



# Home-Based Workers in Bangladesh: Statistics and Trends

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## Main Findings and Recommendations

In 2009-10 there were 2 million home-based workers in Bangladesh. This represents an increase of 41 per cent in the home-based workforce in Bangladesh since 2005-06. Home-based work was largely located in rural areas and the growth of the workforce was three times higher in rural than in urban areas. More men than women were home-based workers throughout the period from 2005 to 2009. In fact, the number of men in home-based work during this period nearly doubled, growing faster in rural areas, while the number of women in home-based work decreased in both urban and rural areas, but especially in urban areas.

While numerically more men than women are home-based workers, as a source of employment, home-based work is more important for women than for men: that is, a higher percentage of women workers than men workers, outside of agriculture, are home-based. However, home-based work is a decreasing source of employment for women but an increasing source for men. In 2005, women non-agricultural workers were six times more likely than men non-agricultural workers to be in home-based work; by 2009, women were only twice as likely as men.

With respect to sector of economic activity (or industry), manufacturing was the most important sector for both women and men throughout the period. The second most important for women was personal and community services and for men was wholesale and retail trade. Over the period as home-based work in manufacturing declined, home-based trade and personal and community service increased for both women and men.

Own account (i.e. without hired workers) was the predominant employment status for both women and men in home-based work, although men were far more likely than women to be own account workers. Over time, the share of own account has increased for both women and men.

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Although home-based work was undertaken by women and men of all ages, the majority of women (around 80 per cent) and men (around 70 per cent) were within the age group of 20-49, with the proportions declining after age 50. Between 2005 and 2009 the decline in the number of women home-based workers was relatively greater among young unmarried women, while the major increase in the number of men in home-based work took place in the prime working age of 20-49. Thus, younger women (aged 15-19) and unmarried women were less likely to engage in home-based work in 2009 compared to 2005.

## Definitions

In this brief, home-based workers are defined as the category of non-agricultural workers who perform remunerative work (for pay or profit) in their own homes or adjacent grounds or premises. Home-based workers can be self-employed, working independently at their own homes taking entrepreneurial risks (for example, making capital investments, taking loans, buying equipment and selling their finished goods). The self-employed include employers (with hired workers), own account operators (without hired workers), and contributing unpaid family workers. Home-based workers can also be wage workers or sub-contracted workers who work in their own homes for a firm or its contractors. Sub-contracted homeworkers provide their own workspace and are not directly supervised by their employer, so they are sometimes categorized as independent self-employed; on the other hand they are dependent on the contractor for work orders, raw material and sale of finished goods, so they are sometimes classified as dependent wage workers. In reality, sub-contracted workers occupy an intermediate status between fully independent self-employed and fully dependent wage employed.

In this brief, we identify three categories of home-based workers. The third category is a subset of the second, the particular group of dependent homeworkers who are paid on a piece rate.

1. Home-based worker = self-employed (employers, own account operators, or unpaid contributing family workers) working at own home
2. Homeworker 1 = employee, casual paid workers or daily labourers who work at own home and are paid on a time basis
3. Homeworker 2 = employee, casual paid workers or daily labourers who work at own home and are paid on a piece rate basis

The number of home-based workers is estimated from the two rounds of labour force surveys (nationally representative sample) conducted by the Bangladesh Bureau of Statistics (BBS) during 2005-06 and 2009-10. The process of identification of home-based workers from the Labour Force Survey data sets was according to the following steps:

- Select employed population (15 years or more).
- Select non-agricultural workers.
- From non-agricultural workers, select those who work at home (either in any space in the home or in a designated workspace).

- From non-agricultural workers working at home, select workers categorized as employer, self employed or contributing family worker (unpaid). This will give the number of “home-based workers”.
- From non-agricultural workers working at home, select workers categorized as employee, casual paid worker, or daily labourer. Since there is no classification of sub-contracted workers, this group of workers is seen as the category “homeworker 1”.
- From the category of homeworker 1, select those whose mode of payment is piece rate. This will give the number of “homeworker 2”.
- Home-based workers = home-based self-employed workers + dependent (hired) homeworkers + dependent (sub-contracted) homeworkers

**Table 1: Number of Non-Agricultural Workers and Home-Based Workers by Category, Sector & Sex, 2005-06**

Sex	Sector	Non-agricultural workers	All home-based workers*	Home-based workers (self-employed)	Homeworkers (dependent hired)**	Homeworkers (dependent piece rate)**
Women	Urban	1,720,626	212,802 (12.4)	163,468 (76.8)	12,784 (6.0)	36,550 (17.2)
	Rural	1,802,525	515,669 (28.6)	397,688 (77.1)	67,507 (12.9)	50,474 (10.0)
	Total	3,523,151	728,471 (20.7)	561,156 (77.0)	80,291 (11.0)	87,024 (12.0)
Men	Urban	7,648,977	173,220 (2.3)	132,398 (76.4)	22,762 (13.2)	18,060 (10.4)
	Rural	12,952,547	523,577 (4.0)	410,166 (78.4)	91554 (17.4)	21,857 (4.2)
	Total	20,601,524	696,797 (3.4)	542,564 (77.9)	114,316 (16.4)	39,917 (5.7)
Persons	Urban	9,369,603	386,023 (4.1)	295,866 (76.6)	35,547 (9.3)	54,610 (14.1)
	Rural	14,755,072	1,039,246 (7.0)	807,854 (77.7)	159,061 (15.3)	72,331 (7.0)
	Total	24,124,675	1,425,269 (5.9)	1,103,720 (77.4)	194,608 (13.7)	126,941 (8.9)

\*Figure in brackets is per cent of all non-agricultural workers.

\*\* Figure in brackets is per cent of all home-based workers.

**Table 1a: Number of Non-Agricultural Workers and Home-Based Workers by Category, Rural-Urban & Sex, 2009-10**

Sex	Sector	Non-agricultural workers	All home-based workers*	Home-based workers (self-employed)**	Homeworkers (dependent hired)**
Women	Urban	1,831,329	156,836 (8.6)	127,071 (81.0)	29,765 (19.0)
	Rural	3,708,221	512,316 (13.8)	440,297 (85.9)	72,019 (14.1)
	Total	5,539,550	669,152 (12.1)	567,368 (84.8)	101,784 (15.2)
Men	Urban	7,508,033	297,693 (4.0)	252,916 (84.9)	44,777 (15.1)
	Rural	15,003,555	1,040,671 (6.9)	903,366 (86.8)	137,305 (13.2)
	Total	22,511,588	1,338,364 (5.9)	1,156,282 (86.4)	182,082 (13.6)
Persons	Urban	9,339,362	454,529 (4.9)	379,987 (83.6)	74,542 (16.4)
	Rural	18,711,776	1,552,987 (8.3)	1,343,663 (86.5)	209,324 (13.5)
	Total	28,051,138	2,007,516 (7.2)	1,723,650 (85.9)	283,866 (14.1)

\* Figure in brackets is percent of all non-agricultural workers.

\*\* Figure in brackets is percent of all home-based workers.

The estimated size of the workforce in home-based work increased from 1.43 million in 2005-06 to 2 million in 2009-10, an increase of 41 per cent (582,247 persons) (**table 1 and 1a**). Although the total numbers of home-based workers increased, the share of home-based workers among all non-agricultural workers in Bangladesh remained stable around 6-7 per cent. Overall, a third of all home-

based workers were women in 2009, down from one half in 2005. The number of women in home-based work declined during this period (by 8 per cent) while the number of men in home-based work increased by 92 per cent – that is, it almost doubled. Home-based work is a greater, although declining, source of employment for women than for men. Women in home-based work accounted for 21 per cent of women non-agricultural workers in 2005, falling to 12 per cent in 2009. Men in home-based work accounted for 6 per cent of non-agricultural workers in 2009, up from just over 3 per cent in 2005.

Of the two types of home-based workers, self-employed and dependent workers, self-employed was the more common type, accounting for 77 per cent of all home-based workers in 2005 and increasing to 86 per cent in 2009 (**tables 1 and 1a**). Similar increases in the share of self-employed home-based work occurred for women and men between the two dates: from 77 per cent in 2005 to 85 per cent for women and 78 per cent to 86 per cent for men. Correspondingly, the proportion of dependent homeworkers decreased from an average of 23 per cent in 2005 to 14 per cent in 2009. Information on dependent homeworkers with piece rate payment is only available for 2005, when around 9 per cent of persons in home-based work were piece rate workers. Piece work was more common among women and among urban workers.

## Rural and Urban Home-Based Workers

The overwhelming proportion of home-based workers, both women and men, were located in rural areas (77 per cent in 2009 and 73 per cent in 2005). Between 2005 and 2009 the increase in the number of urban home-based work was only 18 per cent (68,506 persons), while the increase in the number of rural home-based workers was 49 per cent (513,741 persons), so the increase in rural areas was nearly three times the increase in urban areas. The overall decline in the number of women in home-based work was driven mainly by the fall in numbers in urban areas (by 26 per cent), since the drop in rural areas was small. For men, home-based work increased between 2005 and 2009 in both rural and urban areas but the increase was much greater in rural areas (a 72 per cent increase in urban areas and a 99 per cent increase in rural areas).

## Status in Employment of Home-Based Workers

Self-employment in home-based work can be further disaggregated. In 2005, 49 per cent of women and 68 per cent of men in home-based work were own account workers. In 2009 less than 1 per cent of home-based workers were employers (0.3 per cent among women and 0.9 per cent among men). The next important employment status for women in home-based work was contributing (unpaid) family worker (28 per cent), followed by day labourer (18 per cent); for men the pattern was reversed (9 per cent unpaid contributing family worker and 17 per cent day labourer). By 2009, the percentage of own account workers increased to 66 per cent for women and 79 per cent for men; the percentage of

contributing family workers declined, particularly for women (18 per cent) but also for men (7 per cent). However, the percentage of day labour remained more or less same for both, around 15 per cent. The category employer was not reported in 2009.

## **Branch of Economic Activity/Industry**

In Bangladesh, home-based workers are present in most sectors of economic activity to some degree but are concentrated in a few industry categories, specifically manufacturing, trade and personal and community and personal service.<sup>2</sup> Manufacturing is the most common activity for both women and men home-based workers. Personal and community service activities are relatively more important for women while trade is relatively more important for men. In 2005-06 the highest percentage of women home-based workers was in manufacturing (59 per cent), followed by personal and community service (18 per cent), activities of private households (8 per cent) and trade (7 per cent). These four types of activities accounted for 92 per cent of women in home-based work. By 2009-10, manufacturing had declined slightly (55 per cent), personal and community service had increased (26 per cent), activities of private households had declined (2 per cent), and trade had increased somewhat (10 per cent).

Among women home-based workers, the decline in manufacturing appears to be driven by a substantial decline in urban areas, from 57 per cent in 2005 to 34 per cent in 2009. During this period, women's home-based work in manufacturing increased in rural areas from 59 per cent to 62 per cent. By contrast, the increase in the personal and community service in 2009 appears driven by the rise in urban areas from 22 per cent to 45 per cent. Thus, there was relatively greater change in activity composition for urban than rural women in home-based work.

In 2005-06 manufacturing (41 per cent) was also the most common activity for men in home-based work, followed by trade (29 per cent), personal and community service (8 per cent), construction (7 per cent), activities of private households (2 per cent), transport and storage (3 per cent), and health and social work (3 per cent). In total these sectors of activity accounted for 93 per cent of men in home-based work. By 2009-10 decreases occurred in manufacturing (36 per cent), construction (4 per cent), and activities of private households (less than 1 per cent); and increases occurred in transport (8 per cent), trade (31 per cent) and personal and community service (10 per cent).

In 2005, 82 per cent of women in home-based manufacturing were concentrated in five types of manufacturing: tobacco products (12.3 per cent), wooden products (33.4 per cent), finishing textiles (18.3 per cent), furniture (13.4 per cent) and wearing apparel (5 per cent). By 2009, wearing apparel had increased to 14.7 per cent of home-based manufacturing and hand loom textiles to 16 per cent. Manufacturing in rice milling (17.2 per cent), food products (10.5 per cent) and bamboo and cane products (21 per cent) were not in the top five activities in 2005 but were in 2009. Further manufacture of tobacco products declined to 5 per cent, and manufacture of furniture and wooden products had become negligible.

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<sup>2</sup> The industry classification applied in the two surveys changed: the 2005 LFS used UNSD (UN Statistics Division) International Standard Industrial Classification (ISIC) revision 3.1, while the 2009 LFS used Revision 4. This may have affected the observed changes.

Among men in home-based manufacturing in 2005, manufacture of wood products and furniture was the most common (26 per cent and 22 per cent), followed by finishing textiles (19 per cent), animal feed (6 per cent), and tobacco products (6 per cent). Together these activities accounted for 79 per cent of men in home-based manufacturing. By 2009, there was a shift in the types of manufacturing activities: most common was manufacture of wearing apparel (24 per cent), followed by manufacture of bamboo and cane products (22 per cent), handloom textiles (11 per cent), rice and rice milling (12 per cent), furniture (5 per cent), and brick, tiles (6 per cent). Together these activities accounted for 76 per cent of men in home-based manufacturing activity.

For men, home-based trade increased considerably between 2005 and 2009. Within that change was a decline in wholesale trade (from 18 per cent to 2.4 per cent), so that by 2009 virtually all trade was in retail sale. The types of products sold also changed: food, beverage and tobacco changed, food grains, cereals, rice, pulses and flour increased. In 2009, 97 per cent of women in home-based trading were engaged in retail trade, up from 73 per cent in 2005. The major retail products in 2009 were rice, pulses, flour and other grocery (61 per cent).

## Age and Marital Status

Home-based work is undertaken by women and men of all ages but the workers are concentrated between the ages of 20-49 years. In 2005, 78 per cent of women in home-based work were aged 20-49 years, while this proportion was 81 per cent in 2009. The proportions declined after age 50 to 11 per cent in 2005 and 14 per cent in 2009. In both periods the proportion aged 15-19 years was around 8 per cent. By comparison, in 2009 13 per cent of all women in non-agricultural employment were aged 15-19 years, while only 8 per cent were over 50 years, indicating that women in home-based work were on average likely to be older than non-agricultural workers.

During this period men in home-based work were also concentrated in the age group 20-49 (67 in 2005 and 70 per cent in 2009), with a small proportion in age group 15-19 years (6 per cent in 2005 and 7 per cent in 2009) and around one-fourth in the age group 50+ years (24 per cent in 2005 and 26 per cent in 2009). Comparing this to the age pattern of all men in non-agricultural work, in 2009 15 per cent of men non-agricultural workers were aged over 50 years, suggesting that relatively more older men were employed in home-based work.

With respect to marital status, the highest proportion of women home-based workers were currently married: 69 per cent in 2005 and 80 per cent in 2009. The proportions unmarried were 10 per cent in 2005 and 7 per cent in 2009. Thus, there was a decline in the incidence of unmarried women in home-based work, and an increased incidence of married women in home-based work.

To understand how age and marital status affect the likelihood that women non-agricultural workers engage in home-based rather than work outside the home, home-based workers were compared to all non-agricultural workers on the dimensions of age and marital status (**table 2**). In 2005 the share of all non-agricultural women workers who were home-based was 21 per cent overall, while the shares in the three broad age groups 15-19 years, 20-49 years, and 50+ years were respectively 17 per cent, 20 per cent, and 26 per cent. In 2009 the share of all non-agricultural women workers who were home-based was lower at 12 per cent, and the share in the age group 15-19 years was 6 per cent; in the 20-49 year age group the share was 12 per cent and in the 50+ year age group the share was 18 per cent.

Thus between 2005 and 2009, while there was a general decline in the propensity of women non-agricultural workers to take up home-based work, the decline was especially visible among young women aged 15-19 years.

Home-based work was a more important source of employment among married and widowed, divorced and separated women than among unmarried women; however, for each of these categories the incidence of home-based rather than other types of employment decreased significantly between 2005 and 2009. In 2005, 15 per cent of unmarried non-agricultural women workers were engaged in home-based work compared to around 22 per cent of married women and 21 per cent of widowed or separated/divorced women non-agricultural workers. In 2009 these shares were lower, at 5 per cent for unmarried women and 13 per cent each for married women and for widowed or separated/divorced women. Among men – in contrast to the pattern for women – the share of home-based work as part of all non-agricultural work increased between 2005 and 2009. The share increased from under 3 per cent to over 4 per cent among 15-19 year old men, from 5 per cent to 22 per cent among 20-49 year old men, but declined from 3 per cent to under 2 per cent among men over 50 years old. In other words, the major increase took place among men in the prime working ages.

**Table 2: Share (%) of Non-Agricultural Workers in Home-Based Work by Age Group and Marital Status, 2005-2006 and 2009-10**

Age group/ Marital status	2009-10		2005-06	
	Women	Men	Women	Men
All ages	12.10	5.90	20.70	3.40
15-19	6.00	4.35	17.00	2.82
20-49	12.47	22.02	20.27	5.32
50+	18.43	1.61	26.23	3.07
Unmarried	5.13		14.52	
Married	13.33		21.72	
Widowed/div/sep	12.99		21.14	

**About WIEGO:** Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO draws its membership from membership-based organizations of informal workers, researchers and statisticians working on the informal economy and practitioners from development agencies (intergovernmental, governmental, nongovernmental) working on related issues. For more information see [www.wiego.org](http://www.wiego.org).

**About HomeNet South Asia:** HomeNet South Asia (HNSA) is the sub-regional network of organizations of home-based workers. It operates in Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. HNSA works towards building regional solidarity among home-based workers, especially women workers, empowering them to lead a life of dignity, free of poverty by obtaining decent work and social protection, within a rights framework. HNSA strives to make home-based workers and their issues more visible; to help organize them; to improve their working and living conditions; to promote and advocate for formulation and implementation of national, regional and international policies for home-based workers, and to promote access of home-based workers' products to local, national and international markets. For more information, visit [www.homenetsouthasia.net](http://www.homenetsouthasia.net) or email [homenetsouthasia@gmail.com](mailto:homenetsouthasia@gmail.com).