

Day 1: Wednesday, 23 August 2023

Session 1: Trade Policy and Skills

Trade-induced structural transformation and the spousal wage gap: Lessons from Vietnam.
Anri Sakakibara (King's College London)

Discussant: Rocco Zizzamia (University of Oxford)

There is little consensus on whether access to foreign export markets can promote gender equality in developing countries. This paper leverages the US-Vietnam Bilateral Trade Agreement (BTA) that came into force in 2001 as a natural experiment to explore whether the disproportionate expansion of the female intensive wearing apparel sector can trigger the structural transformation of the female labour force in a way which promotes gender equality at the household level. By using a difference-in-differences strategy and through relying on panel data, I find that women residing in provinces that were more exposed to the BTA were more likely to work in the wearing apparel sector and increased their income relative to their husbands. I then examine whether the improvement in labour market opportunities and relative income of women led to changes in the allocation of resources that could be indicative of higher female intrahousehold bargaining power. I find that household consumption of ‘female-preferred’ goods did not increase in provinces that experienced more exposure to the BTA.

Tackling Household Decision Making Inefficiencies for Young Women's Skills Investment in Pakistan.

Hamna Ahmed (Lahore School of Economics), Zunia Tirmazee, Rebecca Wu and Emma Zhang

Discussant: David Evans (Center for Global Development)

We study household decisions to invest in young women’s digital skills through a short-term online training program in urban Pakistan. We randomised the split of a fixed, cash incentive for program completion between daughters and parents. We informed daughters about the incentive allocation, and cross-randomised whether parents received information about daughters’ incentive. Under information asymmetry, assigning the entire incentive to parents increased program completion by 95 percent compared to assigning it to daughters. Once parents learnt about daughters’ incentive, the incentive allocation had no impact on program completion. We reject the unitary household model in this parent-daughter context and provide evidence on bargaining behaviour supporting the efficient collective model.

Session 2: Economic Behaviour

Memory, Trauma and Economic Behaviour Among Refugees: Experimental Evidence from Teaching “Positive Imagery”

Gharad Bryan, Alexia Delfino, **Christian Johannes Meyer** (University of Oxford), Ashley Pople and Benyam Worku

Discussant: Uzma Afzal (LUMS/ IDEAS)

We test the effectiveness of a psychological program designed to build “positive imagery” among a representative sample of Eritrean refugees in Addis Ababa. Drawing on studies in psychology and neuroscience, we hypothesize that past traumatic experiences distort mental images and memories, leading to pessimistic expectations and views on the future, risk aversion, and inaction. Our intervention trains refugees to vividly and precisely imagine a positive present and future in Addis Ababa. Our preliminary results indicate that the intervention leads to significantly more optimistic views of economic lives in the host economy. In the short run, we find that treated participants work more hours, have higher food security, and report improved wellbeing. The most likely mechanism seems to be a change in expectations about the future.

Marital Arrangement and Spousal Cooperation

Uzma Afzal (LUMS/ IDEAS), Abigail Barr and Daniele Nosenzo

Discussant: Christian Meyer (University of Oxford)

We conduct lab-in-the-field experiments to investigate systematic heterogeneity in cooperative decision-making across spouses in arranged and love matched marriages in Pakistan — where the former is the traditional practice and the latter is associated with modernization. Specifically, we test the hypothesis that unconditional cooperation is more prevalent between spouses within love matched marriages. We engaged married couples in a variant of a one-shot, two-person, sequential public goods game, in which we applied the strategy method to the second mover. By applying the hierarchical clustering analysis to the strategy data, we categorize spouses into cooperative types. We find that spouses in love matched marriages are significantly more likely to be unconditionally cooperative. We conduct a second round of experiments to investigate whether these findings replicate and if they can be generalized to couples living in more remote villages. We also test whether the observed differences in unconditional cooperation between spouses in love versus arranged marriages can be explained by the selection of unconditionally cooperative people into love marriages. We find that in villages close to the city love matched spouses are significantly more likely to be unconditionally cooperative. However, as distance from the city increases, the love matched effect declines. We interpret this as suggestive of less tolerance and, hence, less support for love marriages in more remote areas. The behaviour of husbands and wives in a corresponding series of inter-household games establishes that greater unconditional cooperation between spouses in love marriages close to the city cannot be attributed to a selection effect. Data from the third round of experiments shows that there is indeed a social norm against love matched marriages and that this norm is stronger in more remote villages

Session 3: Poverty and Social Protection

Experimental evidence on the role of coaching within bundled ultra-poor graduation programmes

Rocco Zizzamia (University of Oxford), Narayan Das, Stefan Dercon, Rozina Haque, Maliha Noshin Khan and Ashley Pople

Discussant: Timothy Kohler (University of Cape Town)

We investigate the role that coaching plays within ultra-poor graduation programmes – specifically, how sensitive the welfare benefits of graduation interventions are to the intensity and the type of coaching inputs. We do so through a multi-arm field experiment implemented in Bangladesh in 2016, in which experimental variation was built into the amount of coaching (weekly vs fortnightly) and type of coaching (individual vs individual and group-based) that recipients received. We measure six-year impacts through an end line survey conducted in 2022, following the COVID-19 pandemic shock. While the programme itself does lead to large and sustained impacts on household asset holdings, earnings, land holdings, and hours worked in high-productivity activities, variation in coaching plays no discernible role in explaining the variation we observe in these outcomes. Reducing the intensity of coaching within ultra-poor graduation programmes could be an effective tool in bringing such programmes to scale.

Can Cash Transfers to the Unemployed Support Economic Activity? Evidence from South Africa

Haroon Borhat, **Timothy Köhler** (University of Cape Town) and David de Villiers

Discussant: David Evans (Center for Global Development)

Persistently high unemployment has plagued South Africa over the last few decades, while concurrently there has been a dearth of state-provided income support to the working-age economically active population. In response to the pandemic the government introduced the COVID-19 Social Relief of Distress grant – the country’s first unconditional cash transfer targeted at the unemployed. At the time of writing, however, no causal evidence of the grant’s effects exists. We adopt a doubly robust, semi-parametric Difference-in-Differences approach on representative panel labour force data to estimate the contemporaneous and cumulative causal effects of the grant on labour market outcomes. We find robust evidence that the grant increased average employment probabilities by approximately 3 percentage points, an effect largely driven by wage and formal sector employment. Employment effects vary by duration of receipt, with larger effects estimated for the short-term which reduce to zero with additional periods of receipt. We additionally find marginally significant effects on the probability of trying to start a business, but no evidence of any effects on job search. These findings suggest that the grant has performed a multi-purpose role in providing income relief while also enabling a path towards more favorable labour market outcomes.

Session 4: Mentoring session

Unintended Consequences of Government Support: Impact of Pakistan's Flood Relief Program on Adaptation Behaviour

Muhammad Bin Khalid (Yale-NUS College)

Discussant: Theresa Chaudhry (Lahore School of Economics)

This paper examines the effect of government support in form of village-level cash transfers on adaptation behaviour. After the devastating 2010 floods, the Pakistan government initiated the Watan Card program, under which all households in a village that was more than 50 percent flooded got a cash transfer. I find that while cash transfer recipients are 20 percent more likely to invest in personal adaptation, they are 22 percent less likely to work with other villagers to invest in community adaptation. Non-damaged households who get the cash transfer just because they reside in a flood affected village drive this negative effect. These findings hold even after conducting a series of robustness tests including a placebo test. Finally, I show that these findings are consistent with a simple economic model.

Intra-Household Bargaining Power and Expenditure Patterns- Evidence from Pakistan

Abdullah Mehta (Institute of Business Administration)

Discussant: Theresa Chaudhry (Lahore School of Economics)

When providing welfare benefits, it is essential to understand the distribution of power within beneficiary households and its effects on the utilization of resources. Using data from the 2018-19 Pakistan Social and Living Standards Measurement (PSLM), this study examines the impact of female bargaining power on household expenditure patterns. The results find that in lower income households, female bargaining power positively effects the expenditure shares of education and transport, and negatively affects those of tobacco, food, and health. However, these impacts diminish as income levels rise. Policymakers should aim to direct aid towards lower-income female beneficiaries to increase development spending on education and should undertake efforts to improve female health uptake amongst the poor. Regarding inflationary pressures, women are less susceptible to rising food prices, but are more vulnerable to increased transportation costs, and so aid programs and subsidies should be devised accordingly.

Day 2: Thursday, 24 August 2023

Session 5: *Women and Labour Markets*

Wage Subsidies to Promote Female Hiring: Evidence from Pakistan.

Maurizio Bussolo, Jean Lee, **Mahreen Mahmud** (University of Exeter), Nayantara Sarma and Anaise Williams

Discussant: Danila Serra (Texas A&M University)

Pakistan has one of the lowest female labour force participation rates in the world. The firm-side constraints to hiring women are not well understood. We conduct a randomised control trial with around 1200 firms in Pakistan that have a job opening for a technical/professional role advertised on the country's largest online job search portal. We offer a 6-month wage subsidy to a randomly selected half of the sample if they hire women for the advertised role. The subsidy offer is made via the Becker-DeGroot-Marschak (BDM) mechanism and it reveals that the average subsidy level required by managers to hire a female is 15%. We find that wage subsidy offers lead to an 11 percentage points increase in the likelihood of a female being hired. These effects are particularly large for firms that only had male employees at baseline.

A leaky pipeline: Decomposing the gender gap in job search in urban Pakistan

Elisabetta Gentile, Nikita Kohli, Nivedhitha Subramanian, **Zunia Tirmazee** (Lahore School of Economics) and Kate Vyborny

Discussant: Danila Serra (Texas A&M University)

Gender gaps in labour market outcomes persist in South Asia. An open question is whether supply or demand side constraints play a larger role. We investigate this using matched data from three sources in Lahore, Pakistan: representative samples of jobseekers and employers; administrative data from a job matching platform; and an incentivized resume rating experiment. Employers' gender restrictions are a larger constraint on women's job opportunities than supply-side decisions. At higher levels of education, demand-side barriers relax, allowing women to qualify for more jobs but at lower salaries. On the supply side, educated women become more selective in their search.

Collective Action and Women's Access to Resources

Saniya Jilani (Colorado State University)

Discussant: Fareena Malhi (Lahore School of Economics)

Despite various attempts (including reservations), women's involvement in the political landscape across patriarchal societies is restricted (Rosaldo, 1974). This scenario holds true for their involvement in political collective action movements (Shvedova, 2005). Pakistan, while being no exemption to this, is a site of political turmoil and requires a deeper understanding of the association of women and political participation. When studies suggest improving the

empowerment of women in such economies by prompting more formal involvement, they tend to neglect fundamental constraints like the social and cultural landscape. In patriarchal systems, women's involvement in collective action is restricted geographically and their engagement is mostly found within localized protests along with their social network. This paper attempts to explore the intricate relationship between women's involvement in informal collective action and their empowerment. Thus, we pose the following question: Does female involvement in localized political events result in improved empowerment and access to health care? We utilize data on protests from ACLED while the data for access to pre/post-natal care and decision making are extracted from PSLM and HIES for the years 2010 to 2019. Our results indicate that in areas where women are the primary actors in political events, they are more likely to engage in sole decision making by 11.9 percentage points regarding the uptake of paid work. For pre and post-natal care, we observe a decline in utilization when women oriented, political events take place.

Session 6: Political Economy

Political Identity and Foreign Aid Efficacy: Evidence from Pakistani Schools

Sanval Nasim (Colby College) and Andreas Stegmann

Discussant: Alix Bonargent (London School of Economics)

We conduct a field experiment to study whether concerns to preserve an anti-liberal self-image affect low cost, private school owners' willingness to explore a collaboration with a liberal Pakistani NGO. While explicitly revealing the NGO's liberal motivation to school owners has a significant impact on beliefs about the NGO's objectives, on average, we find only limited evidence that treated school owners are less willing to explore a collaboration with our partner NGO. However, heterogeneous treatment effects suggest that differences in political identity cause negative reactions among the minority of school owners expressing conservative beliefs during a seemingly unrelated follow-up survey.

Bridging the Gap between Research and Policy: The Effect of Early Stakeholder Engagement on Evidence Take-up

Alix Bonargent (London School of Economics and Political Science)

Discussant: Danila Serra (Texas A&M University)

Can involving policymakers in the production of research change research output and improve the capacity of the state to use evidence in decision making? This collaborative approach, sometimes called "co-creation", is increasingly put forward by donors and practitioners to bridge the gap between academia and policy, but its impact has yet to be rigorously assessed. This study investigates whether relaxing political constraints on partnership formation results in more collaboration between researchers and policymakers, and whether this translates into higher evidence take-up in programmatic decision-making. To address this question, this paper leverages a unique dataset of academic research projects in the field of development economics, which includes information on the level of policymakers' involvement at the proposal stage and tracks changes in policy decisions observed following project implementation. The timing of the funding call deadline relative to the election cycle of the country of implementation introduces an exogenous source of variation in the strength of the political constraint on partnership formation. Preliminary results suggest that collaboration with policymakers substantially increases the likelihood that changes in programmatic decisions are observed after project implementation. Findings also reveal that the emergence of partnerships coincide with the election cycle: they occur earlier in the term when political conditions are conducive to experimentation and reform.

Discussant: Sanval Nasim (Colby College)

We examine whether frontier rule, which disallows frontier residents from recourse to formal institutions of conflict management and disproportionately empowers tribal elites, provides a more fragile basis for maintaining social order in the face of shocks. Combining a historical border that separates frontier from non-frontier regions in north-western Pakistan with 10km-by-10km grid cell-level data on conflict in a spatial regression discontinuity design framework, we show that areas under frontier rule experienced significantly higher violence against the state after 9/11. We argue that the 9/11 tragedy represented a universal shock to grievances against the state which, in the absence of formal avenues of conflict management, led to a sharp surge in attacks against state targets in the frontier regions. We show that the surge in ‘sovereignty-contesting’ forms of violence in these regions was partly carried out through the systematic assassination of tribal elites upon whom the whole edifice of social order was built.

Session 7: Mentoring Session

Conflicting choices: Lump Sum Transfer or periodic Cash Transfer—Evidence from Sindh
Shagufta Shabbar (Institute of Business Administration)

Discussant: Ali Hasanain (LUMS)

Evaluating long term impacts is usually not possible as pure control groups dissolve into treated ones. This paper makes use of data where the treated and control groups remained mostly unmarred. This setup of initial randomization of beneficiaries to treatment and control status has not received any form of researcher intervention and thus continues to induce random variation. We examine two types of social assistance i.e. lump sum transfer (LST) versus unconditional cash transfer (UCT) and determine which is more effective in enhancing household's income in the long term. For evaluation a cross-sectional survey is conducted in a district of Sindh. Propensity Score Matching is employed to evaluate the treatment effects. The empirical analysis suggests that the static LST permanently increases the total household income. The difference in the household incomes of LST and UCT recipients in the long run is large and significant.

Monetary vs Social Cost - Impact on Tax Evasion and Labour Supply
Muhammad Nadeem Sarwar (Institute of Business Administration) and Asma Hyder

Discussant: Ali Hasanain (LUMS)

Low tax collection affects the quality and quantity of government services, debt accumulation, and the welfare of the people. Tax evasion, a widespread phenomenon in both developing and developed countries, is not only among one of the main reasons for low tax collection but it has labour supply implications as well. We propose social cost as an alternative punishment for tax evasion and test it against the existing monetary penalty as punishment for its effectiveness in controlling tax evasion and its impact on labour supply. The results of the lab experiment suggest that social cost punishment leads to decreasing tax evasion incidents but in case of evasion, the share of evaded income increases. On the other hand, the social cost punishment strategy positively affects labour efforts. Based on the findings, we suggest to test the social cost strategy on large scale, before implementing it at the country level

Day 3: Friday, 25 August 2023

Session 8: Education

Delivering Remote Learning Using a Low-tech Solution: Evidence from a Randomised Controlled Trial in Bangladesh

Liang Choon Wang, Michael Vlassopoulos, Asad Islam and **Hashibul Hassan** (Jagannath University)

Discussant: David Evans (Center for Global Development)

The Covid-19 pandemic caused prolonged school closures worldwide. Children in resource poor settings were particularly affected given their limited access to remedial distance learning opportunities through the internet, television, and radio. To address the poor access to formal education, we designed an educational intervention consisting of a set of audio lessons that were delivered through mobile phones to primary school students using Interactive Voice Response (IVR). During the 15-week program period, parents could access the lessons for free by calling a designated phone number and listening to a lesson with their child at any time. We delivered the randomised intervention to 1,763 primary school children across 90 villages in Bangladesh during the 2021 Covid-19 school closures. The intervention improved the test scores of children in literacy and numeracy by 0.60 Standard Deviations (SD). Additionally, the intervention led to an increase in the amount of time that parents spent on homeschooling. The intervention was particularly beneficial for academically weaker students, those from the poorest strata, and those with less-educated caregivers. Our results suggest that this scalable and low-cost intervention could be leveraged in similar settings to address learning losses of marginalized students.

Estimating the impact of New School Head Policy in Sindh

Aatir Khan (Habib University)

Discussant: Jennifer Kumi (University of Oxford)

In this paper, I seek to evaluate the impact of the recent school head policy in the province of Sindh. I use a difference-in-differences model to estimate the impact of having a dedicated school head, as well as having a school head appointed to the school under this policy, on three separate outcome variables: school resources, student enrollment, and total teachers. I find that having dedicated school heads is positively linked to each of the outcome variables. Additionally, the school heads appointed through the subject policy also have a positive, albeit a smaller, impact on each of the three outcome variables.

Impact of Mindfulness-based Stress Reduction on Student Mental Health and Education Outcomes: Empirical Evidence from Pakistan

Jennifer Opare-Kumi (University of Oxford) and Zahra Mansoor

Discussant: Hashibul Hassan (Jagannath University)

Research shows that a significant proportion of mental health disorders surface in early childhood and adolescent years. Systematic reviews show that interventions focused on student mental health can lead to promising effects on the overall mental well-being outcomes and educational success of children. One such intervention is Mindfulness-based stress reduction (MBSR). However, there is limited evidence on the impact of MBSR programmes on student well-being and education outcomes. This evidence gap is particularly stark in lower-middle-income countries. To address this gap, our research study pilot-tests an MBSR curriculum in two low-cost private schools in Faisalabad, Pakistan. The study aims to understand the direct effects of MBSR on the mental well-being, behaviour, and the educational success of young people. Through a randomised controlled trial with 214 students, we observed a 0.34 standard deviation increase in the grit of MBSR students. We also find that MBSR led to a 0.30 standard deviation increase in prosocial behaviour, with a stronger effect observed in girls compared to boys. Additionally, the results show that MBSR improves student's behaviours related to mood, interactions with siblings and parents and stress experienced at home. This research study makes a valuable contribution by testing an Urdu based adaptation of MBSR using a battery of mental wellbeing, behavioural and capacity to learn research instruments. The findings offer rigorous causal evidence at the intersection of economics and psychology, contributing to the limited but growing literature on mental health interventions, particularly in low-resource settings.

Session 9: Environment

Role of credit and grants in building resilience and adaptation to floods

Muhammad Karim (University of California - San Diego)

Discussant: Mahreen Mahmud (University of Exeter)

We assess whether access to loans helps households living in flood-prone areas to adapt better and become more resilient to floods. We further assess whether access to grants has a differential impact on loans. We do so by applying a regression discontinuity design exploiting the allocation of loans and grants based on an exogenous poverty score threshold in the Matiari district of Sindh. We find that households with access to loans diversified their income before the floods and are more likely to relocate temporarily during the floods. After the floods, we find access to loans increased labour supply and livestock in the non-flooded villages and increased income in the flooded villages. We did not find much evidence of the differential impact of grants and loans.

The Effect of Climatic Variables on Agricultural Yields: An Example from Pakistan

Ayesha Zehra (Research and Development Solutions)

Discussant: Azreen Karim (Bangladesh Institute of Development Studies)

Global warming is altering the world's climate—past trends coupled with future predictions show that global average temperatures will gradually rise. Warmer temperatures and variable weather patterns will have a detrimental effect on crop growth, leading to a decrease in agricultural yields. Tropical and sub-tropical countries are most vulnerable to climate change and will bear the brunt of its economic costs. In the past two decades, Pakistan in particular has experienced a gradual increase in average temperature, which carries serious consequences for its agricultural sector. The study was conducted using panel data on Punjab and Sindh from the Pakistan Rural Household Survey (2001; 2004; and 2010) to estimate the effects of marginal changes in temperature intervals and other climatic variables such as precipitation, humidity, and wind speed on wheat yield and rice yield. We estimated a series of fixed-effects and random-effects models to control for unobserved heterogeneity. The results suggest that if substituting one whole day from the temperature interval 23 – 26 degrees Celsius to the subsequent interval 26 – 29 degrees Celsius, wheat yield decreases by 14 percent. Substituting one whole day from the temperature interval 40 – 45 degrees Celsius to the next interval (temperatures greater than or equal to 45 degrees) leads to a 12 percent reduction in rice yields. The results also show that wind speed has a negative effect on wheat yield while humidity (proxied by dew) and precipitation fail to demonstrate statistical significance. The results indicate that rising average temperatures in Pakistan will have a detrimental impact on the agricultural sector and that future agricultural policies must be aligned with the risks of climate change.

Knowledge, perception or disaster experience? The determinants of household disaster preparedness behaviour in Bangladesh

Azreen Karim (Bangladesh Institute of Development Studies)

Discussant: Muhammad Karim (University of California - San Diego)

We examine the possible determinants of household disaster preparedness behaviour focusing on knowledge and perception and prior damage and employment channels of disaster experience. We utilize big data of 143,980 households and 12 natural disasters covering 64 disaster-affected districts in Bangladesh. We find disaster and climate knowledge and perception are strong predictors of preparedness adoption explaining around 1.46%-1.51% of formal education and nearly 7.39%-7.68% of female education compared to the mean. This finding strongly rejects potential possibility of endogeneity of income and wages as well. Our evidence strongly suggests that disaster preparedness is almost 76% effective in mitigating per capita net income loss via unemployment channel. However, demand-side policies are found not so effective in loss mitigation via production emphasizing government's various support package interventions. We strongly argue that integration of development and preparedness policies could further reduce the amount of climate losses implying integrated impacts across various SDG targets.

Notes