### Does Demand or Supply Constrain Investments in Education? Evidence from Garment Sector Jobs in Bangladesh

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<tr>
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**Abstract**

We study the effects of explosive growth in the ready-made garments industry in Bangladesh (which offers employment opportunities for women) on young girls' school enrollment. A triple difference identification strategy compares girls' enrollment to locations not as exposed to factories, over time as the sector grows, and relative to enrollment decisions of male siblings. We find statistically and quantitatively significant increases in the enrollment of 5-10 year old girls. In contrast, a roughly simultaneous supply-side intervention (a female schooling subsidy) - also evaluated through another triple difference - does not have as significant an effect on enrollment. Research on education policy has had a stronger focus on improving the quantity and quality of educational inputs, but in this context, demand plays a key role in enrollment decisions.

**Gender Connection**

Gender Focused Intervention

**Gender Outcomes**

Female school attendance, school enrollment

**IE Design**

Difference in Difference in Difference

**Intervention**

This study analyzes the impact of two interventions. One is the female stipend program, which provides a monthly stipend to female students in rural areas who meet certain conditions. The second intervention is the garment business in Bangladesh which has grown quite rapidly. Approximately 80% of Bangladeshi garment workers are female.

**Intervention Period**

Garment Factories in Bangladesh started to arise in the early 1980s. The FSP began in 1991.

**Sample population**

1395 households from 60 villages in four sub-districts of Bangladesh.

**Comparison conditions**

For garment jobs, individuals living close to a factory are compared to those who do not live near a factory. Also, recent factory growth would lead some families to have children who were born both before and after a factory.

**Unit of analysis**

Individual Level

**Evaluation Period**

2009
The arrival of garment jobs increases schooling for younger girls only. A 10% increase in garment jobs leads to a 1.4% increase in the probability that a 5 year old is in school. This is zero average effect for older girls. Additionally, the Female Stipend Program had negligible effects on female school enrollment.

**Primary study limitations**

**Funding Source**

**Reference(s)**

Heath, R., Mobarak, A., (2012) "Does Demand or Supply Constrain Investment in Education? Evidence from Garment Sector Jobs in Bangladesh"

**Link to Studies**