



## 23 Fair treatment of part-time or temporary workers

### Needs of women workers and other under-served groups attract increasing entrepreneurial focus

In a volatile global economy, savvy entrepreneurs are eyeing frontier markets like Bangladesh and backing innovative businesses that service the overlooked needs of women-dominated workforces.

It's a not-so-well-kept secret in many countries that the formal economy is underpinned by millions of workers – often women – who operate in part-time and temporary work. The enormous size of this fluid cohort is due to gender norms and cultural factors that lead women to take on work that's less secure, potentially hazardous, poorly paid and more exposed to disruption from major events like the Covid-19 pandemic.

Illegal labour practices and a lack of data make the informal labour market a thorny challenge for policymakers to address. According to a 2022 World Bank publication, *The Long Shadow of Informality: Challenges and policies*, the devastating impacts of Covid-19 highlighted the risks associated with poor working conditions for informal workers and the need for comprehensive action.

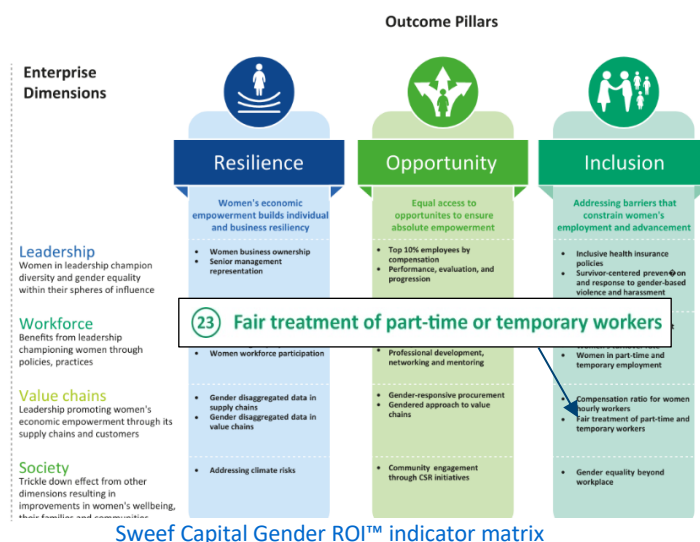
“In emerging markets and developing economies, far too many people and small enterprises operate outside the line of sight of governments – in a zone where little help is available to them in an emergency,” the authors say. “Informal workers are predominantly women and usually young and low-skilled. When they lose their jobs or suffer severe income loss, they often have no resource to social safety nets.”

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Statistics don't always tell the whole story. Vietnam has posted a women's workforce participation rate of some 70 per cent for decades. Even despite the Covid-19 pandemic, where the rate dipped noticeably,

Vietnam continues to outstrip the best performers among advanced Western economies.

Yet as Sweef Capital's Vietnam Director, Ms Phuong Pham, points out, a job doesn't necessarily equate to meaningful or secure employment for women, what the International Labour Organisation (ILO) calls decent work. In Vietnam, as elsewhere, many women choose flexible work because it accommodates family and household responsibilities.



“We know the informal labour market disproportionately impacts women,” Ms Phuong says. “The actual extent is unclear because of under-the-radar practices and poor data. Good leaders can counter this by ensuring the part-time and casual employment their organisations offer is high-quality and that these workers – women and men – are treated the same way as comparable full-time workers.”

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- Phuong Pham, Sweef Capital

Bangladesh offers inspiring examples of government and industry leadership, business innovation and social entrepreneurship in the face of lingering perceptions of corruption and unethical labour practices, particularly in women-dominated export industries like garment manufacturing.

Once one of the world’s poorest nations, Bangladesh has long been a driver of social innovation, as a pioneer in microfinance for women and home to the world’s biggest non-government organisation, BRAC. The country has adapted rapidly to address global concerns about issues such as child labour and more recently, supply chain sustainability and is now officially a lower-middle economy.

According to Mr Nirjhor Rahman, CEO of the Bangladesh Angels investor network, while the local labour landscape remains challenging, the entrepreneurial scene is abuzz with businesses competing to service informal workers, such as bKash, Indonesia-headquartered Wagely and Apon Bazaar (see breakout).

A 2010 ILO survey found that some 87 per cent of the Bangladesh labour force was employed in the informal economy. The precarious conditions these workers experience are in stark contrast to what organisations in the capital Dhaka might offer formal employees; for example, statutory leave, health insurance and other benefits.

Mr Rahman says there have been high-level moves to improve working conditions for informal workers. “The context is at the government level, at the buyer level,” he says. “To get (these workers) on formal payrolls, get them access to bank accounts; ensure they can be paid through formal channels rather than informal channels, and be paid on time.”

The same technology platforms powering the growth of the gig economy have enabled digitisation of informal workers’ wages, for example. This means a garment industry worker can buy essential goods from providers such as Apon Bazaar when they need them, without accruing debt to a local grocer or meat hawker.

“Imagine being able to order what you want within the factory – you’re not having to exchange any cash because this is deducted against your salary at the end of the month,” Mr Rahman says. “It changes the relationship a women worker has with her family. Before, maybe she’d give the money to her husband to then purchase the groceries. Now, not only is she the breadwinner, literally, but she’s able to exercise agency as the breadwinner.”

A registered not-for-profit, Bangladesh Angels is the nation’s first angel investing platform set up to address the lack of early-stage capital for local entrepreneurs with novel business ideas. While the primary focus is on developing innovative products and services, pure commercial motives don’t necessarily trump social impact; it’s more nuanced culturally.

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“We’ve always had this thread of social good and it’s very ingrained,” Mr Rahman says. “BRAC is a good example – the largest NGO in the world, but for many of us, it’s not necessarily an NGO. It’s a well-respected company. I get my milk from BRAC. I do my banking at BRAC. My younger cousin might be studying at BRAC University.”

Smart investors are watching the vibrant Bangladesh start-up scene with interest. “What I’m struck by is the idea of offering dignity (to informal workers) and serving them as a class of potential consumers,” Mr Rahman says. #

## About the contributors



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## Apon Bazaar – Transforming informal workers into consumers

For a relatively young nation, Bangladesh punches above its weight in terms of innovation and social entrepreneurship.

Apon Bazaar is an exciting example of the benefits of identifying a hidden market – in this case, some 4.2 million informal workers in the country’s readymade garment industry, 80 per cent of them women.



Launched by social entrepreneur Mr Saif Rashid, Apon Bazaar addresses a long-standing issue with casual and transient workers: affordable credit. Workers use a dedicated app and agent network to access up to a third of their salary at negligible interest and can buy discounted products and services through factory-based stores that also offer free healthcare and medical insurance.

While Apon’s model directly benefits workers, employers also benefit from reduced turnover and healthier employees.

For Bangladesh Angels CEO, Mr Nirjhor Rahman, Apon’s reframing of this worker cohort as consumers-in-waiting is an outstanding example of business ingenuity that also delivers far-reaching social impact, especially for women. It’s an inclusive business model with broad application.

“I think the larger piece of the pie is this lower-middle income population that is aspirational, that is urbanising, that is encountering new problems when it comes to acting on their newfound tastes,” he says. “That’s where we can potentially solve problems.” #

For more about Bangladesh Angels, visit: <https://bdangels.co/index.html>. Visit Apon Bazaar at: <https://www.aponbazaar.co/>



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