



THREADS OF CHANGE

| Six Stories of Empowerment





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PROJECT BACKGROUND



Sarathi – Improving Financial Health is a project jointly funded by the MetLife Foundation and the Happel Foundation as part of the Swisscontact Development Programme, co-financed by the Swiss Agency for Development and Cooperation (SDC) and the Federal Department of Foreign Affairs (FDFA).

Launched to enhance financial inclusion, Sarathi enables a network of private and public stakeholders to facilitate access to existing and customised, preferably digital, financial health solutions, especially for RMG workers and their communities. Additionally, the project focuses on upskilling of RMG workers and women's entrepreneurship to promote long-term financial stability.

Sarathi tells a story of transformation within Bangladesh's RMG sector, improving financial inclusion for its workers.

This storybook highlights how digital transactions, savings, loans, health insurance, upskilling, and entrepreneurship training have empowered workers and their communities to engage with the formal financial system. Sarathi's efforts have addressed key challenges, creating a sustainable financial ecosystem that benefits workers, RMG factories, and financial institutions, promoting long-term financial stability and inclusion.

Stories of Empowerment

Breaking Free from Informal Debt

Mst. Ruma Khatun, Quality Auditor, NEWAGE Group, Ashulia, Savar

Ruma Khatun has been working in the RMG sector for the past nine years. When her nephew needed BDT 50,000 for relocation, Ruma faced an urgent financial challenge. With limited options and the risk of turning to informal loan providers, she sought a better solution, through Dhaka Bank PLC's e-Rin service, a partner of Sarathi's financial inclusion initiative. Typically, **workers fear applying for formal loans** due to complex documentation and concerns about being a defaulter, often resulting in reliance on informal loans with high interest rates. In fact, **only 12.3% of RMG workers had accessed formal loans** when needed, leaving the majority turning to informal lending in the case of any financial challenges (Sarathi I Baseline-RMG sectoral analysis, 2018).

By using the e-Rin app, Ruma received the required fund within 24 hours. The loan's structure included a manageable six-month repayment plan.

“

It is not easy to secure a loan of BDT 50,000 so swiftly. I did not have anyone in my community who could assist me financially or lend this amount at such short notice. I am immensely relieved to have access to this service.”



Utilising formal loan service saved Ruma from relying on informal lenders, that often leads to a high interest burden and creates a never-ending cycle of debt. Instead, she was able to handle her financial emergency without jeopardising her family's longterm well-being.

From Skepticism to Financial Confidence

Ms. Anowara, Housewife, Salna, Gazipur

Anowara, a homemaker from Jolarpar Bazar, faced difficulties accessing traditional banking, as her husband's remittances from abroad were managed through a local bank's Gazipur branch, **requiring her to travel long distances and complete tedious paperwork.** Unlike her, many RMG workers and their communities keep their savings informally, sometimes hidden inside a pillow, risking loss due to theft.

Initially hesitant, Anwara discovered Bank Asia's agent banking services through the Sarathi project and found a more reliable and easy to access solution. She opened an account, attended literacy sessions, and quickly realised the benefits. With agent banking, **she accessed BDT 1,800,000 of remittance and secured a BDT 700,000 as loan to expand her husband's fish business, ensuring a more stable financial future for her family.**



Anowara's **positive experience inspired both her husband and brother-in-law**, who works in the ready-made garment (RMG) sector, to open their own accounts and take advantage of Bank Asia's savings schemes. Her story highlights how accessible banking services can lead to financial stability and **encourage others in the community to adopt better financial practices.**



“

I was skeptical at first, but the convenience and efficiency won me over. I now recommend agent banking to everyone.”

Embracing Motherhood with Financial Security

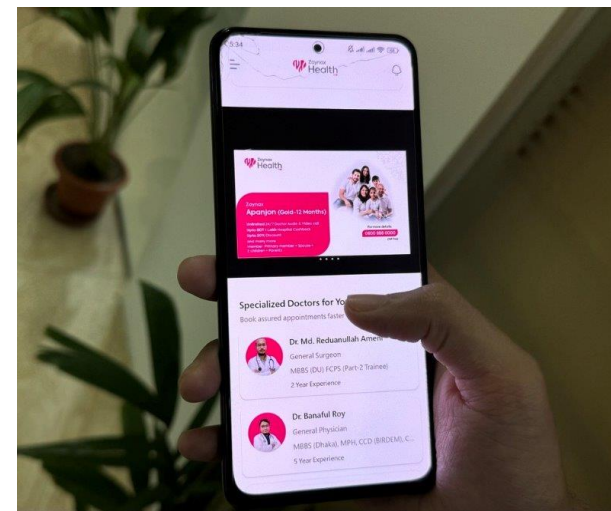
Nasima Begum, Metal Detector, Alpha Clothing Ltd., Savar

In Bangladesh, the concept of health insurance is not warmly welcomed. According to the Sarathi baseline survey, **71% of RMG workers are unaware of health insurance services, and although 29% are aware, there is no enthusiasm for utilising these services (Sarathi II Baseline sectoral analysis, 2021)**. This reflects the challenges in awareness and acceptance.

Nasima Begum has a decade of experience in the RMG industry, spending the last six years at Alpha Clothing Ltd. Eight years ago, during her first pregnancy, she resigned from her job and returned to her hometown to give birth and care for her newborn. However, during her second pregnancy, she chose to continue her career without taking any break. When applying for her maternity leave, **she was informed about the health insurance package** that her factory had availed for its workers. This health insurance service was provided by Zaynax Health, a partner of Sarathi, which allowed **Nasima to manage her finances with ease**.



I was surprised to learn about the health insurance service. I was even happier when our HR assured me that I will not return empty-handed. I am grateful to both our HR and the health insurance provider.”



When Nasima underwent a C-section for her second child, She received substantial support from Zaynax Health. She was **reimbursed BDT 4,000 for her hospital stay and an additional BDT 750 for medical tests and consultations**. Her experience demonstrates how understanding and utilising health insurance can enhance workers well-being through availing health related financial support.

Small Steps toward Financial Security

Mst. Monalisa Khatun, Finishing and Quality Inspector, DBL Group, Gazipur

Currently, various RMGs are disbursing salaries through Mobile Financial Services (MFS). To help RMG workers become accustomed to digital transactions, Sarathi worked to promote various digital transactional products.

Mst. Monalisa Khatun, benefitted significantly from this intervention. Previously working as a teacher in Rangpur, she relocated to Dhaka to support her family after her husband sustained severe injuries. While balancing her responsibilities as a wife, mother, daughter, and daughter-in-law, she gained crucial support from [Rocket](#), a mobile financial service (MFS) offered by Dutch-Bangla Bank PLC (DBBPLC) in partnership with Sarathi.

With Rocket, Monalisa is now able to **transfer funds, make payments, and save without frequent visits to the bank**. This has been vital for sending money to her in-laws in Kurigram and supporting her sister's education in Rangpur. Recently, when her husband needed emergency additional funds to purchase land, Rocket allowed her to transfer money instantly, eliminating the need for travel. Overall, the collaboration between Rocket and Sarathi has simplified Monalisa's financial management, empowering her to support her family and plan for the future with greater confidence and independence.



Traditionally, it was observed that many husbands of female RMG workers take all of their wives' salaries. The mobile financial services (MFS) and the provision of using PINs to access account, **women workers can keep their money in a secure account and are empowered to control their own money**. Similarly, workers who used to withdraw all their wages in cash before the intervention, are now accustomed to **using various digital transactions, promoting financial literacy and greater financial independence**.



“

I rely on Rocket to manage my bill payments and send money to my in-laws and parents. It also helps me to easily pay for my younger sister's monthly educational expenses.”

Sowing Dreams of becoming Supervisor

Yasmin Akter Mitu, Quality Supervisor, ECHOTEX LTD., Gazipur

Yasmin Akter Mitu, from Jaipurhat, struggled financially while pursuing her education. Despite her determination, her family could not afford basic resources like books. To support herself, she worked as a tailor, but the income was insufficient. With no savings or financial security, she moved to Gazipur in 2017 and began working in the Ready-Made Garment (RMG) industry, hoping to build a better future.

While working as a Quality Inspector, she learned about Sarathi's upskilling program provided by the implementing agency Rajesh Bheda Consulting (RBC) and eagerly enrolled. The training equipped her with vital skills in manpower management, patience, empathy, and technical expertise, quickly distinguishing her as a leader. **Starting with a salary of just BDT 6,400, Mitu aspired to reach a leadership position and took the initiative all by herself to enroll in the training.** Now, she is well on her way to realising her ambitions, with a promising career path ahead.

“

It is my dream to see myself in a managerial position in a factory. I want to become an exemplary leader to my team and peers.”



Yesmin's hard work led to a promotion to Quality Supervisor, accompanied by a **50% salary increase**. This not only marked a significant step in her career but also enabled her **to save** for her future, committing to setting aside **BDT 10,000 each month**.

Tailoring New Beginnings

Josna Akhter, Tailor and Trainer, Baklia, Chattogram

Josna Akhter, a skilled tailor from Chattogram, ran a successful tailoring business from her home. However, during the COVID-19 pandemic, she had to shut down her business. At the same time, her husband, a bus supervisor, fell ill and took a break from work, leading to financial struggles for the family.

Amidst these challenges, **Josna found support through the entrepreneurship training programme** offered by Young Power in Social Action (YPSA), a partner of Sarathi. This programme helped her **regain her confidence. She secured a loan from YPSA and opened a shop near her home, taking on the responsibility of supporting her family of four**, with her husband, a daughter pursuing a bachelor's degree and a son attending madrasa.



Despite having only completed her education up to the 8th grade, Josna demonstrated strong entrepreneurial skills after receiving the training from YPSA. Additionally, she expanded her business by training other girls in tailoring skills at her shop. Her journey shows **the positive impact of combining entrepreneurial training with access to loans**, allowing her to uplift herself and her community.



Through the training, I have learned to turn my setbacks into success and helped others do the same. It is not just about rebuilding my business – it is about lifting my entire community.”





Closing Thoughts

As Sarathi moves forward, the progress made over the past phases highlights the significant strides achieved in advancing financial inclusion. From the opening of salary accounts to upskilling programmes and access to tailored financial services, Sarathi has laid a strong foundation for the continued growth of the financial health of RMG workers and their communities.

Through Sarathi's interventions, 241,634 unique workers and their communities have used multiple financial products in partnership with 128 RMG factories and 11 private organisations. This progress is the result of the collective efforts of all stakeholders, particularly the resilience and determination of the workers, whose engagement has been central to the project's success.