

Abstract: Focusing on labor productivity and working conditions, we investigate the benefits of industrial zones for private manufacturing enterprises in Myanmar. We find that being located in an industrial zone associates with higher labor productivity. Value added gains, however, are not transferred to employees. The results are robust to different measures of productivity and model specifications, as well as to controlling for the natural level of industrial agglomeration in a particular location. The findings in general indicate additional benefits of planned industrial activities as opposed to naturally-driven industrial clustering.