Is *Better Work* better?: Evidence from the Garment Sector in Bangladesh*

Julia Cajal-Grossi† Canyon Keanu Can‡ Rocco Macchiavello§

December 2022

1 Introduction

The Better Work (BW) program is a joint initiative of the International Labor Organization (ILO) of the United Nations and the World Bank's International Finance Corporation. The goal of BW is to improve working conditions and competitiveness in garment supply chains. The program is currently operational in eight countries (Bangladesh, Cambodia, Ethiopia, Haiti, Indonesia, Jordan, Nicaragua and Vietnam), and related interventions within the initiative are active in Pakistan, Egypt, Madagascar and Sri Lanka. BW offers factories in their host countries a package of services including an unannounced assessment, a dedicated team of advisors, industry seminars and training, as well as a regular, thorough social compliance audit.

This study builds on ongoing academic research by the authors, and systematizes empirical evidence on how workers and plants in the BW program compare to non–participants.

The study draws on multiple data sources to characterize the performance of factories and the well-being of workers in the BW program. Most of the empirical patterns described in this document pertain to the garment sector in Bangladesh, a setting the authors have studied extensively and one on which unique worker-level, customs transactions, and geolocation data is available.

First, the Garment Workers Diaries of Microfinance Opportunities (MFO) offers weekly worker-level data from April 2018 to June 2022 on plant affiliation, work hours, household expenses, and wages/income. Special blocks designed by the authors for the purpose of this study provide additional in-

*This brief has benefited from fruitful discussions with members of the Better Work Team of the International Labor Organization, and with the leadership of the Microfinance Opportunities Initiative. Madhav Malhotra, Sanghyun Park and Ariana Ocampo Cruz provided excellent research assistance. All errors are the responsibility of the authors alone.

†Geneva Graduate Institute (IHEID). E-mail: julia.cajal@graduateinstitute.ch.

‡MA Candidate, Columbia University E-mail: ckc2151@columbia.edu

§London School of Economics and CEPR. E-mail: r.macchiavello@lse.ac.uk.

formation on compliance, work environment, and workers in the labor market. These data offer a unique window onto the livelihoods of workers in the sector, in real-time. *Second*, we leverage transaction-level data collected from the country's customs records, from 2005 to 2021. These data identify the exporting plant and international buyer involved in every transaction, as well as the transaction's price, quantity, destination and product. This allows for a comparison of the export performance and profitability of plants that join the BW program, vis-á-vis comparable plants that do not. *Third*, we access internal records from the BW program, detailing the enrollment and status of plants that joined the program, as well as the list of buyers that are classified as *partners* or *participants* in the program. We leverage this information to identify the workers in the MFO data and plants in customs records that are in the BW program. *Fourth*, we complement and validate our analysis with several additional data sources: the Bangladesh Labor Force Survey (LFS) Data from 2017 is used to characterise the representativeness of the workers' sample. Data obtained from the Mapped in Bangladesh (MiB) initiative provides employment data and geolocation of factories. We also use information from the Open Apparel Registry (OAR) and the members' list of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

In the final section of this article, we complement the firm-level analysis in Bangladesh with descriptive evidence from three other countries with BW presence – Indonesia, Vietnam and Ethiopia. For these countries, customs records with similar data structure, covering the period 2018–2021, are available. We combine these data with BW enrollment lists to compare the performance of exporters in BW with that of non-enrolled exporters.

From this analysis, we highlight three key takeaways:

1. BW workers earn up to 4.1% more an hour relative to comparable workers in comparable plants. This amounts to up to 444.48 BDT more a month.

2. BW plants pay a 5.4% higher base pay, are 5% more likely to pay on time, are 12.9% more likely to have participatory committees, 9% more likely to offer maternity leave, and 30% more likely to have daycare facilities.

3. Firms that join the BW program appear to be growing at a faster rate, relative to comparable, non-BW plants, before enrollment. After enrollment, they have 55% higher export revenues, 50% higher export volumes, and 5% higher export prices relative to non-BW plants. The volumes and revenues results follow from a pre-trend, while prices do not.

These findings –like the results in the rest of this article– are to be interpreted with caution. The empirical regularities we present here are robust and, in our view, offer strong quantitative evidence on how firms and workers in the program compare to their non-enrolled counterparts. However, unless otherwise indicated, the analysis presented here does not lend itself to *causal* interpretations. In other words, the comparisons drawn here are not to be attributed to a causal, treatment effect of the program.

The rest of this article is organized as follows. In Section 2 we present a summary of our findings on the worker-level analysis. These focus on how working in BW factories is linked to workers' status in the labor market, their wages, working conditions and livelihoods. Section 3 explores the relationship between the Covid-19 pandemic and

worker-level outcomes among workers in BW and non-BW factories. We turn to firm-level analysis in Section 4, where we analyze the relationship between joining BW and firms' export performance. In Section 5, we present firm-level analysis from Indonesia, Vietnam, and Ethiopia, and Section 6 concludes.

2 Worker-Level Analysis[1]

We start by describing the workers in our analysis sample and benchmark their profile against a nationally representative survey. In Section 2.2 we turn to the study of the relationship between work status, hours and wages, and factory and worker-level characteristics. These include whether the factory is in BW or not. Section 2.3 studies working conditions in plants, as reported by the workers in the sample. Sections 2.4 and 2.5 focus on labor market conditions and household expenses, respectively.

2.1 Worker and Plant Characterization

There are 11,220 geo-localizable garment plants in Bangladesh, harmonized across the multiple data sources we work with. Overall, 431 (3.84%) of the geo-localizable garment plants in Bangladesh is a BW factory.

Meanwhile, there are 2,033 garment workers in total who appeared in at least one week of the MFO Diaries data; the median worker in the MFO Diaries data is observed every week for 113 weeks (2.17 years). The MFO Diaries data contains 802 plants, 772 of which are geo-localizable. Each plant in the MFO data has an average of 3.39 workers who worked for at least one week in the plant. 135 out of the 749 (18.02%) factories in the MFO analysis data is a BW factory.

The median garment factory in Bangladesh employs 500 employees, more than 60% of whom are female. 70% of workers in the MFO Diaries data report their factory paying on time, with the computed median pay delay being 9.12 days. 82% of workers report that their factory has maternity leave provisions, 43% report that their factory has daycare facilities, 62% report that their factory has participatory committees, and 3.35% report that their factory has unions. The median hourly wage received by workers is 42 BDT (0.50 USD), and they work a median of 61 hours per week.

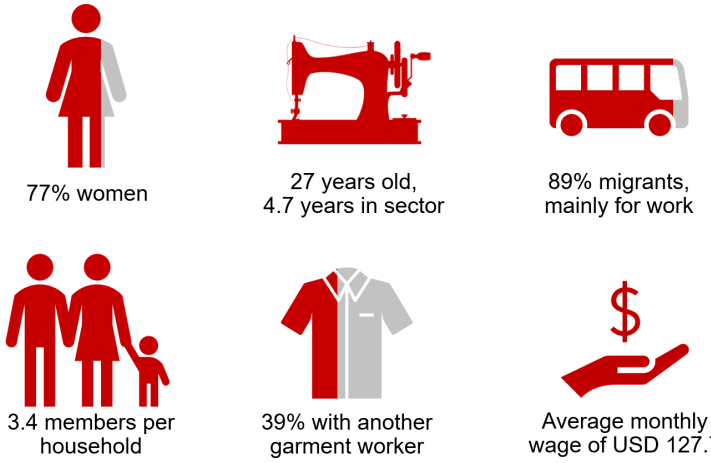
More than 3 in every 10 workers in the MFO data worked in a BW plant at least once during the study period of April 2018 to June 2022. Their average age is 26 to 27 years old. 89% of them are migrants; 77% of them are female, and 77% are married. 81% of them have incomplete secondary education or less, but have high educational aspirations for their sons and daughters.

The median household size of observed MFO workers is 3: the worker themselves, their spouse, and their child (see Figure 1). 39% have at least one other garment worker in their household. 57% of the observed MFO workers are employed as line operators, 14% as helpers, and 2% as supervisors – mostly specialized in sewing. They have a median of 6 years of experience in the sector, and have worked in a median of two plants, with a median of 4 years of work experience at their current plant. Across the entire panel, 22% of workers are unemployed at least once, with an average of 12% being unemployed in the cross-section.

The MFO sample is drawn from areas with high concentration of garment workers, as documented by the nationally rep-

[1] The material in this section draws from ongoing work in Cajal-Grossi and Kreindler [2022] and Boudreau et al. [2022].

Figure 1: General Demographics



The figure presents demographic variables defined at the worker level, and worker-month level for monthly wage, based on information in the Weekly Diaries Instrument (Apr 18 - Jan 20 and May 20 - Jun 22). 77% of the sample is women, with an average age of 27 years old and 4.7 years of experience in the garment sector upon entry into the Weekly Diaries Instrument. 89% of them are migrants, having migrated an average of 1.25 times for work. The average household among workers surveyed had 3.4 members, and 39% of workers have another garment worker living in their household. The average monthly wage received by workers is USD 127.7 or BDT 10,798.28.

resentative 2017 LFS. The sampling sites are Gazipur, Dhaka, Savar, Chittagong, and Narayanganj (see Figure 2). In terms of education, marital status and age, the workers in the LFS and MFO Diaries data appear comparable. Both work hours and hourly wage are comparable across the LFS and MFO sample. The average hourly wage is 43.23 BDT in the LFS and 43.83 BDT in the overall MFO sample. However, the average hourly wage is 41.22 BDT in the pre-2020 MFO data and 45.41 BDT in the post-2020 data. A possible source of this gap is the annual inflation rate which was between 5 and 6% in the period between 2017 (LFS) and 2021 (end of MFO). Another source of discrepancy could be the slightly different definitions for work hours and salaries in the two phases of MFO data collection.

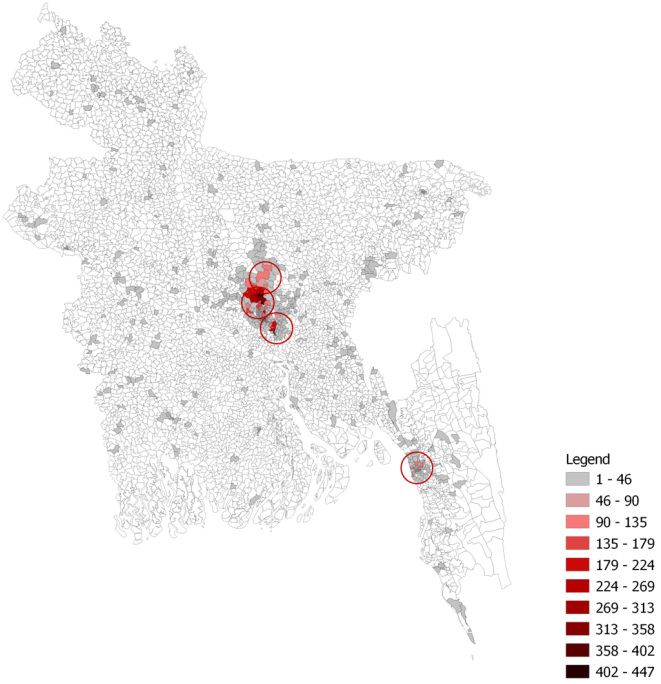
2.2 Work Status, Hours and Wages

We find no significant correlation between the number of hours worked, as reported by workers, and their plant being in the BW program. Work hours, however, appear correlated with experience and family composition. In particular, an extra year of work experience reduces hours worked in a month by 0.4% (at the average, 1.02 hours) and having another member of the household in the garment sector raises it by 4.1% (10.22 hours).

Workers in BW factories reported slightly higher average daily overtime hours for operators (3.44) relative to workers in non-BW factories (3.17), but workers' preferences for ideal paid overtime hours do not differ across BW and non-BW factories. Plotting the overtime hours inferred from the data and workers' reports on their ideal overtime hours, Figure 3 shows that workers working less than twenty overtime hours a week generally prefer having more overtime hours, while workers with more than twenty overtime hours a week generally prefer working fewer hours.

Workers in BW factories have an hourly wage that is 1.8 to 4.1% higher, relative to

Figure 2: Number of Garment Plants



There are 11,220 geo-localizable garment plants in Bangladesh from multiple sources. The areas circled in red reflect the approximate locations of the MFO survey locations: Gazipur, Dhaka, Narayanganj, and Chittagong. Savar is an administrative unit inside Dhaka district.

comparable workers in other plants, and conditional on demographic and firm characteristics (export volume and number of employees). At the median, this amounts to 0.76 to 1.74 more BDT per hour, which for the average hours of work in the month (255.45 hours), amounts to 194.14 to 444.48 BDT. On average, BW workers work similar hours each month as non-BW workers; the median overall worker works 252 hours a month.

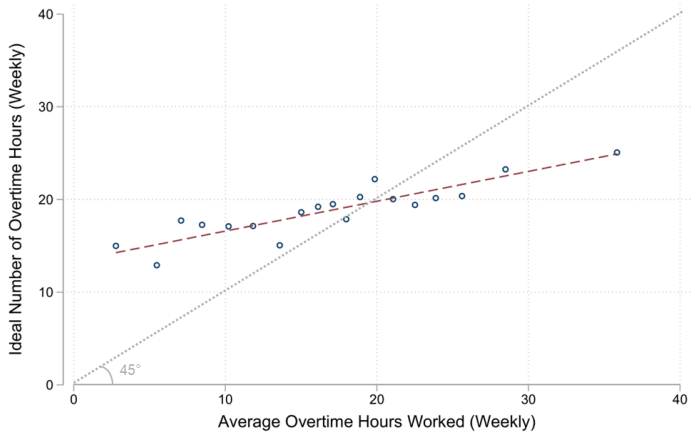
Approximately half of the workers in the study are assigned individual or team targets. Conditional on having a target, workers in BW plants work (weakly) less hours and are less likely to receive some form of penalty when targets are not met.

With regards to gender, all other things equal and conditional on work hours and job characteristics (years of experience, factory location, factory size, and job designation, such as *Helper*, *Supervisor*, and *Operator*), female workers earn less than men, work fewer hours, are more likely enter into unemployment, and get lower returns to experience. On average, women earn hourly wages that are 10% (around 4.38 BDT) lower than comparable men in comparable factories. These patterns are largely similar across BW and non-BW factories.

2.3 Working Conditions

In a series of exercises in which workers report their current concerns, we find that BW and non-BW workers have similar workplace concerns, with some weak evidence of increased awareness around late payments, sexual harassment, and maternity leave regulations among BW workers.

Figure 3: Weekly Overtime and Ideal Hours



The figure graphs the ideal number of overtime hours against the average overtime hours, based on information in the Own Factory Information Module (Feb 22) and Weekly Diaries Instrument (Apr 18 - Jan 20 and May 20 - Jun 22). Observations are defined at the worker level. Overtime hours were calculated as weekly work hours subtracted by 48 (equivalent to 8 working hours a day, and 6 work days a week) which is the legal maximum for weekly work hours. The average overtime hours worked was then calculated for each respondent by averaging across the six-month window around which the Own Factory Information Module was asked, and values above the 95th percentile were *winsorized*. To calculate weekly ideal overtime hours, the ideal daily paid overtime hours were multiplied by six, assuming again six working days in a week.

The concerns elicitation exercise was repeated three times, allowing for a characterization of how worker's preoccupations respond to a changing environment. In particular, in November 2021, the top three concerns among all workers were working too few hours, contracting Covid-19 at work, and the (low) level of salary and payments. In January 2022, this ranking changed, with contracting Covid-19 at work being the top concern, followed by working too few hours, and salary and payments concerns, in that order. Contracting Covid-19 was no longer among the top three concerns in May 2022. Instead, the top three concerns were salary and payments being too low, followed by working too few hours and not getting promoted.

There is limited escalation of these concerns, with 52% of workers in the data reporting that they take no action on account of their concerns. Of the remaining workers, 15% take action by discussing their concerns, formally or informally, with a co-worker, supervisor, or manager. These patterns are similar across BW and non-BW workers.

79% of workers working in a BW factory reported that a participatory committee exists in their factory, while only 55% of those working in a non-BW factory reported the same. Based on workers' accounts of the conditions at their plants, BW plants pay a 5.4% (436.15 BDT) higher monthly base pay, are 5% more likely to pay on time, and are significantly more likely (12%-20%) to have participatory committees.[2] These results hold conditional on firm size, suggesting that these relative improvement in conditions in BW plants is not driven by these plants being larger than the average plant in the sample.

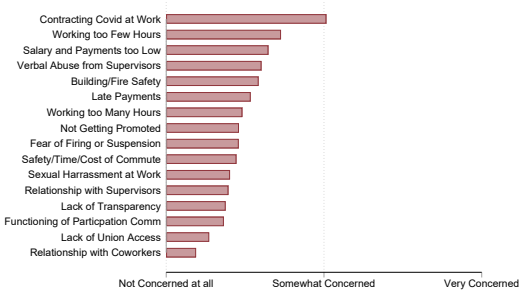
Given the importance of women in the garment sector and that 74% of surveyed

[2]Note that in the previous section, the analysis on wages was based on observed payments as reported by workers on a weekly basis, relative to comparable plants (by export volume and number of employees). In this section, we focus on the worker's (one-off) account of what their base pay is.

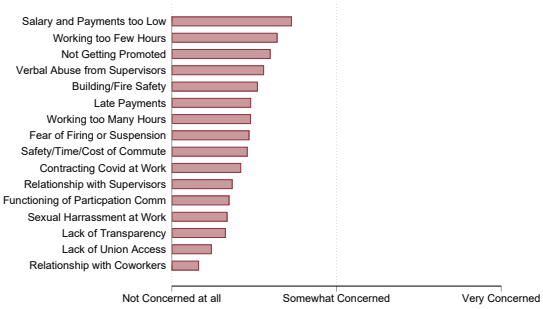
Figure 4: Concerns at the Workplace

(a) November 2021

(b) January 2022



(c) May 2022

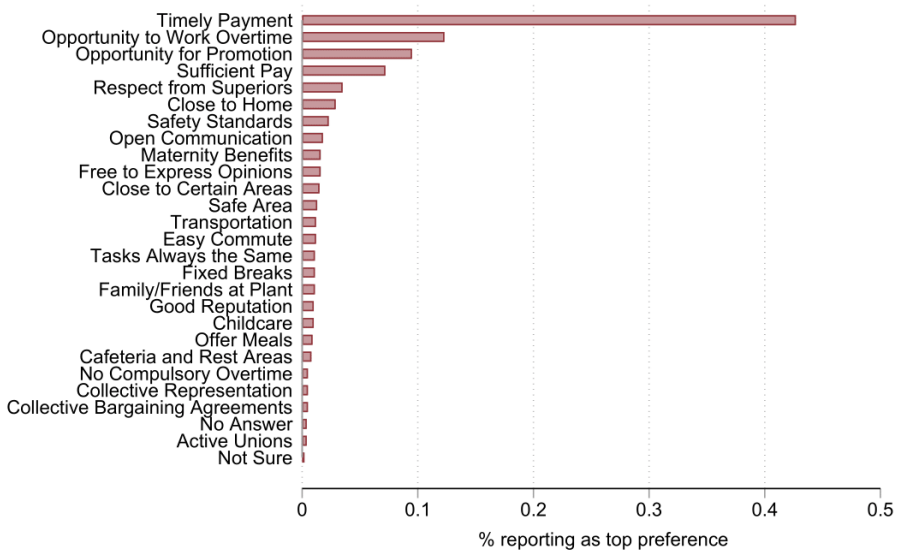


The figure presents raw average scores for various metrics on concerns at the workplace, based on information in the Job Security Module (Round 1, Nov 21, Round 2, Jan 22, and Round 3, May 22) defined at the worker level. The questions in the module were asked to 1,283, 1,287, 1,290 respondents in each round respectively. Participants were asked to rate work issues on how concerned they were about it on a likert scale ranging from 1 (Not Concerned at all) to 3 (Very Concerned). The figures plot the raw average scores, sorted from highest to lowest, for each round.

workers in the sample have at least one child, we also asked workers to report one-off accounts on the maternity-related provisions and discrimination in their factories, in other factories that they know of, and their own awareness of the legal regulations around them. The results find that BW plants offer a median of 112 maternity leave days, while non-BW plants offer a median of 103 days. BW plants are significantly (5%-10%) more likely to offer maternity leave, and 30% more likely to have daycare facilities. Workers at BW plants are 7% more likely to state that they know the statutory provisions for maternity leave; conditional on knowing their rights, workers in BW plants are 5%-10% more likely to state that their plant complies with the mandatory maternity leave duration and payments. Finally, BW workers are 3%-5% less likely to observe maternity / pregnancy related discrimination on hiring and terminations.[3]

[3]For a baseline reference, 78.4% of workers who work in non-BW plants report their factories offering maternity leave; 36.4% report their factories offering daycare facilities; 20.4% know the legally compliant maternity leave duration; 40.5% know the legally compliant maternity leave pay; 5.4% (7.3%) report being or knowing someone in their own factory who was denied (terminated) employment due to pregnancy or maternity-related reasons in the past 12 months.

Figure 5: Most Important Metric for Job Selection



The figure shows the share of respondents who ranked each metric as their most important metric for job selection, based on information from the Stated Preferences Module (Oct 21) defined at the worker level. The questions in this module were asked to 1,289 respondents, and participants were asked to rank their top three metrics for job selection.

2.4 Labor Market Perceptions and Mobility

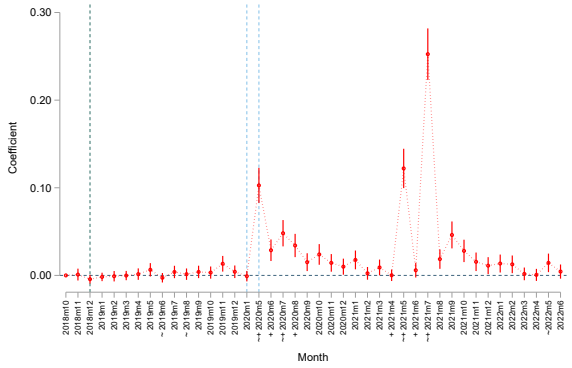
We presented workers with a randomized set of job attributes and asked them to rate the attributes according to how important each attribute was for their decision to stay in the job. The options covered pay-related attributes, such as the level and timeliness of payments, other work amenities, such as daycare facilities and communal rest areas, markers of harassment, and mechanisms of worker voice representation. Workers most frequently ranked timely pay as their most preferred characteristic (42.7% of workers surveyed ranked it as first, see Figure 5). They also value the availability of opportunities to work overtime and to receive promotions. When the likert scores for the importance of each individual characteristic were averaged across respondents, those three characteristics also had the highest average importance. However, the availability of maternity leave has the fourth highest average importance, indicating that although a small percentage rank it as the most important characteristic (i.e. few people value it a lot), it is high among workers' priorities.

In terms of overall satisfaction, 63% of workers reported being satisfied or very satisfied with their job in November 2021, and 66% in January 2022. In general, workers' overall satisfaction is higher, and their propensity to look for another job is lower, in plants with daycare facilities, participatory committees and maternity leave provisions. Unconditionally, workers in BW plants report higher satisfaction levels. This is driven by the higher propensity of BW plants to have maternity leave and daycare provisions, as well as participatory committees. Conditional on these characteristics, workers in BW plants do not appear more or less satisfied with their jobs, relative to workers in non-BW plants.

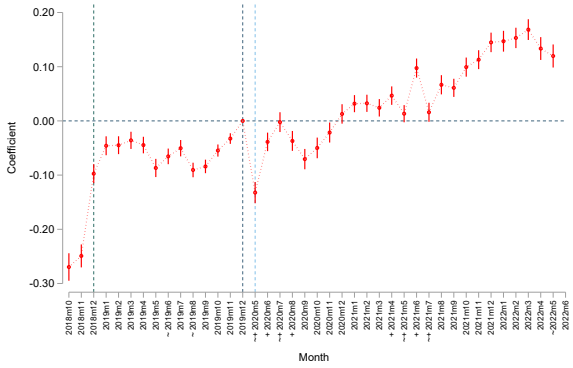
Focusing on job mobility, workers hear about suitable job vacancies often, but have

Figure 6: Workers' Status, Wage, Hours, and Savings Over Time

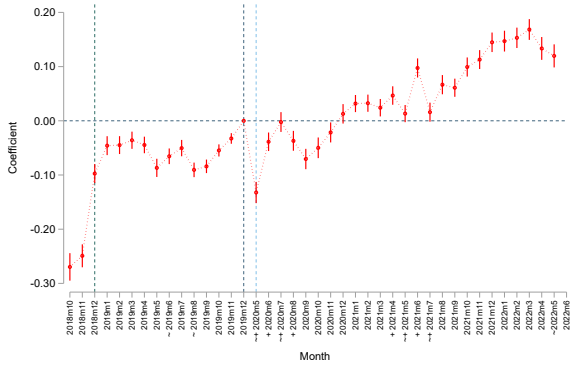
(a) Switch to Unemployment



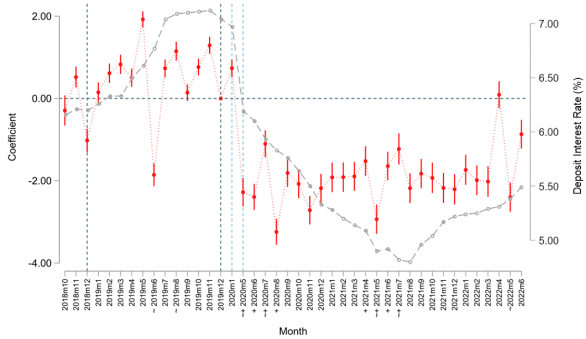
(b) Monthly Work Hours



(c) Log Monthly Wage



(d) Log Monthly Savings



The figure shows the month fixed effects coefficients and standard errors for various outcomes, based on information in the Weekly Diaries Instrument (Apr 18 - Jan 20 and May 20 - Jun 22), with the light blue dashed line on May 2020 indicating the end of the gap in the MFO dataset. Observations are defined at the worker-month level, with the sample restricted to workers joining the MFO panel no later than December 2019. The baseline coefficient is December 2019, marked by the dark blue line. The ' ' symbol indicates months in which Eid al-Fitr and Eid al-Adha are celebrated; the '+' symbol indicates months in which lockdown or mobility restriction measures were in place. Due to construction of the variables, the effects of Eid and lockdown measures from the past month may affect the values for the following month. A minimum wage hike occurred in December 2018, marked by the dark green dashed line. The grey line in Panel (d) illustrates the average per annum interest rates offered for demand, time, and savings deposits in Bangladesh each month, taken from the International Monetary Fund's International Financial Statistics database. Standard errors are clustered at the respondent level.

noisy information about the specifics of job opportunities. Relative to male workers, female workers in both BW and non-BW plants are less likely to take action to look for other jobs. Years of experience in the garment sector is positively associated with the number of factories that workers apply to, visit, ask about, or hear about with the intention of learning about job opportunities.

2.5 Debt, Savings and Household Expenses

In the sample, 80% of the workers take a loan at some point in their spell in the sample (2018-2022). On average, and conditional on having taken at least one loan, they borrow 33.74 USD (2,868.80 BDT) in a month. Saving is not infrequent, with 89% of the workers reporting some savings at some point in the panel. Conditional on savings being positive, workers save an average of 72.81 USD (6,177.81 BDT) in a month. While no strong relationship exists between savings and borrowings in the data, those who take the most loans report no savings, and those who save most report no loans.

Given that they take a loan, BW workers borrow an average of 33.74 USD (2,868.80 BDT) a month, and given that they save, BW workers save 78.29 USD (6730.26 BDT). In comparison, non-BW workers borrow an average of 34.07 USD (2895.54 BDT) and save an average of 72.81 USD (6,177.81 BDT). After controlling for respondent fixed effects, working in a BW factory reduces the loans respondents receive each month by around 50%, but working in a BW factory does not significantly affect the amount of savings workers deposit each month.

Regarding workers' consumption baskets, the largest component of in terms of share of expenses is rent, which took up 23% of workers' reported monthly expenditures before 2020 and 51% after 2020.[4] Other important components are food (38% of total expenditures before 2020) and cash transfers outside of the household, such as cash transfers to relatives (24% of total expenditures after 2020). These consumption patterns are not significantly different across BW and non-BW workers.

Workers working in BW factories and those not working in BW factories spend a similar amount of their reported expenditures on each expenditure component, both before and after the Covid-19 pandemic.

3 The Impact of Covid[5]

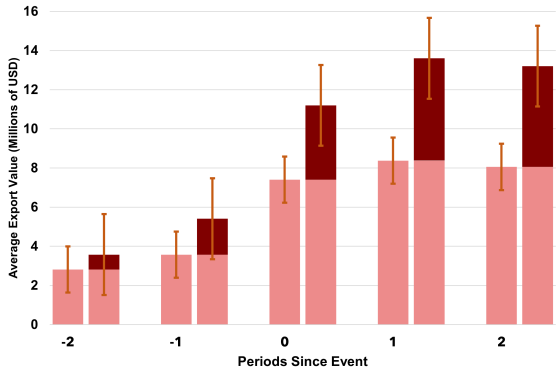
We study worker-level outcomes and factory responses following the onset of the Covid-19 pandemic. Figure 6 summarizes the main trends on workers' outcomes. Monthly work hours fell significantly in June 2020, reflecting lock-down restrictions. The dip in both log monthly work hours and log monthly wages is not persistent.

Compared to pre-pandemic levels, the likelihood of entering unemployment was 3.2 percentage points higher, and the likelihood of asking for loans was 25 percentage points higher for all workers during the pandemic. Conditional on a loan being taken, the amount of the loans workers received in a month also increased significantly (by 159 to 191%). Consequently, the amount workers deposited as savings each month, either in cash or in the bank, decreased markedly during the pandemic (by 253 to 292%). Al-

[4]The distinction is necessary, because the data collection protocol for the module on household expenditures changed in 2020.

[5]The material in this section draws from ongoing work in Cajal-Grossi and Kreindler [2022] and Boudreau et al. [2022].

Figure 7: Average Export Values of Treated vs. Control Group



Average export values of the treated group estimated using the matrix-completion method in Borusyak et al. (2021). The bars indicate estimated averages, with 95% confidence intervals, constructed with standard errors clustered at the level of the firm. Pre-trends are computed with the entire data, and treatment effects are obtained over a balanced sample three periods after treatment. Bars in pink indicate the export values of, or share of export value equivalent to, the control group. The section shaded in grey corresponds to the maximum listed annual contributions that firms pay to the BW program (6,500 USD), and the section in dark red corresponds to the remaining export value belonging to the treated group.

though most variables return to steady state after 6 to 12 months into the pandemic, savings and loans do not recover (see Figure 6d for log monthly savings).

Our regression analysis also shows that, across the entire sample (both before and after the pandemic), women are significantly more likely to be unemployed (by around 0.5 to 1 percentage point), to have fewer work hours (by around 1.3% less each month), and to have lower monthly and hourly wages (by around 5.7 to 8.4% less). The relationship between gender and unemployment and hourly wages is robust to alternative specifications.

Controlling for relevant demographics, we find that workers whose last factory before the onset of the Covid-19 pandemic was a BW factory have monthly and hourly wages that are on average 3% higher than those whose last factory before the pandemic was a non-BW factory. After the onset of the Covid-19 pandemic, there was no systematic difference in hourly wages, savings, or loans as a result of working in BW factories.

Workers in BW factories are more likely to report experiencing Covid-related symptoms and are also more likely to be tested, but do not appear more likely to report any specific measure taken by the factory against Covid-19. This may once again reflect the increased awareness that workers in BW factories have for concerns in the workplace.

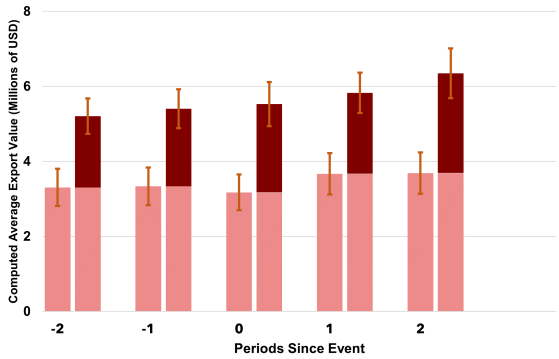
4 Firm Performance[6]

We leverage customs records containing details of all transactions between garment manufacturers in Bangladesh and their buyers in the rest of the world, from 2005 to 2020. We combine these data with the BW program enrollment database, containing the dates in which different plants join the program (starting in 2014), alongside their status. These are then used to identify the relationship between BW status and firms' export performance.

To this end, we identify as a suitable control group firms of comparable size that have never registered in BW, sells a sufficient

[6]The material in this section draws from ongoing work in Abuin et al. [2022].

Figure 8: Computed Average Export Values of Treated vs. Control Group



Computed average export volumes and prices of the treated group are estimated using the matrix-completion method in Borusyak et al. (2021). Average export values are then calculated as $pq_t = q_{t=-1} \times p_t$. The bars indicate estimated average export values, with 95% confidence intervals, constructed with standard errors clustered at the level of the firm. Pre-trends are computed with the entire data, and treatment effects are obtained over a balanced sample three periods after treatment. Bars in pink indicate the export values of, or share of export value equivalent to, the control group. The section shaded in grey corresponds to the maximum listed annual contributions that firms pay to the BW program (6,500 USD), and the section in dark red corresponds to the remaining export value belonging to the treated group.

amount to at least one main BW buyer, and is observed to export for at least one year. These criteria leave 659 firms (identified by BINs) in the treatment group (ever in BW) and 8,544 firms in the control (never in BW).

Firms joining the BW program are significantly larger and grow at a higher rate relative to the control at least three years before enrollment. At that point, treated firms are 70% larger relative to the control. Following this pre-trend, we find that on average, after joining the program, BW firms have 55% higher export revenues, 50% higher export volumes, and 5% higher prices. While export values and volumes follow a pre-trend (and as such, the differential growth cannot be attributed to the program), the difference between treatment and control in prices appears only after firms join the program.

The larger size of BW firms shows on all margins of firms' exports: they sell to an average of 2.4 more export destinations relative to the 4.6 destinations in the control group, sell 2.3 more products relative to the 4.4 products in the control group, and sell to 2.7 more buyers relative to the 6.03 buyers in the control group.

Through a back-of-the-envelope calculation, we find that the differential growth of BW firms relative to control firms, far exceeds the maximum listed annual contributions that firms pay to the BW program (6,500 USD). We establish this result by fixing the volumes of the BW factories to their pre-treatment phase, and imputing export values using only the growth in their prices (see Figures 7 and 8). We note that these results account only for the annual contribution of the plant to the BW program, but exclude any investment in infrastructure and expenses for the bettering of working conditions.

5 Better Work in Other Countries[7]

We argue that the differences in size and export portfolio between BW and non-BW

[7]The material in this section draws from ongoing work in Cajal-Grossi et al. [2023].

plants, as documented above using the Bangladeshi data, are consistent with what we observe in other countries. We focus on three additional country programmes, for which detailed (identified) customs records are available to us: Indonesia, Vietnam and Ethiopia.

Compared to all exporters, on average BW firms export to more destinations (9.5 more in Indonesia, 4.7 more in Vietnam and 2.3 more in Ethiopia), export a larger number of products (4.5 more in Indonesia, 4.7 more in Vietnam and 2.8 more in Ethiopia) and have a larger number of trade partners, in terms of buyers (20.6 more in Indonesia, 2.4 more in Vietnam and 2.9 more in Ethiopia). As a result, being part of BW is associated with lower reliance on specific destination markets and with more diversified sales, at the dimension of product, destination and buyer.

6 Conclusion

We find a strong positive correlation between various dimensions of working conditions and worker or plant affiliation to the BW program. While these results are not to be interpreted in terms of the causal effect of the program, we find in worker level analyses that workers in BW factories earn higher wages, have lower propensity to look for other jobs, and are more likely to have access to participatory committees. Moreover, although job satisfaction does not vary significantly between BW and non-BW factories, workers in BW factories are more likely to be aware of workplace concerns, to know statutory provisions for maternity leave, receive more maternity leave days, and are less likely to observe maternity-related discrimination on hiring relative to comparable workers in other plants and controlling for gender.

At the firm-level, comparisons between BW and non-BW firms show that BW firms outperform comparable firms in terms of export volumes, values, buyers, product and destination diversification. This positive relationship at the firm-level is consistently observed in other countries with BW presence. We find that plants that register in BW continue to grow at a higher rate relative to comparable, non-BW plants, following their pre-registration pre-trend.

References

Julia Cajal-Grossi and Gabriel Kreindler. "Workers in Space," *mimeo*, 2022.

Laura Boudreau, Julia Cajal-Grossi, Rachel Heath, and Rocco Macchiavello. "International Buyers' Sourcing during the Pandemic," *mimeo*, 2022.

Constanza Abuin, Julia Cajal-Grossi, and Rocco Macchiavello. "Social Compliance Along Global Supply Chains," *mimeo*, 2022.

Julia Cajal-Grossi, Davide Del Prete, and Rocco Macchiavello. "Sourcing Strategies and Supply-Chain Resilience: Garments during the Pandemic," *mimeo*, 2023.