

Gender Gaps in the Garment Sector in Bangladesh.

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The Bangladeshi Garment Sector

- Bangladesh a success-story for development
 - ▶ Large reductions in poverty, school missing rates, or mortality rates
 - ▶ Annual GDP growth of 6% over last 20 years
- Often associated with its huge garment export sector
 - ▶ 4,000 factories, 4 Million workers (more than half women)
 - ▶ 80% of exports, 12% of GDP
 - ▶ 10-15% annual growth

The Bangladeshi Garment Sector



Is export manufacturing actually good?

- Export manufacturing sometimes has a bad reputation
 - ▶ “Poverty Wages”, “Sweat Shops”, “Worker Exploitation”
 - ▶ Rana Plaza Disaster in Bangladesh 2013, with more than 1,000 dead
- But research has shown different picture
 - ▶ Export manufacturing pays higher wages and is less dangerous than other jobs the workers can access in same countries
 - ▶ Parents keep girls longer in school, for prospect to find work
 - ▶ Every successful development story in recent years included export manufacturing

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 - ▶ Export manufacturing pays higher wages and is less dangerous than other jobs the workers can access in same countries
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 - ▶ Every successful development story in recent years included export manufacturing
- But export manufacturing often employs large numbers of women:
 - ⇒ How are women treated in sector, and can we help them?

Gender Pay Gaps in the Bangladeshi Garment Sector

- Gender Gaps hot topic in research all around world
 - ⇒ Typically finds women earn around 10% less in “rich” countries
- With team based in Oxford:
 - Collected administrative wage data from > 100k workers from 70 factories
 - ▶ Representative of modern, growing part of sector
- Core Results
 - ▶ Men earn 20% higher wages
(Average wages in sector 100\$ per month)
 - ▶ But men and women doing same job earn the same income

Gender Pay Gaps in the Bangladeshi Garment Sector

- Is that discrimination?

The only thing that should matter is productivity and skills.

- Skill Data on Worker level from 20 factories: Are men more skilled?
 - ▶ Even men and women with same skill level have a skill gap of 3-4%

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- Skill Data on Worker level from 20 factories: Are men more skilled?

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- What is it then? Still to some extent open question

- ▶ Only indication we find: Men switch more often factory and increase wages faster this way.

Digging Deeper: 2 Randomized Trials

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- Provide a “treatment” to randomly selected individuals in a sample
 - ▶ For example a credit, a training course, or.... a female boss
 - ▶ Some “placebo” to others in sample
- Provides evidence that is not confounded by “selection bias”

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- Two Randomized Trials in Bangladeshi garment sector
 - ▶ To understand specific frictions that *could* hold women back

Randomized Trial 1: Getting A Female Boss

- Why do men get on better paying jobs, especially supervisor jobs?
- Core Question: Are women really less skilled for being supervisors
 - ▶ That's what most (male and female) workers and managers in sector think!
- What happens if women become supervisor of work teams
 - ▶ Currently only around 7% of supervisors are female, despite 75% of workers
- Project with 24 factories: For half year, promote 50% women to supervisors
 - ▶ Allocate them to random lines for first two months on the job
 - ▶ Compare them to equal number of newly promoted male supervisors

Randomized Trial 1: Getting A Female Boss

4 Core Results:

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- 4 After two months factories select those they want to keep as supervisors
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Overall, results best explained by female supervisors struggling at beginning because workers do not invest same level of authority in them.

Thanks very much!



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