

# Demand for Voice & Remedy Among Bangladeshi Garment Workers

Raising workers' awareness of a neutral, third-party reporting system causes large, sustained increases in reporting of workplace issues

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## Topic at a Glance

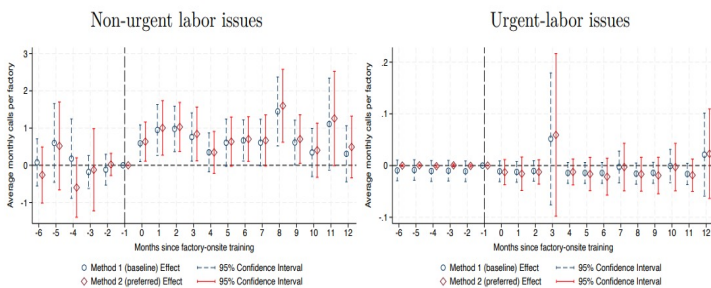
In developing countries, misbehavior within organizations often goes unpunished due to weak governance. Employees whose livelihoods are precarious are especially vulnerable. Governance tools that safely provide voice and remedy may dramatically improve workers' welfare. Legal scholars have proposed reporting escrows to facilitate coordination among multiple victims of harassment (Ayres and Unkovic, 2012), but little is known about how they perform in practice. We collaborate with a worker helpline in Bangladesh's apparel sector to experimentally test how the availability and design of a reporting escrow affects reporting of harassment and other workplace misconduct. We randomly assigned factories covered by the Helpline to have access to the reporting escrow or not. We trained workers in 167 factories to raise awareness of the Helpline, and in treatment factories, of the escrow. Training increases calls about non-urgent labor issues by 44%, demonstrating substantial demand for grievance resolution. It does not increase calls about urgent labor issues. The experiment on the reporting escrow is ongoing.

## New Insights

Recent theoretical work on principal-agent-monitor problems has proposed new whistleblowing mechanisms that help protect victims and improve information flows. Legal scholars Ayres and Unkovic (2012) propose the use of reporting escrows to facilitate coordination among multiple victims of harassment. A reporting escrow allows individuals to make a report of misbehavior with a trusted intermediary, who holds that information until a pre-determined number of reports of the same misbehavior have been lodged. Once the threshold number of reports have been lodged, the intermediary acts on the information. Reporting escrows are increasingly being adopted by organizations to facilitate reporting of certain behaviors; for example, Callisto provides university-affiliates in the United States with access to a reporting escrow with the goal of increasing reporting of sexual harassment and assault.

To our knowledge, however, there is no well-identified evidence on reporting escrows' effectiveness. Building on Ayres and Unkovic (2012) and on economic models of reporting misconduct (Chassang and Padró i Miquel, 2018; Cheng and Hsiaw, 2020), we identify three leading mechanisms through which reporting escrows may increase reporting. The first is reducing coordination problems, as they make it irrelevant who is the first to report, which reduces workers' uncertainty over whether others will report the misconduct. The second is reducing the retaliation risk of reporting, as the information only becomes public when there are multiple victims. Third is reducing the reputational cost of reporting, as they may make public that abuse is a widespread misbehavior as opposed to a consequence of an individual's conduct.

That said, there are also reasons why reporting escrows may not increase reporting, including that workers may not expect other workers to report, may not trust the party maintaining the escrow, or they may have a strong preference for prompt investigations, which are not guaranteed under the escrow system, as the intermediary only acts on the information once the threshold number of reports is reached.



*Caption:* The Figures report the estimated difference in calls to the Helpline in the months before and after an onsite-factory training takes place in training factories, using Helpline call data from April 2021-December 2024. Non-urgent issues include non-urgent compensation, non-urgent non-compensation labor issues, other non-urgent work environment issues, and verbal abuse or harassment. Urgent labor issues include physical and sexual harassment, urgent compensation and other abuses, and urgent violation of freedom of association rights. Method 1 is the two-way fixed effects (TWFE) estimator and method 2 is the Callaway and Sant'Anna (2021) estimator.

Guided by these economic theories, we conduct a randomized controlled trial (RCT) to study how the availability and design of a reporting escrow affects the reporting and the subsequent investigation of harassment and other forms of workplace abuse. We collaborate with an innovative worker helpline that serves Bangladesh's apparel sector, the Amader Kotha (AK) Helpline, which means "Our Voice" in Bangla. The Helpline's operating model entails apparel buyers' subscribing to the Helpline's services for their supplier factories; supplier factories have strong incentives to cooperate in order to maintain buyers' business.

To distinguish between different barriers to reporting, we randomly assign factories to distinct treatment conditions and study how this affects the reporting and subsequent investigation of labor issues (e.g., physical and sexual harassment). We study two types of reporting escrows: A "reputation" escrow, which counts issues at the factory floor-issue type level, and a "burden-of-proof" or "retaliation" escrow, which counts issues at the manager-issue type level. The former tests the possibility that the key reason why workers do not report issues such as sexual harassment is because of concerns about their reputation. The latter tests the possibility that the key reason why workers do not report issues such as sexual harassment is because of concerns about retaliation against them by the perpetrator. Importantly, workers at both groups of factories continue to have the option of reporting on their own.

In the RCT, we randomly assigned factories covered by the Helpline to have access to one of these two types of escrows (treatment conditions) or to the control condition (no escrow). We will examine the effects on three primary outcomes: The number of non-urgent labor issues reported to the Helpline, which includes verbal harassment and numerous other issues; the number of urgent labor issues, which includes physical and sexual harassment and numerous other issues; and the number of labor issues escalated for investigation/action by the Helpline.

We aimed to increase awareness of the Helpline in treatment and control factories, and in treatment factories, of the reporting escrow, by conducting in-person training of workers. We aimed to train 174 factories, of which 167 factories received training: 53 from reputation escrow, 52 from retaliation escrow, and 62 from control. As of February 2025, one factory remains to be trained, and we will collect follow-up data on factories that received training through late 2025. We do not report preliminary results for the escrow experiment because we need to complete the data collection with factories.

## Policy Recommendations

Our preliminary analysis of the impact of training workers about the availability of a neutral, third-party Helpline indicates large, sustained increases in reporting of non-urgent labor issues. This indicates that factories' internal grievance resolution mechanisms are not providing sufficient voice and remedy for workers, and workers have substantial demand for access to neutral and effective grievance resolution mechanisms. The preliminary results do not show increases in calls about urgent labor issues; calls about these issues are rare, averaging around 0.014 calls per month per factory pre-study. If we continue to find no effects on this outcome in the full sample, we will explore reasons why in our data analysis.

## Limitations

In this Policy Brief, we present preliminary results on the impacts of training workers about the Helpline on calls to the Helpline. We do not report preliminary results for the escrow experiment because we need to complete the data collection. We expect this evidence to be available in late 2025

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