Read Made Garments (RMG) and Women in Bangladesh
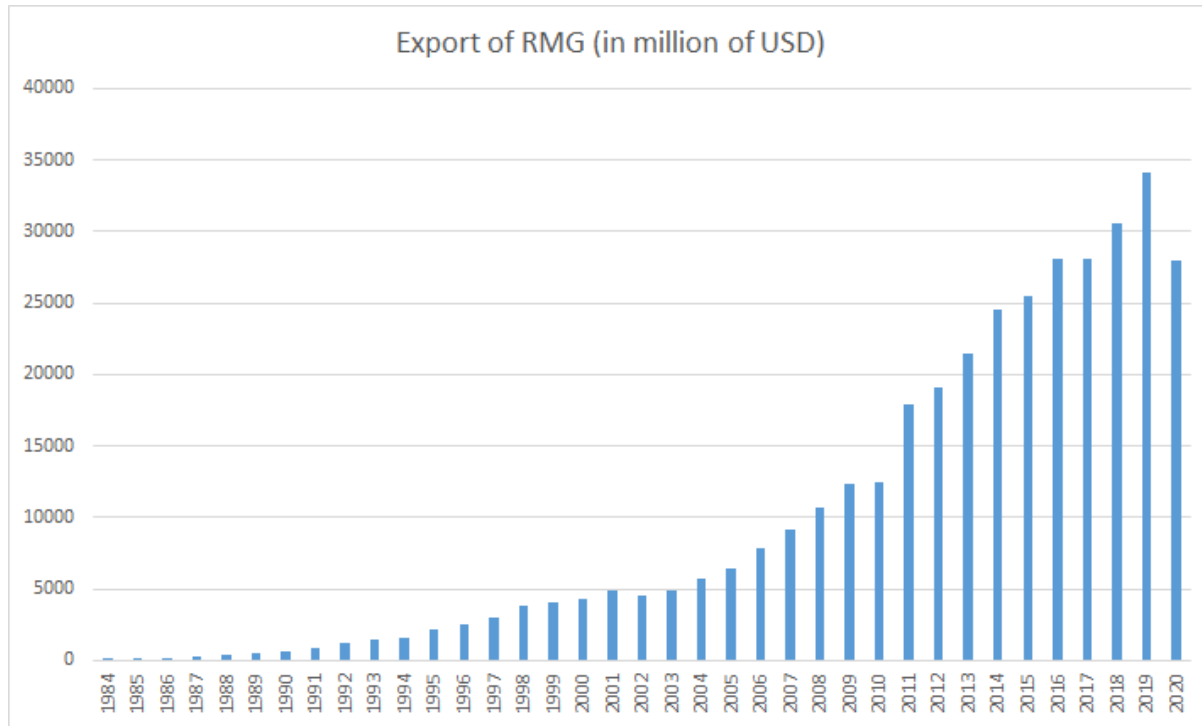
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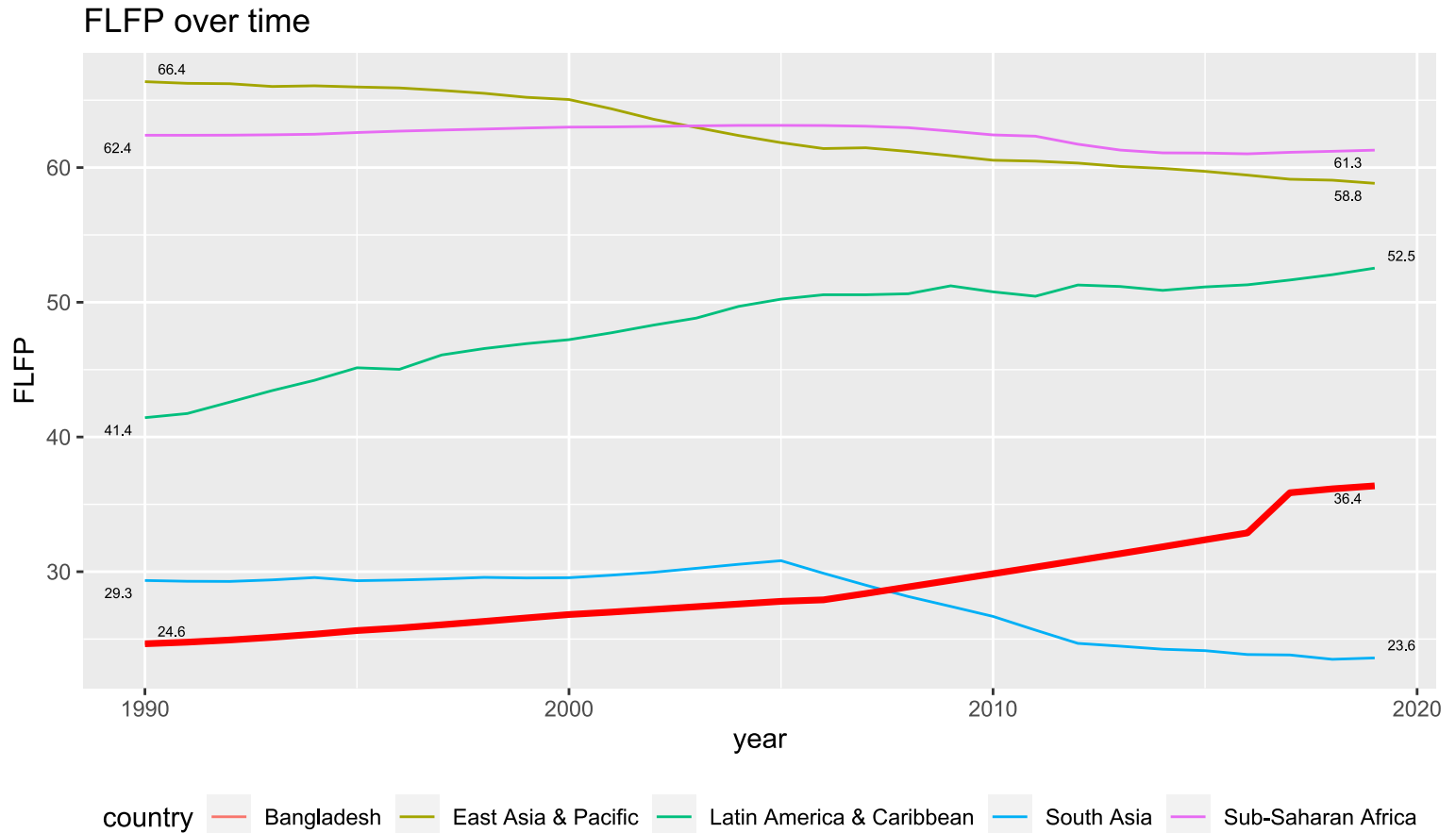
Four big changes: RMG Expansion

Export of RMG (in million of USD)

- **60% of workers** in export oriented RMG industry are women.

- Representing **1.7 million workers** at a given time.

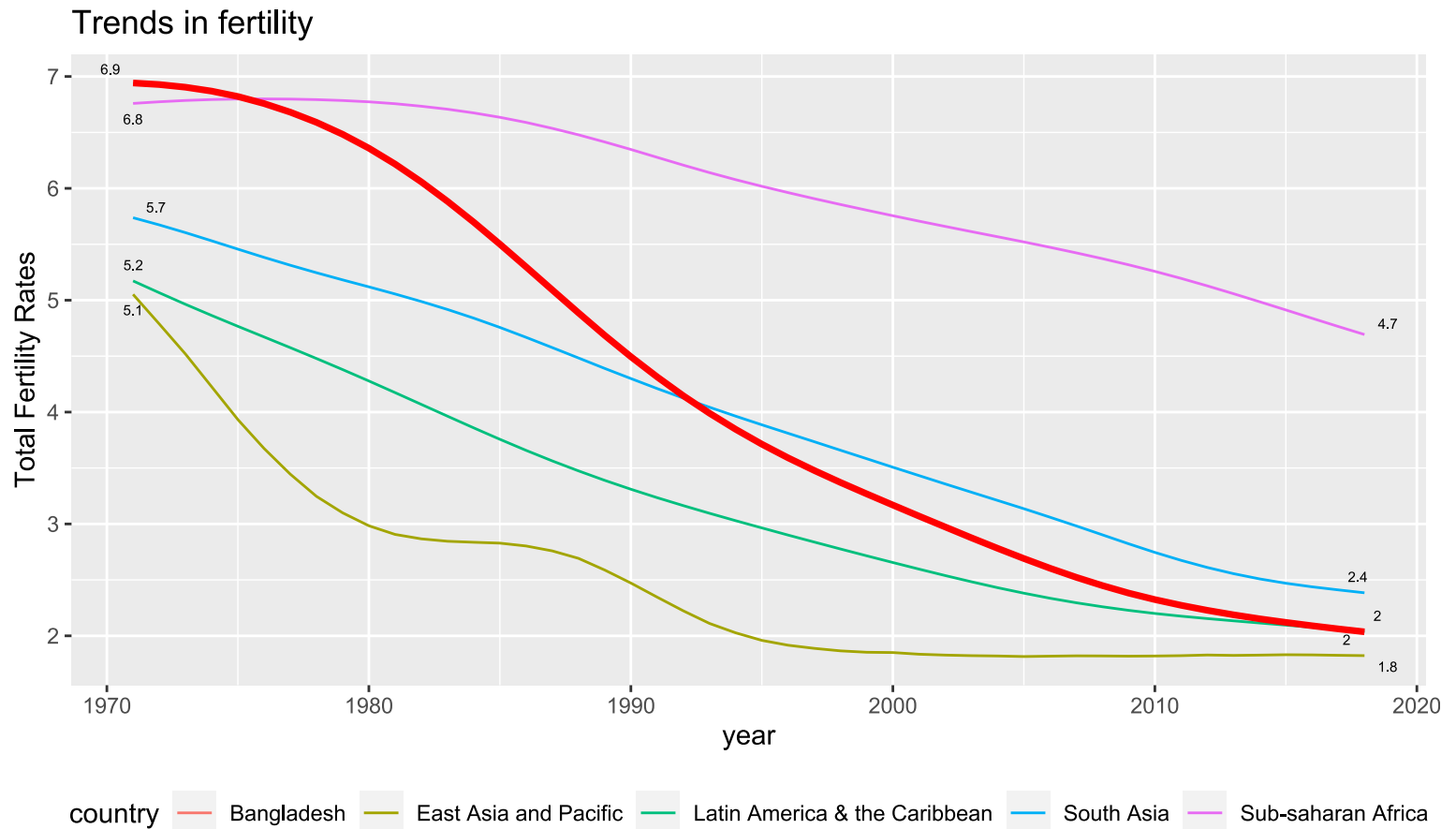- **54% manufacturing employment of female**

Four big changes

Trends in FLFP

FLFP over time

World Bank (2021)

Four big changes

Fertility over time

Trends in fertility

World Bank (2021)

Four big changes:

Women at school

Lower secondary (about middle school) completion rates in total female population completion rate of **4.4% in 1981** to **41% in 2019.** (World Bank, 2020)

Literacy among **15-24 age group exceeds 96 percentage in 2019.** (World Bank, 2020)
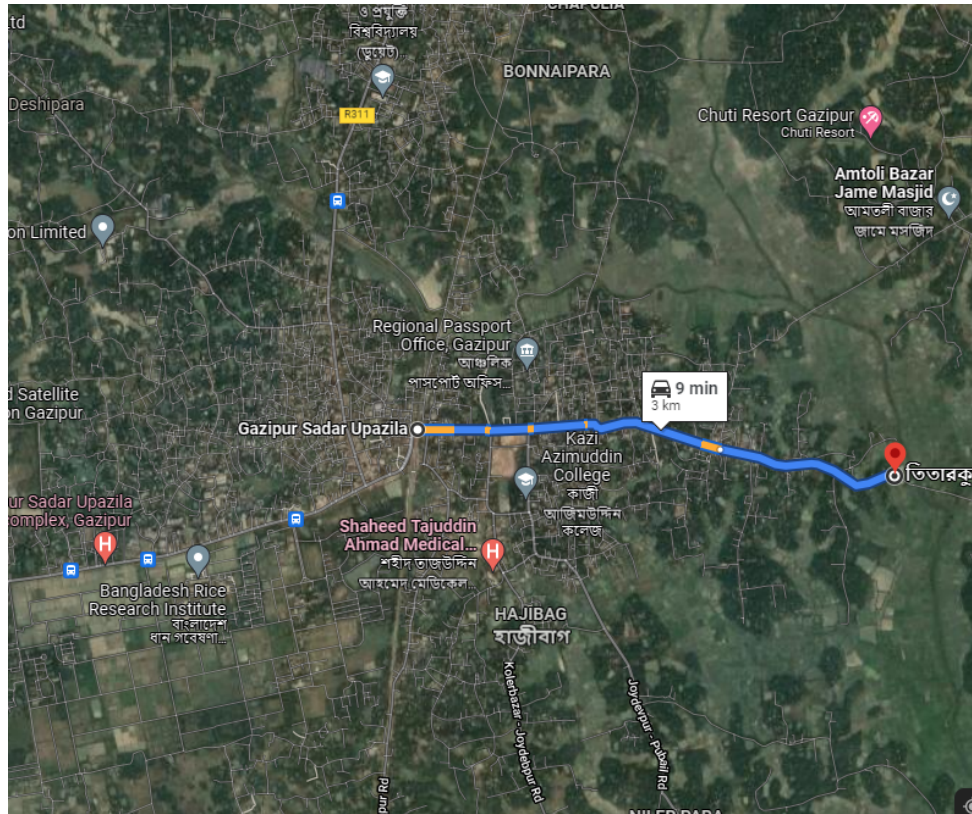
Tying them together

- In my estimates, at least **11 million women** have been exposed to export oriented RMG manufacturing.

  - About 14 % of all Bangladeshi women.

- **True exposure is likely much higher.**

  - Does not take into account **supporting industries, exposure through peer effects, and movement of people**.

- In other contexts, exposure to manufacturing jobs at the onset of development have been well documented to increase woman's education, autonomy and reduced fertility.

Prior research

Heath and Mobarak (2015, JDE)

- Survey of 1395 households in 60 regions, 44 in garments commuting zones 16 away.

  - Average distance from capital is 1.8 KM for garment commuting zones, 6.8 KM for non-garments commuting zones.

- They find that girls exposed to the garment sector

  - Decline in fertility by 29 pp
  - Increases FLFP by 15 pp
  - reduces gender education gap by 1.5 years.

Bangladesh is dense

- Dhaka district density is 23,234 / sq. KM. Portland's density is 1,888.

- Most garments workers commute <1.7 KM to work.

My contributions

- Provide alternative estimates of the labor demand shock that rely on exploiting variation in knit versus woven specialization of a RMG producing region, and variation in aggregate knit and woven exports over time.

  - Controls for spatial development patterns better.

- Greater geographic and temporal coverage of data.

- Explore additional topics related to lives of women in Bangladesh.

Identification strategy

Bartik style exposure measures

$$Y_{i,r,t} = \beta_z Z_{i,r,t} + \beta X_{r,t} + \delta_t + \text{Birth Year}_{i,r,t} + \epsilon_{i,r,t}$$

Where,

$$X_{r,t} = ExportShock_{r,t}$$

$$where\ ExportShock_{r,t} = \frac{\alpha_{r,t}^{knit} * \Delta KnitExport_{t-T} + (1 - \alpha_{r,t}^{knit}) * \Delta WovenExport_{t-T}}{Population_{r,t}}$$

$$and\ \alpha_{r,t}^{knit} = \frac{Workers_{r,knit,t}}{Workers_{BD,t}}$$

- T = 3 in baseline specification, and

- Shares are instrumented with 5-year lags.

Overview of (preliminary) results

One thousand dollars worth of export shock per person:

- 17-18 percentage point (pp) increase in RMG and adjacent occupations
- 12 - 13 pp increase in non-traditional, low skilled occupations (which contains RMG adjacent occupations)
- A decline of 1 - 1.4 pp of FLFP in traditional sectors

- No change in high skilled occupations

- No changes in fertility

- *In future, I will extend analysis to explore impact on education of woman, marraige age, and changes in preferences for fertility, and woman's autonomy.*