

Migrants, Information, and Working Conditions in Bangladeshi Garment Factories

Laura Boudreau*

Rachel Heath[†]

Tyler McCormick[‡]

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Abstract

A significant portion of the labor force in many large factories in developing countries consists of internal migrants from rural areas, who may have little information about the industry upon beginning work. We examine the relationship between workers' migration status and the working conditions they face in the garment industry in Bangladesh. We use a retrospective panel of the wages and working conditions of 991 garment workers (matched to the factories they work in) collected in 2009. We document that migrants are in firms with higher wages but worse working conditions, but as their careers progress, they have higher mobility than locals as they move toward firms with better conditions. These facts are consistent with a model in which migrants are poorly informed about working conditions upon beginning work but learn more as they gain experience in the industry.

Keywords: Migration, Imperfect Information, Labor, Turnover, Working Conditions, Safety, Garment Industry, Bangladesh

*Haas School of Business, University of California-Berkeley; lboudreau@berkeley.edu

[†]Department of Economics, University of Washington; rmheath@uw.edu

[‡]Department of Statistics and Department of Sociology, University of Washington; tylermc@uw.edu.

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