

## **Day 1: Wednesday, 7 September 2022**

### **Session 1: State Capacity I**

*Biases in Decision-Making of Bureaucrats: Experimental Evidence from the Civil Service Academy in Pakistan.*

**Shehryar Banuri** (University of East Anglia), Zahra Mansoor, and Maham Faiq

Discussant: Laura Montenbruck (University of Mannheim)

Developing state capacity is essential for promoting economic growth and development. This requires ensuring that a well-functioning and motivated bureaucracy is in place that can deliver essential services. Our research produces evidence on how to improve the effectiveness of the middle and upper echelons of bureaucracy where much of management, administration, and decision-making takes place, but on which evidence remains limited. This gap is particularly stark when it comes to the effectiveness and impact of civil service training academies in building capacity to improve performance of bureaucrats through on-the-job trainings and skill enhancement initiatives. We are addressing this gap by working directly with the civil service academies in Pakistan and investigating the following policy-relevant research question: Do bureaucrats exhibit behavioral biases in their decision making, and if so, how can civil service academies debias bureaucrats to improve evidence-based decision-making? We are exploring these questions through a direct research-policy partnership with the Management and Professional Development Department (MPDD) using lab-in-the-field experiments.

*Public Goods, Taxation, and Political Participation: Evidence from A Field Experiment in Freetown, Sierra Leone.*

**Laura Montenbruck** (University of Mannheim)

Discussant: Shehryar Banuri (University of East Anglia)

This paper uses a large-scale randomized controlled trial in Freetown, Sierra Leone to investigate the link between public service provision, taxation, and political participation. Both tax compliance and political participation are intricately linked to the quantity and quality of public service provision. Whether governments are lauded or scolded for their use of tax income to provide public services is likely to depend both on the salience of public service provision and citizens' preferences for the types of public goods provided. Using a phone survey, I study whether information on local level public service provision affects tax attitudes and intended political participation. To understand the role of citizens' preferences in shaping these effects, I vary the content of the information message, notifying respondents about service improvements related to either their most or least preferred public good. I find that treated individuals are more satisfied with the provision of public services by the local government. However, individuals who receive public service information perceive government spending as more wasteful and decrease their intention to vote in next year's elections. This decrease is counteracted by an increase in intended local level political engagement.

Keywords: Public service provision; political participation; taxation; randomized controlled trial

## **Session 2: State Capacity II**

*Improving State Capacity to Target Extreme Poverty: An Evaluation of a Randomized Intervention in Bangladesh.*

**Viola Asri** (University of Konstanz), Kumar Biswas, Sebastian Fehrer, Urs Fischbacher, Katharina Michaelowa, and Atonu Rabbani

Discussant: Dimas Fazio (National University of Singapore)

Providing better incentives for and increasing the accountability of local decision-makers has been central to many attempts to improve the targeting of social policies. In contrast, local state-capacity, which we identify as another likely key constraint, has received much less attention. Addressing this research gap, we evaluate a carefully designed state-capacity-building intervention, including a training and a data-provision component, for the national Old Age Allowance program in Bangladesh. The results of a large-scale clustered randomized controlled trial in 80 rural municipalities show that the intervention does not improve the targeting performance despite a positive impact on the knowledge of eligibility criteria among both the local-government representatives and the target group. Our evidence further suggests that prevailing corrupt practices might be one of the reasons, and that low state-capacity is not the only obstacle that needs to be overcome to achieve a better targeting performance.

Keywords: social policy, targeting, local governance, randomized controlled trial, Bangladesh

*Rethinking Discretion in Public Procurement: Evidence from Brazil*

**Dimas Fazio** (National University of Singapore)

Discussant: Viola Asri (University of Konstanz)

This paper investigates the consequences of giving government agencies more flexibility in public procurement. Exploiting a rule in Brazil that waives competitive bidding for small-value purchases, I find that agencies strategically design procurements so they can choose their suppliers directly. Products purchased under discretion are 23 percent more expensive than under auctions. However, at least half of this overpricing is explained by discretion allowing agencies to purchase higher-quality products. I document that discretion may improve the quality of public services provision. Public hospitals that purchase more essential medicines under discretion experience decreased in-patient mortality.

Keywords: product quality, corruption, auctions, bid waivers, bunching

### **Session 3: Political Economy**

#### *CAN SECULAR MEDIA CREATE RELIGIOUS BACKLASH? EVIDENCE FROM PAKISTAN'S MEDIA LIBERALIZATION*

Joshua Blumenstock, Oeindrila Dube, and **Karrar Hussain** (FAU Erlangen Nuremberg)

Discussant: Sadia Hussain (Lahore School of Economics)

Islamic countries have increasingly been exposed to western culture, through the liberalization of their media markets and rise of transnational media networks. What is the consequence of this exposure on cultural and religious behavior, given potential clashes between western norms and traditional Islamic norms? We study this question in the context of Pakistan's dramatic 2002 media liberalization, which transitioned its media landscape from one government-owned radio station broadcasting culturally conservative content originating from Pakistan, to hundreds of private radio stations broadcasting culturally liberal content from the U.S., Europe and other countries around the world. Our empirical analysis employs a spatial discontinuity design, leveraging a unique radio licensing regulation that restricted private radio stations from broadcasting more than 50 km from their towers. Using fine-grained data from polling stations and villages, we find that people living just inside the 50 km boundary were more likely to vote for religious parties and more likely to enroll their children in religious Madrasas, relative to people living just outside of the boundary. Our findings suggest that the influx of liberal, western cultural norms provoked backlash, resulting in greater support for culturally conservative institutions.

Keywords: Media, Religion, Culture, Voting, Schooling, Madrasa

*Political distortions and production responses: Evidence from wheat procurement in Pakistan.*

**Sadia Hussain** (Lahore School of Economics), Ignacio Rodriguez Hurtado, and Kate Vyborny

Discussant: Karrar Hussain (FAU Erlangen Nuremberg)

We document political influences on the procurement of wheat in Pakistan using panel administrative and farm survey data. Using a panel fixed effects approach, we document that wheat procurement increases in governing party constituencies when the government procurement price is high relative to world prices. We document that this political distortion leads to a production response: when political changes expand their access to the government program, farm households respond by increasing the proportion of their land dedicated to planting wheat, and selling more wheat on the market. Last, we document a rich dynamic regarding new entrants and incumbents in wheat production. Land owning households are more likely to enter wheat production relative to non landowners. However among incumbent wheat producers, non landowners increase their production more relative to landowners.

## Day 2: Thursday, 8<sup>th</sup> September 2022

### Session 4: Gender I

*Father of the Bride, or Steel Magnolias? Targeting Men, Women or Both to reduce Child Marriage.*  
Rachel Cassidy, **Anaya Dam** (University of Utrecht), Wendy Janssens, Umair Kiani, and Karlijn Morsink

Discussant: Sveva Vitellozzi (University of Florence)

Interventions that aim to change development outcomes including health, education, child development and women's empowerment typically target women and girls. Yet, in contexts where men remain the dominant decision-makers, male preferences and beliefs may be the binding constraint. We ask how men's and women's information and beliefs respond to intervention, how this trades off with their bargaining power to enact change, and how this translates into changing outcomes. We conduct a cluster-randomized control trial targeting women and girls, men and boys, or both with the same educational entertainment ("edutainment") intervention designed to reduce child marriage in rural Pakistan. We collect panel survey data from mothers, fathers and adolescent children to provide evidence on how individuals update their beliefs about private returns and costs, and about village-level marriage norms (via incentivized measures), as well as any changes in their bargaining power, and how these translate into marriage outcomes. We find that targeting men, women or men and women jointly significantly reduces marriage of girl adolescents, but for different groups of adolescents and through different mechanisms.

Keywords: Targeting, Gender, Child Marriage, Edutainment, Field Experiment

*Under Pressure: the impact of women's mental load on labor productivity and occupational choices. Evidence from Kenya.*

**Sveva Vitellozzi** (University of Florence), Francesco Cecchi, and Chiara Rapallini

Discussant: Anaya Dam (University of Utrecht)

Women's mental load is a widespread but invisible phenomenon that risks widening gender inequalities worldwide. This study posits that by constantly loading women with pressing concerns related to the household management and to children's wellbeing, mental load can reduce their labor productivity and it can lead them to self-select into less cognitive and less remunerative jobs. To empirically test these hypotheses, we conducted a lab-in-the-field experiment in Nairobi, Kenya. The treatment consists of triggering in the mind of the participants thoughts related to mental load and then they were asked to perform an effort task. Preliminary results show that mental load leads both men and women to self-select into less cognitive demanding jobs and to make an irrational choice. In terms of labor productivity, we find that mental load reduces productivity for women but not for men.

## **Session 5: Firms and Development**

*The Demand Side of Firm Growth: Evidence from Mexico*

**Louise Guillouet** (OECD and Columbia University)

Discussant: Ardyn Nordstrom (Carleton University)

In developing countries, there is uncertainty about product quality, leading consumers to seek credible signals of quality. One of them is the fact that a good is produced by a foreign firm. Combining barcode-level consumption data from Mexico with information about the origin of the producers of the good, I measure a precise foreign price premium of at least 16%. While the availability of foreign goods increases consumers' welfare, the dominance of foreign firms may also hinder the growth of domestic firms. I then document the following novel facts about the consumer packaged goods industry in Mexico: 1) domestic firm sales growth is driven by older goods rather than new goods; 2) domestic goods have slower and longer life-cycles than foreign goods; 3) the extensive customer margin is key to growth for both types of firms; 4) domestic firms depend relatively more on the intensive margin for customer growth; and 5) new customers of older domestic goods are poorer than those of new goods. I estimate a demand model, showing that the price premium elicited in the raw data can be attributed to consumers' relative preference for foreign goods. Importantly, this preference fades over time. I show that this is consistent with consumers learning about product quality, and provide consumer-level empirical evidence for this mechanism.

Keywords: growth; quality uncertainty; international competition; learning; consumer goods.

*It Takes a Village: The Impact of Community Mobilization Campaigns on Attitudes and Education.*

**Ardyn Nordstrom** (Carleton University)

Discussant: Louise Guillouet (OECD and Columbia University)

This paper uses a quasi-randomized field experiment in Zimbabwe to assess the impact of large-scale community mobilization campaigns to build support for girls and marginalized groups in rural communities. I analyze the impact that the program has had on attitudes, the behaviour of teachers and caregivers, and the learning and progression outcomes of at-risk youth. The quantitative survey and learning assessment data I use for this is complemented by transcripts from focus groups and interviews, which I analyze using innovative text mining methods to measure changes in community sentiment towards marginalized groups. I find that the program improved community attitudes toward girls' education by 0.560 SD over the three-and-a-half-year project. This contributed to a 20.9 percentage point increase in the likelihood that students in the treatment group reported receiving enough support from their community to continue learning during COVID-19 school closures, along with other changes in the behaviours of community members and families. The program facilitated better learning and progression outcomes, with marginalized students performing 0.28 SD better on learning assessments after the project. These findings lead to two important conclusions about the efficacy of interventions designed to mobilize communities to reshape community attitudes and support marginalized students. The first is that community attitudes can be influenced in a relatively short time to become more supportive towards marginalized groups. The second is that these interventions can support education outcomes. This paper also demonstrates the usefulness of qualitative methods and text mining techniques for future experimental work.

Keywords: Education, development, community mobilization, gender attitudes, mixed-methods evaluation, quasi-randomized field experiment

### **Session 6: Labour**

*The impact of robots in Latin America: Evidence from local labour markets*

Irene Brambilla, **Andres Cesar** (Center for Distributive), Labour and Social Studies-UNLP), Guillermo Falcon, and Leonardo Gasparini

Discussant: Robert Garlick (Duke University)

We study the effect of robots on labor markets in Argentina, Brazil, and Mexico, the major robot users in Latin America, during the period 2004-2016. We exploit spatial and time variations in exposure to robots arising from initial differences in industry specialization across geographic locations and the evolution of robot adoption across industries, to estimate a causal effect of robots on local labor market outcomes. We document that district's exposure to robots causes a relative deterioration in labor market indicators such as unemployment and earnings. Wage losses monotonically decrease in labor income and extend to the majority of local workers, except to individuals in the upper two deciles of the wage distribution, workers with seniority, and the most educated. Interestingly, we find that informality is a key margin of labor market adjustment to automation.

Keywords: Robot Adoption, Local Labor Markets, Latin America, Wages, Unemployment, Informality.

*Returns to Job Search: Experimental Evidence from a Matching Platform*

Erica Field, **Robert Garlick** (Duke University), Nivedhitha Subramanian, and Kate Vyborny

Discussant: Andres Cesar (Center for Distributive)

Job search and matching platforms are becoming increasingly common but there is limited evidence about the returns to using them. We randomize whether users of a platform in Pakistan receive information about potential job matches through only text messages or both text messages and phone calls. Calling users raises their job application rate by 1.5 percentage points or 750% of the control group mean, relative to only texting them. Returns to these marginal applications, measured by job interview invitations, are roughly equal to returns to inframarginal applications that would be sent regardless of the treatment status. Spillover effects of additional applications on other applicants' probabilities of getting job interviews are negligible. The effects on job applications and interviews are substantial for all combinations of gender, baseline employment, and baseline search activity. This combination of findings suggests that search may be suboptimally low in this setting, for participants with a range of baseline levels of labor market engagement.

## **Session 7: Gender II**

*Tackling Sexual Harassment: Experimental Evidence from India*  
**Karmini Sharma** (Stanford King Center on Global Development)

Discussant: Sally Zhang (Stanford University)

Sexual harassment imposes substantial economic costs on the victims, yet there is limited evidence on how to effectively deter it. I present experimental evidence on the effects of a sexual harassment awareness training for college students in New Delhi, using a randomized controlled trial. I find that sexual harassment awareness training for men reduces sexual harassment reported by women in their peer groups by 0.06 standard deviations. However, the training also reduces inter-personal relationships between men and women. I find that this is driven by women's choices, using a lab-in-the-field experiment in which women prefer to cooperate with women rather than men on an experimental task. Using a theoretical framework of signalling, I show that this is consistent with some men undertaking "good" behaviours even though they would prefer to harass women, to avoid disapproval from their peers. Empirically, I find that there is an increase in men's perception of peer disapproval against sexual harassment and no change in their intrinsic attitudes towards it, consistent with the theoretical predictions. I cannot reject a null effect on sexual harassment and opposite sex relationships of a similar intervention that was delivered exclusively to women in a separate college. Thus, this paper shows that it is possible to engage men for women's empowerment.

Keywords: Gender, sexual harassment, deterrence, beliefs, relationships.

*Entitled to Property: Inheritance Laws, Female Bargaining Power, and Child Health in India.*  
**Md Shahadath Hossain** (Binghamton University), and Plamen Nikolov.

Discussant: Karmini Sharma (Stanford King Center on Global Development)

Non-unitary household models posit that increasing women's bargaining power can affect child health, which is a significant predictor of human capital and economic status throughout adulthood. We study how a policy change, the Hindu Succession Act Amendment (HSAA), which provided inheritance rights to unmarried women in India, impacts child health. We find evidence that the HSAA improved the height and weight of children. In addition, we find evidence consistent with a channel that the policy improved women's intra-household bargaining power, leading to downstream benefits: better parental care for children and improved child health. The findings confirm that children do better when their mothers control a more significant fraction of the family resources. Thus, policies that empower women can have additional positive spillovers for children's human capital.

Keywords: human capital, height, bargaining, parental investments, developing countries, India

*Hidden in Plain Sight: Asymmetric Information and Hidden Income within the Household*  
**Sally Zhang** (Stanford University)

Discussant: MdShahadath Hossain (Binghamton University)

Do household members hide income from one another? By comparing self-reported and other-reported labor income, I find that household respondents in Indonesia systematically underestimate the labor income of other household members by 9%. Underestimation of income cannot be fully explained by measurement error or misreporting, and is consistent with hidden income within the household. Households with income underestimation consume more tobacco products, transfer more to extended families, and spend less on groceries. This is correlated with worse child nutritional outcomes, but only when income is hidden from the female household respondent. I develop a novel household model where each member can strategically underreport income, increasing private consumption at the expense of household efficiency. In equilibrium, cooperation is endogenous and may be incomplete, as household members collectively allocate reported income, but total income is not allocated efficiently. Empirical tests reject collective rationality and support partial income pooling, which is consistent with hidden income.



### **Day 3: Friday, 9<sup>th</sup> September 2022**

#### **Session 8: Health I**

##### *Modelling Health and Savings Impacts of Government Transfers*

Sefa Awaworyi Churchill, **Nasir Iqbal** (Pakistan Institute of Development Economics), Saima Nawaz, and Siew Ling Yew

Discussant: Vibhu Jain (Madras School of Economics)

This paper examines the impact of a national unconditional cash transfers (UCTs) program on savings. We first present a theoretical model that considers lifecycle consumption savings decisions where households derive utility from consumption and leisure time at working age, as well as old-age consumption and old-age longevity that depend positively on health spending. We then empirically examine the impact of Pakistan's Benazir Income Support Programme on various indicators of savings. We find that in the short and medium term, UCTs increase the probability that a household decides to save, and have significant positive effects on savings rates and the value of savings. The effects of UCTs are more pronounced on informal savings compared to formal savings. The results also show that health is a mechanism through which UCTs transmit to savings. These findings are consistent with our theoretical predictions.

Keywords: Cash Transfer, Health, Savings, BISP, Pakistan

##### *Money and more: health advice complements cash to improve child outcomes in India*

Sowmya Dhanaraj, Vidya Mahambare, and **Vibhu Jain** (Madras School of Economics)

Discussant: Nasir Iqbal (Pakistan Institute of Development Economics)

We present the first comprehensive evidence on the complementarity between the conditional cash transfer (CCT) and the 'cash-plus' component, namely health advice from community health workers (CHW) under one of the world's largest maternal CCT programs, India's Janani Suraksha Yojana (JSY). We combine child and household-level information from National Family Health Survey 2015-16 and administrative district-level birth-year specific information on JSY implementation from the Government of India's Health Management Information System (HMIS) to construct a dataset for 41,890 children born in public health facilities between 2012 and 2016 in the low performing states of India in terms of institutional deliveries. The results of the instrumental variable regression model indicate that receiving both cash and health advice reduce infant mortality by 31 per 1000, receiving only cash leads to a reduction of 24 per 1000 and only health advice by 11 per 1000 compared to the group who did not receive both. While cash has a larger positive impact on health outcomes compared healthcare system is, therefore, critical to achieve sustainable development goals related to children, in addition to ensuring the CCT.

Keywords: cash, cash plus, community health workers, child health, instrumental variable regression

## **Session 9: Health II**

*The Role of Information in Changing COVID-19 Related Perceptions and Behavior: Evidence from Pakistan*

Alexandra Avdeenko, **Jakob Gärtner** (C4ED and University of Heidelberg), Marc Gillaizeau, Ghida Karbala, Laura Montenbruck, Giulia Montresor, Atika Pasha, and Galina Zudenkova

Discussant: Saravana Ravindran (National University of Singapore)

We design and test a theoretical model in which the relationship between awareness information on COVID-19 and adherence to prevention measures is examined. The target population of our study are rural beneficiaries of two large NGOs in three provinces of Pakistan. Over three to five months, we follow almost 12,000 individuals and inquire information about the well-being, labor participation, mobility, social activities and COVID-19 related perceptions and knowledge. Our sample consists of two subsamples differing in their characteristics and the timing of the remote awareness intervention. Our results indicate for sample 1 - where individuals are less educated, have lower income, and lower pre-treatment knowledge on COVID-19 than individuals in sample 2, and receive the treatment on average 30 days before sample 2 - that the remote treatment encouraged preventive behavior during the pandemic, and increased concerns about getting infected and transmitting COVID-19 to other household members. Interestingly, the effects vanish when including sample 2 in the estimation suggesting that the sample composition and timing of treatment play a crucial role in the effectiveness of remote awareness campaigns. We find no adjustments in knowledge and awareness about the disease.

*Early Childhood Human Capital Formation at Scale*

Johannes M. Bos, Akib Khan, Saravana Ravindran (National University of Singapore) and Abu Shonchoy

Discussant: Jakob Gärtner (C4ED and University of Heidelberg)

Can governments leverage existing service-delivery platforms to scale early childhood development (ECD) programs? We experimentally study a large-scale home-visiting intervention providing materials and counseling — integrated into Bangladesh's national nutrition program without extra financial incentives for the service providers (SPs). We find SPs partially substituted away from nutritional to ECD counseling. Intent-to-treat estimates show the program improved child's cognitive (0.17 SD), language (0.23 SD), and socio-emotional developments (0.12-0.14 SD). Wasting and underweight rates also declined. Improved maternal agency, complementary parental investments, and higher take-up of the pre-existing nutrition program were important mechanisms. We estimate a sizeable internal rate-of-return of 19.6%.

Keywords: Early childhood development, Human capital formation, Bangladesh

## **Session 10: Firms and Growth**

*The impact of export promotion policies on export performance*

Stefania Lovo and **Gonzalo Varela** (World Bank)

Discussant: Shotaro Nakamura (University of California, Davis)

We investigate the impact of an export promotion policy consisting of ad-valorem subsidies for a set of targeted products, on the performance of Pakistani exports in the textile sector. We find that the policy had a positive but small overall impact on textile exports, while it induced substantial re-allocations across products. The policy induced an increase in exports of traditional products, which were eligible for the highest rebates, at the expense of non-eligible or lower-rate products. The effects are driven by the product choices of both existing and new exporters. We cannot also exclude that strategic misreporting at the border could partially explain the observed effects.

*Pricing, Advertising, and Spillovers under Information and Search Frictions: Experimental Evidence from an Online Platform in Pakistan*

**Shotaro Nakamura** (University of California, Davis), Syed Ali Hasanain and Adeel Tari

Discussant: Gonzalo Varela (World Bank)

In developing markets facing information and search frictions, how do agents form beliefs about market conditions and make pricing and other strategic choices? And how do their choices generate spillovers to others, contributing to frictions that constrain them to begin with? We explore these questions via a randomized control trial on a major online listing platform for used vehicles in Pakistan, where more economic activities are shifting online but access to price information is still limited. In our intervention, we provide estimates of transaction prices privately to sellers who create posts on PakWheels.com. We vary treatment saturation at the market-segment level with two-stage randomization to capture both direct and spillover effects. The intervention is currently ongoing, but the primary analysis is set to conclude by June, 2022. We will measure direct and spillover effects on a) changes to the listing price, b) occurrence of transaction, c) transaction price, d) usage of advertising tools, and e) index of buyer attention. We will also identify ways in which the intervention interacts with, or in turn affects, market efficiency and structure.

## Notes