



## THOSE DAYS AND NOWADAYS

Employment, Poverty Reduction and Empowerment in  
Sri Lankan Export Manufacturing Industries

Julika Erfurt

May 2005

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**Julika Erfurt** was an intern at the Centre for Poverty Analysis in the summers of 2001 and 2002, during which she conducted the fieldwork on Free Trade Zones (FTZs) and poverty reduction in Bandaragama, Hambantota and the Biyagama FTZ. The results of this study have been presented in Canada, Germany, the United States and the United Kingdom. After spending last year monitoring gender and conflict debates at the United Nations in New York, Ms. Erfurt is currently enrolled in a graduate degree at Oxford University. Her current research interests focus on the implementation of European Union gender policy at the national and local level.

The **Centre for Poverty Analysis (CEPA)** was established in 2001 as an independent institute providing professional services on poverty related development issues. CEPA provides services in the areas of applied research, advisory services, training and dialogue and exchange to development organisations and professionals. These services are concentrated within the core programme areas that currently include: Poverty Impact Monitoring, Poverty and Conflict, and Poverty Assessment & Knowledge Management. This study was a product of the Poverty and Enterprise and Development Programme which ran from 2001 to 2003.

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## Abbreviations

BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)
BOI	Board of Investment, Sri Lanka
CEPA	Centre for Poverty Analysis
DCS	Department of Census and Statistics, Sri Lanka
FTZ	Free Trade Zone
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
HH	Household
MNC	Multinational Corporation
MO	Machine Operator
OT	Overtime
PIMU	Poverty Impact Monitoring Unit
QC	Quality Control
Rs.	Rupees
SL	Sri Lanka
SV	Supervisor
USD	United States Dollar

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# 1. Introduction

The restructuring of global production has profoundly affected the working lives of women. Since the 1950s, capital and production have become internationalised and multinational corporations (MNCs) have transferred production 'from the centre to the periphery', that is from the developed to the developing world. International conglomerates have subdivided the labour process and taken advantage of the cheap labour and material costs, declining transportation costs, and changing tax codes offered by developing countries. Today, most of the world's textiles, electronics, and household items are produced in factories in South and East Asia, Latin America, or Eastern Europe. A workforce that is composed predominantly of young, semi-educated women manufactures these products.

This study was carried out in the Biyagama Free Trade Zone (FTZ), and non-FTZ factories around Bandaragama and Hambantota in Sri Lanka. The data were collected from June to August in 2001 and 2002. The aim of the study was to examine the relationship between employment and poverty in FTZ and non-FTZ factories. A particular aim was to investigate the interrelationship between employment, poverty reduction, and empowerment and to determine the impact of employment on poverty.

## *Biyagama FTZ*

Biyagama Free Trade Zone is 24 km northeast of Colombo and covers an area of 180 hectares. 66 factories employ about 35,400 workers. Most of them are female and Sinhalese. According to the Board of Investment (BOI), the factories produce garments, surgical gloves and rubber goods. Most of the workers in these factories come from rural areas and stay in privately run boarding houses near the Zone. The workforce consists of women who leave their homes during the day for work in the factory, and of women who leave their families entirely for extended periods.

## *Bandaragama*

Bandaragama is a small town in the peri-urban area about 40 km southeast of Colombo. There are more than a dozen factories near Bandaragama town. Some are Sri Lankan-owned, some part of multinational corporations (MNCs). As stated by sources of the Divisional Secretariat of Bandaragama, most of them specialise in producing garments for export. The factories are known for providing employment and a secure source of income, particularly for local female workers. Whereas Biyagama FTZ workers tend to board away from home, the workers in the Bandaragama area remain at home and commute daily to the factory.

## *Hambantota*

Hambantota is in the extreme south of the island. The district is one of the poorest areas of Sri Lanka. It has between 40 and 50 factories of different sizes. Plants in Hambantota town, Lunugamwehera and Tissamaharama were studied for this paper. The factories are either directly in the town or in the surrounding areas. The Hambantota area is mainly agricultural. Because of frequent droughts, most people suffer severe economic constraints. Unlike in Biyagama and Bandaragama, the workforce is composed of Malay as well as Sinhalese

workers. Like in Biyagama and Bandaragama, the workers are mostly unmarried women. While most Sinhalese are Buddhist, the Malays belong to the Muslim minority of Sri Lanka. As in Bandaragama, in Hambantota workers continue to live at home.

The Biyagama workers are employed in factories in a FTZ; the respondents from Bandaragama and Hambantota work in non-FTZ factories. To make the sample representative, workers in all three areas were chosen from multinational as well as local factories, all of which vary in size, type of product output and working conditions.

## 1.1 Objectives

This paper reports on a study of factory workers in three areas: Bandaragama, Biyagama and Hambantota. The objectives of the study were as follows:

- To investigate factory workers' perceptions of their socio-economic standing and to examine how factory employment affects those perceptions.
- To explore how factory wage-labour affects income-based poverty.
- To examine how empowerment through employment has enabled gender perceptions to be challenged and affected women's roles in the family and in the workplace.

## 1.2 Literature on factory workers

Most of the literature on export manufacturing in Sri Lanka concentrates on issues like the creation or re-negotiation of workers' identities, or on how the physical aspects of factory work affect workers. What has not been addressed in much detail is the issue of poverty reduction.

Hewamanne and Bow (1999) examine the relationship between neo-traditional values and the capitalist work culture in Sri Lanka. They argue that female garment workers have developed a proletarian consciousness, which shapes the attitudes of individual workers as well as of groups of employees. By assessing the impact of factory work on workers' identity formation, Lynch (1999) contends that when they go to work in rural factories, female factory workers try to create a positive image for women who work in the garment industry. This positive image is in contrast to the image of urban women workers, the *juki* girls of the FTZs.<sup>1</sup> Examining gender roles and relations among working women and men in Sri Lanka, Jayaweera (2001) argues in an extensive study that normative behavioural role expectations have constrained women's participation in economic and community activities. She shows, through an analysis of how macro and micro reforms have affected women's employment, that, although the situation of women is improving, they are still in positions of dependency, earn inferior qualifications, and receive fewer benefits.

Samarasinghe and Ismail (2000) examine the psychological impact of employment and living conditions of workers in Sri Lankan FTZs and in industrial parks outside FTZs. They argue that female workers in the FTZs experience higher levels of somatic and depressive symptoms than workers in industrial parks. They cite work pressure, lack of autonomy, role ambiguity,

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<sup>1</sup> 'Juki girl' is a pejorative term used to refer to female rural workers employed in urban factories.

and living apart from the family as causes. Rosa (1989) examines strategies of organisation and resistance at the island's largest and oldest FTZ, Katunayake. She asserts that even though harsh working and living conditions have not inspired traditional forms of solidarity like the formation of trade unions, female workers have developed new forms of labour force mobilisation. These consist of personal and spontaneous modes of organisation through independently run support centres, and the publication of newspapers.

### 1.3 Organisation of this report

This report has three main sections:

- The **first** section analyses workers' perceptions of poverty and income, and shows that workers' perceptions do not necessarily correspond to their actual socio-economic standing; perceptions are conditioned by different factors. The Biyagama workers have a family-based perception of income and poverty; the income and poverty perceptions of Bandaragama workers are closely related to personal expectations; in Hambantota the workers' perceptions are related to the family's lack of access to land.
- The **second** section examines how employment affects the socio-economic situation of the workers and assesses how much it reduces poverty. This section will present both a qualitative and quantitative assessment of the relationship between employment and poverty reduction. From what the workers say, one might conclude that there was only a weak link between employment and poverty reduction. The quantitative results do not support this. The greatest reduction of *absolute* poverty is shown in the quantitative evidence from Bandaragama. The greatest reduction in *depth* of poverty is seen in Biyagama.<sup>2</sup> Employment has a significant effect on the socio-economic standing of the workers and their families in all the studied areas.
- The **third** section looks at the social and economic empowerment of the workers as well as considering empowerment in terms of marriage and future aspirations. The data show that the experience of living outside the security and supervision of the parental household has a positive effect on female FTZ workers. This is especially relevant to the development of group consciousness, gender autonomy, financial independence, and future aspirations among working women. Workers from the Bandaragama conurbation frequently express advanced views. It is likely that this is because the town is close to Colombo rather than because of their jobs.

The study aims to contribute to the current discussion about the nature, impact, and consequences of women and men's employment in export manufacturing factories. The private sector claims to alleviate poverty by providing jobs. Those advocating workers' rights claim that wages are too low. Impartial assessments of whether wages received by workers help to overcome poverty are rare. This paper attempts such an assessment.

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<sup>2</sup> The reduction of absolute poverty refers to the number of cases that raised their income above the poverty line, while the reduction in depth of poverty refers to the overall increase in household income, regardless of whether such income is above the poverty line.

## 1.4 Profiles of workers

A household may be defined as a ‘domestic establishment including members of the family and others living under the same roof’. For the purpose of this study, the definition will include people that do not live permanently in the household, yet contribute regularly to the household income. All 63 workers interviewed for the study clearly indicated that they considered themselves part of the household. The term ‘household member’ will be used for:

- The person living permanently in the household and sharing the cooking-space
- A person living outside the household, who regularly and significantly contributes to the household income

90% of the interviewees (57 of 63) are women. This reflects the average gender-ratio in factories inside and outside of FTZs. On average, women constitute at least 80% of the workforce. Men’s jobs are generally better paid (Hewamanne and Bow, 1999; Rosa, 1987).

**Table 1.1 Gender profile of the sample**

Biyagama		Bandaragama		Hambantota	
Female	Male	Female	Male	Female	Male
21	1	17	2	19	3

**Table 1.2 Ethnic and religious profile of the sample**

Area	Sinhalese Buddhist	Malay Muslim	Other
Biyagama FTZ	22	0	0
Bandaragama Area	19	0	0
Hambantota Area	15	7	0
Total in %	89	11	0

The majority of respondents (89%) were of Sinhalese Buddhist origin, the remainder Malay Muslim. Sinhalese were found in all three areas of the study; Malay Muslims were found exclusively in the Hambantota sample. Even though Sri Lanka is a multi-ethnic and multi-religious country, a broader cross-section of workers could not be identified and interviewed at the three locations. There were no Tamil interviewees.

A possible explanation is that Sri Lankan Muslim women searching for paid work outside their mostly rural places of origin are more likely to go to the Middle East. Work in the Middle East pays more, and religious and cultural circumstances make it relatively easy for the women to adapt. Christian women tend to choose clerical work. Tamil women tend to work in agriculture or plantations or in the home-production of goods. Most factory workers inside and outside of the FTZ are Sinhalese women. The study sample reflects this.

Bandaragama had the highest proportion (42%) of registered and married workers. Hambantota had 18%. The FTZ had only two registered workers.<sup>3</sup> Because of a high level of education, Sinhalese women tend to marry in their late twenties. Women factory workers usually give up work when they get married. However, giving up work upon marriage depends on whether or not the woman has left home to work in the factory. Women in the FTZ are more likely to give up work when they marry. Women in Bandaragama and Hambantota often carry on working after marriage. The sample shows this by the range of ages covered and by the average length of employment.

In the FTZ, there is a high proportion (59%) of workers under 25 years of age; 41% are aged between 26 and 31. The only two registered women in the sample are older than 25. All other workers are single. In Bandaragama, the workers are generally older: 74% are in the age group 18-29, yet the remaining 26% are aged between 30 and 41. Hambantota has the youngest workers; the average age is 22.5 years. 73% are under 25. Whatever the official line, under-age workers are employed in factories. While the study was being conducted, one woman was below the age of eighteen, and at least five others were under-age when they joined the workforce.

**Table 1.3 Marital status profile of the sample**

Marital Status	Single	Registered	Married
Biyagama FTZ	20	2	0
Bandaragama Area	11	1	7
Hambantota Area	18	0	4
Total in %	78	5	17

**Table 1.4 Age profile of the sample**

Area	< 18	18-24	25-29	30-34	35-39	40-44	Average
Biyagama FTZ		13	7	2			24.4
Bandaragama Area		9	5	2	2	1	26.4
Hambantota Area	1	15	5			1	22.5

**Table 1.5 Employment profile of the sample**

Area	Average time employed (in years)
Biyagama FTZ	4
Bandaragama Area	4.6 (4 years 7 months)
Hambantota Area	1.75 (1 year 9 months)

Source: Field-data, 2001 and 2002

<sup>3</sup> 'Registration' is similar to an engagement, except that it is legally binding. The couple is legally bound, but the consummation of marriage, the sharing of goods, and usually the living together only takes place once the marriage ceremony has been completed.

The workers in Biyagama live close to the factory; other workers in the sample have to travel great distances to work. The workers in Hambantota spend, on average, twenty minutes, and those in Bandaragama, on average, thirty-five minutes to travel to or from the factory. Generally, the Bandaragama factories provide a free bus service; the workers in the Hambantota / Tissamaharama / Lunugamwehera areas generally have to find and pay for their own transport. Only one factory in the Hambantota area offers a bus service, yet it is not free of charge.

The study sample reflected an average of 4.8 members per household in Biyagama, 4.7 in Bandaragama, and 5.7 in Hambantota. Biyagama and Bandarawela correspond to the national and district average of members per household (Department of Census and Statistics, 2001). Hambantota has a higher average number of people per household than the national and district average; this could be because most of the respondents come from poor families, which tend to have more children.

In Biyagama, 2.2 persons per household earn a stable and regular income; in Bandaragama and Hambantota, it is 2.4 persons per household. Bandaragama is in the Western Province, which has higher employment; in Hambantota, there is a higher number of earners because there is a higher number of household members.

## **1.5 Background to the working and living conditions of female factory workers**

More than 30 years ago, Boserup (1970) argued that women, especially working women, are crucial to economic development. Numerous studies make it clear that even though women are increasingly moving into the public, industrialised sphere of production, they do so under different conditions and for less money than men. Over the last 25 years, there has been a significant debate over whether women's work is undervalued because their status is seen as inferior, or whether some tasks are seen as inferior and allocated to lower status workers such as women (Beneria, 2002). Whatever the reason, the result is the undervaluing of women and their work. Factory workers' conditions vary in different countries; a study of conditions in Sri Lanka might throw up instructive comparisons with other countries.

### **1.5.1 Wages**

In the manufacturing sector, women generally earn less than men. Employers find it in their interest to discriminate on grounds of age and gender. The world over, young women are employed because they are considered docile, hard working and 'nimble-fingered' (Jayaweera, 2001:17; Elson and Pearson, 2002:193). They get less training than their male counterparts and do not accrue the same levels of experience and seniority. Marriage or child rearing shortens the working life of women factory workers (Elson and Pearson, 2002:192).

Lim argues that women factory workers are not poorly paid in comparison to women in other low-skilled female occupations. She shows that wages in multinational factories are on average higher than incomes earned in agriculture, or in the service and informal sector (Lim, 1983:48). According to her research in Asia, factories owned by multinational companies often pay workers two to four times more than local factories. Multinational companies operating factories outside of FTZs usually pay better wages, offer shorter working hours and better working conditions than

traditional housework, unpaid family labour or home-based work (*Ibid.*). In poorer countries, women factory workers may be the sole breadwinners in families, or frequently earn more than their male counterparts. The findings of this study corroborate Lim's findings.

In Sri Lanka, the Wage Board of the Board of Investment determines wages of local or multinational factories. Wages are calculated based on a minimum rate according to the items being produced. Jobs are categorised into 'skilled', 'semi-skilled', 'unskilled' and 'trainee' levels (Rosa, 1989:9). Most of the workers in the sample were semi-skilled workers, such as machine operators, checkers or ironing operators. It is generally easier for men to qualify for skilled jobs; the percentage of men who were section supervisors or final checkers is disproportionate to their total number in garment factories. Most women work overtime during the week and at weekends because their basic wage does not cover their expenses and financial responsibilities. Workers in Bandaragama and the Biyagama FTZ receive wages far above minimum wage, but still work overtime. Some overtime is mandatory. Some workers' wages in Hambantota barely meet minimum wage criteria. In general, though, employment noticeably increases the standard of living of the worker's family.

### 1.5.2 Working conditions

Legislation spells out the number of hours constituting a normal working day (Monday-Saturday), *inclusive* of one hour for a meal or rest, as:

- (a) On a day other than Saturday – 9 hours
- (b) On a Saturday – 6.5 hours

Overtime is based on a rate reached by dividing the monthly hourly rate by 200 and increasing it by 50%.<sup>4</sup> The Wage Board also lays down working conditions, including pay for working on Sundays (Jayaweera, 2001:23). Only a small number in the sample worked at night. Most interviewees worked about ten hours a day: eight hours normal working time and two hours of *mandatory* overtime.

The literature on factory employment gives examples of poor physical working conditions, such as restricted space and lighting, high levels of noise and dust (Ong, 1987; Elson and Pearson, 2002; Fernandez-Kelly, 2002). A thorough study by the local organisation 'Voice of Women' shows that most Sri Lankan workers are satisfied with the physical conditions of the factories, but do have complaints about occupational health hazards (*Voice of Women*, 1983:39). Many workers suffer from pains in their legs, back and shoulders, as well as varicose veins because they are standing for long periods. They also suffer needle pricks and have respiratory problems from inhaling dust (Jayaweera, 2001:46).

Women are subject to verbal and, at times, sexual harassment inside and outside the factory (*Voice of Women*, 1983:26). The supervisors or other superiors are usually the perpetrators of verbal harassment; this is mainly because of the pressure to meet quotas and achieve immaculate product quality of product. Workers are subject to sexual harassment primarily outside of the factory on their way home and in boarding houses. Women working in the FTZ are commonly

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<sup>4</sup> That is: (Monthly hourly rate x 50%)/200



perceived to be 'loose' women and innumerable stories emphasise this image. Female workers are vulnerable to sexual exploitation because of their dependence on the job. The remoteness of some factories and the irregularity of their working hours make them vulnerable. All the women said 'no' when asked if they had been sexually assaulted or knew of anyone else who had been. Yet all of them take precautions: they walk home in groups or have collective drivers whom they know and trust.

### 1.5.3 Living conditions

Over the last twenty years, thousands of workers have moved from their homes in rural areas into lodgings in the Zones. A large number of boarding houses have been established to meet the need. These are privately owned and vary in quality, cleanliness and price.

Rosa describes the houses as 'inadequate and often appalling'; rooms are often shared by six to eight women, who occupy the space of a mat and the floor-space required to place a suitcase at its foot (Rosa, 1994:81-82). Jayaweera's recent study describes the accommodation around the FTZs as better: usually four to six women share a relatively low-priced room, and the workers are said to express satisfaction (Jayaweera, 2001:49-50). During the fieldwork in Biyagama, the same was found. Except in one instance, the houses were clean, new and shared by two to six people. Facilities were basic; most rooms only had one source of light, the door. Some women had to cook in their rooms. Most women were satisfied with their housing but this was probably because of the company of the other women not because they liked the accommodation.

Workers live in boarding houses only in Biyagama FTZ. Workers in Hambantota and Bandaragama live at home and commute to work. Their housing conditions vary, depending on the area.

## 2. Perceptions of Poverty and Income

Poverty lines measure poverty in terms of consumption. Assessing the cost of a basic food-basket and adding the average non-food consumption gives the poverty line. There are different official poverty lines in Sri Lanka. The Department of Census and Statistics (DCS) defines the poverty line at Rs.950<sup>5</sup> per person per month; the Central Bank figure is Rs.1,032 per person per month.<sup>6</sup> A person receiving more than that is considered capable of satisfying basic physical living needs.

People's perception of their own socio-economic standing does not always fit in with the official guidelines. Human perceptions are based on complex interrelationships between individuals, communities and their environment. An examination of how employment affects someone's socio-economic standing must take into account the individual's assessment of her or his situation in the past and the present as well as comparing figures.

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<sup>5</sup> According to the poverty line introduced in 2004, for the year 2002 the official poverty line was Rs.1,423.

<sup>6</sup> These figures represent the two higher poverty lines of the Department of Census and Statistics (DCS) and the Central Bank.

In all three areas, the average income, including overtime pay, was well above the DCS' poverty line of Rs.950 per person per month. Most people got a job for economic reasons. 57% saw themselves as middle income after starting work. This indicates that individual perception of socio-economic standing is strongly affected by employment in the factory. Nevertheless, 41% of the overall sample still saw themselves as poor.

## 2.1 Biyagama FTZ

In the FTZ, because individual poverty perceptions are strongly influenced by the family's perception of income and poverty, they are difficult to change. A worker's average income including overtime consists of about Rs.5,275 per month.<sup>7</sup> From this she has to cover her own living expenses, additional spending, savings, and contribute to the family finances. Although the wage is well above the poverty line and enough to cover the worker's expenses, only half of the sample perceives itself as middle-income. The remaining 50% see themselves as poor (see Table 2.1). There is no significant difference between the wages of the two groups. The workers who think of themselves as low income earn Rs.5,070; those who see themselves as middle income earn Rs.5,385.

This only makes sense if we look at it in the context of the workers' lives. The Biyagama workers have a family-based, rather than an individual-based, perception of income and poverty. Although the workers earn enough to be self-sufficient, they perceive themselves as part of the family. The socio-economic standing of the families does not usually change as much as that of the worker. The workers' perception continues to be influenced by the status of

**Table 2.1 Perceptions of poverty and income**

Area	Average Income in Rs./month (all workers)	% Low income (perception of workers)	% Middle income (perception of Workers)	% High Income (perception of workers)
Biyagama FTZ	5,275	50	50	0
Bandaragama Area	5,387	42	53	5
Hambantota Area	3,465	32	68	0

**Table 2.2 Actual income of 'perception groups'<sup>8</sup>**

Area	Average income (Rs./month)	Average income of 'low-income' perception group	Average income of 'middle-income' perception group	Average income of 'high-income' perception group
Biyagama FTZ	5,275	5,070	5,385	0
Bandaragama Area	5,387	6,017	4,955	5,500
Hambantota Area	3,465	3,025	3,670	0

Source: Field-data, 2001 and 2002

<sup>7</sup> The majority of workers in the sample works overtime (OT). In some cases, workers depend on the additional income, while others do it out of personal choice. However, the number of people obliged to work OT exceeds those who are not.

<sup>8</sup> The groups refer to the workers' perception of their socio-economic standing, not the socio-economic standing itself. This differentiation is important in order to show that poverty perceptions often do not correspond to official poverty lines.

the family; if the family is of low socio-economic standing, the worker, whatever her income, might continue to think of herself as poor. As long as the workers' families remain poor, the workers will perceive themselves as poor.

## **2.2 Bandaragama**

In Bandaragama, perceptions of income and poverty are linked to the workers' individual expectations. Bandaragama and Biyagama workers receive similar wages. They perceive poverty differently. In Bandaragama, 42% perceive themselves as low-income; 52% see themselves as middle and 5% see themselves as high income. The workers who perceive themselves as low-income earn on average Rs.6,017 per month;<sup>9</sup> those who perceive themselves as middle-income only earn about Rs.4,955 per month. Those perceiving themselves as high-income earn about Rs.5,500 per month (see figures above). Workers who perceive themselves as low-income earn considerably more than the ones who perceive themselves as middle and high-income. No cause-and-effect relationship could be identified from a consideration of factors such as the number of household members, the number of income earners, caste, land ownership or the nature of the respondent's or other relatives' work.

When asked what they consider to be an income necessary to overcome poverty, workers who consider themselves low-income say Rs.2,900; the middle-income workers say Rs.2,275.<sup>10</sup> Those who see themselves as low-income, despite their actual higher wages, appear to anticipate and require more money to satisfy their needs. Because their income does not live up to this expectation, they consider themselves low-income. When asked what they consider a necessary wage to overcome poverty, around 80% gave a figure based on their families' needs, rather than on their personal needs. Workers are strongly influenced by the family's collective income and poverty perceptions as well as by their own expectations.

## **2.3 Hambantota**

In Hambantota, workers' income and poverty perceptions are conditioned by access to, or ownership of, land. Workers in Hambantota earn significantly less than workers in the Western Province (Rs.3,465 per month). Yet curiously, Hambantota has the highest proportion of interviewees who perceive themselves as middle-income: 68% see themselves as average, while only 32% perceive themselves as poor (see Tables above).

Most respondents in Hambantota have access to, or own, land. These are the people who perceive themselves as middle-income. Even though Hambantota is one of the driest areas in the country and often subject to prolonged droughts, a large number of families in the sample have a regular supply of food from land they own or rent. The cultivation of land provides food security for the families (either for the entire year or for a number of months), yet it usually does not allow for the purchase of basic goods or luxury items. Wage earning employment provides an income for the household, which even though not substantial is stable. Employment satisfies families' non-food related needs, and at times even allows them to buy luxury items. It offers greater economic stability and allows workers to feel not poor, but average.

In conclusion, employment in the FTZ has affected individual perceptions and challenged family-orientated perceptions. Asked what wage would lift them out of poverty, 40% of the workers gave a figure based on their own personal needs, unlike in Bandaragama and Hambantota, where it was 20%. Individual respondents chose, without prompting, to exclude

their families. This analysis cannot prove that employment in the FTZ induces a transformation of what constitutes poverty and of the general perception of poverty by the workers.

### 3. Industrial Employment and Poverty Reduction

The difficult working and living conditions of Sri Lankan factory workers have been extensively documented and debated in the literature (Rosa, 1987; Jayaweera 2000, 2001; Samarasinghe and Ismail, 2000). There has been less work on the economic effects of employment on workers and their households and on whether employment might lead to poverty reduction. This is a vital issue because the predominantly female workforce mostly enters the Zone for economic purposes. Women who leave the family home to work maintain a strong link to their families by sending money and goods. The worker does not spend her income just on her individual disposal, but distributes it among a larger group of people; this increases the general household income of the worker's family. Does employment in factories affect the poverty of not only the worker, but also of her immediate family?

Definitions of poverty are highly controversial. Some authors focus on income-based concepts of poverty, which are based on the notion of physiological deprivation; these define as poor that part of the population that falls below a predetermined poverty line. Poverty alleviation strategies based on this approach concentrate on increasing the income and consumption of the poor (Lok Dessallien, 1996). Others argue that other aspects of poverty, such as access to opportunities and choice, need to be taken into account. Supporters of this second approach argue that poverty is not merely a question of insufficient income or lack of other resources, but is rather the deprivation of basic necessities, such as education, health, proper living conditions, access to infrastructure, credit and land (Sen, 2000).

The following section looks at social deprivation, such as limited access to education and proper housing, as well as income deprivation. **First**, the workers' assessment of the effect of employment on their socio-economic standing will be examined. **Second**, real and hypothetical situations are analysed to outline the impact of employment on income poverty reduction.

#### 3.1 Workers' perception of poverty reduction

Most respondents felt that employment led to an improvement of their socio-economic standing. Many said that employment does not lead to a significant increase in their income. Workers' feelings about how employment affects poverty are vague and not necessarily positive.

85% of the respondents stated that life for them and their families had changed for the better since they started work. 95% in Bandaragama and 91% in Biyagama felt this way. In Hambantota, 53% felt life had improved; 39% felt it had stayed about the same. 9% perceived it as both better and worse.

There are many reasons for these positive changes: the improvement of living conditions, the worker's financial contribution, and income stability. The workers generally perceive the present situation as a material improvement on the past.

*It is better now, because my husband does not get paid regularly and I am the sole stable breadwinner in the family. In case he earns, there is some left of my wage; otherwise all goes towards our household expenses. (Geethanjali, Bandaragama)*

*Life for my family has changed for the better. I am earning and therefore don't depend on the family. Also, I can contribute to the family. (Anisha, Biyagama)*

*There is ease in terms of money, because we can buy things now. My grandmother and I used to do wage-labour. With the employment in the factory now, it is a bit easier and we can buy what we need. (Kusumawathi, Lunugamwehera)*

All of them welcome the general improvement in living conditions. The workers in Biyagama ascribe it specifically to the fact that employment decreases the number of dependent family members (the worker is financially independent and lives outside of the household). The Bandaragama workers point to savings and stable incomes, while the respondents in Hambantota stress that their employment helps to satisfy basic economic household needs. One of the more interesting justifications for economic improvement is that the workers are not 'a burden to the family' anymore.<sup>11</sup> All of these answers come from female workers that left the household to work in the FTZ.

*The situation is better, because I am not a burden anymore. They do for themselves. (Lakshmi, Biyagama)*

*It has improved a bit, because I spend for my own expenditures and I am not a burden to the family anymore. (Padma, Biyagama)*

Almost a quarter of the FTZ workers mentions this. More than half of them are sole wage earners, thus their families depend on them. Nearly all of them perceive themselves as middle-income; the assumption that poor women are more likely to perceive themselves as burdens thus does not hold true. Rather, it represents a clash between traditional gender perceptions and today's reality: in the past, women needed to be married off and given a dowry; now they work in the Middle East or FTZs, become self-sufficient and, at times, the sole breadwinner in their families. It is ironic therefore that many FTZ workers identify not being 'a burden to the family' anymore as a trigger for economic improvement in their families.

70% acknowledged that household income had increased since the worker got a job. Most workers view the increase in income as insignificant. 95% of the workers in the FTZ felt this, as did 78% in Hambantota and 76% in Bandaragama.

*Yes, it has improved, but it is only a little more from what it used to be before.  
(Kumudhini, Biyagama)*

Various explanations are given. In Bandaragama and Hambantota, it is related to the fact that parents still provide for most household expenses and, at times, even financially support the worker. Further, the wage is said to be too small to allow for a considerable contribution to the family. Hence, the contribution has a limited impact.

*The household income has increased, but not much. It has increased mainly due to my brother's income, not because of mine. The factory wage is small and without overtime my personal budget is so tight that I can barely give anything. (Champika, Bandaragama)*

In the FTZ, workers cannot contribute as much as the family needs. Whatever is sent is spent immediately on daily expenses, and very little can be saved. Other reasons given are that the worker contributes very little or not at all to the family income.

*No, there is no change, because I don't send money. (Darshini, Biyagama)*

*There is no real change. We can't save, because everything is spent immediately. (Kamini, Biyagama)*

In Bandaragama 18 out of 19 workers mentioned increased household income, whereas in Biyagama it was 12 out of 22. The workers argue that this is because the FTZ workers cannot send enough money to their families. The families of the Bandaragama workers live in the part of the country that is economically well developed; the FTZ workers come primarily from rural and poor families. It is more difficult for them to send enough money to cover the family's needs.

The workers give three main reasons for the lack of significant economic improvement:

- The parents continue to cover household expenses so the worker's employment does not increase the family's income;
- The worker is the sole breadwinner in the family so the contribution is insufficient;
- The worker's contribution is inadequate – even though she herself can be economically self-sufficient, her contribution will not improve the family's economic circumstances.

Most workers perceive a change in their income level; many feel their employment does not translate into a significant income increase. Whichever area they come from, they perceive the relationship between their factory employment and poverty reduction as still insignificant.

### **3.2 Poverty reduction and depth of poverty**

This study will use the DCS poverty line of Rs.950 per month per person, because it represents approximately the midpoint between the different poverty lines. Absolute poverty is linked to the poverty lines and refers to 'subsistence below minimum and socially acceptable living conditions' (Lok Dessallien, 1996). It is measured in reference to 'the absolute needs of the

human being for its survival as a human being' (Nanayakkara, 2001). If a person has an income below the DCS poverty line, she or he lives in absolute poverty.

The term 'depth of poverty' refers to the size of the gap between the current income of a person and the official poverty lines. The lower the income of a person, the greater the depth of poverty.

First, the impact of employment on income poverty will be examined by focusing on reduction of absolute poverty by analysing the household income with and without the worker's wage. It will then be analysed according to how many families in the sample manage to rise above the poverty line when the worker's wage is taken into account. Next, reduction in depth of poverty will be addressed. Exploring the depth of poverty will facilitate the analysis of subtle regional differences and provide a more complete picture of the workers' situations.

Three income situations illustrate how the worker's employment affects the income of the worker's family (see Annexes II.I-III for the families' economic background in all three samples):

### **3.2.1 Without worker contribution**

By looking at the income of the family *without* the worker's wage, we can understand where the family started before the respondent got a job (F1). This figure is calculated by adding the income of all permanent members of the household, Samurdhi,<sup>12</sup> and the contribution of other family members that live outside the household. That figure is divided by the number of people living *permanently* in the household, including the worker.

### **3.2.2 With entire worker salary**

The income of the family *with the entire* wage of the worker: this indicates what the family income would be if the worker contributed her entire wage to the family (F2).

This figure is calculated by adding the worker's wage (including overtime), Samurdhi, the income of household members and the contribution of members outside the household. This number is divided, as in (F1), by the number of permanent household members, including the worker.

### **3.2.3 With worker contribution**

The family's income, with the worker's contribution after she started work in the factory is assessed in (F3). Most workers do not contribute their entire wage to the household, thus this figure reflects the actual family income, as the respondent starts working and contributing.

This figure is calculated by adding the worker's contribution to the rest of the household income (see (F1)). In the FTZ, the sum is divided by the number of permanent household members, minus the worker. This calculation is necessary because the contribution is sent after

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<sup>12</sup> Samurdhi is the national plan for poverty reduction. Every family with an income under Rs.1,000 per month, that is about 54% of the population, is eligible to the relief programme. As of August 2000, the financial support varies from Rs.125 to 1000, according to the number of family members (Samurdhi Authority of Sri Lanka, November 2000). At the time of the Bandaragama and Hambantota interviews, no Samurdhi was paid due to a re-evaluation of the system.

the individual expenses of the worker are met. In Bandaragama and Hambantota, it is divided by the number of household members, including the worker, because the worker remains at home.

### 3.3 Income poverty reduction

FTZ and non-FTZ garment factories are often seen as exploitative, with poor labour standards, bad working conditions and low wages. This study shows them in a somewhat different light in relation to income-based poverty. Although the respondents work under strenuous conditions, the results concerning the rise of household incomes are surprising.<sup>13</sup>

In spite of workers' perceptions as discussed earlier, household income increases significantly after the worker starts work. While the overall disposable income per person, without the worker's income (F1) amounts to about Rs.954 per month per person, the figure rises to about Rs.1,550 after she started working in the factory (F3). This figure is considerably above the poverty line of Rs.950 per month per person.

**Table 3.1 Impact of employment on household income<sup>14</sup>**

	<b>F1 Total/person without wage of worker (in Rs./month)</b>	<b>F2 (hypothetical) Total/person including entire wage of worker (in Rs./month)</b>	<b>F3 Actual contribution of the worker to the fam- ily plus additional HH</b>
Biyagama FTZ	660	1,999	1,420
Bandaragama Area	1,196	2,565	1,997
Hambantota Area	1,005	1,592	1,230

*Source:* Field-data, 2001 and 2002

#### 3.3.1 Biyagama FTZ

The FTZ workers and their families come from the weakest economic background. Before the respondent starts working (F1), the disposable income per household member lies well below the poverty line at Rs.660 per month per person. The family income rises significantly in the hypothetical situation of F2. By adding the entire wage of the worker to the household income, the average family income increases to Rs.1,999. The employment of the worker in the FTZ translates into a tripling of the disposable family income. Finally, (F3) represents the actual figure of the family income, which amounts to about Rs.1,420. The number is based on the overall family income, including the contribution of the worker to the family. The amount decreases considerably in comparison to the situations in (F2), yet is still significantly higher than before the workers' employment in the FTZ (F1).

<sup>13</sup> For the rest of the discussion, income figures cited will always refer to the income per person per month, if not otherwise mentioned. The income in general though is calculated including the whole family, divided by the number of household members, due to the economic interdependence of household members in Sri Lankan families.

<sup>14</sup> For complete list of results in Biyagama FTZ (F1-F3), see Annex II.I.



The figures indicate that the worker's employment in the factory has, in most cases, a significant impact on the income of the family. Comparing the first (F1) and the final situation (F3), a considerable stable source of income is bestowed on the household. In most cases, the average family income more than doubles.

### **3.3.2 Bandaragama**

Bandaragama, which is economically the most stable area in the sample, starts out with the highest disposable household income before the worker's employment with Rs.1,196 per month per person in (F1). The income rises significantly in the hypothetical situation of (F2), which includes the worker's entire wage. The income increases to about Rs.2,565, which more than doubles the family's initial income. The actual income, including the worker's contribution, is Rs.1,997 (F3). The amount decreases considerably in comparison to (F2), yet is still significantly higher than before the worker's employment.

The increase in the Bandaragama case is not as large as in Biyagama, yet the income with the worker's contribution is still more than 1.5 times greater than before the worker got a job. Here, as in the FTZ, the worker's contribution appears to be a reliable and substantial source of income to the workers' families. In addition, it increases the socio-economic standing of the majority of families in the Bandaragama sample.

### **3.3.3 Hambantota**

Because Hambantota workers receive exceptionally low wages, the respondents' household contribution is low.<sup>15</sup> Consequently, their employment does not significantly increase the family income.

Before the worker starts work, the average income in Hambantota is largely higher than that in Biyagama and only slightly lower than that of Bandaragama. It constitutes Rs.1,005 per month per person, which is surprisingly high when one considers that Hambantota is one of the poorest areas of Sri Lanka; it is mainly agricultural and often stricken by drought. In Biyagama, the addition of the entire wage of the worker triples the household income; in Bandaragama, it doubles it (F2); in Hambantota, income rises to a comparatively modest Rs.1,592. Even though the Hambantota sample has a much higher average income than the Biyagama sample in (F1), it exhibits the lowest actual income (at Rs.1,230) in (F3)

The worker's employment has contributed only a small proportion of the family's income. In general and contrary to the workers' perceptions discussed earlier, low wages lead to minimal financial contributions and do not affect the socio-economic standing of most Hambantota families.

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<sup>15</sup> The basic family income (F1) is 'relatively' high in Hambantota due to the families' access to land. Even though many do not harvest enough to sell their products on the local market, the agricultural gains were included when calculating the family's income. The wages in the Hambantota area are significantly lower than those in the Biyagama FTZ and Bandaragama, because local owners run a large number of factories. Frequently, these factories pay lower wages than multinational ones. Even though the difference is often minimal, it shows when all the wages are added up and compared to other regions. Many workers cite the low wages as the reason for searching employment in the factories or FTZs in and around Colombo.

### 3.4 Absolute poverty reduction

To reduce absolute poverty the number of families whose income is below the poverty line would have to be reduced. For the purpose of the discussion, we will assume that people living in absolute poverty have an income below Rs.950 per month per person.

The Biyagama sample contains the highest percentage of poor households: 77% of the workers' families were located below the poverty line before the respondent started work (see Table 3.2). In Bandaragama 61% of families were poor. Surprisingly, rural Hambantota has the smallest number of families with an income below the poverty line before the worker's employment. Still, more than half of the Hambantota sample was poor.

Many families were able to rise above the poverty lines because of the worker's contribution to the household income. The largest change occurs in Bandaragama: the income of all families save one rises above the Rs.950 per person mark, decreasing the level of absolute poverty by almost 100%. In Biyagama, almost half of the families overcame poverty after the worker started work in the factory. The level of absolute poverty in Hambantota has not changed at all; the same number of Hambantota families remains below the poverty line

Absolute poverty has almost been eradicated in the factories around Bandaragama examined in this study. The worker's employment there plays a large part in providing the families with the minimum income necessary to secure the basic food energy intake and a modest allowance for non-food goods. Even though the number of poor people was reduced by half in Biyagama, both Biyagama and Hambantota still contain a considerable number of people who lack the resources to meet their daily needs.

### 3.5 Depth of poverty reduction

The *depth* of poverty reduction scale examines the increase in household income, regardless of whether such income is above the poverty line. It is calculated before the worker started work and after the worker started work. Examining poverty reduction from this angle provides us with a more accurate picture of the extent to which poverty reduction is taking place.

The average income in Bandaragama (Rs.1,196) before factory work is almost twice as high as that in Biyagama (Rs.660). Hambantota (Rs.1,005) is similar to Bandaragama. Yet, this does not reflect the nature of the overall distribution of individual incomes, as reflected in the similarities or differences of individual families' incomes. Table 3.3 specifies the distance of the families from the poverty line. For instance, if the income is Rs.700 per person, the gap between the income and the poverty line is Rs.250. The smaller the figure, the more economically stable the family.

The poverty gap for Biyagama in (F1) is the largest, because Biyagama has the highest number of poor people. Note the difference between Bandaragama and Hambantota. Even though their average incomes in (F1) are similar (Rs.1,196 and Rs.1,005), the poverty gap is not: that of Hambantota is larger than that of Bandaragama. In contrast to Bandaragama, income is not equally distributed in Hambantota: some families have an initial income far above the poverty line; the income of many other families is far below it. This produces the relatively large gap.

**Table 3.3 Depth of poverty reduction**

Area	Poverty gap without worker's wage (F1) in Rs.	Poverty gap with worker's wage (F3) in Rs.	Gap reduction between F1 and F3 in Rs.
Biyagama FTZ	410	142	268
Bandaragama Area	252	14	238
Hambantota Area	330	250	80

*Source: Field-data, 2001 and 2002*

In all three areas, workers' employment has an effect on the average family income but the extent of absolute poverty reduction varies. Bandaragama has the highest number of cases of absolute poverty reduction; Hambantota has none. All families remain below the poverty line. Examining the depth of poverty reduction shows however, that the effects of employment are more varied. The depth of poverty in Hambantota does decrease, though not considerably.

Most important is the following observation in the cases of Bandaragama and Biyagama: the reduction in depth of poverty is greatest in Biyagama, not in Bandaragama. Even though more people cross the poverty line in Bandaragama, the depth of poverty reduction is more significant in the FTZ. The majority of Bandaragama families initially have an income that is very close to the poverty line (see Annex II.II). Consequently, even a small contribution of the worker pushes the families above the official poverty line. In the FTZ case, most families are extremely poor. Even though many did not manage to rise above the poverty line, the worker's wage contribution is so significant that many families' incomes are considerably increased. Regardless of whether that income is above the poverty line, the Biyagama household income is increased more so than in Bandaragama: the poverty gap reduction between F1 and F3 is larger in the FTZ than in the rest of the sample.

### **3.6 Comparison and conclusion**

Workers are sceptical about whether their employment reduces poverty; however, the figures show that it is reduced. Income per person increases most drastically in the case of the FTZ (from Rs.660 to Rs.1,420), and least in Hambantota (from Rs.1,005 to Rs.1,230). In Bandaragama, poverty was reduced because the income of all families except one rose above the poverty line. Reduction of poverty is greatest in the FTZ if examined using depth of poverty. Even though the majority of Biyagama families are extremely poor, half overcome poverty as officially defined and the general income of the majority improves.

There is a general assumption that factory workers are exploited. The study shows that the situation of workers in the FTZ is more complex than is generally assumed. Though working conditions need to improve, FTZ employment has a number of advantages over employment in non-FTZ factories. As this section demonstrates, workers are paid better in the FTZ than in factories outside it. Free Trade Zones attract workers from low socio-economic strata. These people and their families may not become wealthy but they do have the chance to improve their income and reduce other aspects of poverty.

## 4. Industrial Employment and Empowerment

What do the concepts 'power' and 'autonomy' mean when considering women's employment and its relation to the family? What does it mean for women workers to acquire more power in the household, and in larger society? How, specifically, could women's employment increase their power and autonomy within the household and the community?

'Empowerment' can be defined as the 'expansion of assets and capabilities of people to participate, negotiate with, influence, control, and hold accountable institutions that affect their lives' (Narayan, 2002:8). Giddens defined power relations in social systems as 'regularised relations of autonomy and dependence' (Giddens, 1979:6, 88-94, cited in Starkloff and Zaman, 1999:4). Power always refers to relationships between individuals and/or groups of actors at the local or global level, who seek to influence the actions of others in accordance with their desires.

In recent discussions of female empowerment, there are two distinct conceptualisations of power. The first one considers power as 'control over material assets, intellectual resources, and ideology', and sees empowerment as 'the process of challenging existing power relations and gaining greater control over the sources of power' (Batliwala, 1994). Women's empowerment would then be both 'a process and result of that process' (*Ibid.*). Women's empowerment will challenge patriarchal ideologies and should address every structure and source of power, whether it is material or ideological.

The second definition, formulated in terms of objective situations (resources), understands power 'in terms of having resources that can be used to fulfil one's goals' (England, 1997). Such a definition is based on a broad understanding of resources, including economic resources, but also including favourable laws, institutional rules and informal norms. This definition allows a distinction between *having access* to resources and *using* them. Moreover, it takes into account a diversity of possible goals and recognises that goals and wants are social constructs.

Lim (1990) points out that literature on women's work in export manufacturing is highly critical of low wages, undesirable working conditions, recurrent lay-offs, and insufficient union protection, yet too narrow and too simplistic in its perspective of the effects of women's employment. She urges that non-economic factors have to be taken into account to understand why women opt to work and how it might possibly benefit them. Women join the labour force because of the chance of independent incomes, independent spending or saving for further education or marriage, enhanced personal freedom or the companionship of other women. These factors open up access to resources for women, and open up the possibility to formulate and achieve new goals.

In this study, several aspects of women's power and different levels of empowerment are addressed. Aspects of women's power are their capacity to influence the worker-supervisor relationship at the shop floor, their say in family decision-making processes, their influence over the allocation of their wages, their ability to formulate and pursue personal goals, and their ability to negotiate their roles in the future. Empowerment can be observed on different levels: linked to the individual, at the group level and at the community level. Workers'

aspirations and decision-making powers in the family are aspects of empowerment at the individual level. The worker's status in the family and at the workplace can be seen as a facet of empowerment at the group level. Empowerment in the case of factory workers can be observed at the individual and at the group level, yet not at the community level. In this study, interviews were conducted solely with workers. Even though information on the family and to a certain extent on the community was collected, no interviews were carried out at this level. For reasons of simplicity and, at times, the lack of clear distinctions, empowerment at the individual and group level will be discussed jointly unless stated otherwise.

#### 4.1 Empowerment at the workplace

89% of respondents in all three areas said they enjoyed working in the factory. Reasons were varied, but mostly had to do with the ambience of the workplace and work being a satisfactory alternative to staying at home.

*I like working here and I want to stay as long as I can. It's like a home and I don't want to go anywhere else. I know the people, and I am liked and respected for my work. Who would rather stay at home? (Ramyalatha, Lunugamwehera, Hambantota)*

*Yes, I enjoy it. The factory is not so bad. The people are good, we are not forced to take on work and I have my freedom. (Malika, Bandaragama)*

The economic necessity to work and the extreme pressure at times to meet quotas were reasons cited most frequently among the minority of workers who did not enjoy working. Most expressed a sense of togetherness, support and respect, which was connected to an overall group consciousness at the respondents' workplace. Group consciousness is arguably one of the most striking elements developed among workers, indicating confidence in their ability to successfully undertake action to express their rights and demands.

Most workers in the sample complained that the factory's supervisors scolded and intimidated them when targets were not met, the quality was below standard, or workers were sick. Workers in Biyagama and Hambantota responded in a fairly frank and direct manner to such criticism; workers in Bandaragama were more cautious and hesitant in their reactions to supervisor's complaints.

Most respondents in the FTZ said that they talked back openly, or behind the back of the supervisors. In some cases, if their voices were not heard at the shop level, workers contacted the management to file an official complaint.

*If it's a new person she wouldn't say anything. But older persons talk back or yell at supervisors behind their backs. (Rosa, Biyagama)*

*Mostly, we argue, when they insult us. Sometimes, the supervisor says that if we can't work then we should leave. Then we go to the manager, and they look into it. (Asoka, Biyagama)*

The first quotation shows that new workers react differently to experienced workers; new workers might remain quiet but experienced workers had a greater degree of confidence that translated into direct action. Asked specifically about how the individual worker would react, the majority of workers answered in the 'we' form. The workers did not consider themselves as individuals, but as a collective with a specific group interest that might be distinct from that of the supervisors and the management. This suggests that the length of the employment increased resistance and consciousness among workers.

In Hambantota, most workers responded to the supervisor's criticism by listening quietly or crying. The silent reaction was, however, not equivalent to acceptance, but rather to passive resistance. A number of workers and supervisors asserted that workers frequently protested by staying away from work or not paying attention to the supervisor. Respondents also emphasised that they would lose their job if they openly spoke up and confronted the supervisor.

*We listen with one ear and let it out through the other. No anger gets harboured for a long time; it's only for the moment. But we ignore it. (Hemalatha, Hambantota)*

*Some workers stay home when they get yelled at and then the supervisors have a problem, because they need to find a replacement. (Tarange, Hambantota)*

*Usually, we listen quietly and do our job. If we talk back, we lose our jobs. I think though that when we are treated unfairly, we ought to tell them on the day we leave the factory. (Lalitha, Hambantota)*

The responses showed that the workers were well aware of what constituted just and unjust behaviour but they were conscious of the realities of their work situation. Speaking up means losing the job since replacements are readily available. Workers in the Hambantota area seemed to have developed other methods of showing their disapproval and dealing with verbal harassment. More than a third of the workers, primarily Muslims in Hambantota, react to unfair criticism by talking back or consulting their union. One of the supervisors explained that those reacting to scolding are frequently workers that have previously worked in urban areas or overseas.

*There are those that keep quiet, but we don't, if it's not our fault. There is a unity among us. (Faruk, Hambantota)*

*Most people are quiet. Usually the people that previously worked in the FTZ or the Middle East talk back or argue. (Wasanthi, Supervisor, Hambantota)*

The workers in Hambantota did not organise in an official and cohesive manner although a general consciousness is present at the individual as well as at the group level. As they were aware of their limited possibilities or the possible repercussion of their action, the workers find ways to have their voices heard. This indicates further that previous employment in the FTZ or overseas intensifies active resistance.

The respondents in Bandaragama were less conscious of their rights and responsibilities at the workplace. Asked how they respond to being criticised, 74% said that they keep quiet, listen carefully, or cry.

*We are patient and don't talk back. Some workers cry. (Wimalawathi, Bandaragama)*

*It is rare that people get yelled at, but if they do, they listen carefully and try to meet the target by shortening their tea-break. (Nimali, Bandaragama)*

Most workers in the FTZ sample said that they talked back openly or behind the backs of the supervisors; only a quarter of Bandaragama workers did so. Two workers said that talking back to the supervisors would either lead to dismissal or to harassment by the supervisor until the workers left.

*We talk back, but it doesn't get us anywhere. (Champika, Bandaragama)*

*Some talk back and others keep quiet. Talking back makes the problem bigger, because when they start yelling at each other, the manager usually interferes and the worker might have to leave. (Pubudini, Bandaragama)*

Workers in the Bandaragama area saw themselves as a unified group only within the categories of those who 'kept quiet' and those who 'spoke up'. The latter are an insignificant minority. There was no sign of significant group consciousness, or a realisation that the workers' interest might be different from that of the manager or the supervisors. Workers in the FTZ and Hambantota were not officially organised, but they harboured a group consciousness as well as a growth of confidence. Interviewees in Bandaragama fail to demonstrate a similar kind of consciousness or development. They were more likely to be punished and isolated if they were to try to imitate their FTZ or Hambantota counterparts. In Bandaragama, one can identify a lesser degree of empowerment on the individual as well as the group level among workers.

In general, it can be said that the workers in Biyagama showed the most awareness of their rights, and workers in Bandaragama showed the least. Workers in Hambantota, although from a poor rural area, were more akin in their attitudes to the FTZ workers in Biyagama.

Forms of opposition and resistance among workers in Sri Lankan FTZs have been documented (Jayaweera, 2000; Rosa, 1987). Not so much is known about non-FTZ workers. Workers in the FTZ are strongly influenced by the fact that they live and work with other women of their age. Familial control over their action decreases significantly. Their independence is also shaped by the fact that they have to make autonomous decisions regarding their own welfare and future. This process influences their awareness of their rights and responsibilities. Their closeness to fellow workers enables them to take action consciously and jointly. The distance from the family increases resistance and empowerment at the workplace.

Bandaragama is quite different. The workers remained at home and were more influenced by the supervision of the family. This was reflected in the workers' response to situations of conflict at their workplace. Instead of speaking up when unjustly reprimanded, they saw

confrontation as a useless reaction that could eventually lead to dismissal and isolation from co-workers. The lack of unity among workers and the limited awareness of potential rights perhaps stemmed from their individualistic rather than communal approach to their work. Workers who live at home have broken with the more traditional work-patterns of women. By remaining within the structure of the family, they miss opportunities enjoyed by those who live communally in boarding houses, of comparing work experiences outside working hours.

Lynch (1999) argues that workers in rural factories near Kandy attempt to create a positive image in opposition to that of *juki* girls, that is women working in FTZs. One could argue that a similar transformation of identity is taking place in the Bandaragama area. The workers, primarily female, join the workforce, and yet are consciously not adopting the same characteristics and actions as female factory workers in the FTZ. They try to distinguish themselves and their behaviour from that of the morally ambiguous and promiscuous *juki* girls. Women avoid speaking up and show themselves as powerless. Rather than supporting each other, most of them avoid getting involved. This lack of solidarity is part of the 'docility' employers are said to look for (Elson and Pearson, 2002:193).

## 4.2 Empowerment within the family and the community

Several factors affect women's empowerment in the family and the community. Empowerment depends on women's ability to get access to and use resources in the present as well as the future. It also depends on ideological and material mechanisms for obtaining autonomy. This section will examine empowerment within the family in terms of social and economic factors, such as women's say in decision-making processes within the household or their influence on the allocation of their wages. It will examine how employment challenges women's ideas, beliefs and perceptions regarding marriage and future plans, such as the likelihood and nature of future employment.

Within their families, female workers do not appear to gain greater power directly; decision-making and the allocation of resources remain in the hands of relatives. In all regions, most have no influence on how the money that they contribute to the household is spent. 5% of workers in Biyagama have a say in the decision-making process, 21% in Bandaragama and 14% in Hambantota. The higher proportion in the non-FTZ samples is because there is a higher percentage of married women, who are in a better position of control than working daughters.

Workers who continue to live at home share duties and benefits with the larger family. Those who live in boarding houses become self-sufficient and independent, personally responsible for their housing, food and laundry. As will be shown in the next section, the FTZ workers accomplish that with self-confidence and determination, and often prioritise their own needs over those of their families.

*It's good to have my own income, because I am not under any obligations.  
(Manju, Biyagama)*

*I like having my own income, because I don't have to depend on my parents  
and can do everything on my own. (Sujatha, Biyagama)*



*I don't have to bother anyone; I can live my own life. (Priyangani, Biyagama)*

Biyagama workers show autonomy: they express satisfaction with their newly gained independence, and confidence that they can manage on their own. Many say that they enjoy living with other workers of their age, gathering with friends on the weekends, and having enough money for leisure activities and the purchase of clothing, jewellery and cosmetics. Living away from their families allows workers to make their own choices about how they use their time and money, choices about duties and desires. It gives them a forum in which they can discuss daily life, opportunities and challenges, outside the context of their families. Living with other workers of a similar age offers a perspective outside of the gender and hierarchy structures of the family and incorporates diverse views of a group of peers from distinct backgrounds. This shapes the attitude, mind-set and outlook of each individual worker and empowers them to take action to articulate and defend their interests.

The empowerment developing among FTZ workers is at the individual and the group level. It has the force to challenge ideological and material hierarchy structures of the family and the community, as the workers consciously break with gender-specific roles by leaving the household and joining the workforce.

Workers in Bandaragama and Hambantota, on the other hand, remain part of their family households after they start work. They enjoy increased material independence from their families, yet they do not gain significant autonomy within the household. Their increased material independence is exhibited within the confines of the household, and fails to challenge the existing power relations of dependency and autonomy. Workers are largely excluded from decision-making processes, female workers usually continue to be responsible for 'women's household tasks', in addition to their paid work, and personal goals continue to be formulated within the family context.

#### **4.2.2 Economic dimensions**

Lim (1983) has asserted that: '[There is] a central theoretical and political question that as yet remains unanswered: is the employment of women factory workers by multinational corporations in developing countries primarily an experience of liberation, as development economists and governments maintain, or one of exploitation, as feminists assert, for the women concerned?' While agreeing with many authors that MNCs subject women to various forms of exploitation, Lim maintains that within the interplay of these systems women's employment in MNCs might expand their limited freedom to tackle the restrictions of their lives.

Lim sees the women's economic standing improving by entering the workplace. Sweetman (2001) points out that: '... links between money and power cannot be assumed'. Using the example of giving credit to women she argues '...it would be much more honest ... to admit that credit is not, after all, a 'magic bullet' that always hits two targets – poverty alleviation and women's empowerment – simultaneously.' The belief that 'money is power' has informed much equality-orientated development policy and practice; and concerns about inequality between women and men have been met by a commitment to women's 'economic empowerment'.

Sweetman argues that more money does not necessarily result in empowerment. In many cases, money may enable women to make the most of the gender role their culture assigns to them, but it does not *per se* alter the framework within which that happens.

Even if we accept this argument, it is crucial to examine women's views about whether money increases their autonomy. It is important to examine whether wages help women to re-negotiate their position in the family and the community. If a positive change occurs, then the idea of 'money is power' can to some extent be true. Money might be a tool to challenge commonly accepted gender roles and tasks, or in Lim's words, working and earning money could result in an 'experience of liberation', rather than exploitation.

### *The magic of jewellery*

Before starting the analysis on economic empowerment, the importance of jewellery in Sri Lanka will be briefly discussed, because of its special and complex role and impact on the lives of women workers.

The acquisition and possession of jewellery plays an important role in Sri Lankan society. In many countries, women's jewellery represents wealth and security against hard times brought about by divorce, widowhood, or unemployment of the family breadwinner (Marshall, 1990:239). Women usually do not spend this wealth, nor do they invest it; they hoard it for the day when they might be forced to use it to survive. The jewellery, which they bring with them into marriage, is frequently their only property and they have little possibility of gaining more.

In Sri Lanka, jewellery has a similar, but also a more complex meaning: it is used to represent wealth and security, yet it also increasingly is becoming a tool of control and autonomy for women. The vast majority of female workers in the sample regularly put money aside to buy jewellery. One of the key reasons for women choosing to work in the factory is to earn money for the acquisition of jewellery.

*I save about Rs.500 a month and with that I buy jewellery. (Ratnamali, Bandaragama)*

*Jewellery is what I buy for myself from the wage. (Wasanthi, Hambantota)*

Gold jewellery is a desired item in dowries; unlike money, it does not lose its value. It offers security in emergencies or poverty. If a woman has a dowry with a significant amount of jewellery, she has more chance of an economically stable husband.

There is a growing trend for working women to put together their own dowries. They can control how much they save and what amount of jewellery to buy in preparation for the wedding without depending on their parents. This gives them greater influence in the choice of a husband.

Jewellery plays a key role in determining the future for many women and is considered an important indicator of a woman's socio-economic standing. Many workers in the sample come from poor backgrounds. They buy jewellery as part of a strategy for overcoming poverty, as well as a tool for economic empowerment.

**Table 4.1 Worker's income, expenses, and disposable income<sup>16</sup>**

Area	Total income of FTZ-worker with OT in Rs./month	Worker's expenses in FTZ in Rs./month <sup>17</sup>	Contribution to HH income in Rs./month	Savings or saving scheme (situ) in Rs./month	Remaining money in Rs./month
Biyagama FTZ	5,275	1,598	1,229	1,434	1,256
Bandaragama Area	5,387	15	3,329	1,579	1,768
Hambantota Area	3,465	121	1,518	723	1,103

The fieldwork showed that employment increased women's material independence. All the women questioned said that they liked having an independent income. In Biyagama, Bandaragama and Hambantota, most workers said that this income provided them with personal autonomy, fulfilment and increased financial independence from their families.

*I like having an income, because I want to be independent instead of a burden.  
(Sujatha, Biyagama)*

*Yes, I like having an income and that I can spend it on what I like. Otherwise, I would have to ask my husband and that is not good for one's self-worth; especially when he refuses. (Ramyalatha, Hambantota)*

There is a wide difference across the three study locations in the effects of employment on gender roles and on women's access to resources.

In the Biyagama FTZ, most workers saw themselves as the main beneficiary of their wage. Even though many of them send a lot of money home every month (Rs.1,229), most of the wage is put aside for personal savings (Rs.1,434).<sup>18</sup> Many workers still have money remaining for personal purchases.

55% of the workers said that they now buy goods, such as jewellery, clothes and furniture that they did not have the money to buy previously. 15% said that they spend money on education, trips and house repairs since they started working in the FTZ. 18% said that they do not purchase any new goods, yet now buy what their parents used to provide.<sup>19</sup>

The most important difference between the FTZ and the other two sites is that the workers are financially self-sufficient, as well as in control of their wages. They are conscious of that independence and make autonomous decisions about the allocation of their resources. The workers not only cover their basic necessities, such as room and board, but also spend a considerable part of their income on leisure activities, personal purchases and saving schemes.

<sup>16</sup> See Annex III.I for detailed tables on each sample.

<sup>17</sup> This figure includes the costs of food and housing per month, and transportation in the cases of Bandaragama and Hambantota. Transportation is not included in the permanent expenses of the FTZ workers, because it varies widely from worker to worker. Their workplace is in walking distance (2-10 min.) and most of them indicate that they do not travel regularly to their place of origin. In the case of Bandaragama, most employees are provided with free transportation to and from the workplace. In the majority of factories around Hambantota though, workers have to cover their own transportation costs, and thus in some cases either walk (10-30 min.) or bike to the workplace.

<sup>18</sup> The analysis is based on the worker's disposable income after covering living expenses. Some might find this debatable, especially in the cases of Bandaragama and Hambantota where the workers live at home. The objective was to explore the workers' priorities. Naturally, the workers living at home are more inclined

They are aware of their financial responsibility towards their families, yet chose to allocate more money to their personal savings than to their families.

The workers enjoy having an income for personal reasons. If one looks at the purpose of most purchases, one sees that they also have in mind the achievement of more long-term goals, such as marriage and economic stability. A considerable part of the wage goes directly into saving schemes, which are primarily used to purchase gold jewellery, *putu sets*<sup>20</sup> and electrical appliances. Those are desirable objects in dowries. A woman has more control over the choice of a husband and marriage arrangements if she provides a good dowry herself. The nature of dowry giving is challenged by women in two ways: (a) by taking control over what is provided in the dowry, and (b) by taking control over the choice of the future spouse, and over a significant part of her future economic stability. Joining the workforce provides the predominantly female FTZ workers with the means to control their resources by becoming self-sufficient beings. Through their material independence, women can influence their personal and economic situation, and challenge the traditional roles of women.

In Bandaragama, workers do not necessarily see themselves as the main beneficiary of their wages, because the income is seen more as a family asset. Even though they earn slightly more and have fewer expenses than their co-workers in the FTZ,<sup>21</sup> more than half of the wage is contributed to the household (Rs.3,329). This might seem obvious, because they live at home, but they decide to contribute more than the other two samples. Aside from that, they keep less than a quarter for personal savings and about another quarter of their wages are used for miscellaneous purchases.

Even though the difference in savings between married and unmarried workers is small, marital status largely determines how much money the women have left to cover personal miscellaneous expenses. Single workers keep on average Rs.2,663 per month; married workers only have about Rs.413 at their disposal. The gap is largely because married women typically cover a significant amount of the household expenses with their income, which usually leaves them with little or nothing for themselves.

Unlike the FTZ and Hambantota, single workers in Bandaragama spend most of their savings and remaining money on the preparation of a dowry. About half of the women exclusively define their independence as being able to put together a dowry and whatever else is necessary for marriage arrangements.

*Yes, I like having my own income. This way, I don't have to depend on my parents. As a girl you need a lot of things and with my own income I don't have to trouble them. (Thamara, Bandaragama)*

Single Bandaragama workers put a significant amount of money towards the purchase of jewellery, electrical appliances, clothing and furniture. Because they neither have to provide for a family, nor to pay independently for rent and food, they have about twice as much money remaining as the FTZ workers (Rs.2,663 vs. Rs.1,256).

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<sup>20</sup> A 'putu set' comprises a sofa, coffee table, and two chairs and frequently functions as part of the dowry.

<sup>21</sup> The FTZ workers have to cover rent. Moreover, it is usually cheaper per head to cook for a number of people. Many FTZ workers though prepare food individually, thus the costs are likely to be higher.

A more important question is whether they are in control of the allocation of money. Most women in Bandaragama have no influence on how their wage is spent. They continue to be reliant on their families for food and housing. Although the workers in Bandaragama 'use' the dowry to negotiate a financially stable and satisfying future, they have little overall control in the present. Working in the factory has improved their and their families' economic standing, yet has not triggered a re-negotiation of gender roles and tasks within the family and the community, because the worker remains a dependent of the household. To put it into Sweetman's words (2001), money in this case is not necessarily power since the women's cultural framework has not changed.

In Hambantota, workers earn significantly less than in the FTZ or Bandaragama, and generally come from poorer households than those in Bandaragama. Even though they contribute almost half of their income to the household (Rs.1,518), almost 50% see themselves as the main beneficiaries of their wages.

On average, Hambantota workers save less than a quarter of their income (Rs.723). It is important to look at the individual cases, because even within this specific area large variations in wages and spending patterns of workers can be observed (see Annex III.I for detailed chart). Unlike Bandaragama, married workers in the sample neither save nor have money remaining, because they contribute their entire wage to their household. The wage of the workers in the village of Lunugamwehera (see Annex I.I, case # 4-7) is so small and irregularly paid that the majority of those workers cannot save anything.<sup>22</sup> Workers living and working in Hambantota town receive stable and reasonably good wages. They have enough to contribute to their families, to put aside for themselves and to have some left for miscellaneous expenses.

Leftover money is spent primarily on jewellery and clothes. Some workers say that they buy books for themselves or siblings, and one worker is using the money to pay for a sewing machine. Because the wage is small, it is generally difficult for workers to purchase expensive items, such as electrical appliances. The workers in Hambantota pursue the preparation of a dowry with much less urgency than those in Bandaragama and Biyagama. This might be because they have little money to invest in dowry items. In addition, the Muslim practice is for the family to provide a dowry for the daughter. Sinhalese Buddhist families also traditionally provide dowries but Sinhalese workers are increasingly contributing to or providing their entire dowry themselves. This has not happened among Muslim families in Hambantota. In Hambantota, many of the Sinhalese workers come from poor families or are badly paid, and cannot put away money for their dowry. Not everyone has the chance to use a dowry to secure future economic stability.

Workers who live with their parents have little control over the allocation of their money in the household unless they are married. Hambantota workers have limited economic control in the present and are unlikely to have greater control in the future even though they may see themselves as the main beneficiaries of their wages and working improves their economic security to varying degrees.

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<sup>22</sup> Due to mismanagement, the locally-owned factory in Lunugamwehera laid off workers several times in the last years and did not pay them on time or at all. The workers at that factory often earn less than Rs.2000 per month, which represents a third of the wage in the FTZ or the factories around Bandaragama.

Economic empowerment is most pronounced in the FTZ case. FTZ workers in Biyagama develop into economically independent and self-sufficient people to a greater degree than those in Bandaragama and Hambantota. They actively maintain this role by allocating their resources in ways primarily beneficial to their own present and future well-being. In all three areas the tradition of the dowry persists. Dowry remains in its traditional form but workers contest its nature and significance.

### 4.3 Empowerment and marriage

How does factory employment affect female-male relationships? Are the dynamics of autonomy-dependency, expectation-satisfaction, and internal-external challenged? Do these dynamics change relationships or reinforce traditional patterns?

Different approaches can explain the prevailing forces that shape gender relations. The 'Resource Theory' elaborated by Blood and Wolfe (1960) centres the source of power in the comparative resources that each spouse provides for his or her partner. Marital power is then a product of the value contributed (by others) to any resource. Although the power resources are usually associated with economic resources, there are also non-economic ones, such as normative (e.g. cultural definitions), affective (e.g. commitment) and personal resources (e.g. age, appearance) that affect the balance of marital power (McDonald, 1980; Emerson, 1976). By working, a female or male worker would increase her or his resources that would increase her or his autonomy in the relationship. Having discussed economic resources above, we will now look at the 'softer', non-economic dynamics of power in the context of employment in export manufacturing.

Ong (1987) argues in her study of Malaysian factory workers that the opening out of the economy led to a redefinition of the meanings of female sexuality and morality. New disciplinary systems gave rise to new cultural constructions of gender relations and sexuality. Ong asserts that young women are instruments of labour, and are depicted to have a specific 'class sexuality' (Ong, 1987:180). The media and newspapers create images of workers as pleasure-seekers and money-wasters 'pursuing Western modes of consumer culture' (*Ibid.*). The media publicise statements about the promiscuity of factory women. Therefore, state officials have called for greater control of working class women.

As a response, many women turned to a radical reinterpretation of the Koran. They use it as a tool to show that they are hard working and 'upright'. They argued that the image of factory women as commodities is wrong and an affront to Muslim womanhood and *kampung* (village) values. Some women now follow a 'cult of purity and self sacrifice' in order to construct their own positive gender identity: women postpone marriage to fulfil their role of wage distributors; others build up religious asceticism incorporating a new kind of sexual restraint that was not present in earlier generations.

This indicates that different dynamics result from women taking up factory work. They can simultaneously become victims and victors, empowered and abused. The Sri Lankan media defame women's sexuality and morality. FTZ workers are the main targets. The boundaries between pure and polluted are re-interpreted, re-negotiated. Other factors in Sri Lankan female-male relationships are dowry; love vs. arranged marriages and, in general, expectations

of partnerships. One of the workers described the shifting dynamics in relationships very effectively:

*Yes, I like having an income and that I can spend it on what I like. Otherwise, I would have to ask my husband and that is not good for one's self-worth, especially when he refuses. (Ramyalatha, Hambantota)*

Though there are regional differences, industrial employment has a significant impact on women and men's thinking about marriage and relationships.

**4.3.1 Prerequisites for good partnerships**

Parents or relatives commonly arrange Sri Lankan marriages. They often consult an astrologer about the compatibility of horoscopes of the potential partners. Workers thought the essential requirements for a successful marriage were compatibility, material well-being, and 'moderation'. Different aspects were thought more important in each area.

FTZ workers were looking for trust and happiness, as well as material stability. The overwhelming majority of Bandaragama workers wanted compatibility; material well-being was a less important requirement.<sup>23</sup> The Hambantota workers had a slight preference for trust, understanding and happiness over material stability. Many respondents said that they did not want a partner who drank, gambled or hung around.

**Table 4.2 What do you think is essential for getting married?**

	Trust, understanding, happiness (%)	Material security/stability (%)	Trust, understanding, happiness + Material security/stability (%)	Neither drinker, gambler, nor 'good-for-nothing' (%)	Other (%)
Biyagama FTZ	32	32	23	9	
Bandaragama Area	73	21		5	
Hambantota Area	45	36		14	5

Bandaragama is financially the most stable area in the sample. This affects their priorities in the choice of a partner. The workers who pay most attention to the material basis of a potential union are from Hambantota and the FTZ, the rural and poor regions.

The way workers see things is influenced by where they come from. More specifically, perceptions are affected by the economic stability of their region of origin and its susceptibility to urban modern values. A shift in perception is observable in rural workers in Hambantota and Biyagama. Marriages are based on the premise of material stability and prosperity. Marriage is rarely seen exclusively as an affair of the heart. Bandaragama workers accept

<sup>23</sup> One respondent said: 'I need to be able to develop and improve myself more through marriage, that is to marry a person better than me with regards to education, personality, employment, etc. I want to go through him and develop myself.' (Jeshima, Hambantota)

and incorporate new and urban values into their own value systems because they work near Colombo. The rural respondents echo their particular socio-economic realities: as they come from more remote and economically unstable areas, material, rather than emotional factors are uppermost when they consider potential unions. When workers move to the FTZ and become economically self-sufficient, they shift away from predominantly material considerations and arrive at expectations of marriage that balance the material and the emotional.

**4.3.2 Arranged vs. love marriage**

55% of FTZ workers prefer a love marriage to an arranged marriage. Many add, though, that they would not marry without the approval of their families. Four respondents said that they would like a love marriage but their parents could look for someone suitable if they could not find somebody on their own. They said that they would only marry the man if they liked him.

*I prefer a love marriage, but I want to find somebody that my parents also approve of. (Sujatha, Biyagama)*

Arranged marriages are preferred by 27% of FTZ workers. Some said that it was in the parents’ best interest to find a suitable husband for their daughters. Others said that parents knew better than themselves what constituted a good partner. Other workers were afraid that they could not go back home if they chose a husband themselves and the marriage failed.

*Arranged marriages are good. My parents won’t do anything bad for their child. They will find me a good person. (Asoka, Biyagama)*

*If I get involved with somebody and there are problems then it will be difficult to return to my [parents’] house. If they arrange it, then there won’t be. (Niluka, Biyagama)*

**Table 4.3 Preferences regarding love and arranged marriage**

	Love marriage %	Arranged marriage %
Biyagama FTZ	55	45
Bandaragama Area	79	18
Hambantota Area	45	55

79% of Bandaragama workers said that they wanted to follow their heart, and then the stars, when choosing a partner. All but one of the sample’s married workers had had a love affair and then decided to marry.

*I have a girlfriend, who I intend to marry. The only thing we need now is money, but we plan to have the wedding in two years. (Nimal, Bandaragama)*

*I met him in my schooldays, but was hesitant then, because I was young. He was persistent though and eventually asked my parents for my hand. They agreed and we got married. (Wimalawathi, Bandaragama)*



21% preferred an arranged marriage, but none could give specific reasons for doing so.

*I agree to what my parents propose. I personally don't think about it. (Jeeva, Bandaragama)*

Hambantota is the area where the workers have the most traditional approach to marriage. Love marriage is preferred by 45% of the workers; 55% favoured an arranged marriage. Some people said that they would only choose a love marriage if their parents approved; a similar number preferred an arranged marriage only if they liked the person.

*Both my sister and brother got married against the parents' wishes. I do not intend to do that, but I want to meet the person before making the decision of whether to marry. I would not marry somebody I don't like. (Tarange, Hambantota)*

One worker's justification for preferring arranged unions was interesting:

*Arranged marriages are better than love marriages, because in case there is a problem, there is no one to blame. (Missilya, Hambantota)*

Love marriages are common in Sri Lanka. However, they frequently demand more confidence than the more traditional arranged marriage. The lovers first need to seek a partner themselves and later consult their families. The Bandaragama workers, although they continued to live at home, showed a high degree of confidence in choosing a partner using criteria other than future economic stability. This confidence may come from absorbing the values of Colombo rather than from working in a factory.

Living away from the immediate supervision of the family gave the workers in the FTZ some autonomy in meeting and choosing a partner. The Bandaragama workers were even more liberal. Hambantota respondents on the other hand went for the 'safer' way. They were straightforward in expressing their expectations of marriage but most were still reluctant to choose their spouse independently. There were no significant differences between the FTZ and Hambantota. FTZ workers move away from the more traditional values as exemplified in Hambantota, but the overall change was small. Rural women in the FTZ learn to make independent decisions; the lifestyle of urban centres does not, as some argue, corrupt them.

### **4.3.3 Dowry and personal reputation**

Reputation and dowry at times play an essential role in the decision to marry. The growing economic independence of women workers and the assumption by the worker of the responsibility for collecting a dowry enables them to enjoy more autonomy in the selection of their future companion.

Two thirds of the respondents in the FTZ said that it was essential for a woman to provide a dowry. The husband and his family expected the bride or her family to provide a dowry. However, it also provided women with more control and power in the relationship.

*Some people say it's not necessary, but still expect it. For that you should take things before you go. (Hema, Biyagama)*

*It's essential to avoid problems. If the dowry is big, you won't get scolded or intimidated by your new in-laws or your husband. You will have a better position. (Ruvani, Biyagama)*

The remaining third argued that a dowry was not essential for good marriages. Love and the expected financial stability of the future husband were among the reasons given.

*I don't think it is important, because if you love someone you don't just let go, if there is no dowry. (Manju, male, Biyagama)*

*It's not essential, because my husband will have a job. (Asoka, Biyagama)*

91% of FTZ workers felt that a good reputation is important in a marriage partner. They did not feel that working in a factory harmed their reputation. They said that reputation had nothing to do with where one worked, but depended on how one behaved. Many workers complained that generalisations were made based on a few incidents of liberal sexual behaviour. It was more important to be a trustworthy person than to provide a dowry.

Women have more say in the choice of a partner because they have the means to provide a dowry for themselves and this helps them to make a personal choice of partner. They do not feel that their reputation is harmed by the public perception of the morals of factory workers.

**Table 4.4 Marriage and reputation**

	Marriage		Dowry		Reputation	
	Love marriage %	Arranged marriage %	Essential %	Not essential %	Essential %	Not essential %
Biyagama FTZ	55	45	68	32	91	9
Bandaragama Area	79	18	32	68	84	16
Hambantota Area	45	55	73	27	100	0

*Source: Field-data, 2001 and 2002*

Bandaragama had the highest proportion of workers opposed to the idea of giving a dowry. Only one third thought that dowries were essential for getting married. They saw it as a way of meeting the expectations of the husband's family and easing their induction into the new family.

*Even if the husband does not expect it, the parents will. Thus, it is much better to take it, which will later allow you to ignore their complaints. (Suramyia, Bandaragama)*

Most Bandaragama respondents rejected the idea of having to provide a dowry. 26% said that a dowry should not be expected, yet they will still give it 42% rejected the idea categorically.

*No, it is wrong. Two people should not marry on monetary grounds. (Geethanjali, Bandaragama)*

*Dowry is important, if you decide to bring it. But it's wrong, if the husband's family expects it. (Champika, Bandaragama)*

A good reputation was said to be necessary for a family to live happily, to be trustworthy, and to enjoy a well-balanced relationship. All respondents and their families explicitly stated that working in the Zone damaged a woman's reputation, no matter how the individual behaves. Reputation was said to depend on one's environment. The FTZ was seen as dangerous and morally ambiguous because of the lack of supervision and guidance.

*There is no danger of losing our reputation here, because we are given transport to and from the factory. There might be girls that misbehave, but these are the ones working in the FTZ. In the village, people would look at them squarely if they did things and because of this nothing happens here. FTZ workers live without guidance, whereas here parents are concerned about their children. (Indrani, Bandaragama)*

The important factor about perception of reputation is whether someone *lives* outside the family, not whether somebody *works* outside the household. The women working in Bandaragama live in their parental households, so work leaves traditional work-related roles unchallenged, protecting their reputations.

Hambantota has a large local Muslim population. This adds another factor to the discussion about dowry and reputation. The role and nature of dowry is different among Sinhalese Buddhists and Muslims. Sinhalese Buddhists regard dowry largely as a contribution from the bride's family to that of the groom. Muslims see dowry as something that is given to the daughter and that is expected to remain her property.

73% of the workers in the Hambantota sample, whatever their religion, were in favour of dowry payments. The groom's family might harass the woman later if a dowry was not paid, or there might be financial problems.

*Invariably you have to provide a dowry. Otherwise they will accuse you one day of not having brought one. (Wasanthi, Hambantota)*

*One should bring a dowry. My husband didn't expect it and that is why we have to live in such conditions [family is squatting on government land]. If I had brought one, I would most likely also not have to go to work. (Fatima, Hambantota)*

A quarter of the respondents opposed the idea of providing a dowry. Reasons varied. Most thought it was a sexist and old-fashioned custom. One of the workers said that bringing a dowry would provide his future wife with more power in the family than he would like her to have.

*I do not like the idea of a dowry. It's not very nice, even though some people expect it. You marry the person and not what she brings! (Maharuff, male, Hambantota)*

*I don't want my wife to bring dowry. I have discussed this with friends: if we*

*take dowry then we have to bow our heads to the wife and you are likely to be dominated by her. I don't want it, because I have seen instances when that happened. (Faruk, male, Hambantota)*

All the Hambantota respondents stressed the importance of good reputation. They saw it as a prerequisite for a successful and fulfilling life. They expected the spouses to have a good reputation, and saw a good reputation for themselves as something that made their own lives easier.

*Reputation is important, otherwise there might be fights later in life. If I misbehave and go to a different village and then my husband misbehaves, I won't be able to tell him to change. He will tell me that I am no different and that's when the fighting starts. (Dilinee, Hambantota)*

*Everybody would like to associate with a person with a good reputation. If you lose yours, you lose it for good. There's no way back. (Faruk, male, Hambantota)*

Hambantota shows a 'traditional' attitude towards relationships and marriage, Bandaragama shows a more 'modern' one; the FTZ is somewhere between the two – rural workers in a quasi-urbanised environment. Attitudes to dowry demonstrate this. There is a direct link between dowry and empowerment. Women gain influence in the choice of their spouse and in the stability of their future by putting their own dowries together. Working in the factory increases their ability to put a larger dowry together. Dowry then functions as a tool of empowerment.

Most respondents were in favour of providing a dowry in spite of a trend towards dispensing with them and a trend towards opting for love marriages. However, a good reputation was even more important than a dowry. Workers have their own standards for deciding what is morally correct and have their own strategies for protecting themselves from allegations of promiscuity. They have ways of coping with the difficulty of putting together a dowry doing work that leaves them open to criticism. Employment generally affects female-male relationships. Working gives women a sense of what they want, expect, and what they can offer. Women gain a significant amount of choice in their relationships if they are working and have a good reputation. This is so, with some variations, for traditional Hambantota, modern Bandaragama, and 'in-between' Biyagama.

#### **4.4 Empowerment and future aspirations**

Workers' opinions on future aspirations and employment show how working has influenced respondents' attitudes. Most workers said that they got a job because of poverty and economic instability in their families. They hoped to earn a living, and secure a future for themselves as well providing support for their families.

50% of the FTZ workers said 'yes' when asked if they would like to carry on working after they had left the factory. 24% said 'no'. 26% said it might be an option for them. More than half of those who saw themselves working in the future said they wanted to work for personal satisfaction and improvement. This indicates that work gained a different dimension for about

a quarter of the respondents. From being a mere tool for financial survival, work represents an activity that offers positive challenges and satisfaction to the individual. The workers see it as a means of improving themselves personally.

**Table 4.5 Would you like to work after leaving the factory and why?**

*Biyagama FTZ (in %)*

Yes		Maybe			No		
Poverty and economic stability	Personal satisfaction and improvement	Only at home	No other job opportunities	For economic stability	Husband's task	Burnt out from FTZ work	Leaves no freedom
23	27	5	13	5	13	5	5
	50		23			23	

*Bandaragama (in %)*

No			Yes	
Tired/burnt out	No other skills, qualifications	No specific reason	Financial necessity	Yes, but only in my own business
21	26	11	21	21
	58			42

Most workers in Bandaragama would not like to work after leaving the factory. About half of the ones not wanting to work said that their current job does not give them any qualifications and other jobs will not be accessible to them. In Bandaragama, more than 20% of the workers complain about exhaustion and burnout; in the FTZ, it is 5%.

*There are just no jobs, other than the factory. Many people who studied have difficulties finding employment, so what chance have I having only studied up to O-Level? (Wimalawathi, Bandaragama)*

*Once you work in garment, you can work nowhere else, because that is all you know. (Kusuma, Bandaragama)*

*I don't want to work anymore after leaving the factory. I am tired. (Indrani, Bandaragama)*

Those Bandaragama workers, who do want to work after leaving the factory, would do so only if their economic instability persisted, or if they could be self-employed.

Work in Bandaragama continues to be perceived as a tiring necessity as well as a mechanism for overcoming poverty. Many workers in the FTZ recognised work as a mechanism for achieving achieve fulfilment and self-improvement. Generally, women find it difficult to get jobs. The garment sector mainly employs women and is said to challenge traditional gender and breadwinner roles. Export manufacturing provides opportunities for women without a secondary education to get paid work. Bandaragama women challenge traditional gender roles and tasks but their choice in how to do so is very limited.

### Hambantota (in %)

For personal satisfaction	Yes		Maybe	
	To be better paid and more challenged	Financial necessity	Only if close by	If jobs for my qualification are available
18	45	9	18	9
	73			27

The vast majority of Hambantota respondents would like to continue working after leaving the factory. None explicitly rejected it; about a third were considering it. Most of those who wanted to carry on working gave potentially better pay and increased challenges as reasons.

*I was idling around at home after finishing school until I saw the ad for the job. I learnt more there than I have in school. It brought about a significant change in myself and my life. (Jeshima, Hambantota)*

Work plays a significant role in offering satisfaction and positive challenges. Factory work gives many people a task that they see as a tool for self-improvement and an opportunity to improve their lot in the future.

Does getting a job empower workers? Does it help with future career aspirations? Do they gain more autonomy and control over their future, or do they remain in positions of dependency? Workers in Hambantota and Biyagama, both rural areas, appreciate work as a means of self-improvement and personal challenge. This indicates that such employment may enable workers to increase their personal autonomy, respect and self-confidence.

## 5. Conclusion

The debate about the female workforce in the export-manufacturing sector has mainly been about issues concerning the reconstruction of workers' identity and physical aspects of factory work. Little attention has been paid to how employment reduces poverty.

The aim of this study was to explore the relationship between factory employment, poverty reduction and empowerment. In particular, the study addressed how employment reduces poverty. It investigated how employment affected individual and group empowerment. The study examined

- (i) FTZ and non-FTZ factories, and
- (ii) rural and peri-urban factory settings.

While Hambantota is rural and non-FTZ, and Bandaragama is peri-urban and non-FTZ, Biyagama represents the FTZ example in an 'in-between' environment, that is rural workers in a quasi-urban setting.

This study had three objectives:

- To investigate factory workers' perceptions of their socio-economic standing and to examine how factory employment affects those perceptions.
- To explore how factory wage-labour affects income-based poverty.
- To examine how empowerment through employment has enabled gender perceptions to be challenged and affected women's roles in the family and the workplace.

The conclusions of the study are as follows: the workers' perception of poverty is different from official poverty lines and shaped by various factors. Generally speaking, the worker's individual poverty perception is linked to that of the family. This implies that workers will perceive themselves as poor as long as their family's socio-economic standing remains so. This is particularly the case in Biyagama, while in Bandaragama personal expectations play an equal role. In Hambantota, the worker's perception of poverty is linked to how much access the family has to land. Whatever their income, workers' perceptions of their socio-economic standing are more difficult to challenge because they are linked to the larger context of their families.

The study examined whether factory employment helped to reduce poverty. It was found that the household income increased significantly in all three areas after the worker started work. The increase was most dramatic in Biyagama, where the income more than doubled, and least significant in Hambantota where it increased previous income by 20%.

Poverty reduction is analysed in two different ways: firstly, through absolute poverty reduction, which refers to the number of families whose per person household income rises above the poverty line, and secondly, through depth of poverty reduction, which examines the increase in the household income regardless of whether such income is above the poverty line. The latter provides a more refined picture of how much poverty was reduced. Bandaragama was the most successful example of absolute poverty reduction (the incomes of all families except one rose above the poverty line); reduction in depth of poverty was greatest in the FTZ (it has the poorest people in the sample and the degree of poverty reduction is the greatest). The study demonstrated a direct link between factory employment and poverty reduction, one that was most pronounced in the FTZ context.

The study examined empowerment in the workplace, social and economic aspects of empowerment in the family and the community, as well as the workers' attitudes to marriage and future aspirations. 90% of the workers interviewed enjoyed working in the factory. Many complained that they were unjustly reprimanded and, at times, harassed by their supervisors. Biyagama workers were the most conscious about rights and displayed the most solidarity and courage to take action. The workers in Bandaragama displayed the least. Distance from the family increases resistance and empowerment in the workplace. By consciously breaking with gender roles by leaving the household and joining the workforce, the FTZ workers also challenge ideological and material familial hierarchies. FTZ workers exhibit a larger degree of autonomy in decision-making processes than those in Bandaragama and Hambantota and are economically self-sufficient. Employment in the factory, linked with the distance from the family, increases the worker's empowerment within the family.

The shift in the responsibility for providing the dowry from parents to daughters grants all women in the sample more autonomy and influence on the choice of spouse, as well as on their future economic stability. Factory employment increases the workers' ability to put together their own dowry. Employment and the ability to provide a dowry serve as direct routes for empowerment.

The study demonstrated that employment has a direct effect on the workers' future aspirations. While respondents in Hambantota, and especially the FTZ, perceive work as gratifying and fulfilling and plan to continue working after leaving the factory, the Bandaragama workers perceive their job as tiring and do not plan on working later. The weaker socio-economic and rural backgrounds of both FTZ and Hambantota workers increases their interest in using employment as a way to overcome poverty and increase their personal autonomy, self-confidence, and satisfaction.

It has been clearly shown in this study that employment in 'Third World' export orientated manufacturing has a direct and, more importantly, favourable influence on poverty reduction and empowerment, particularly for women workers.

### **Note on data and data-analysis**

- (1) To protect the worker's identity, all names were replaced with aliases. Places and names of factories are the original ones. In the Biyagama case though, no factory names are cited, because some workers did not feel comfortable giving them.
- (2) At the time of conducting the fieldwork and writing the report, the exchange rate for 1 USD was slightly less than SL Rs.100. To put this into perspective: presently, the cost of a loaf of white bread is Rs.12, or the cost of a pound of rice, the most common staple, is around Rs.40.
- (3) All figures cited in the text regarding workers' incomes, household contribution, expenses, etc. are based on the workers' individual estimates. In the overall calculation, they might not always perfectly add up. Since the numbers were not manipulated, the reader should be aware of this flaw.



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# **Annexes**



## Annex I Profiles of Interviewees

### I.I General overview

#### I.I.I Biyagama FTZ

Case #	Name	Age	Gender	Ethnicity	Education	Marital Status	Occupation
01	Sanjeevani	24	Female	Sinhalese	A-Level	Single	Painter
02	Rukmini	22	Female	Sinhalese	O-Level	Single	MO
03	Champika	29	Female	Sinhalese	O-Level	Single	Quality checking
04	Wasantha	28	Female	Sinhalese	A-Level	Single	Clerk
05	Pradeepa	26	Female	Sinhalese	O-Level	Single	Checking
06	Ramani	24	Female	Sinhalese	A-Level	Single	Issuing
07	Rosa	23	Female	Sinhalese	O-Level	Single	Checking
08	Nanda	30	Female	Sinhalese	7	Registered	MO
09	Aneisha	20	Female	Sinhalese	O-Level	Single	MO
10	Chandani	26	Female	Sinhalese	O-Level	Single	Sampling
11	Indrani	23	Female	Sinhalese	A-Level	Single	MO
12	Sandiya	27	Female	Sinhalese	11	Single	Checking
13	Asoka	23	Female	Sinhalese	O-Level	Single	MO
14	Padma	20	Female	Sinhalese	O-Level	Single	Ironing
15	Manju	23	Male	Sinhalese	O-Level	Single	MO
16	Hema	21	Female	Sinhalese	A-Level	Single	SV's clerk
17	Ruvani	31	Female	Sinhalese	O-Level	Single	Leader
18	Lakshmi	25	Female	Sinhalese	O-Level	Registered	Packing
19	Priyangani	20	Female	Sinhalese	A-Level	Single	Helper
20	Sujatha	27	Female	Sinhalese	O-Level	Single	MO
21	Kumudhini	21	Female	Sinhalese	O-Level	Single	MO
22	Renuka	22	Female	Sinhalese	O-Level	Single	MO

## I.I.II Bandaragama

Case #	Name of Factory	Name	Age	Gender	Ethnicity	Education	Marital Status	Occupation
01	Perfect Fit	Manika	37	Female	Sinhalese	O-Level	Married	MO
03	Perfect Fit	Malkanthi	20	Female	Sinhalese	O-Level	Single	MO
05	Perfect Fit	Champika	30	Female	Sinhalese	O-Level	Single	MO
06	Perfect Fit	Hamal	20	Male	Sinhalese	O-Level	Single	MO
09	Perfect Fit	Nimal	21	Male	Sinhalese	O-Level	Single	Trainee Operator
12	Perfect Fit	Wimalawathi	23	Female	Sinhalese	A-Level	Registered	Quality checking
18	Perfect Fit	Malika	27	Female	Sinhalese	O-Level	Single	Cutting
04	Nobel's Wear	Sunitha	19	Female	Sinhalese	O-Level	Single	Helper
07	Nobel's Wear	Indrani	32	Female	Sinhalese	O-Level	Single	Helper
08	Nobel's Wear	Pubudini	23	Female	Sinhalese	A-Level	Single	Helper
10	Nobel's Wear	Geethanjali	26	Female	Sinhalese	10	Married	MO
11	Nobel's Wear	Suranya	23	Female	Sinhalese	5	Married	MO
16	Nobel's Wear	Jeeva	18	Female	Sinhalese	O-Level	Single	Packing
02	Southern Apparel	Kamala	40	Female	Sinhalese	O-Level	Married	Helper
13	Southern Apparel	Nimali	29	Female	Sinhalese	O-Level	Married	Ironing
14	Southern Apparel	Kusuma	26	Female	Sinhalese	O-Level	Single	Supervisor
15	Southern Apparel	Ratnamali	39	Female	Sinhalese	9	Married	Ironing
17	Pal Fashion	Thamara	24	Female	Sinhalese	O-Level	Single	Supervisor
19	Bodyline	Ratnawathi	26	Female	Sinhalese	A-Level	Married	Supervisor

### I.I.III Hambantota

Case #	Name of Factory	Name	Age	Gender	Ethnicity	Education	Marital Status	Occupation
01	Lanka Fashion	Ramani	26	Female	Sinhalese	A-Level	Single	MO
02	Lanka Fashion	Sumithra	25	Female	Sinhalese	A-Level	Single	MO
03	Lanka Fashion	Taranga	19	Female	Sinhalese	13	Single	Cutting
04	Ruhunu Putha Apparel	Nilmini	18	Female	Sinhalese	11	Single	MO
05	Ruhunu Putha	Ramyalatha	42	Female	Sinhalese	0	Married	MO
06	Ruhunu Putha	Kusumawathi	17	Female	Sinhalese	11	Single	MO
07	Ruhunu Putha	Hemalatha	18	Female	Sinhalese	8	Single	MO
08	Greenland Garment	Farzana	24	Female	Malay	11	Single	MO
09	Greenland Garment	Murshidha	20	Female	Malay	11	Single	MO
12	Greenland Garment	Faruk	20	Male	Malay	10	Single	Ironing
18	Greenland Garment	Fathima	25	Female	Malay	9	Married	Helper
10	Dynamic Clothing	Mahuruff	25	Male	Malay	O-Level	Married	Quality Control (QC)
11	Dynamic Clothing	Mohammed	23	Male	Malay	O-Level	Single	QC
16	Dynamic Clothing	Shiromi	18	Female	Sinhalese	11	Single	MO
17	Dynamic Clothing	Jeshima	26	Female	Malay	A-Level	Single	Trainee work-study officer
13	Heenettigala Garments	Dilrukshi	21	Female	Sinhalese	10	Married	MO
14	Dondra Garments	Priyanthi	23	Female	Sinhalese	11	Single	MO
15	Lucky Garments	Dilinee	24	Female	Sinhalese	9	Single	Packing
19	Kane Apparels	Nilmini	20	Female	Sinhalese	13	Single	QC
20	Southern Ceramics	Lalitha	21	Female	Sinhalese	O-Level	Single	Potter
21	Southern Ceramics	Kumudhini	19	Female	Sinhalese	11	Single	Potter
22	Southern Ceramics	Vasanthi	21	Female	Sinhalese	11	Single	Potter

Source: Field-data, 2002



## I.II Marital status and age

### I.II.I Biyagama FTZ

N=22

Age	Single Women	Registered/Married Women	Single Men	Married Men
18-24	12		1	
25-29	6	1		
30-34	1	1		
35-39				
40-44				

### I.II.II Bandaragama

N=19

Age	Single Women	Registered/ Married Women	Single Men	Registered/ Married Men
18-24	5	2	2	
25-29	2	3		
30-34	2			
35-39		2		
40-44		1		

### I.II.III Hambantota

N=22

Age	Single Women	Registered/ Married Women	Single Men	Registered/ Married Men
-18	1			
18-24	12	1	2	
25-29	3	1		1
30-34				
35-39				
40-44	1			

## I.III Education

### I.III.I Biyagama FTZ

Up to Grade 8	Up to Grade 10	Up to O-Level <sup>25</sup>	Up to A-Level <sup>26</sup>
1	0	15	6

<sup>25</sup> 'Ordinary Level' corresponds to Grade 11 out of 12 years of total school education and is based on a set of final exams.

<sup>26</sup> 'Advanced Level' corresponds to Grade 12, is based on a more advanced set of final exams, and makes the student eligible to enter university.

### *I.III.I Bandaragama*

Up to Grade 5	Up to Grade 10	Up to O-Level	Up to A-Level
1	2	13	3

### *I.III.III Hambantota*

Up to Grade 5	Up to Grade 10	Up to O-Level	Up to A-Level
1	5	11	5

## **I.IV. Perceptions of poverty**

Perception of socio-economic standing and worker's financial estimate to overcome poverty

### *I.IV.I Biyagama FTZ*

Case #	Worker's perception of socio-economic standing	Total income of FTZ-worker with OT in Rs./month	Minimum income to overcome poverty in Rs./month per family (# of people that permanently live in HH including the worker)	Minimum income to overcome poverty in Rs./month per person
1	Low	4,000		5,000
2	Low	4,600	8,000 (4)	
3	Low	5,000	6,000 (5)	
4	Middle	7,000	8,000 (4)	
5	Middle	6,000	8,000 (4)	
6	Low	6,500	7-8,000 (3)	
7	Middle	5,500	8,000 (5)	
8	Middle	6,500	6-7,000 (3)	
9	Low	4,000	10,000 (5)	
10	Middle	5,000	10,000 (8)	
11	Middle	5,000		5-6,000
12	Low	5,000		5-6,000
13	Middle	5,250		6-7,000
14	Middle	5,500		4,000
15	Low	5,000	10,000 (5)	
16	Low	4,500	4,000 for family (3)	+2,500 for herself in FTZ
17	Low	5,700	12,000 (6)	
18	Low	5,300	5-6,000 (2)	
19	Middle	5,500		4,000
20	Middle	5,500		5-6,000
21	Middle	5,000		7,000
22	Low	3,700	10,000 (4)	

Source: Field-data, 2001

### I.IV.II Bandaragama

Case #	Name of Factory	Worker's perception of socio-economic standing	Total income of FTZ-worker with OT in Rs./month	Minimum income to overcome poverty in Rs./month per family*	Minimum income to overcome poverty in Rs./month per person	Total HH-income in Rs./month <sup>27</sup>	No. of Earners + Contributors/HH <sup>28</sup>
01	Perfect Fit	Low	7,000	10-12,000 (5)		9,800	1.5
03	Perfect Fit	Low	5,500		8-9,000	9,000	1.5
05	Perfect Fit	Low	7,000	10,000 (4)		15,000	2.5
06	Perfect Fit	High	5,500	10,000 (5)		30,000	4
09	Perfect Fit	Middle	3,850	10,000 (5)		15,350	3
12	Perfect Fit	Low	5,000	8-10,000 (5)		7,750	2.5
18	Perfect Fit	Middle	6,500	6,000 (5)		12,500	2
04	Nobel's Wear	Middle	4,500	12,500 (2)		4,500	1
07	Nobel's Wear	Middle	5,500		10,000	14,283	3
08	Nobel's Wear	Middle	4,500		6,000	9,300	2
10	Nobel's Wear	Low	5,600	10,000+ (6)		7,400	2
11	Nobel's Wear	Middle	5,500	10,000+ (3)		7,750	1
16	Nobel's Wear	Middle	5,650	5,000 (5)		5,650	2
02	Southern Apparel	Middle	3,600	10,000 (5)		6,000	2
13	Southern Apparel	Low	6,000	10,000 (4)		8,100	1.5
14	Southern Apparel	Low	9,000	18,000 (5-6)		NA	4
15	Southern Apparel	Middle	5,000	10,000 (6)		13,000	5
17	Pal Fashion	Low	7,000		15,000	10,000	3
19	Bodyline	Middle	15,100	7,000 (5)		20,647	2

Source: Field-data, 2002

\* (# of people that permanently live in HH incl. the worker)

<sup>27</sup> For detailed information of what the household income consists of see Annex II.

<sup>28</sup> Household members without a steady employment or on a pension are counted as 0.5.

### I.IV.III Hambantota

Case #	Name of Factory	Worker's perception of socio-economic standing	Total income of FTZ-worker with OT in Rs./month	Minimum income to overcome poverty in Rs./month per family*	Minimum income to overcome poverty in Rs./month per person	Total HH-income in Rs./month <sup>27</sup>	No. of Earners + Contributors/HH <sup>28</sup>
01	Lanka Fashion	Middle	4,500	10,000 (5)	5,000	10,573	3.5
02	Lanka Fashion	Middle	5,000		5,000	10,573	3.5
03	Lanka Fashion	Middle	3,000		5,500	4,884	3
04	Ruhunu Putha	Middle	1,600		3,000	3,100	2
05	Ruhunu Putha	Middle	1,500	10,000 (9)	3,000+	5,094	3
06	Ruhunu Putha	Low	1,326		10,000	1,880	1
07	Ruhunu Putha	Low	1,000	3-4,000 (6)		2,470	2
08	Greenland Garment	Middle	4,500		6-7,000	12,000	2.5
09	Greenland Garment	Middle	4,500	10,000 (2)		12,000	2.5
12	Greenland Garment	Low	3,100		6-7,000	6,600	2
18	Greenland Garment	Low	3,000	10,000 (4)		6,000	2
10	Dynamic Clothing	Low	5,750		7-8,000	16,250	3
11	Dynamic Clothing	Middle	6,000	10,000 (8)		6,500	1.5
16	Dynamic Clothing	Middle	3,800		3,000	7,196	3
17	Dynamic Clothing	Low	4,000		10,000	21,000	3
13	Heenettigala Garments	Middle	2,700	6-7,000 (5)		3,350	1
14	Dondra Garments	Middle	4,000	8,000 (4)		9,600	3
15	Lucky Garments	Middle	2,200	7-8,000 (4)		9,700	3
19	Kane Apparels	Low	3,000	10,000 (5)		4,500	1.5
20	Southern Ceramics	Middle	3,000	5,000 (6)		4,264	2
21	Southern Ceramics	Middle	4,750	6,000 (5)		15,630	3
22	Southern Ceramics	Middle	4,000		5,000	7,584	3

\* (# of people that permanently live in HH incl. the worker)

<sup>29</sup> For detailed information of what the household income consists of see Annex II.III.

<sup>30</sup> Household members without a steady employment or on a pension are counted as 0.5.

## I.V Access to shelter and water

### I.V.I Nature of house construction

	Biyagama FTZ N=22	Bandaragama N=19	Hambantota N=22
<b>Roof</b>			
Tile	17	9	15
Asbestos	2	10	3
Thatch			4
Wood	1		
Corrugated Metal	2		
<b>Wall</b>			
Baked Brick	10	5	15
Sun-baked Brick	5		2
Cement Blocks	5	7	2
Mud	2		2
Kabok <sup>31</sup>		5	
Cement + Baked Bricks		2	1
<b>Floor</b>			
Cement	17	19	18
Mud	2		2
Cement on Mud/Cow-dung	3		2

### I.V.II Source of water

	Biyagama FTZ N=22	Bandaragama N=19	Hambantota N=22
Private Well/Tap	18	13	19
Public Well/Tap	2	5	3
River/Stream	2	1	

Source: Field-data, 2001 and 2002

<sup>31</sup> 'Kabok' is an orange-coloured, limestone-like building material that used to be common, although now in decline.

## Annex II Impact of Employment on Family's Socio-economic Standing and Poverty Reduction

### II.I Biyagama FTZ

Case #	HH income, Samurdhi, contribution of outside HH-members	Total income of FTZ-worker with OT in Rs./month	No. of people in HH, without outside members that contribute to income	F1 Total/person without wage of worker	F2 (hypo.) Total/person including wage of worker	F3 Actual contr. of the worker to the family plus rest of HH income	Subsidy through the family
1	4,000	4,000	5	800	1,600	1,125	Vegetables, coconuts, rice enough for 3 weeks/1 month
2	700	4,600	4	175	1,325	900	No
3	2,000	5,000	5	400	1,400	750	No
4	5,000	7,000	4	1,250	3,000	2,670	Live at home
5	5,000	6,000	4	1,250	2,750	2,670	Live at home
6	1,000	6,500	3	330	2,500	1,250	No
7	2,000	5,500	5	400	1,500	750	10 kg rice/3 months
8	1,000	6,500	5	200	1,500	500	No
9	1,350	4,000	3	450	1,780	1,050	No
10	2,000	5,000	7	285	1,000	500	Vegetables, rice for 1 week/2 months
11	1,500	5,000	7	215	930	375	6-7 kg rice for 6 weeks, 4-5 coco, vegetables on and off/2-3 month
12	1,000	5,000	3	330	2,000	1,500	5-10 kg rice plus Vegetables / 3 month
13	2,400	5,250	3	800	2,550	1,345	2 kg rice/month, sweets
14	3,400	5,500	4	850	2,225	1,190	5-6 kg rice/year
15	7,000	5,000	5	1,400	2,400	1,810	No
16	2,000	4,500	4	500	1,625	830	No
17	2,300	5,700	6	380	1,330	1,060	No
18	750	5,300	2	375	3,025	2,750	No
19	1,000	5,500	6	170	1,080	400	No
20	5,750	5,500	5	1,150	2,250	1,810	6 coconuts/6 weeks
21	10,300	5,000	3	3,430	5,100	5,560	Extra money, if needed
22	750	3,700	4	190	1,110	415	No

Source: Field-data, 2001

## II.II Bandaragama

Case #	HH income, Samurdhi, <sup>32</sup> contribution of outside HH-members	Worker with OT in Rs./month	Worker's contribution to the HH-income in Rs./month	No. of people in HH, without outside members that contribute to income	F1 Total/person without wage of worker	F2 (hypothetical) Total/person including wage of worker	F3 Actual contr. of the worker to the family plus rest of HH income	Subsidy through the family	Debts (without interest)
01	9,800 <sup>i</sup>	7,000	everything	5	560	1,960	1,960	Food	20,000
02	6,000 <sup>ii</sup>	3,600	everything	5	400	1,200	1,200	Food	--
03	9,000 <sup>iii</sup>	5,500	2,000	3	1,167	3,000	1,833	Food	50,000
04	4,500 <sup>iv</sup>	4,500	2,000	2	125 <sup>v</sup>	2,250	1,000	Food	5,000
05	15,000 <sup>vi</sup>	7,000	1,000	4	3,500	5,250	3,750	Food, money occasionally	--
06	30,000 <sup>vii</sup>	5,500	1,000	5	5,000	6,100	5,200	Food	--
07	14,283 <sup>viii</sup>	5,500	1,500	5	1,757	2,857	2,057	Food	--
08	9,300 <sup>ix</sup>	4,500	300	5	960	1,860	1,020	Food, medicine	15,000
09	15,350 <sup>x</sup>	3,850	500	5	1,600	2,370	1,700	Food, money occasionally	40,000
10	7,400 <sup>xi</sup>	5,600	everything	6	300	1,233	1,233	Food	25,000
11	7,750 <sup>xii</sup>	5,500	everything	3	750	2,583	2,583	Food	--
12	7,750 <sup>xiii</sup>	5,000	750	5	550	1,550	700	Food, medicine	8,000
13	8,100 <sup>ixv</sup>	6,000	everything	4	525	2,025	2,025	Food	--
14	NA <sup>xv</sup>	9,000	0	6	NA	NA	NA	Food	--
15	13,000 <sup>xvi</sup>	5,000	4500	6	1,333	2,167	2,083	Food	75,000
16	5,650 <sup>xvii</sup>	5,650	everything	5	100 <sup>xviii</sup>	1,130	1,130	--	13,000
17	10,000 <sup>xiix</sup>	7,000	1750	5	600	2,000	950	Food	--
18	12,500 <sup>xx</sup>	6,500	1000	5	1,200	2,500	1,400	Food, medicine, money occasionally	--
19	20,647 <sup>xxi</sup>	15,100	everything	5	1,109	4,129	4,129	Food	50,000

Source: Field-data, 2002

<sup>32</sup> Even though a number of families are supposed to receive Samurdhi, the government is not paying it since February 2002 due to the Samurdhi Restructuring Plan. The aim is to reduce the number of Samurdhi beneficiaries from 2.1 million families to 1.1 million by the end of the year 2002. Insufficient funds at the state level and donor pressure to improve the targeting of Samurdhi-recipients are the reason for the reassessment.

## II.III Hambantota

Case #	HH income, Samurdhi, <sup>33</sup> contribution of outside HH-members	Worker with OT in Rs./month	Worker's contribution to the HH-income in Rs./month	No. of people in HH, without outside members that contribute to income	F1 Total/person without wage of worker	F2 (hypothetical) Total/person including wage of worker	F3 Actual contr. of the worker to the family plus rest of HH income	Subsidy through the family	Debts (without interest) <sup>34</sup>
01	10,573 <sup>xxii</sup>	4,500	500	5	1,215	2,115	1,315	Food	--
02	10,573 <sup>xxiii</sup>	5,000	500	5	1,115	2,115	1,215	Food	--
03	4,884 <sup>xxiv</sup>	3,000	1,500	9	209	543	376	Food, clothes	25,000
04	3,100 <sup>xxv</sup>	1,600	1,300	6	250	516	466	Food, clothes	14,000
05	5,094 <sup>xxvi</sup>	1,500	1,500	9	400	566	566	Food	25,000
06	1,880 <sup>xxvii</sup>	1,326	600	3	183	625	383	Occasionally food	--
07	2,470 <sup>xxviii</sup>	1,000	700	6	245	412	362	Food	10,000
08	12,000 <sup>xxix</sup>	4,500	1,850	6	1,250	2,000	1,558	Food, occasionally money	50,000
09	12,000 <sup>xxx</sup>	4,500	2,300	6	1,250	2,000	1,633	Food, occasionally money	50,000
12	6,600 <sup>xxxi</sup>	3,100	2,500	8	438	825	750	Food	--
18	6,000 <sup>xxxii</sup>	3,000	2,500	4	750	1,500	1,375	Food	--
10	16,250 <sup>xxxiii</sup>	5,750	5,750	5	2,100	3,250	3,250	Food, occasionally money	--
11	6,500 <sup>xxxiv</sup>	6,000	2,750	8	1,323 <sup>xxxv</sup>	813	406	Food	--
16	7,196 <sup>xxxvi</sup>	3,800	500	6	566	1,200	650	Food, occasionally money	9,000
17	21,000 <sup>xxxvii</sup>	4,000	0	4	4,250	5,250	4,250	Food	--
13	3,350 <sup>xxxviii</sup>	2,700	2,700	5	130	670	670	Food	13,000
14	9,600 <sup>xxxix</sup>	4,000	3,000	4	1,400	2,400	2,150	Food	25,000
15	9,700 <sup>xl</sup>	2,200	1,100	4	1,875	2,425	2,150	Food	25,000
19	4,500 <sup>xli</sup>	3,000	0	4	375	1,125	375	Food, clothes, transport	70,000
20	4,264 <sup>xlii</sup>	3,000	1,700	6	210	710	494	Food	--
21	15,630 <sup>xliii</sup>	4,750	500	5	2,176	3,126	2,276	Food, occasionally money	--
22	7,584 <sup>xliiv</sup>	4,000	0	9	398	842	398	Food, occasionally money, medication	10,000 (temp.)

<sup>33</sup> Even though a number of families are supposed to receive Samurdhi, the government is not paying it since February 2002 due to the Samurdhi Restructuring Plan. The aim is to reduce the number of Samurdhi beneficiaries from 2.1 million families to 1.1 million by the end of the year 2002. Insufficient funds at the state level and donor pressure to improve the targeting of Samurdhi-recipients are the reason for the reassessment.

<sup>34</sup> The workers tend to give the initial amount of the loan and in most cases do not know how much of it is outstanding at the bank.



## Endnotes

- i Factory - 7,000; husband - 2,800.
- ii Factory - 3,600; husband - 2,400.
- iii Factory - 5,500; father - 3,500; Samurdhi - 400.
- iv Factory - 4,500, Samurdhi - 250.
- v The family received Samurdhi regularly before the worker joined the factory.
- vi The worker did not want to specify the exact amounts, but explained that the family has four sources of income: the pay from the factory, the father's pension, the contribution from a brother in the navy, and the contribution of a younger brother. The figure includes only the worker's contribution to the household (Rs.1,000), not her entire wage.
- vii Factory - 5,500; father - 10,000; Sister 1 - 7,500; Sister 2 - 7,500.
- viii Factory - 5,500; brother - 7,700; father - rice for 12 months for entire household = Rs.1,083/month.
- ix Factory - 4,500; father - 4,800.
- x Factory - 3,850; father - 7,500; brother - 4,000, but contributes around Rs.500.
- xi Factory - 5,600; husband - 1,800; Samurdhi - 360.
- xii Factory - 5,500; husband - 2,250.
- xiii Factory - 5,000; father - 1,000; brother - 1,750.
- xiv Factory - 6,000; husband - 2,100.
- xv Factory - 9,000; her aunt, brother and cousin also earn and contribute to the household income, but she did not want to convey the figures.
- xvi Factory - 5,000; husband - 8,000
- xvii Factory - 5,650; father - 8,500 as of July (at the time of the interview, he had not received his first pay yet. The family had lived from the worker's pay for the previous two years. Thus, the new income of the father will not be added to the calculation in this chart.); Samurdhi - 500.
- xviii The family received Samurdhi regularly before the worker joined the factory.
- xix Factory - 7,000; brother - 2,000; brother (abroad) - 1000.
- xx Factory - 6,500; father - 6,000.
- xxi Factory - 15,100; husband - 5,200; father - rice for four months/year for five people. A person eats approximately 100kg of rice per year, i.e. about 8kg per month. In Hambantota, one kilogram of rice costs around Rs.22, whereas the price is around Rs.26 in Bandaragama. Thus, in this household, rice at the total of Rs.4160 is provided by the father for five household members for four months. The monthly contribution consists then of Rs.347.
- xxii Factory - 4,500; sister - 5,000; father - 1,000; Samurdhi - 350; brother - rice for one month annually (= 73). A person eats approximately 100kg of rice per year, i.e. about 8kg per month. In Hambantota, one kilogram of rice costs around Rs.22. Thus, in this household, rice at the total of Rs.880 is provided by the brother for five household members for one month. The monthly contribution consists then of Rs.73.
- xxiii See case # 01.
- xxiv Factory - 3,000; mother- 1,290; father - 594 (rice for 4-5 months = Rs.7,128).

- xxv Factory - 1,600; father - 1,500; Samurdhi - 700.
- xxvi Factory - 1,500; daughter - 3,000; husband - 594 (rice for 4-5 months = Rs.7,128).
- xxvii Factory - 1,326; grandmother - 550; Samurdhi - 700.
- xxviii Factory - 1,000; father - 1,472 (= rice for one month - Rs.1,056 in addition to Rs.5,000 annually).
- xxix Factory - 4,500; sister - 4,500; father - 3,000.
- xxx Factory - 4,500; sister - 4,500; father - 3,000.
- xxxi Factory - 3,100; uncle - 3,500; Samurdhi - 250.
- xxxii Factory - 3,000; husband - 3,000.
- xxxiii Factory - 5,750; wife and mother-in-law - 2,500; father-in-law - 8,000.
- xxxiv Factory - 6,000; brother - 500 (used to be in the Middle East and sent then about Rs.10,000 a month. Now, he contributes little, but is part of the household.)
- xxxv This figure is higher, because the respondent's brother was in the Middle East and contributed Rs.10,000 monthly, before the respondent joined the factory.
- xxxvi Factory - 3,800; brother-in-law 3,000; father - 396 (rice for six months = Rs.4,752).
- xxxvii Factory - 4,000; mother - 10,000; father - 7,000.

## Annex III Industrial Employment and Empowerment

### III.I Economic dimension of empowerment

#### III.I.I Worker's income, financial responsibilities and disposable income in Biyagama FTZ

Case #	Total income of FTZ-worker with OT in Rs./month	Worker's expenses in FTZ in Rs./month	Contribution to HH income in Rs./month	Savings or saving scheme (situ) in Rs./month	Remaining money in Rs./month
1	4,000	1,600	500	NA	1,900
2	4,600	2,000	2,000	NA	600
3	5,000	1,600	1,000	NA	2,400
4	7,000	0	3,000	3,000	1,000
5	6,000	0	3,000	2,000	1,000
6	6,500	1,500	1,500	2,000	1,500
7	5,500	1,550	1,000	2,000	950
8	4,400	1,700	750	2,000	-50
9	6,500	2,100	1,000	2,000	1,400
10	5,000	1,800	1,000	1,000	1,200
11	6,000	1,200	750	2,500	1,550
12	5,000	1,500	2,000	500	1,000
13	5,250	1,850	290	900	2,210
14	5,500	1,850	170	2,910	570
15	5,000	2,750	250	0	2,000
16	4,500	1,100	500	2,000	100
17	5,700	1,600	3,000	NA	1,100
18	5,300	1,700	2,000	500	1,100
19	5,500	2,117	1,000	0	2,383
20	5,500	1,693	1,000	1,500	1,307
21	5,000	2,000	830	1,000	1,170
22	3,700	1,950	500	0	1,250

Source: Field-data, 2001

### III.I.II Worker's income, financial responsibilities and disposable income in Bandaragama

Case #	Marital Status	Total income of FTZ-worker with OT in Rs./month	Worker's expenses in Rs./month <sup>38</sup>	Worker's contribution to the HH-income in Rs./month	Savings or saving schemes (situ) in Rs./month	Remaining money in Rs./month
01	Married	7,000	0	everything	0	0
03	Single	5,500	0	2,000	2,000	1,500
05	Single	7,000	0	1,000	2,000	4,000
06	Single	5,500	0	1,000	2,000	2,500
09	Single	3,850	0	500	1,000+	2,350
12	Registered	5,000	0	750	1,500	2,750
18	Single	6,500	0	1,000	1,000	4,500
04	Single	4,500	0	2,000	2,000	500
07	Single	5,500	0	1,500	2,000	2,000
08	Single	4,500	0	300	2,000	2,200
10	Married	5,600	0	everything	0	0
11	Married	5,500	0	everything	2,000	0
16	Single	5,650	0	everything	0	0
02	Married	3,600	0	everything	500	100 <sup>39</sup>
13	Married	6,000	0	everything	2,000	250 <sup>40</sup>
14	Single	9,000	0	0	3,000	6,000
15	Married	5,000	300	3,000	1,500	200
17	Single	7,000	0	1,750	500	4,750
19	Married	15,100	0	everything	5,000	0

Source: Field-data, 2002

<sup>38</sup> In contrast to the FTZ, the workers in the Bandaragama area do not have to cover expenses for board and food, because they remain within the larger household structure and food is prepared collectively. However, due to the location of the factories, they need to travel to their workplace by bus. It was argued by the workers though, that it is common in the area for factories to provide free transport for their employees. Thus, the majority of workers do not accumulate work-related expenses.

<sup>39</sup> Some of the workers that state giving their entire wage to the family frequently hold back about Rs.200 for personal purchases, like cosmetic products (see cases 02 and 13).

<sup>40</sup> Some of the workers that state giving their entire wage to the family frequently hold back about Rs.200 for personal purchases, like cosmetic products (see cases 02 and 13).

*III.I.III Worker's income, financial responsibilities and disposable income in Hambantota*

Case #	Marital Status	Total income of FTZ-worker with OT in Rs./month	Worker's expenses in Rs./month <sup>41</sup>	Worker's contribution to the HH-income in Rs./month	Savings or saving schemes (situ) in Rs./month	Remaining money in Rs./month
01	Single	4,500	200	500	500	3,300
02	Single	5,000	200	500	2,000	2,300
03	Single	3,000	205	1,500	1,000	295

Source: Field-data, 2002

<sup>41</sup> In contrast to the FTZ, the workers in the Hambantota area do not have to cover expenses for board and food, because they remain within the larger household structure and food is prepared for collectively. However, due to the location of the factories, they need to travel to their workplace by bus. Other than in the Bandaragama area, the workers are responsible to organize their own transportation to and from the factory. About half of the respondents walk to the factory or go by bike and some of them are provided transportation for free due to their positions as supervisors. Thus, since the family provides food and board collectively, only transportation costs will be listed here in case it applies.