the Philippines – NCWP</td>
<td>Manila</td>
<td>Women’s empowerment</td>
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<td>National Federation of Labour</td>
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<td>Labor rights; women’s rights</td>
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<td>PAKISAMA</td>
<td>Loyola Heights, Quezon City</td>
<td>Gender equity</td>
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<td>Panalawigan Komisyon para sa Kababaihan ng Bulakan</td>
<td>Malolos City</td>
<td>Women’s welfare</td>
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<td>Philippine Medical Women’s Association</td>
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<td>PILIPINA</td>
<td>Quezon City</td>
<td>Domestic violence against women</td>
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<td>Remedios Aids Foundation (RAF)</td>
<td>Manila</td>
<td>Women’s health</td>
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<td>Reproductive Health Rights and Ethics Center for Studies and Training (Reprocen) – Social Medicine Unit (SMU)</td>
<td>Manila</td>
<td>Women’s health</td>
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<td>Reproductive Rights Resource (3RG)</td>
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<td>Women’s health</td>
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<td>SALIGAN (Sentro ng Alternatibong Lingap Panlegal)</td>
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<td>Women’s rights; labor rights; access to legal remedies</td>
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<td>SARILAYA</td>
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<td>Women empowerment</td>
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<tr>
<td>Save the Children</td>
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<td>Children’s rights</td>
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<tr>
<td>Sentro ng Manggawang Pilipina</td>
<td>Quezon City</td>
<td>Empowerment of women and marginalized groups</td>
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<td>Third World Movement Against the Exploitation of Women (TWMAEW)</td>
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<td>Women’s rights; sexual exploitation</td>
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<td>Trade Union Congress of Philippines, Women Department</td>
<td>Quezon City</td>
<td>Women’s rights; labor rights</td>
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<td>Ugayan ng Kababaihan sa Pulitika (UKP)</td>
<td>Quezon City</td>
<td>Participation of women in politics and public policy</td>
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<td>UGSAD – Regional Gender Resource Center</td>
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<td>USAID PRISM</td>
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<td>Visayan Forum Foundation, Inc.</td>
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<td>University of Philippines Diliman, School of Labor and Industrial Relations</td>
<td>Diliman</td>
<td>Gender research; development of community cooperatives</td>
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<td>WCC Women and Globalization Program</td>
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<td>Women Health Philippine, Inc.</td>
<td>Quezon City</td>
<td>Women’s health</td>
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<td>Women in Development Foundation</td>
<td>Quezon City</td>
<td>Women’s empowerment</td>
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<td>Women’s Action Network for Development, Inc. – WAND</td>
<td>Quezon City</td>
<td>Women’s health and rights; capacity building</td>
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</table>
### Resources: Key Gender Stakeholders in Philippines (Continued)

<table>
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<tr>
<th>Organization</th>
<th>Location</th>
<th>Focus Area</th>
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<tbody>
<tr>
<td>Women's Crisis Center – WCC</td>
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<td>Education; women's rights; women's health</td>
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<tr>
<td>Women's Education Development. Productivity and Research Organization, Inc. – WEDPRO</td>
<td>Quezon City</td>
<td>Women's empowerment; capacity building; education</td>
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<tr>
<td>Women's Feature Service (WFS)</td>
<td>Parañaque City</td>
<td>Institutional mechanisms for the advancement of women; women's health and rights</td>
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<td>Women's Health Care Foundation</td>
<td>Quezon City</td>
<td>Women's health</td>
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<td>Women's Institute for Sustainable Economic Action</td>
<td>Dilima, QC</td>
<td>Women's rights; access to finance</td>
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<td>Women's Legal Bureau – WLB</td>
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<td>Access to legal remedies; violence against women</td>
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<td>Women's Legal Education, Advocacy, and Defense Foundation, Inc. (WOMEN LEAD)</td>
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<td>Women's rights; access to legal remedies</td>
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<td>Women's Media Circle Foundation</td>
<td>Sampaloc Manila</td>
<td>Women's rights; access to legal remedies</td>
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<tr>
<td>Women and Gender Institute of Mirriam College</td>
<td>Quezon City</td>
<td>Women's rights; women's health; women's labor migration</td>
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**Annex A: Interviewees**

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<tr>
<th>Global</th>
<th>Bangladesh</th>
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<tbody>
<tr>
<td>Carrefour</td>
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<td>Gap Inc.</td>
<td>Bangladesh Export Processing Zone Authority</td>
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<td>H&amp;M</td>
<td>(BEPZA)</td>
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<td>IFC</td>
<td>Bangladesh Institute for Development Studies</td>
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<td>International Labour Organization (ILO)</td>
<td>Bangladesh Federation of Women Entrepreneurs,</td>
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<td>Jabil</td>
<td>Women in Small Enterprise, others</td>
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<td>KappAhl</td>
<td>Bangladesh Women Chamber of Commerce and Industry</td>
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<td>Levi Strauss</td>
<td>BEPZA Chittagong Export Processing Zone</td>
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<td>Li &amp; Fung</td>
<td>(CEPZ)</td>
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<td>Lindex</td>
<td>BEPZA Dhaka Export Processing Zone (DEPZ)</td>
</tr>
<tr>
<td>Marks &amp; Spencer</td>
<td>BEPZA Counselors, Dhaka EPZ (IFC funded)</td>
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<tr>
<td>Nike</td>
<td>BEPZA Counselors, Chittagong EPZ (IFC funded)</td>
</tr>
<tr>
<td>Primark</td>
<td>Consultant, Clean Clothes Campaign and War on Want</td>
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<tr>
<td>Solidarity Center</td>
<td>Consultant, IFC (manages Counselors) and Senior Researcher at Bangladesh Institute for Development Studies</td>
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<tr>
<td>Tesco</td>
<td>Consultant, formerly with Sheva (social audits, workers’ rights, etc.)</td>
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<td>Timberland</td>
<td>CSR Health Solutions</td>
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<tr>
<td>UNIFEM</td>
<td>Engender Health</td>
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<td>Wal-Mart / ASDA</td>
<td>Hop Lun factory</td>
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<tr>
<td>World Bank</td>
<td>IFC</td>
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MAMATA
Marie Stopes International, Bangladesh
NUK
Pathfinder Bangladesh
Phulki
Smiling Suns Clinics
Women Entrepreneurs’ Association (WEA)
World Bank
Young One, Chittagong EPZ

China

All China Trade Union
Asia Foundation, The
Caiyun Apparel Factory
Center of Women & Social Development Studies
China Gender Advisory Group
China Labor Law Research Institute
China Training Institute
Da Li Sheng Knitting Ltd.
Gates Foundation
Guangdong CDC
Hansa Garment Ltd.
Hua Ou Group
Huaxia Huitai Consulting Company
Koniko Garment Ltd.
Marie Stopes International
Shanxi Association of Women Lawyers
Timeline Consultancy Company
United Nations Development Fund for Women
Wistron Technology Group
Women’s Studies Institute of China
World Health Organization (WHO)
Wuhan Economic Development Zone
Costa Rica
Camara de Comercio de Costa Rica (Costa Rica Chamber of Commerce)

Costa Rica Chamber of Exporters (CADEXCO)
Costa Rica Investment Promotion Agency (CINDE)
Coyol Free Zone
Electronics MNC
Electronics supplier
Financial Services MNC
Foreign Trade Corporation of Costa Rica (PROCOMER)
Genesis Group (Forum I and Forum II)
Medical Devices MNC
Ministry of Labor
National Institute for Women (INAMU)
Programa para el Desarrollo de la Mujer Empresaria
Rinfogam
Social Security (Caja de Seguridad Social)

Egypt

Association for Women’s Total Advancement and Development (AWTAD)
Ayoun Foundation
Center for Egyptian Women Legal Assistance (CEWLA)
Centre for Development Services / Near East Foundation
El Araby Group
Family Health International
GAFI, Nasr City Zone
GAFI, Port Said Zone
Garment factories (2)
General Authority for Investment (GAFI)
Goldman Sachs 10,000 Women Entrepreneurship and Leadership Center, American University in Cairo

IFC
Institute for International Education
<table>
<thead>
<tr>
<th>Country</th>
<th>Organization/Group</th>
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<tbody>
<tr>
<td><strong>El Salvador</strong></td>
<td>Internal Trade Development Authority (ITDA)</td>
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<td>IT Worx</td>
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<td>New Women Foundation (NWF)</td>
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<td><strong>Jordan</strong></td>
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<td>AECOM</td>
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<td>Al Hassan Industrial Estate</td>
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<td>Al-Tajamouat Investment Company</td>
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<td>Apparel Factories (3)</td>
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<td>Business and Professional Women Association (BPW-A)</td>
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<td>Development Zone Commission</td>
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<td>French Institute for the Near East</td>
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<td>General Trade Union of Workers in Textile, Garment, &amp; Clothing Industries (JTGCU)</td>
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<td>IFC</td>
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<td>ILO Better Work</td>
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<td>ILO Gender</td>
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<td>Jordan Forum for Business &amp; Professional Women (JFBPW)</td>
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<td>Jordan Industrial Estates Corporation (JIEC)</td>
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<td>Jordanian National Commission for Women (JNCW)</td>
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<td>Law Firm (now with Nabulsi &amp; Assoc)</td>
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<td>Ministry of Labor</td>
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<td>Ministry of Planning and International Cooperation</td>
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<td>National Center for Human Rights</td>
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<td>Satellite Factory</td>
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<td>Social Security Corporation</td>
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<td>USAID Jordan Economic Development Program – SABEQ (Deloitte Consultant)</td>
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<td><strong>Kenya</strong></td>
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<td>Africa Apparels Factory</td>
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<td>Family Health Options, Kenya</td>
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<td>Federation of Women Lawyers, Kenya (FIDA)</td>
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<td>Fireside Communications</td>
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<td>Global Business Coalition on HIV/AIDS</td>
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<td>Homegrown / Flamingo / Fenley’s</td>
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</tbody>
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**El Salvador**

American Industrial Park  
CAMTEX  
EMPREPA  
Export Salva  
Federation of Independent Associations and Unions of El Salvador (FEASIES)  
Fruit of the Loom  
George C. Moore  
Glasswing International  
Independent Monitoring Group of El Salvador (GMIES)  
Labor Ministry  
League  
Millennium Challenge Corporation (MCC)  
Ministry of Economy  
Mujeres Transformando  
National Coordinating Committee of Women in El Salvador (CONAMUS)  
National Development Foundation (FUNDE)  
National Investment Promotion Agency of El Salvador (PROESA)  
National Labor Committee  
Organization of Salvadoran Women for Peace (ORMUSA)  
Salvadoran Institute for Women's Development (ISDEMU)  
Valley MFG  
Women Entrepreneurs Committee, CAMTEX
IFC
JamiiBora Bank
KENWA (Kenya Network of Women with AIDS)
Kenya Export Processing Zone
Kenya HIV/AIDS Business Council
Kingfisher Farm
Ministry of Gender
Ministry of Labor
Office of the Prime Minister
One Child, One World
Swedish Workplace HIV/AIDS Programme
TechnoServe

**Philippines**

Cavite Economic Zone PEZA office
Center for Asia-Pacific Women in Politics
Department of Labor and Employment (DOLE):
  Bureau of Working Conditions
Department of Labor and Employment (DOLE):
  Bureau of Workers with Special Concerns
Employers Confederation of the Philippines
Federation of Free Workers
Fujitsu Die-Tech Corporation of the Philippines
Laguna Technopark
Let’s Go Foundation (Leading Entrepreneurs Toward Seizing Global Opportunities)
Likhaan, Center for Women’s Health Inc.
MNTEC Corporation
National Federation of Labour, The Philippines
Nidec Philippines Corporation
Philippine Advanced Processing Tech.
Philippine Commission on Women
Philippine Economic Zone Authority (PEZA)
Private Sector Mobilization for Family Health (PRISM)
Sentro ng Alternatibong Lingap Panligal (SA-LIGAN)
School of Labor and Industrial Relations
Trade Union Congress of the Philippines
University of Philippines Diliman
Women and Gender Institute of Miriam College
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Office of the World Bank-IFC Vice President for the Private Sector Development and Office of the Chief Economist, IFC
Tel: (202) 458-7777
Fax: (202) 522-3480
Email: rru@worldbank.org