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## Welcome Remarks

RACHEL

GLENNERSTER:00:05:59

Thank you, everyone, for being here. I'm Rachel Glennerster, and I'm the incoming president of the Center for Global Development. And it's great to welcome you here to the second day of the ABCDE conference. ABCDE has always been a conference about rigorous research and applying that to policy. And so, I feel like CGD is a great place to partner with the World Bank. We've got a long and deep strategic partnership with the MDBs and obviously do our own rigorous research that feeds into policy. So, it's a great collaboration. Thanks to Indermit Gill and Masood Ahmed, my predecessor, for setting this all up. I get to welcome you and without having done any of the work, which is a great privilege.

Today is about the economic inclusion of women and youth. And some of you will know, a lot of my research career started a lot of work in Sierra Leone immediately after the end of the ten year brutal civil war there. Which was in large part driven by the lack of inclusion of youth, which led to huge resentment that built up over years as youth were, their labor was taken and used by other people and they had no say in it. So, the civil war was really an intergenerational war. So, if we need any more evidence of the importance of this agenda, I've certainly lived in and seen the consequences for failing to take it seriously.

Yesterday we talked about growth and the importance of growth. And again, I tried to articulate yesterday the importance of this link between micro and macro human capital as one of the key drivers of growth. But if you look at the evidence and you look at the countries that have seen big increases in income, one of the things that you often see is this big increase in women's labor force participation as part of that driver of growth. And so, you know, I see a very close connection between the discussion yesterday and the discussion today. So, today we're going to hear from researchers about the best evidence on economic inclusion of women and youth. We're going to cover barriers like appropriate training and skills to the impacts of poor working conditions, sexual harassment, norms related to gender, and of course, the burden of caregiving. We'll hear about a variety of options to improve the economic outcomes of women and youth.

So, to come back of, you know, to this theme of how this relates to the topics of yesterday, they are central to the growth agenda because policy makers in low- and middle-income countries must work with a tight fiscal envelope. And so, we've got to think about what is the most cost-effective way of achieving these objectives of inclusion and human capital investments. So, we're going to really focus, I hope, on value for money in these discussions. We hope that this discussion is going to inform the conversation on growth stagnation in two ways, how policymakers should approach investments in human capital, and how to grow and expand the fiscal envelope by including traditionally left out proportions of the labor force. IFIs, MDBs, and the development enterprise writ large should not only be passive acceptors of today's fiscal reality. We need to work together on solutions that improve the fiscal reality. So, again, welcome

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to CGD. Welcome to what I hope is a really good discussion and that we get some practical policy outcomes out of it. So, I'm going to hand over to Deon to lead the first panel. Thank you, Deon.

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00:10:35

## Plenary Panel: The Economic Inclusion of Women and Youth

DEON

FILMER:

Thanks, Rachel. Good morning, everyone. It's my great pleasure to host this or moderate this first session today. My name is Deon Filmer, I'm the director of the research department at the World Bank. I've been asked to just give a little bit of some announcements. For the online viewers, we encourage you to participate in the Q&A. You can submit your questions through the YouTube chat, LinkedIn live stream, or by emailing events at [cgdev.org](mailto:cgdev.org). For the in-person audience, we ask that you silence your cell phones. I won't do the Nicole Kidman AMC opening, but please, for everybody's comfort, please do that. It's my great pleasure here to moderate this panel on economic inclusion of women and youth. We have three incredible presenters today. We've got Raquel Fernández, Raquel is the Professor of Economics at NYU and at the University of Oslo in Norway. We have Ashwini Deshpande. She's a Professor and Head Department of Economics and founding director, Center for Economic Data and Analysis at Ashoka University in India. And then last, but not least, we have Karen Macours, who's a chair professor at the Paris School of Economics and senior researcher or directeur de recherche, in my notes, at the French National Research Institute for Agriculture, Food and Environment. So, we have about, the session is set up with about 25 minutes presentation, maybe just five minutes afterwards each just if there's a quick follow up and then hopefully we have 20 to 30 minutes at the end for Q&A to bring it all together. So, Raquel, over to you.

RAQUEL

FERNANDEZ:00:12:48

Oh, OK. So, let me start over again because I (INAUDIBLE). Oh, sorry about that.

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00:13:01

This better be back. I don't think so.(LAUGH) That's what happens when you're more of a theorist. OK. Anyway, it's a pleasure to be here. Thank you very much for inviting me. I'm kind of, think I'm going to set up a little bit the rest of the panel, because I'm not going to be giving you any grand theories, and I'm not going to give you much of a causal explanation. I'm going to be basically setting up the situation of women in Latin America. And the way that I would like to think about this is you can have a lot of reasons why female labor force participation is low, but overall, you would think that structural and macroeconomic conditions should more or less affect employment for men and women. Similarly, that is, there is no real a priori reason why they should be gendered. But when you see differences between men and women and what they do, you want to ask why does gender matter? And that was kind of the view that we took here. It's a life cycle view. That is, we're going to be looking at education and work to understand where the issues lie. Now, what I'm going to be presenting today is really based on this Latin American Caribbean inequality review that we're doing. I wrote the chapter with Ines Berniel and Sonya Krutikova on gender inequality. So, everything I'm going to be showing you is going to be looked at through the lens of gender inequality, thinking that's really relevant for thinking about women's employment. So, I'm going to start quickly with education, primary education, boys and girls basically in Latin America get the same education, they, you know, almost independently of countries. When you go to secondary school, their secondary completion favors girls and almost all countries. You're going to see that I've grouped the countries via by high income, upper middle income and lower middle income so that you can get an idea how these varies with per capita GDP. And I have sometimes, as a comparison, OECD or US. Just to give you an idea, and I put it with the high-income countries, those are going to be the ones in gray or black. But as you can see already, when you get to secondary school, women are favored. And when you get to tertiary education, the gap in favor of women becomes a much larger. This is a fact that is true for almost all the countries in the region. Now, the gap is not as large as it is for the OECD countries. For OECD countries, it's about ten percentage points. The gap in for Latin America is considerably smaller than that. It depends, again, what country that you're looking at, you know, Argentina and Uruguay are exceptions. So, we would expect in some sense that over time that gap is going to grow. What about achievement in education? Well, you know, we kind of accustomed to the fact that men do better in math and women do better in reading, and almost all the international tests that are taken. That's also true for regional exams that have been done in Latin America. There, the gap, actually, women are favored in math and in reading in third grade, and it's really in sixth grade that the gap appears between, if you want to look at this over time, we have two time periods that we could look at with this data, (INAUDIBLE) and (INAUDIBLE). Between 2006 and 2013, there is progress in since that the math gap that was favoring boys shrinks and the reading gap that was favoring girls also shrinks. So, there's been some progress in that direction. If we look at bit further on, when people are at the age of 15, we can look at the PISA scores. I should say that we ended everything by 2019, by the

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way, because we didn't want to get into the COVID period. There, you can see once again that the PISA scores in math, those are all negatives. Those are the top A and B, the top two. The gender gap in math favors men. It's relatively large, depending on the country, and it's larger than in the OECD. And of course, when you get to the upper middle-income countries, the lower middle-income countries are not in the PISA, the gap, except for, I think, it's the Dominican Republic, is even larger. OK. We have, for reading, the gender gap in the PISA scores, again, favors women. Again, it's not as large as in the OECD countries where the gap is 30 points. These are 30 points of a standard deviation. So, 30% of a standard deviation. And so, we would expect maybe that might be increasing. Once again, though, you know, these gaps shrunk between 2009 and 2018. So, there's been progress, both in terms of how big the reading gaps are in favor of women and how big the math gaps are in favor of men. Now, you might, one thing that we can look at, one thing that we did do, which is not just data, is to start a look at people's self-confidence. So, we did an index based on the questions that you see on the slides, all having to do with one's belief about one's ability in mathematics. And if you look at the graphs for high income upper middle income, and here we have the United States, you'll see that for all the orange lines, which are for women are all shifted to the left, meaning that there is, women have lower self-confidence than men. Now, you might expect that this should be true because after all, women are doing worse in these exams than men, so they should have lower self-confidence. And that's a good point. But, oh, no. OK. So, what this should show you is that, I'll just describe what it says, because I think we should have put probably the PDF. What this would show you is that at each score of the exam, boys are more self-confident than girls in Latin America and OECD. So, this is not just based on achievement, but for the same level of achievement, girls are less confident than boys. And you might ask, well, why does this matter? It matters because if you're thinking about entering into STEM fields where we know a lot of progress lies and where the wages tend to be higher, *ceteris paribus*, then, you know, how much self-confidence one has matters. So, I'm going to talk next about work. Here's just a sort of like an evolution over the last 20 years. The blue lines on top are averages for the three groups of countries by GDP per capita over time, and then the bottom ones are in the order that you would expect, lower middle income, upper middle income and high-income countries in Latin America. And as you can see, there's been progress over time. And you know, they're, you know, depending on which one you're looking at, you know, it's somewhere between 60 and 70, 65 and 75%. And if you want to compare that with the US, you see that in the US, you know, you kind of have a stagnant profile and men are actually coming down. Now, let's look at this a little bit more in detail. Gender gap, these are the gender gaps that exist in labor force participation in 2019. Let's just start by benchmarking with the US, not because the US is particularly high, but we we know what the numbers there are and you're familiar with it. As you can see, there's a gender gap of about ten percentage points between men and women in the US. And I'm sorry, you can't see the numbers. As you move from the higher income countries to the lower income countries, you'll see that the gaps are considerably higher than the ones that in the US. A lot of that is due to the fact that male labor force participation in these countries, these are all for 25 to 55 year olds, is higher than it is in

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the United States. So, that's one of the things that's driving it. So, for high income countries, instead of being ten percentage points, so like in the US, it's more on the order of 20 percentage points. And as you move towards the right, towards lower income countries, you see that the gap becomes 25 and 30 percentage points. So, really, really quite large. If we want to look at this further and we look at it by education, again, let me just start with the US to just anchor things. For the US, the highest education is going to be college and college plus, then high school, and then less than high school. Those are the three levels of education we're looking at. As you can see, the labor force participation gap is nine percentage points, the smallest one, gray line to the right. And then it increases as we go to lower levels of education, becoming quite large for people with less than high school, 21 percentage points. If you look at what's happening in Latin America, you see that women with college and college plus educations have, you know, at least for the higher income countries, a gap that is similar, sometimes large, a bit larger, sometimes a bit smaller to the US gap. The really large gaps occur when you look at secondary, people with secondary education and people with less than secondary education. Then you start talking about gaps of 35, 45 percentage points. So, if we're thinking about where the issues lie in Latin America, yes, they do. I mean, you do want college educated women to be working more, particularly in the upper middle income and the lower middle income countries. But the real issues lie in those with less education, including those with high school educations.

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RAQUEL

FERNÁNDEZ:00:23:52

Another way to look at this is to look at life cycles for women over different cohorts. So, what we've grafted over here is a life cycle. That is how much women have worked when they belong to cohorts born starting 1930 to 39, and then going up decade by decade and ending with the cohort that's born in 1980 to 89. That's the red line. And unfortunately, I think it's also kind of a red line also at the bottom. And hopefully the difference between the bottom and the top will tell you which one is the youngest cohort. And as you can see in these higher income countries, you've basically seen quite a bit of progress with the exception of Panama over time. And, you know, they're kind of ending up around, you know, 70 to 80 percent labor force participation. I just wanted to show you a picture that shows that there can be tremendous heterogeneity in this. I thought it'd be useful to show you US, France and Spain. US as you know has pretty much stagnated basically at around the 70 percentile level. That is not the natural way of things in the sense that, you know, takes a country like France. You also see some stagnation, but it does so at a higher level. And then you see that countries can do tremendous amounts of changes over the same period of time. If you take a look at Spain, and Spain now has labor force participation of women when they're in their 30s of, you know, 90%. OK, there's nothing natural about a 70% or a 75% benchmark. If we look at the upper middle income countries, the picture is much more mixed. We see that Mexico, which is the second country on your right column, is basically stagnated. And Columbia and the Dominican Republic are decreasing at very low levels of labor force participation. So, if you'd like you can take a look at Mexico. Down there in the bottom right, you see that it's basically stagnated at around 40% of labor force participation. Again, further that you go down in GDP per capita, and I'm sure other people are gonna talk about this. You see that this stagnation is pretty widespread. When you look at the lifecycle profile, with the exception of Bolivia and perhaps Paraguay, we didn't have data that could take us through as many years for all the countries. Lower middle income countries are stagnating at a very low level, and they're actually making negative progress in the sense that the labor force participation of current groups is often lower than it is for older cohorts. OK? Now, one thing that really matters for all of Latin America is the informal sector. Large part of the population. And below I have the definition we've used for the informal sector. A large part of the population works in the informal sector with the proportion of the population increasing as we go towards the lower middle income countries. Now, the gender gap exists in this. It's not necessarily huge when you look at the averages by group but it's there. So, one thing we wanna ask is, you know, where is this coming from? Why do we have so many women in the informal sector? Or why do we have so many men? And that's not a question that I'm going to answer today, but I will tell you that obviously education is tremendously important for this. And when you look at the share of women by level of education that are in the informal sector, you can see that it's basically secondary people with secondary and less secondary education. And again, this is really true in all regions in the country, except for the lower middle income, where you have a substantial fraction of those women who have college and college plus education, also participating in the informal sector. Now, if we wanna ask, is there a gender gap in this? Because it doesn't look so

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much like there is in aggregate. You really see it once you look at this via education. So, the gender gap for college graduates mostly favors women in the sense that they're much more likely to work in the formal sector, where we tend to have social security benefits and job security, et cetera. But the gender gap really exists in for women with secondary education versus men with less than secondary education. And the surprising thing, I think, is that as you go towards countries with a lower income in the region, you see that actually secondary education is quite problematic in the sense that a lot of women with secondary education are ending up working in the informal sector. And that for many countries, that's where the gender gap is largest, not necessarily those with primary education.

00:29:18

Another thing that we looked at was the gender wage gap. So, lemme just to make sure we're all on the same page, lemme just start with the US. The unadjusted gender wage gap. That is if you think about it, here's a ratio of female wages to male wages, OK? So, any number less than one means that women are earning less on average than men.



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00:29:42

The unadjusted one would be that the dark black column in the US and as you can see, it's around 80 something percent, meaning that women earn 80 something, you know, cents for every dollar that men earn when you adjust it. And the adjustments mean that you include age, the education, the sector that they work in, their occupation to digit occupation, whether they're full or part-time worker. And whether they're working in the informal versus a formal sector, that gender wage gap becomes smaller. That is that like grey column for the US goes up, meaning that some part of that gap can be explained by these characteristics that we've just discussed. When you do that same exercise for Latin America, the gender wage gap is, you know, in some countries it's smaller, in some countries it's larger, certainly for the lower middle income countries it can be... Sorry. Depending on which countries you're looking at the pattern can vary. What doesn't vary is that when you actually do the adjustment for these characteristics that we just talked about, the gender wage gap actually becomes larger. That is the light blue line column is below the dark blue one, meaning that once you try to explain it using these characteristics, the gender wage gap looks worse than before because women, as in the US though, so that's not the entire explanation, have more education, et cetera. So, it's not these characteristics that are explaining the gender wage gap. You might wanna ask me what is, and I don't really know, because at this point based looking at all the evidence that existed for a large group of countries 18 countries. So, we didn't do an analysis of all. So, now let me talk a bit about culture. First I just wanna show you a correlation. I'm not gonna show you more than correlations here. So, the leftmost graph is the percentage of people in the country who disagree with the statement, "A woman should work only if her husband doesn't earn enough." And as you can see, there's a large portion of the populations in some countries that disagree, like 70 or 80%. And then there's also countries like Guatemala where it's only be, you know, in the 30s the percentage of the population that disagrees. And what I'm graphing here is just a correlation that's showing you that there is a negative correlation between the fraction of the population that disagrees with the statement and the gap in labor force participation between men and women in the country. OK? So, countries where there's a large gender gap in labor force participation are also countries where people don't disagree with that statement. So, people think that it's fine. People think that a woman should work only if their husband doesn't earn enough. I wanted to show you that there's been progress over time. So, we have two data points for this. One is 2008, and the other one is 2015. So, not that much time. The fact that almost all the countries are above that 45 degree line is showing you that the percentage of individuals who disagreed with that statement grew over time. So, there's been progress in Latin America in terms of attitudes expressed for all, but a few of the countries and other countries in Central America, Guatemala, Mexico, and Panama. Just to show you a few more graphs these are, again, 45 degree lines. Just to show you one where we are into what progress there's been, this is for 2012 and 2019, and there's two statements. The statement on the left is, Men make better executives than women. And the percentage disagreeing with that, the countries here are not the same countries necessarily, where there, and in fact, what you don't have is the poorer central American countries here. So,

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you can't really you know, it's harder to draw any sort of regression line. We did not even try. But you can see there's a negative correlation, sorry, a positive correlation here. So, countries that on the whole, that were more progressive in their views about male versus female being better executives tended to stay in that way. But most of them made progress furthermore, between the two time periods. There is also less of a pattern here. Met the one on the right hand side says. Men making better political leaders than women." Again, almost all countries saw an increase in the fraction of the population that disagreed with that statement, with a very interesting exception, I think of Chile, which is also an exception for the business executive one and Mexico here. So, one other way to think about culture is the work that men and women take on. So, what I'm showing you here is hours worked, market, non-market and total, and I'm showing you ratios. So, the number of hours worked by women, divided by the number of hours worked by men. And these are household surveys. Different questions, a little bit asked in different countries. So, these are not necessarily strictly comparable among one another, but yeah, OK, I'll just leave it like that. There's not a moment to go into the details. So, these are all individuals and couples. They're the age of 25 to 45 years old. The non-market hours are care activities and household chores. So, we group them together. And what you can see for all the countries here, the purple lines purple columns are showing you that everywhere the ratio of women's hours in non-market work is greater than that of men. No surprise there. The fact that the green columns are below one is showing you that everywhere men work more than women on average in these couples. Again, no surprise there. US is your comparator shows you the same pattern. The interesting good thing is to ask, well, if you ask for total hours worked both market and our market in the us that's slightly below one, meaning that men tend to work on total more hours than women according to these surveys. For Latin America, this ratio is always above one for all the countries that we have data for, meaning that women work more than men everywhere. When we group these hours together. Now, given that we know that children really matters to what women do in the workplace, this is simply showing you the hours worked again, by countries here for women without any children. These are women between the age of 25 to 55. Again, this is the year 2019 women with children between the ages of zero to five and women between the ages of six to 15. And as you can see, this is the pattern that you would expect with women without children working most least, when they have young children. And it catches up a bit when women have older children. So, what we can do, and don't worry, I'm not gonna take you through each one of these graphs, is to do what Clavin has popularized, which is to look at what the motherhood penalty is. And I think that's a terrible word. These are women who are choosing what they do. So, this is not a question of whether it's a penalty or not. The question is, why do they choose to do this, in my opinion? Or why does a household choose to do this? So, what you can see there is or not is that the year negative one has been put to be normalized to zero, which means that we're artificially putting the labor force participation between men and women that gap to equal zero. And then in the year zero, they have the child. So, negative one is a year before they have a child. I might have said it opposite before. So, negative one is a year before they have the child that's normalized to be zero. And then in the year zero, they have

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the child. And now you can see what happens to labor force participation in all these countries. And as you can see, for labor force participation in all of these countries falls quite dramatically anywhere from 20% to 40 something percent. And it's, you know, it again depends on the countries, and it stays like that. It's not just for year zero or it's not. Sorry, just for year one. It's also true for the second, third, fourth, fifth years. So, there's a lot of hysteresis in this, OK? Women do not recover. We don't have panel data that allows us to trace this out for 10 years the way that Clavin does for some countries such as Denmark. There they found that this was true 10 years later. We can't say that really with any authority given our methodology here, but as you can see, it's true for several years out. Obviously, not surprisingly, this is then reflected in labor earnings. So, if you look at labor earnings again, the year before the child, this is normalized to zero. You don't see any pretrend, I should have said that before in the three years prior to the child being born. You know, men and women's the gender gap, which is normalized to zero at that point, stays, was zero before and then becomes dramatically larger. This is not surprising if women are not working, their earnings are gonna be put to zero here, their labor earnings. And so this is not a surprising finding. But it's not that women are going to the informal sector, which we would be picking up here and making up those earnings there. OK? I'm going to talk very briefly about policies. So, you know, we've seen a little bit where issues might lie. You know, they might lie where women having children, we've seen that there's a correlation with culture. We see that the informal formal sector, while an aggregate, it doesn't look that large. And that's because women have more education than men. When you peel it down by education, you do see a gap between men and women for the secondary and less than secondary education groups. So, what can one do about this? OK, so if we want to increase women's work opportunities, nothing on what I'm gonna say is I think unexpected, but I just wanna show you that the evidence that I could come up with. This isn't part of our study, we did not look at policies. But there are a few papers that I've looked at Latin America. In Argentina, papers that looked at constructions of pre-primary schools, and they show large increases in maternal employment. In Chile, Martinez and Perticar  looked at afterschool care, and again, they found large increases in employment, five percentage points. Uruguay, they found that universal preschool increased maternal unemployment. And in Mexico, the extension of the school day which increased the school days effectively from 4.5 to eight hours defacto providing additional childcare, also increased the labor force participation of mothers with young children. So, in Latin America, which is the area that I'm discussing, we do have evidence that says that this matters. What else might matter? And I didn't look for evidence on Latin America here, and I think anything that you found would most likely be a correlation, maybe with the exception of safety, which other areas of the world have done. Structural change matters. We know that going from being more primarily rural or having a large fraction of population in rural sectors to becoming more urban tends to increase labor force participation. Sometimes a little bit of a lag, but it tends to do that. Making transportation to workplace and and facilitating workplace and childcare areas with easy transportation also matters. And safety for a lot of Latin American countries is a real issue. And so having safer streets, having safer transportation also matters. I had talked about culture, so I

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wanna talk a bit about encouraging cultural change. And so I'll talk about role models and bias and education. Here, I don't have Latin American evidence though I'm now told that there's at least a working paper that exists. So, Bettinger and Long, they look at female instructors in college STEM courses, and they find that having female instructors increases female STEM majors and the enrollment of women in math and science. Carrel, Page and West have similar findings using US Air Force Academy data. And again in the US, Porter and Serra have a nice paper that shows that even very brief, like 215 minute sessions, or maybe it was one exposure to successful female economic graduates who come back to that college and talk about why economics was important to their career, that increased enrollment, intermediate economic classes, and also in econ majors. So, at least in the context of US, that seems to matter quite a bit. For Greece, Lavy and Megalokonomou, I should have practiced that. Megalokonomou. Have a really nice paper, which I just came across recently. And what they do is they look at the bias of instructors towards... I won't explain the whole methodology. But let me just say that the methodology is really nicely done. They really measured bias nicely by looking at how instructors grade at men and women in these exams relative to national exams and in courses other than the individuals that they're looking at. So, they're basically using this as a proxy, as an instrument. And what they found is that when the teacher's biased against boys or girls, it affects the major of girls in the university. It makes them less likely to enroll in any sort of STEM or math related class. When you have teachers that are biased against boys or bias against girls, having a bias against your gender is going to decrease the probability that you enroll in university at all, both for boys and for girls. And that's an equality, so it really matters there. So, you know, sometimes we think, well, maybe this doesn't matter. This is really nice evidence that shows that it does. These I think are probably better known. I'm not sure. We have role models in media and politics. Here I have two examples from India and one from Brazil and one from the us. Jensen and Oster show that the introduction of cable TV in rural India and which showed women in leadership roles decreased acceptance of domestic violence against women and increased women's autonomy. And autonomy is an important step, obviously, towards labor force participation. In Brazil, La Ferrara, Chong, Duryee showed that exposure to soap operas portraying smaller families with associated with a decrease in fertility in Brazil. Kearney and Levine. I didn't know this one before I looked it up. They showed that the MTV show 16 and pregnant led to a reduction in teen births and more interest about contraception and pregnancy. And Beaman et al. show that female leadership quotas and West Bengal and village councils led to weakened stereotypes about gender roles. I'm never sure how convincing those things are, but what I find much more important is that after 10 years, it let women to run and run for and win elected positions once they were no longer once these quotas were no longer in place. So, with that, I know that I'm over time, I'm going to pass this over and not sure if you have any questions.

DEON

FILMER:00:46:31

Just to take two minutes just to follow up with... We're gonna have a big Q and A at the end. I think we're gonna open it up. I just had one question about trends.

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RAQUEL

FERNÁNDEZ:00:46:40

Yes.

DEON

FILMER:00:46:41

So, the latest issue of women business in the law showed that the most recent period is where there'd been the fewest legal reforms, granting rights to women. And you mentioned stagnation in female labor force participation in the Latin American countries. You mentioned some progress in attitude. So, I guess the question is, with respect to these Latin American countries that you were serving, is there a general trend that you're sensing in terms of improvements or stagnation or declines?

RAQUEL

FERNÁNDEZ:00:47:12

I mean, it depends on the countries. I'm not gonna talk about the legal aspect because I'm less familiar with that. But what you saw there was in some countries you see declines in labor force participation, which is quite shocking when you're looking at it from a cohort point of view, despite the fact that women are becoming more educated basically in all of these countries.

DEON

FILMER:00:47:38

Now, why do we see this decline? I'm not sure. It could be the product, even though I said structural change, on the whole, is important and it's going to get more women into the labor force eventually, it might be a lag in those countries where that transition is still taking place like in most of Central America. But I'm not sure. I'm also not sure that the legal aspect is the most important aspect. I mean, Ashwini will talk about India, but, you know, for example, child marriage has been forbidden for a long time as has dowries. But we know from the data that's been collected that that still goes on. So I tend to maybe because I'm so much of an economist, I tend to pay less attention to the legal aspect, despite the fact that it's obviously important and more to the reality on the ground. And so I'm not sure how much they mirror one another. And I'm not sure that Central America is where those changes, the changes in legal reforms favoring women has slowed down or not. So, I would have to look at that data. But thanks.

DEON

FILMER:00:48:42

Thanks. Have a great segue to Ashwini. Over to you.

ASHWINI

DESHPANDE:00:48:45

Thank you very much.

DEON

FILMER:00:48:46

You may take a second to launch. Yeah.

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ASHWINI

DESHPANDE:00:48:50

OK. So, yeah, so basically, I'm very pleased to be here. First of all, thank you for inviting me. And on Ishani's request, I am actually this talk is going to be less about the kind of data that Raquel showed, which I have plenty of. So please write to me if you want any of those figures. But I'm going to focus more on the way in which the question of low female participation in India is being addressed through the larger policy ecosystem, which includes the Government of India, but also includes multilateral agencies. And I think that we need to therefore unpack the relationships between social norms opportunities and constraints that together explain, I think, women's work. So, you know, what I think about this approach is I think we are putting the cart before the horse. And so it's a little bit of a different view from the mainstream view. So, I want to explain what I really mean by these, by this. So you know, South Asia and men are obviously everybody knows are regions with the lowest female labor force participation rates in the world as well as high gender gaps. So there is a problem which needs to be discussed and which needs to be addressed. I am for reasons of time, going to focus only on India and what we are really looking at India. When we're looking at female and male labor force participation rates, this is the picture that you see. A, low levels of female labor force participation rates that are sort of persistent over decades, high gender gaps, which are also persistent, and a period between 2004, five to about 17, 18 where women's female labor force participation rates declined. Now, to those who haven't kept up with the latest data, that decline is now reversing. So but yeah, there was a long period of decline. And I think the reason to understand both the decline as well as the increase, will tell us something about the complicated pathways, the connections that I'm going to try to argue about. You know, so first of all is this is all of this a social norms story, which is the sort of mainstream understanding today internationally as well as within the country. Is this about the way women's work is measured, particularly in developing countries with large informal sectors? So is this, is there are women actually involved in economic work which might be unpaid but we are just failing to capture that? Is that what the low-level shows that of course cannot decline, that cannot explain the decline but it can, you can talk about the level. Is it about jobs particularly in rural India because the decline really happened in rural India? And so when I mean jobs, I mean, the lack of jobs really, is that really what's what's going on, the picture that we are seeing. What is the specific relationship between structural change and labor demand? Now, I know in Latin America, as economies became more urbanized and less agricultural, female labor force participation rates increased. But in India, that's not happened. So, I think we need to also look at what is the role that structural transformation is playing in the kind of labor demand that's generating and that's also linked to the low level or the decline in, particularly the declining period of female labor force participation rates. So big difference between Latin America and India here. Is this simply just disguised unemployment? So, you know, people, even those who are in the labor force, even men, they might be in the labor force. They get counted as workers, but their productivity they are in very dead-end survivalist, low-productivity jobs. And so essentially they are unemployed, but they get counted in the labor force. So is that what's getting picked up for men because, you know,ow here social norms play a role, which is that men are

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supposed to go out and do something even if it's very, very low productivity work. And so you think of men as being in the labor force, but really it's really disguised unemployment that we are measuring. And there's a huge literature on all of these aspects, which I'm obviously not going to cover today. So, I've been writing about this recently quite a fair amount. And when we think of the relationship between social norms and low female employment, obviously there is some relationship, but is it really the main cause of low female employment? That's a question that we need to ask ourselves, particularly because when you see the social norms literature, it is assumed as if there is one set of uniform social norms that are applicable to all Indian women. And that is a highly simplistic and may I say incorrect notion because not only are there differences between states, and I have a ton of inter-state graphs which I cannot show today for lack of time but I did present it at a World Bank seminar earlier and happy to share those slides again. So first of all, there's a huge heterogeneity among states in India, amongst regions in India. There is huge heterogeneity between caste groups. So norms that affect that govern castes are very, very different. So to think that there is some set of common norms that govern all Indian women, from a distance it might seem so, but it actually on the ground that's really not, that's really not the case. Secondly, again, something that I'm not going to be able to show entirely in this presentation, if you look at gender norms over time, last 20, 30 years if you look at five rounds of National Health and Family Survey data and you plot different indicators, you actually see an increase, an improvement in several social norms, including in the really sticky norm of some preference. So if you look at sex ratio at birth, it's not ideal. It's still a problem, but it's definitely improved. And this was in some sense the stickiest norm, which is why South Asia used to be called or is still called, I guess, the classic region of patriarchy, the classic patriarchy, patriarchal region. But even the sex ratio at birth has started to shift, although not perhaps nearly as much as it should. But there's been an improvement. In my view, and through my work, what I want to argue is that the really sticky norm in India and in South Asia. Is the norm, that women are predominantly responsible for domestic chores, and the way the South Asian lifestyle is things like cooking, cleaning, washing clothes, washing dishes, house maintenance, collection of fuel for cooking, collection of water. These are tasks that are done every day and several times a day. Hot meals are cooked often three times a day. In South Asian homes, it's a very common phenomenon. Clothes are washed every day. Dishes are done several times a day. Partly it's geography, but partly it's just habit and customs. And women are predominantly responsible for this mass of work. Either they have to do it themselves or if you're rich enough to hire paid help, you have to get it done regardless of what it is, it's the woman's job. So there is a huge burden. And the women in India, do you know the latest time use survey for India shows that women do ten times as much, spend ten times as much as many hours as men do on unpaid domestic and care work. And so this is a norm that's really not shifted. It's very sticky. And I think this and it's one of the worst globally. India and Pakistan have one of the worst ratios of this, of the gender norm of forced work. So it's a very, very important issue to be mindful of. And I think that the low labor force participation rates and this norm of reproductive labor, I think these are opposite sides of the same coin. And so this is what the status quo is. And the question is really how will

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this change? Right. And so I'm not at all disputing the role of norms. But the question is how do norms change and what needs to be done to change them? And I think that's where I'll link back with the policy discussions later on. So first of all, even in India, a region of classic patriarchy, norms, social norms are not fixed. Norms do change everywhere in the world as they do in India and as they have done in India, in slowly, perhaps, but in response to changes in material conditions. So the underlying reality has to change for norms to eventually start changing. There is as you know, this is the point that I started by saying that there's a massive infusion of funds for individual norms-changing initiatives in the global South, particularly in South Asia and MENA, with a view to increasing various indicators, workforce participation rate, female autonomy, decision making, etc, etc. Now, obviously, there cannot be any doubt that all of these indicators need to improve. There's you know, that's without doubt. The question is what kinds of interventions will enable that change. Where, what's the best Rachel asked the question about what is value for money here. And so we have to ask ourselves the question of what's the best use of all this funding that's going towards individual nudges to change norms. So, persuading the husband it's OK for your wife to go out to work. Yeah, that's great. The husbands need to or do more of the housework. You know, all of that, all of those nudges are great and they must be done. However, is that going to change the reality of low labor force, low female labor force participation, or not? That's the question that we need to ask ourselves. And, you know, so this leads to the question of what does history tell us about, do norms shift material realities or do changes in material realities shift norms? And here I would refer you to know just you just have to read Claudia Goldin to understand how norms in the United States changed. They didn't change because of a change in heart or by individual nudges. They changed when in fact labor demand. And she documents this for college-going women, of course, but also for other sections of women in the United States. How over time, labor force participation rates of women in the United States, I mean, you know this better than I do. So, I'm not going to try to explain Goldin here. But I mean, the point is really what is it that changes, that shifts norms. And here I think we are being late starters. We are fortunate to have all the historical evidence from present-day developed countries at our disposal, countries that have achieved this transition and have achieved an increase in female labor force participation. So we are fortunate to be able to look at that evidence and then see what works best in our context, right? Also, while norms in many dimensions have changed significantly in OECD countries in the global north. What we need to understand is that bad norms, good norms is not a zero-one situation. I think there's countries are on a continuum of norms and some countries do better on some norms than some others. And so when, by that I mean, when you look at gendered norms in the global North, it's not as though with achieving a certain level of income, gender norms have just become equalized completely. And so if you think about it as a continuum perspective, start to change about what interventions need to be done to influence norms. The second question that we need to ask ourselves is that countries like India, Bangladesh, are significantly poorer than the OECD countries today. So what were the gender norms in the present-day OECD countries when they had levels of income similar to India? So, what I'm arguing for is a historical approach towards



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looking at norms. And then that's going to come to the demand side story. So here I've just this is a graph from our world data. And I've taken a screenshot at 1971. And when you look at figures for France, and Germany, and Australia, this is where today's India's female labor force participation is. And this was where these countries were in 1971. So, when you look at, so of course, India has much lower female labor force. But there's no doubt. I'm not trying to airbrush the problem. But the point is that countries that today have significantly higher rates of labor force participation, you know, 50, 60, 70 years ago were very similar. And when we think of the story in the norms perspective, it doesn't, it comes it might come as, oh, are these countries that had significantly terrible norms and that those norms have changed? Is that what's happened here or is it just, you know, economic factors that have led to labor force, increasing labor force participation rate? So that's a question that we have to ask ourselves. And of course, even though for 70 years now in OECD countries, you have an increase in female labor force participation rates, as Raquel's data also showed. And there's plenty of data about that, whether you look at female labor force participation rates, gender gap discrimination against women, the blinder Oaxaca decomposition, which I've done for India as well. That's really good old-fashioned gender discrimination. That's not, I mean, you can call it norms, but then everything is norms. But really what it is is employer discrimination that gets exhibited as wage gaps. So you see gender pay gaps, you see glass ceilings, you see sexism, misogyny. All of these factors also present in countries that have high female labor force participation rates. So when we talk about patriarchal norms or gendered attitudes, I think here it's a larger global problem and we are on all at different parts of the continuum. That's really what I want to say. So this is just an index that OECD has created called Social Institutions and Gender Index. And I've just taken a few of the countries from the OECD website. You just see there's a continuum here. So some countries do well, some countries do badly, but they are all OECD countries. And so all of these issues are super important in everywhere in the world, just as they are in India, but not all of this can be just explained by social norms. That's really the point. You know, this is a graph where which I saw originally in our world in data, but I was able to track the data and I've extended it now to 2020, our world data graph goes only up to 2005. And so you see here weekly hours dedicated to home production in the US by gender starting in 1900. So you see a convergence up to about 1980. You know, women's hours go down, men's hours go up. And that seems like a lot of progress. And it is, however, However, after 1980, it sort of stagnates. You know, I mean, I could extend the graph to show you the stagnation very clearly from 1990 onwards, but then it's so norms close up to a point, but then no longer. So it continues to be women do continue to put in more hours in terms of home production than... And this is just telling you how long it takes for norms to change. And, you know, just sort of again, a perspective kind of a slide. Coming back now to India again, so if you look at fertility rates, yesterday in the opening presidential address, Larry Summers talked about women having fewer children and how that's been absolutely instrumental in women being in the labor force. In India today, the total fertility rate is at replacement level, it's at 2.1, and in urban India, it's at 1.9. And certain states and certain communities it's even lower than that. So in terms of the number of children Indian women are

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having, it's still a very large population. So it's going to take some time to stabilize. But it's still, you know, the problem of excessive fertility which used to be the problem earlier is no longer the case in India. If you look at female involvement in self-help groups and in fact, the World Bank supports those initiatives in India are quite a lot. These are rural livelihood programs. The total number of women that are involved in these programs in India today exceed the population of Australia and Canada combined. That's just the number of women in rural India. These are very poor women which and it costs them a lot to save and go to a livelihoods group meeting. But these are dynamic. I have also have worked, you know, worked on these groups. And when you go to the rural areas and watch these group meetings, it's absolutely phenomenal what those women are doing. They're extremely poor, but they show empowerment and agency in perhaps not in the same way as in you would expect in the West, but they do do that. We haven't had a census since 2011, so I wouldn't be able to give you latest data on this. But women who in India typically migrate because of marriage, they move to the husband's home patrilocality. But there is evidence to suggest that female migration for reasons other than marriage, particularly for work has been increasing. There are estimates but we don't have, we haven't had a census. So no data for this. Male-female education levels, I have tons of graphs like what Raquel showed. The convergence is absolutely without doubt at all levels of education across states, across social groups, everywhere- rural, urban, everywhere. And women are entering higher educational institutions in higher proportions than men in several cases. These are unmarried young women who go to colleges in the same unsafe transport, in the same buses, with the same streets without sidewalks and all the rest of it. I mean, all the issues that are constraints for women are seen as constraints for women's participation in the labor force also apply to women going to colleges, including the same families that are conservative in many different ways. However, you don't see any sort of stopping women going into colleges. In fact, in many of us who teach in Indian universities, it's very common to see more women than men in the classroom and in enrollment. So, in fact, very soon, the gross enrollment ratio of women in higher education is going to exceed that of men and again across castes, across rural, urban, and all the rest, all the rest of it. There's been a steady decline in infant mortality rate and in the MMR, which in fact, for given India's GDP level, the decline in maternal mortality rate is pretty impressive. So both in a decline in infant mortality as well as maternal mortality, India has achieved significant progress despite. So what I'm trying to show here is that all the preconditions that elsewhere in the world led to a higher female labor force participation rate are present in India, but you still don't see women in the labor force. So what's really going on here? So that's the question. Just one more slide about norms and then I'll move to the other thing, which is, is it the case that in India, the rate of change of norms is a little bit different from the way the rate of change of a similar. So let's take age at first marriage. Of course, Indian women get married much younger than do women in the OECD countries. But the age at first marriage is increasing. And if you look at the slope of the line, it's sort of parallel to some of the countries that are plotted here. So. the rate of increase in the age at first marriage is not very different from the rate of increase that you see. Of course, the levels are lower for sure, and marriage in India is nearly universal. So that's

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that's another. But caste endogamy has a lot to play anyway. I don't have time to go into caste, but there's a very strong relationship between marriage norms and caste, which we also have to be, to have to recognize. OK, again, intimate partner violence. If you put India and global perspective, you can't read the country's names, unfortunately. But this is data again from the OECD countries. India is on the higher end of the spectrum. But if you look at all the countries plotted together, it's pretty much a continuum. You know, India, I could plot other South Asian countries here. It's not like it jumps out. It's like an outlier. It isn't. In fact, there are countries that have higher. And of course, in all intimate partner violence figures, there's always a question of, is it reporting or is it incidence? You know, women feel more empowered to report or is it that? So, you know, again, I'm not going into that question, but just wanted to show a global perspective. So let's now step back a little bit from the norm story and try to understand what's changing, what's the nature of the demand versus supply of jobs in India over the period that we are talking about? If you look at from 1980 to 2018, the total population in the working age group has is the red line. And that's the famous demographic dividend that you might have heard the Indian government use a lot with young working-age population, which actually could be an asset for growth. And this connects to yesterday's discussion. But when you look at the blue line, that's the total employment and you see a widening gap. So here this is the real issue here. And this affects both youth and women. I didn't talk much about youth, but this affects both youth and women and in a situation where jobs are very few, men get the first priority. That's true, that's for sure. But this is what it is. These are some actual numbers of people employed. If you look at the bottom graph, if you look at the green bars, those are people, numbers of people employed in agriculture, hunting, forestry, and fishing. The primary activities, you see, the absolute numbers are going down. The absolute numbers in the services sector is going up, which is the pink, those pink bars but not by as much as the decline in agricultural jobs. And if you look at the top graph from basically from 2005, 6 to 15, 16, and I can extend that, there's been a stagnation in total employment. So the numbers entering the workforce have grown, are growing every year, but not the job opportunities and the service industry, which adds a lot to value-added and to the growth of the Indian economy is technology-intensive or capital-intensive, is not labor intensive. And that's really the problem that, that's the reason structural change in India doesn't is not pushing people into the labor force. In fact, with COVID, there's actually been a sudden reversal, proportions working in agriculture have actually gone down, gone up after COVID because agriculture provides some refuge, you know, some... So, what do we learn from all of this?

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ASHWINI

DESHPANDE:01:12:11

From the supply side, I think the only barrier that remains and is persistent from the supply side is the heavy burden of reproductive labor, and that definitely needs to change. However, this doesn't prevent women from accessing work when it's available. I have another paper looking at panel data, where we track women's employment every four months, and women enter and exit the labor force several times in monthly and quarterly installments. That means they work when, they are employed when there's work available, and then they... So and then they exit the labor force when there isn't work available. With all this heavy responsibility of domestic, you know, reproductive labor. This actually shows the fact that in rural India, work is not available continuously or paid work. By work, I mean paid work is not available on a continuous basis, which is remunerative, which is accessible, which you can easily get to and come back and still do your domestic chores. Not that they should be doing that. So that norm definitely needs to change. But despite all the difficulty, women access paid work when it's available. So they enter and exit the labor force several times during short periods, something that gets lost out in the national level data. So I think that when we are thinking of ways to change this situation, we need to think of what can, how can job creation be boosted. So I would argue that you know, the funding that comes and including Government of India funding, they need to focus more on boosting employment, livelihoods and job creation rather than, you know, individual norms changing initiative. Because not that I don't I don't think that the norms need to change. Of course, they need to change. But I think that when women get out and work, go into the labor force, gradually norms do change as they have changed in other countries as well. You know, it's not just China, but if you look at East Asia, I'm not saying everything is replicable in India. What East Asia did, but that's what you see in from the East Asian experience. Main problem in India is that in rural India, which is still close to 70, more than 70% of India's population is rural. There is no work. There's no there are no paid non-farm opportunities. And of course, there are all these barriers, lack of decent fast safe transportation, child care facilities, etc. So if work is available within commuting distance, all of these barriers constraints need to be eased. But these are all very amenable to policy. Whereas getting into the homes and into the minds of people and asking them to think differently is less amenable to policy. So I'm saying value for money, I think, you know, let's put all our money into creating these facilities. Lessons from history. When women enter paid work in large numbers, norms inside the home begin to change, of course, slowly, you know, so that's something that we need to be mindful of. And I think that's it. I'm done.

DEON

FILMER

(1:15:16):

Great. Thank you very much. Fascinating. And thanks for bringing all that together. I guess I'm going to pick up on that very last point you made, which is from a historical perspective. I mean, some of the processes you describe are very slow-moving. I mean, as you said, it's not binary. But then some of the graphs you showed, did you know the data on labor, female labor force participation, you saw some kinks in the processes. In the US hours in home production between

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1960 and 1980. There was a pretty sharp decline. So I guess the question is, is maybe speculating for India since that was the focus here. I mean, should we expect the processes, if there are changes, will they be slow and kind of linear, or is the experience, is the historical experience that actually when changes happen they kind of happen quickly.

ASHWINI

DESHPANDE

(1:16:11):

So both the world wars were triggers of those, you know, sort of discontinuous shocks. So in the US it was the entry of women post World War II. And that's what you see, that little, you know, the sudden acceleration of that, of reduction of that gap, World War I in Europe, you know, you saw an increase in female labor force participation rate. But we cannot, first of all, we don't want a third World war. That's one. But also we can't wait for, an exogenous, you know, terrible shock to sort of push us into the labor force. I don't think that's, neither wise nor it may never happen. I hope it never happens. But I think that a lot of what the problems are in countries like India are amenable to policy solutions. But we need to recognize that there is a jobs crisis in India. There is an employment problem in India which affects men and women and youth equally, or perhaps women more because of these norms. But if you focused on the urgency of job creation, if you made employment opportunities available, all of these barriers, which are definitely policy amenable, then norms will start to shift. So I think the question is if we recognize that the demand side matters, policies will flow in one direction. If we think that it's not demand, it's all supply, then those things will not happen. So what I'm arguing is recognize the demand side barriers and focus on those. Great. Thank you. So Karen, over to you.

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KAREN

MACOURS:01:17:37

Thank you so much for having me. This has been very inspiring to hear the two previous presentations. I'm going to shift gears a little bit. In the sense that I'll present some causal evidence from, you know, much and as a result, probably much less comprehensive and more focused on a few specific studies and settings. I was asked to talk about kind of long-term impacts of cash transfers. And I'll do that. I will kind of use that also as a way of opening a bit of an agenda on, you know, we've talked a lot about constraints. We've talked about norms. When we are thinking of youth and women, I think we are possibly, as economists have kind of ignored a little bit the aspects that during adolescence and even pre-teen years, when we talk about human capital is not just education. It is the kind of the health/nutrition/changes on the reproductive health side of things. I think as economists, we don't understand very well, possibly have ignored. And I'm going to kind of provide a couple of really, really thoughts, kind of, you know, pieces of evidence that point in that direction and that, I think open in an agenda moving forward. So, girls, I'll start from girls education so very often. So I will take us back to in a certain way earlier in the life cycle, you know when girls are in schools, kind of pre-teen, adolescent years, the focus in the policy world has very much been on girls education, you know, obviously, from earlier on. We've heard from Rachel that in terms, of school attainment, at least in Latin America, is often high. It also has increased in many other settings on the learning side. The issue is more mixed. Now, if you think of the... So that's investments in education. If you think of the outcomes for pre-teen and teenage years. And of course, there's a long literature on this. It doesn't just depend on education partly human capital is more than education. And, you know, nutrition, reproductive health, but also a wider set of skills that may be acquired, you know, whether at school or elsewhere may be relevant. And so what I'm going to do is, I'm going to we're going to look at saying, OK, let's look at a couple of studies where we actually were able to track, girls that got a positive shock on their human capital during the pre-teen and or the adolescent years. Look at the kind of ten, 13, up to 20 years later. What can be learned from the returns to these investments? And what can we learn about kind of the remaining constraints? And think of this relationship between education, health, and wider set of skills more generally. So I'll do that by, by focusing on, you know, I'm going to focus on safety nets on conditional cash transfers in Latin America in particular. In part because those happen to be the types of interventions for which we know can take that long-term perspective. So the, so you know I'm happy to talk about cash transfers more generally as kind of why we may want to care about them, but kind of think also just as, you know, this is one type of policy where, you know, in 1997 we started doing RCTs and we were able to track that over the long term. And so it's kind of one type of, you know, there's probably more of this. I hope there's going to be more long-term evidence coming also on other policies. But that's what I'll focus on is also what I, what I've been working on. And so we'll focus on, in particular on how for both boys and girls, this shift in human capital, translates once they're adults or young adults, young adults and then adults into economic outcomes, including economic inclusion. But I'll also say a lot about mobility. What I mean here is geographic mobility kind of very often. So the I'll focus on, these are the kind of populations in rural Latin America,

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you know, if you go, if you take those, you know, 20 years ago, you know, we haven't I realized the panel is imbalance in terms of geography. I'll fix that in the end a little bit. But that said, if you think of rural Central America or Mexico 20, 25 years ago, we are thinking of levels of education and of an income, you know, similar to sub-Saharan Africa today in many different settings. So low levels of education and, you know, limited opportunities in a certain in many different ways. And so then I'll come back to this point on. So I'll talk about kind of pathways over, over those kinds of, you know, ten to 20 years to understand the economic outcomes. I'll make a point that those are complex. And I'll illustrate this a little bit. But also, I think that kind of coming back to what I said in the beginning, I think there are some on the research questions on the pathways to understand gender differences. That doesn't mean that kind of, you know, the, you know, constraints, norms, economic opportunities, all of that matter. I think there may be a part on the interaction between, kind of specific set of constraints or factors that start mattering in preteen and teen years for boys and girls differently that we may have ignored. And I'm going to make that case by providing an example of a study we just finished. Well, the first study we finished and it's ongoing work in Madagascar on menstrual hygiene and stigma. So we haven't talked about stigma yet. And so I'll go a little bit outside of what I was supposed to talk to, because I think it's a way of making this point. OK. So first of all, why long term impacts of cash transfers? So worldwide these are, you know, the obvious one of the very common policy instrument use of cash transfers, both unconditional and conditional, has over the last kind of 25 years, become mainstream as a social protection instrument that started with CCT's kind of, you know, as really, you know, kind of a key example of a policy innovation in the late 90s. Also, you know, one of the key examples of, you know, in Mexico in particular, and then in many other Latin American countries, rigorous evaluations being set up, our cities typically to evaluate these national social programs and in part, scaling of those programs to, you know, to more than 80 countries is probably more than 100 by now. And if you look at the numbers in Latin America in 2017, I think 25% of the population in Latin America was covered by those types of programs. So, you know, we're talking about kind of very large scale. Of course, that's not just Latin America. You know, Indonesia has a national-level program. India has many types of cash transfer programs. sub-Saharan African countries have many too. The one in sub-Saharan Africa it's often unconditional cash transfers, both national programs for targeted vulnerable populations, and programs by NGOs such as GiveDirect. Now when you talk about cash transfer, some of you may have a disconnect saying, what does this have to do with human capital? So the conditional cash transfer programs in Latin America were very much kind of set up with this double aim of immediate poverty alleviation, but also investment in human capital and the hope in a certain way or the aspiration of having people of investments in human capital that then can lead to long term poverty reduction and mobility. So the and that's what the conditions are about. It's conditional on the kind of investments in nutrition during early childhood health investments in and in schooling attendance and at during schooling years. So the conditions kind of where they're targeting human capital we, you know can the policy objective was the long term effect. And so after 20 years, one can see to what extent that may or may not look like that's happening.

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We can also start looking at second-generation effects. I won't talk much about that and happy to talk about that at some point. We started looking at a little bit in Nicaragua. So what I mean with that is that children of the kids that are, so to the extent that the returns to human capital are beyond the labor market, but are in the human capital accumulated by the young parents, who have children. To what extent that translates into further gains? And so there's evidence from, some striking evidence, in fact, from Ghana talking about sub-Saharan Africa, from a study by, Pascaline Dupas, Michael Kremer, and Esther Duflo on investments in secondary schooling leading to kind of big second-generation effects.



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01:26:47

Now, as I said, kind of I think before we think of the evidence, I think it's useful to think a little bit about the pathways. It's like, how do we how do we get from investments in human capital to these long-term effects? And so, and why may these be different by gender? So one way of thinking of that is in kind of the Heckman, human capital production function, sense of multiple periods of investments, one-time investment in human capital, we think may translate to long-term returns, both because there is self-productivity. So higher skills in one period may lead to higher skills in the second period. But then there is this question about well is only one type of investment in one period enough or do you have dynamic complementarities and is it going to pay off if you, you know, let's say you get kids into school during, you know, primary school or lower secondary school if there's no further investments afterwards, is this actually going to translate into to economic welfare and other welfare outcomes. So that's going to depend on many, many different things. So some of those are the nature of the human capital gain. So is it the years of schooling versus learning versus if it's investments in early childhood cognition, social-emotional skills, nutritional status, etc.? The timing of the intervention should matter if we think there are potential sensitive or critical ages during childhood. And so this is where, again, you know that very often in, you know, of course, you know, partly because of Heckman's focus that early childhood people are thinking about, but possibly for, there is another sensitive and critical period for during pre-teen and teenage years that plays differently for boys and girls. And so the kind of, you know, initially kind of the very easy way of thinking of the sensitive period is like in is a sensitive period where kids start dropping out of school. If you kind of give them a boost and to stay in school, then we should expect that to have a long-term return. And indeed, many of these studies kind of have that, you know, start from that idea to look at where the shock matters most. But then if the other parts of human capital, for instance, nutrition during pre-teen and teenage years affect the age of menarche, which we have reasons to believe, biological reasons to believe they do, then that can, you know, that can interfere with these mechanisms and make the story more complex or at least different for boys than for girls. Obviously, vulnerability to subsequent shocks are going to matter in terms of returns, remaining constraints for subsequent human capital investments. That's an obvious one. And then constraints, you know, we've talked a little bit about, you know, a lot about it and certainly a lot of remaining constraints to human capital. And they may play differently by gender. The other part of this that matters I think in particular when we think of the poor rural populations in, that received, the conditional cash transfers. Well, they de facto I mean we saw the large gains indication they de facto live in economies where everybody else also is getting a much more education. And so even if you can kind of give them a lift up, if that's what these programs do, they still, you know, in labor markets where everybody else has much more education. So the way we think of the returns to education is probably influenced by that or should be influenced from that. Now, one of the tricky things with, you know, Rachel kind of asked us to talk about policy. One of the tricky things when we think of these long-term returns studies is that what happened to these kids 20 years ago, which is when we were doing the policy, you know, 25

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years ago, if you think of 1997, more than 25, the sorry, I got my math wrong. The is, you know when we think of that, we can look at that 25 years or 20 years later. But it's not entirely clear that what we're learning from that is still relevant for policy today, because the world has changed. Right. And so I'll come a little bit back to that in terms of kind of speculating even how the world has changed and why that might matter. But the one thing so it's not fixed over time, but the one thing I'm going to put a lot of emphasis on is also not fixed over space. So all of those constraints we talk about, you know, are different in poor rural villages than in other parts of those economies. And that matters because people move. And so the, you know, people moving is both the challenge in these type of studies because you need to find those people. But if you don't find them, I'm going to argue you're basically missing the biggest part of the story, because the way we find people finding returns to their human capital is by moving, is by going to look for new opportunities. OK. So that's kind of one part, of course, kind of the other way of thinking of the theory of change is that are those interventions permanently relaxing, prior constraints to investments or not? You know, possibly the boost in liquidity, or, does that the consumption moving helps households to take more risky investments and complete and continue to invest afterwards. But also and importantly the message that comes from the conditionality provides information and potentially changes social equilibrium whether we want to call that norms or not. I'm not entirely sure. But what we see in many of these places is because, again, if your target is conditional cash transfers to the population of rural poor, and that's a relatively large percent, they're concentrated. Then possibly you change social equilibrium in those settings because now everybody starts, you know, going more to school or everybody starts kind of changing diets. And then even when the program stops, that may translate into longer-term returns. And that matters obviously, for kind of thinking of the bang-for-the-buck question that Rachel put on the table. Now the one part because the theory of change can go many different ways. We should expect heterogeneity. And so we'll talk a little bit about it. OK. So the first study I'll talk about is Nicaragua. So this work with Tania Barham and John Maluccio, where there was a conditional cash transfer program that was for three years. So this is kind of a unique program because the Nicaraguan government decided to three years, and then it stops, and then the control group gets it for the next three years. So it's a very particular design. It doesn't allow us to get to the absolute effects at all, but it allows us to look at this issue of timing very, very specifically. And so it's a, you know, it's a program that otherwise looked in its design like progress. So it's cash transfers, regular cash transfers to about 20% of, per capita consumption, given to women conditioned on kids being in school and conditioned on the younger children getting health checkups and improving and messaging about nutrition. So we can look at differential effects. And so what we will do is we'll look at both boys and girls that, in the treatment group get this when they are kind of nine to 12. So this is about, this is the age that we're in 2000 when the program started, drop out of the primary school or school, in general, would start falling off. So if you get a three-year program at that point, you may stay in school for three years longer. If you are in the control group, you may have dropped out. But the other thing that happens during that same period is that you get either the nutrition shock. So if this is

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a relatively big consumption, improvement coming with nutritional kind of messaging. So improvements in diets that John and his co-authors had shown in short-term results. And so you get what that program also does, therefore, is improving temporarily nutrition in treatment versus control households at different points in time during different parts of the pre-teen and teenage years. And so there is a literature in nutrition kind of showing how nutrition, especially in populations where nutritional status during early childhood was low, that affects the age of menarche when you get nutrition shocks during pre-teen or teenage years. So what we do, is we follow those children, we look for them ten years later in person, anywhere in Nicaragua, but also in Costa Rica, which was kind of, at that point, the main international destination, for these rural populations, in Nicaragua. And because we go look for them in person, we can get a very large range of, outcomes in terms of schooling, cognition, learning, social-emotional outcomes, labor market outcomes, fertility, and, marriage markets. This differential design has some limits to the power. We can talk through that. And we didn't find everybody, but we found a relatively high share, of people. So we can look at these long-term results in labor market outcomes and income for both boys and girls. And kind of going to focus on this differential exposure. So think of it as a I got this big shock when I was nine to 12 versus when I was 12 to 15. Now for the boys, this differential story is a very simple story. It's probably the, you know, the story we all had in mind. You have a linear story of, if you get it at the age that you were about to drop out of school, well, you got more schooling and if you got more schooling, you learn more. We should have the test score. So it showed that they still know more. They know more math, they know more Spanish. They are working more. In particular, they're working more off-farm. A lot of that comes through domestic migration. So they leave the rural villages to go find work elsewhere, and they have higher incomes. So this is like the, you know, the very simple causal chain. But for the girls, it's much more complex. So the girls also have higher incomes. The difference between the two groups, but and also have early education gains, but they have later menarche in the later treatment group. So what happens with the later treatment group is, so they basically get negative nutrition shock around the age of 12 when the program stops in the early treatment group and the other group gets a positive shock at that point. So, just as they were about to reach age of menarche. And so it shifts the age of menarche differentially in those two groups. And so that we can use that in a certain way to kind of look at, well, if you have a shift in the age of menarche, kind of what's happening here. And so we can show that those, that the group that has the later age of menarche, which in this case is the early group has later family formation, later child bearing. And so we had those two things happening at the same time. They have more education, but they also got a shock, a later they start family formation later. And so for them, we see labor market gains. Even if they did, we can show that they didn't learn anything in school. So, this is a group of education gains for a little bit less, the learning gains are not there, but you have these other parts that is happening on the reproductive side that probably explains the labor participation and the higher incomes. So, this is Nicaragua and so, sorry, I should have said this, but also for the women, it's because they move out of the village. They go work outside of the village. Now in Honduras, this is different because here we use as send the national census.

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So, there's a 13 years later. So, the program there it is much more simple. There's a set of municipalities that they got the program for five years. Again, basically a pretty much a copy of progress except for that the cash cancels were much lower in size and then it stops and the control group never got faced in. So, these are no absolute effects. The fortunate thing is that we have the national level data, the census data. The unfortunately is the census. There's only so much information in the census. And so we limited in terms of understanding pathways. Now, the good thing about the census in Honduras is the risk proxy information on international migrants. For households, we know whether they have any international migrants. And I guess the key thing is we can map the kids back to where they were born, so the municipalities where they would've benefited from the program. So, what we see here is, is sustained gains in schooling for those that benefited directly. Also, that's not on the slide. But we also see spillovers on younger generations. So, that's kind of the shift in norm story there. It's more limited for the indigenous, which suggests that there is a set of constraints for them that limited even the educational gains of the condition cash transfer program. The reason why I wanted to put a slide up is because on the domestic migration, we get the opposite result. We see negative impacts on domestic migration. So, somehow in Honduras, the set of conditions as such that boys and girls, when they get more education, seem to get a little, you know, decide to stay closer to home possibly there's a way of getting some returns to that education there. Now for boys, that party is explained because there's a positive impact on international migration. So, they migrate more, and this is now the US. So, there's a positive impact on boys international migration for the girls that's not there at all. Again, suggesting differences probably in this case, constraints between gender. But also the fact that the domestic migration pattern is different suggests again that we, you know, is the complexities, I think of the pathways that this is not just kind of an always the same thing. No, the longest term is what we have in Mexico. So, this is the original experiment that many of you are aware of. This was phase in. So, there was a group that got the program. There's another group that got it 18 months later. So, this is work with early childhood cohort who was in the womb. We have track those kids 20 years later, find seven. You know, we find almost all of them back. We are only missing 7%. We have two cohorts for which the 18 months difference in exposure should make a difference. It's the one for which there was 18 months come very early on in life. And it's the one for whom this was this at the moment of transition from primary to secondary school, the moment where, you know, Paul Schultz has shown this early on, the medium term results had confirmed that kind of gotten the program 18 months earlier there meant you were able to get into middle school and complete middle school. And so we find that back 20 years later, which allows us now to say, OK, now we can look at when they really adults, 20 years later, when they were about 30 years old, what happened to those women? Where are they? They are all over the place. So, this is kind of the map on the right is kind of where they were in 1997. They've migrated to, you know, many different places in the same states to Mexico City, which is in the middle there. But more interestingly, they really migrated to any place in Mexico and to any place in the US. And so geographic mobility is a big part of the story here. So, for the, you know, the 18 months early childhood, we can show that

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that makes a difference in education and attainment and in income expectation. But let me focus on the ones that the adults, which I think is kind of the part that fits to the economic inclusion story here, is that for those who finish basically transition into adulthood, a 30-year-old woman or man so we have the shock in education that I talked about. We see higher income, about 16% higher average income from, you know, having basically a five to 10 percentage point increase in finishing lower secondary school. But it's highly heterogeneous. It's kind of clearly kind of driven by the top 25 percent of the distribution. And a lot of this comes from migration income from the US but also return migration. So, it's all the places where people are, I showed you the all over. They're very different if they got more eradication than whether or not. So, you see changes in migration destinations including away from larger cities towards kind of semi-urban, smaller urban areas. Kind of think of this as part of the story. Kind of what typical story is that without education, if the girl moves the village, she becomes a domestic worker in a big city with very low returns. With more education., she may become, you know, she may be slightly smarter or have more information, have more opportunities moving to a different place where there is, you know, but there's also less competition. And with the returns to the indication are a bit higher. That's true for the boys too. But the impacts are actually consistently slightly bigger for girls than for the boys. The other thing that matters is, again, going back to the reproductive link, age of marriage and childbearing shifts for both genders, but the shifts not in teen age years. It shifts at age of 22-23. And so again, you know, there's something there happening that may not have been on the radar, but that is gonna matter because at the law that that means that those more women were able to enter the labor force even if by age 30 they may not be in the labor force anymore because of the childcare. So, we see as I already said this so let you know the key kind of going back to that point, despite that at age 30, only 38% of those women is working compared to 90% for women. So, the gap's even bigger than Raquel was saying and childcare, and probably kind of helps explain that. So, I've said this, so let me kind of take the last few minutes to talk about this issue of health and education. So, kind of going back to the, you know, when those programs happen, the pre-teen and the teenage years. One of the things that I've been working on recently is this question around menstrual hygiene and particular menstrual stigma is something we have little evidence about. There's a, you know, there's few interventions, but there's, you know, there's a policy world in this NGOs work in this space, but we have a particular menstrual stigma, very little evidence. So, what we did is we worked with care, the NGO and 140 schools in rural Madagascar and care implements a package basically that tries to improve hygiene and menstrual hygiene in schools. And then there is a, you know, to break the stigma. They're trying to identify girls that are positive deviance, girls that are willing to speak up about stigmatized topics. They train them, they coach them quite intensively. And then the kind of the theory of changes that those girls help to generate a pro-social norm help to basically normalize discussions about hygiene and particular menstrual hygiene and put this on the table. The reason why I wanted to talk about this is because the results here are quite surprising. So, we get large gains in learning reductions in anxiety that are over an order of magnitude, you know, similar to kind of well-functioning education focused programs and by on.

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So, great progression improves from this program, from kind of half kids not failing exam to 60% of them passing the grade. And we find this to be you know, this goes together with a reduction in observed anxiety and stress in schools possibly and or you know, partly related to the improvements in hygiene and men hygiene, but also kind of the overall school environment. And we can show this changing and the psychosocial wellbeing that goes with that. And so, to me, this is kind of the, you know, I'm happy to talk more about coffee or this is kind of an example where kind of, for girls in particularly during these ages, that maybe other factors that play that we haven't been focusing on sufficiently and where the impacts potentially are very large. So, let me kind of, I know I'm out of time. So, just to kind of coming back to the policy question. The policy question on the long term returns to the CCTs has been on the table for a while. And there was skepticism, I think in many circles on this, the kind of the evidence that where we've been able to look on the long term, we do find long-term returns in addition to, you should, you know, you need to add those up at the short term returns that were there from the short term part of the variation. And then I think for girls, when we think of pathways, thinking of the complementarities, both the dynamic complementarities and the complementarities at the same time between the education, health and nutrition is something I think where there is more to be known. Thank you.

DEON

FILMER:01:47:17

Thank you, Karen. Wow! that was a lot of material. Short time. Thank you very much. And thanks to the speakers sticking to time. We will have time for Q and A. We didn't have to turn off any microphones today. Please gather your thoughts. We're gonna have microphones around. I just have one quick question for Karen. I don't know, hopefully it's quick. At the risk of deviating a little bit about the focus of your talk, but intermittent yesterday started us off with sort of the figure that comes from the marginal value of public funds kind of analysis of the returns to various interventions. And cash transit did not figure pretty highly there, and he used that to make an argument about sort of investing in education versus other versus transfers. I guess I'm curious, you know, as one of the leading experts on cash transfers, how do you sort of reconcile your findings with those sort of results and put it all together just.

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KAREN

MACOURS:01:48:10

Yeah. No, I think it really depends on... Thanks for the question, and for the presentation from yesterday, it really depends on what's the policy objective, right? Every policy of factors is getting kids into school or having kids to learn. Then, you know, we have lots of evidence that there's, you know, many different interventions that do that more cost effectively than cash transfers. Now, the cash transfers have a different policy objective, you know, they have a policy objective or short term poverty alleviation and the kind of the longer term. So, the investments in human capital with potential longer term returns, you know, increasingly I think in today's world you know. Unfortunately the social, it's not just poverty evolution, it's also that kind of the, you know, helping with resilience and the social protection part of this is increasingly important. And I think, you know, going back to the, you know, the kind of what we see for these kids that benefited from human capital 20 years ago, they, you know, they leave the rural areas to go find higher return to human capital. I think in today's world, you know, a lot of my work is in rural Sub-Saharan Africa. There's gonna have to be returns in a certain way, even in those rural areas in agriculture because the need for people to adapt to the situation that is changing every day is very high, and they need human capital to do that, but they'll also need some other means to do that and to be able to adapt. And so I think to me, it's really kind of depending on what is our objective here. The policymaker can have different objective, and I think cash cancer programs, you know, are a good answer for certain of those objectives and probably are not the best answer for some of the other objectives. And so it's gonna depend on the context, on the population, et cetera.

DEON

FILMER:01:49:57

Thank you. So, just can I just have a little bit of a show of hands, get a sense of... OK. Lots of questions. OK. We had one question over here to kick us off and please just introduce yourselves.

AUDIENCE

MEMBER

QUESTION

1:01:50:13

So, yesterday we framed the great incoherence, I believe, in terms of an intergenerational crisis. You know, the SDGs have been promised in 2015, but now we realize they're gonna cost trillions of dollars for each of the different elements, and yet at the same time, there's hundreds of trillions of dollars of pension money, which doesn't recognize SDGs asset grade. So, I'm wondering, is there a great in coherence in education as well? I asked because when Jim Kim started the Youths summits in 2013, it was all about livelihood education. He was a great fan of Paulo Freire and of Faisalabad. And basically women in Parliament had been a livelihood education revolution first and foremost in those cases. So, I'm wondering if we've designed basically education systems, which no longer connect with livelihood and jobs.

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DEON FILMER:01:51:25  
OK. Someone else maybe over here. Well, yeah, we'll gather three or four and then see if we can...

AUDIENCE MEMBER QUESTION 2:01:51:37  
Hello, I'm Priya. I'm from India, and I have a nonprofit. So, I have a questions for like three of you that, you know, when we talk about the youth and women and we want to, you know, make them, you know, to support the livelihood opportunity, do you think that entrepreneurship is one of the way where, you know, they can survive themself and give us support to each other? So, supporting micro business to the marginalized community, do you think this will be the good solution to, you know, get the women the dignity, which they do the house core work, and at least they can start a small businesses? So, yeah, I want to know from that. Thank you.

DEON FILMER:01:52:17  
Maybe let's go a little bit towards the back. Just...

AUDIENCE MEMBER QUESTION 3:01:52:26  
Hello? Oh, sorry about that. Thank you. And my name is Mauricio Castro. And I have a question for, I think all of you. With all the things that's happening right now with migration, education, everything, how is the traditional sectors for female being affected, traditional per se, caregiving domestic, education are being affected currently? Are there increasing, decreasing, stagnating? I just wanna add that question. Latin America or India, and if you don't have that data, cause of course the census what's your assumption? So, thank you.

DEON FILMER:01:53:06  
OK. And then let's take one more question here and then I'm gonna ask one of the questions that came in online. So.





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RAQUEL

FERNÁNDEZ:01:56:03

Thanks. Alright. I'm actually, I'm not ignoring the questions, but I'm just gonna start from somewhere else. First I do, I wanna take up the question about cultural change, even though nobody asked it. So, first of all, the pace of cultural change is endogenous. There's nothing that says it needs to be slow. It can be very fast, it can be affected, as I showed you in the literature by interventions. Whether that leads to growing labor force participation or not is a different question. So, let me bracket that. One of my recent papers with co-authors looked at changes towards same sex relationships. Now, if you want an example of very rapid cultural change, it's that, is it a material thing that changed? No, that is not what changed it. So, you may ask, well, why did that change so radically? We argue in that paper, for example, that it was AIDS and although AIDS did not make same sex relationships at all more popular to the contrary. What it did was to organize people who were in same sex relationships or were gay themselves into very into political blocks. Because before you could be a gay Republican because you were high income and you wanted low taxes, or you could be a gay Democrat because you believed in civil liberties and you thought that, you know, ending discrimination towards marginalized groups in the United States was the most important thing. This made one thing the most important thing, and that was finding a cure to AIDS and also just changing, you know, access to insurance for same sex couples, et cetera. That was a political change and it took a while for it to happen. And we show that it happened during the debate of the elections in 1992 between Clinton and Bush, different Clinton, different Bush. You know, the earlier ones. And we show that, you know, then there's a discussion that goes on for a year in Congress to resolve whether gay should be in the military openly. It ends in a compromise, but we show that that radically changed opinions in the United States. There's other things going on in other countries during the same time period, but AIDS is a fairly global phenomenon at this time, and we try to argue that this is what matters. All I'm trying to say. And then that led to the changes in legislation and so many changes that we've seen in our lifetime. This is just to say the pace at which something happens is endogenous. It's not just material conditions such as technology, it's also political conditions. And I think that's an eminent example, but that's not to say that material conditions are not extremely important. Now, the biggest changes in female labor force participation in the United States are not World War II. The biggest changes in labor force participation in the United States are in 1970 to 1980, and 1980 to 1990, that's when you see the largest increases. And it's, you know, it's not so much that some incredible new technology was introduced in 1970s in the United States, though there is technological progress of course, but it is a big change in also attitudes during that time period. Unfortunately, we have data that go for attitudes towards women working in the United States from the 1930s to 1942. And then there's a big gap till 1970, but all you can see is just a giant change in attitudes in the United States towards that. So, that I'm at least gonna try to answer one question. I just wanted to preface that. In terms of, you know, what's being portrayed in the social media. I don't know statistically how relevant that is. And so I'm a bit loathed to say that that is accurate portrayal of women in the labor force. What I can say is both women and men,

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there's a significant fraction of 'em, but have not returned to working in the office after COVID and they have decided to work at home. So, that shows some preferences. I think right now that's probably around 20% of the labor force. And I'm not sure how it breaks down by gender, but that's a pretty fair, you know, favorable thing. And yes, there's a lot of conveniences for not having to commute an hour to work as you do in many large cities you know, to do so. So, I would not take that as something that would dissuade me or thinking about my country, women and country men, that, oh, it's gonna be bad to be in the labor force and how am I going to get a message out that it's not bad to be in the labor force. I think being in the labor force depends a lot on working conditions. And one thing that, you know, being a worker, whether you're a male or female, and being in a union, whether you're a male or female, is absolutely to change how bad it is or how good it is to be in the labor force. And those are rights and they're, the legal system might matter a lot and the rights that women would need might differ from the rights that men might need, whether it's, you know, if you're thinking about offices, lactation rooms so that you can pump breast milk.

RAQUEL

FERNANDEZ:02:01:29

It might be very different. So there is a gendered aspect to labor conditions and also just to the distribution of men and women across different sectors in the labor force, which might matter to that. But I don't think that the feeling I have, and I should look at the data that you're talking about, is that women do not like being in the labor force.



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ASHWINI

DESHPANDE:02:04:21

Right. Of course. So, we have a ton of vocational education. I mean, there are skilling programs. There are vocational education courses. There are technology... not IITs, but technology institutions that train students to become electricians, plumbers, whatever else, you know, all kinds of skilling programs. So, the absence of these programs is not to my mind. That's not the issue. They could be made better. They could be made more accessible. All of that is true. But it's not as though they are completely absent. But in rural India, other than working in agriculture and allied activities, you could be working in a health center, you could be a school teacher, you could perhaps work in a bank if there's a bank in the village and construction, of course. But other than that, what kinds of remunerative activities both men and women can they do in rural India? And that's really the issue here. We can maybe discuss over coffee.

DEON

FILMER:02:05:17

I wanna make sure we have a chance for a second round of questions.

ASHWINI

DESHPANDE:02:05:20

On entrepreneurship, again, the question is female entrepreneurs. There is a lot of survivalist low-level sort of they're self-employed. And so you can call them entrepreneurs, but it's really very basic self-employment that women do. But when you think of entrepreneurship, when women go to apply for loans in banks, can they give collateral? Do they have property in their names? All of those things. So, legally, these rights exist. But in actual fact, there are huge inequalities here. So, the ability to become an entrepreneur to sort of escape this labor market discrimination that's not as easy as it sounds. And finally, just on your question of social media, were you referring to the Tradwife accounts? Were you referring to that? So that's a totally different story. So, the Tradwife it's a very conservative trend that's primarily American-based. But now it's catching on. And they eulogize the suburban lifestyle of the 50s where the woman waits for the husband, cooks him hot meals and stuff like that. That's a different thing altogether. And so, again, like Raquel, we don't know the statistical ratio. What was the health question, exactly?

DEON

FILMER:02:06:36

How have gender norms improved health outcomes for women in these countries?

ASHWINI

DESHPANDE:02:06:41

So, in some dimensions, they have improved. In some, they haven't. I mean, it's a big question. And maybe...

RAQUEL

FERNANDEZ:02:06:47

I think we have correlations for that.

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ASHWINI

DESHPANDE:02:06:49

Yeah. So, they have improved in many dimensions.

KAREN

MACOURS:02:06:53

Sure. On the international migration and cash transfer. So, the evidence we have today, it's not surprising that if you give people human capital, they look for the return to human capital. And if the return to human capital is in the US, as it was for the young adults that finished education in the 90s, they'll come to the US. Now, what we also see is that that's not true anymore for that younger generation. They don't migrate, but they migrate much less to the US. They still go find better other locations with higher returns, presumably in Mexico. But so there is nothing. So we shouldn't be surprised of this. And I don't think there is a normative statement. If you lift people's constraints, either liquidity or human capital, we want them to go look for the best opportunities. And if in the context where that's international migration, that is what is going to happen. Just quickly back on the question, are our education systems not aligned to jobs? I mean, I think it's kind of sad. I just want to say it again. I'm not sure we really wanna think about it that way. We wanna think about our education systems preparing people for having the highest potential welfare and life on all the dimensions, whether there are jobs or not. And schools do much more than providing a narrow set of skills and kind of... I think we wanna think in a policy of kind of the school and the other school environments doing that. Whether that goes back to the skills, but also let's not forget that it's hard enough to get some of the basic objectives of the school system in place, the numeracy and literacy. And so we may not wanna ask too much of this system. Now, that said, I think there are examples where... So there's this fantastic study by Vishal Noorani and a line of work in Uganda where what they do is they kind of teach teachers would then teach students basically on how to think as scientists and simplifying this a little bit. But showing that that leads to better foundational skills, but also prepares those children maybe not for a job per se, but to live in this incredibly challenging environment that rural populations all over the world live now kind of being able to adapt, to think through adaptation for themselves, find solutions, et cetera. And so to me, kind of that's an example of an approach where we should learn more about that because that's kind of not jobs narrowly, but kind of preparing people for the challenges that are coming their way.

DEON

FILMER:02:09:32

Great. Thanks. We have a couple of minutes.

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RAQUEL

FERNANDEZ:02:09:34

Can I make a quick comment? Because I feel I did a really bad job on answering the question. So, just in terms of education, I wrote a chapter on education inequality in Latin America. So, not the gender aspect, but really much more the parental aspect and intergenerational mobility. And one of the things that really came across in the study for Latin America was, in some sense, a failure of the state, the failure of public education, for when you look at Pisa scores for Latin America, they're substantially below that of all other countries that are taking Pisa exams. They're even to 100 points less. And when you ask, well, what's the biggest indicator of whether you're going to score high or low on the Pisa exam? The biggest indicator, aside from parental background and even more important but correlated with it, is do you go to a private school. And you really see that Latin America, which... I'm Argentinean, among other things, and I went to public school in Argentina in secondary. It was an excellent public school. You really see the deterioration of the public school system in the continent, I would say, as a whole. And that's something that one should be doing something about. Because when one thinks about employment opportunities, you're thinking about this in a global context. The quality of education that the population is getting is really something that tremendously matters. So instead of just looking at quantities, we really have to be looking at the outcomes in terms of not of whether necessarily an instrumental way are they producing people ready for the job market instrumentally, but also are they producing people who have the math and reading skills and analytical skills that they need to have today.

DEON

FILMER:02:11:26

Thanks. So we started five minutes late, so I'm gonna take a couple of minutes into the coffee break just to give you a chance for one more round. Please keep the questions really short and to the point, and then we'll sort of do questions and any final comment or reflection you have. OK. Let me sort of take one there, one there and one there. At the very back there, sorry.

NANCY

LEE

QUESTION

5:02:11:56

Nancy Lee here at CGD. I just wanted to pursue this. What you all basically said was one of the principal constraints on the supply side for labor force participation. Basically, the disproportionate burden on women of household responsibilities, both reproductive and other household responsibilities. And yet, as Ashwini said, it's hard to get into people's heads, even though you could fairly argue that that is caused by a cultural norm. There's no inherent reason for that disproportionate burden. So, what is the policy implication? What does the evidence say about the policy implication for lower-middle-income countries? If you have a choice between a much larger state role in child care, which is expensive, changing people's cultural norms, which may not work, or some sort of cash transfer subsidy system to lower the cost of privately provided child care. What does the evidence say about the best choice for lower-middle-income countries in particular?

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DEON FILMER:02:13:07  
Great. Let's take a question. It's there in the middle.

AUDIENCE MEMBER QUESTION 6:02:13:12  
OK. Hi. My name is Gertrude. I'm an economist, African Development Bank. My question is on India. In India, they had a prime minister who was a woman. So, when I listened to the statistics about the empowerment of women in India, it's very hard for me to reconcile the fact that the highest office at one time was held by a woman. Do you have any thoughts of that on that?

DEON FILMER:02:13:46  
Well, what struck me was the Chile example as well. And then Mexico showed up pretty poorly. And they've just elected a woman. Over there in the middle on this side.

AUDIENCE MEMBER QUESTION 7:02:13:59  
Hi. Thanks. Carly Trackman from International Food Policy Research Institute. So the title of this panel was sort of grouping together inclusion of women and youth. And I think this happens in a lot of conversations. And I'm just wondering if you have any thoughts, I guess, maybe about the barriers to youth in particular and sort of the inclusion, like, are we just talking about inclusion in the labor force and opportunities for schooling, or are there other dimensions? Why do we sort of prioritize the inclusion of, let's say, youth in the labor force versus other groups? Thanks.

DEON FILMER:02:14:31  
Great. Thank you. And we have one last question over here. You've been very insistent.

AUDIENCE MEMBER QUESTION 8:02:14:40  
Well, thank you for giving me and asking the question the last minute. I'm Kazumi Homa from George Washington University. I have a quick question for our panelists. So, if we try to pursue both cost-effectiveness and relevance, which subgroup of women and the youth should we focus on most in each country in terms of educational development and job creation, especially when there appears to be a significant variability or inequality in terms of their educational experience or occupational experiences. Thank you.

RAQUEL FERNANDEZ:02:15:18  
Sorry. Can you say that again? Just the first part. If we're trying to do what? What's the objective?

AUDIENCE MEMBER QUESTION 8:02:15:24  
Which subgroup of women and youth should we focus on most in each country? Which subgroup?



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RAQUEL  
To obtain what? FERNANDEZ:02:15:30

AUDIENCE MEMBER QUESTION 8:02:15:32  
Which subgroup of women and youth?

RAQUEL FERNANDEX:02:15:35  
OK. Got it. Right.

DEON FILMER:02:15:37  
OK. So we're gonna turn it back to the panel. Raquel's request. We'll start with Karen. Questions about sort of the policy implications of household responsibilities. Women political leaders and how that relates into norms, barriers to youth in particular, and then sort of other dimensions of inequality, essentially, sort of are they groups to focus on in order to achieve better outcomes. So Karen.

KAREN MACOURS:02:16:04  
OK. I'm not going to give any answers but on the youth versus women. I think Rachel actually said why we should care about the youth kind of in a different... those kind of, I guess, concerns about frustrated aspirations. I guess that's one way of thinking about that. So I agree with you, we should separate it. I think the hard part for the empirical work, which is what some of these long-term studies struggle with, is that, in a certain way, you really need the trajectory kind of to understand what you observe. When people are 20 years old, you kind of need to observe them when they're 30 and understand whether this was just a longer investment and them staying longer in education, longer investment. Maybe even internships they pay little in order to get better jobs afterwards. And so I think you really wanna kind of think about it that way, of course. And so I agree that kind of is a completely separate set of issues and thinking of the kind of the structural constraints to gender inequality. I agree with that. So, let me kind of pass over.

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ASHWINI

DESHPANDE:02:17:14

Yeah. So, linking the questions together. One graph that I didn't show was if you plot female labor force participation with education, in India, it's a U shape. The highest labor force participation are illiterate women and highly educated women. And so, in terms of which subgroup to focus on, in terms of job creation, is the middle-educated women who have eight years, ten years, 12 years of education. These are the women for whom there is really very little paid work. And so I think that's what I would focus on. On the question of youth, I mean, if you follow Indian news, you saw the recent election results and the point about youth discontent, which is... We keep hearing about this demographic dividend, et cetera. But the reality on the ground it doesn't feel like a dividend because the young people are not in jobs. And I think that it also contributes to social disharmony because they can be easily mobilized into all kinds of xenophobic or sectarian purposes. And so I think that there is a huge, huge, huge dividend of reason for focusing on youth unemployment more than other segments. But that's the point that I was referring to when I was talking about the rural population, about just the reality of where India's people live and the fact that they need paid jobs. And now, after the elections, actually, you hear a lot more conversation about jobs. And that brings me to the final point about the care infrastructure. And so there is now a conversation about not just child care but the care economy. So employing people into providing all kinds of services, whether it's child care, elderly care, supporting services, et cetera, including helping people with their banking and other daily needs. These are sort of low-productivity, labor-intensive, even green jobs if you want to call them that. And so I think there's a lot of benefit to investing in that. I think the UN system has developed some modules, and I think the low and middle-income countries could do well to look at this aspect, which will also have the effect of reducing or redistributing some of the huge burden of unpaid labor that falls on women. So I think that there's scope there to sort of tackle both the employment issue, but also reducing the burden.

DEON

FILMER

:02:19:37

Final word, Raquel.

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RAQUEL

FERNANDEZ:02:19:38

Yeah. OK. You were asking which one we should focus on. Childcare burdens, culture, conditional cash transfers. I think it's an empirical question. What works the best? And it's also there's a lot of possibilities within each one. I mean, what type of conditional cash transfers? What type of cultural or changing people's behavior? I'm much more into I think role models, I think, than I am into behavioral nudges. But I think it's, again, it's an empirical question, but why not try all three? Still, overall, despite a few things that go on, there's a lack of experimentation, particularly in Latin America. There is much more attention given to India for obvious reasons. It's very large. It's cheaper to do interventions there, and we have a large part of the profession. But for Latin America, there's really precious few experimental studies that have been done to really see what would work. I think there would be very large gains from doing so since they have a commonality, not across all countries, but across many, let's say, just even in being Spanish speakers. I did wanna say one thing about cash, not cash transfers, but thinking really carefully about microcredit. There's a very nice paper by Arianna Bandiera and coauthors in the last two years, I think, maybe three, that shows that it really matters for entrepreneurship. There was a question before. How big that transfer is? And so they gave a cow. And for some people, the cow, plus their assets that they had before, was enough to push them over the edge where they then, you know, you found them five years, six years, seven years later, really having had income growth. Whereas people on the other side, and we're talking about small differences, they didn't have enough assets, so that the assets was the cow did not make a long-term difference in their ability to prosper. And that is one of the arguments possible for why you see such mixed evidence for cash transfers across the globe and how important microcredit is. So I think we have to go into these things very scientifically and not have an attitude that there is a magical bullet that works everywhere, but really think about what works and why for different people. And that has to do a lot with the economic circumstances on the ground.

DEON

FILMER:02:22:23

Thanks, everyone. And apologies for going ten minutes over, but this was a fascinating sort of set of questions and answers. Please join me in thanking the panel for a great session. We are now gonna have a coffee break, and we will reconvene here at 11:00 sharp for session one post-plenary on social safety nets and women's labor force participation in low and middle-income countries. So thank you and see you soon

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02:45:56

## Session 1: Social Safety Nets and Women's Labor Force Participation in LMICs

MARIA

CARIDAD

ARAUJO:

Hello. Welcome back to the room. I think we're about to start. And thanks for joining us for this second session. It's an hour and a half session and we'll have four panelists. A quick announcement before we get started. Please, can you take a seat? Thank you. I'm Maria Caridad Araujo. I work at the Inter-American Development Bank. I lead the Gender and Diversity Unit. And I have a quick announcement for the audience online in particular. We are encouraging all the viewers to participate in the Q&A session at the end of the panel. You can submit your questions through the YouTube chat, LinkedIn livestream, or by emailing events at cgdev.org. And for our in-person audience, we ask you to kindly silence your phones. And so we have four great speakers for this great session on social safety nets and women's labor force participation in lower and middle-income countries. We will focus on an intervention that is important and widespread throughout the developing world, which are conditional cash transfers and cash transfers more broadly. It is, as we've discussed in a previous session, a policy tool with very specific objectives, very widely used, and I think important in thinking about safety nets and safety nets that can provide adaptability in changing conditions that are also being thought in a broader process of dealing with shocks, climate change, health crisis, etc. We have four top speakers for this session. I'm gonna quickly introduce them. We're going to start with Teresa Molina. She's an associate professor of economics at the University of Hawaii at Manoa, and she's also an IZA research affiliate and a non-resident fellow here at CGD. She was born in Quezon City in the Philippines and raised in Tokyo, Japan. Then we have Shalini Roy, a senior research fellow in the Poverty, Gender, and Inclusion unit of IFPRI, born and raised in Chicago. Then we have Kehinde Ajayi, a senior fellow here at CGD, working on gender equality, education, and social safety nets, previously at the World Bank and before that at Boston University, born and raised in Kenya. And we have Eeshani Kandpal, a senior fellow at CGT, previously at the Development Research Group of the World Bank and born in Delhi and raised in Uttar Pradesh, India. Well, thanks and welcome. And we'll start with you, Teresa right, 15 minutes at least.

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TERESA

MOLINA:02:48:32

Thank you. I am excited to kick off what I think is gonna be a very interesting session on social safety nets and women's labor force participation. Now, just as a heads up, I'm gonna be viciously trying to talk about two papers today. The first one is actually a paper that uses data from a high-income country but fits very nicely in this theme of social safety nets and women's labor force participation. The next paper is gonna use data from the Philippines, still focusing on safety nets and shocks, but moving a little bit away from women's labor force participation as the main outcome. And so when we think about whether social safety nets can improve women's labor force participation, usually we're thinking about it in the following way. So women's labor force participation is quite low on average. What can we do to increase that average? And this average is usually taking many women who are in different stages of their lives, different stages of their careers. But I think it's important to realize that women's labor force participation fluctuates throughout the life cycle and responds to various events. And in particular, two very salient events are marriage and childbirth. And so what I'm showing you here, actually, I'm glad that, Rachel mentioned these marriage or childbirth penalties earlier. I'm showing you data from another paper by Kleven et al that essentially documents what happens to women's labor force participation when they get married and then when they have a child. They take data from many different countries. I'm just showing you for Brazil and China. But you can see here that when a woman gets married, when she gives birth, her labor force participation drops. And you can see that there's a very big difference between women's labor force participation or a mother's labor force participation, and that of the father, which is which are the gray circles that you see kind of just flat up at the top. And so this is true in many different countries, but these are not the only events that labor force participation might respond to. Family health shocks are also potential shocks to labor force participation. Sorry, I think the bullet points turned out a little strange up here. But for example, there's a paper that looks at spousal death. This actually goes in the opposite direction, where you see that when a woman's husband dies, she increases her labor force participation in Mexico. There's evidence that when a grandmother dies, that reduces the mother's labor force participation because grandmothers are a very important source of child care in many contexts. And finally, and what I'm gonna be talking about today is a paper that looks at responses to severe child illness. So in this paper, my co-authors and I ask, how do parental labor market decisions respond when a child is diagnosed with cancer? And we are going to be using data from Denmark, which has amazing administrative data covering the entire population. It allows us to identify households where a child was diagnosed with cancer, matched them essentially to similar control households. And what we find is that, well, we look at the trajectories of the labor market outcomes in the 12 years before and 12 years after the cancer diagnosis. What we find is that after the cancer diagnosis, there are reductions in income, labor force participation and labor supply. And these are either completely driven by the mothers or else just stronger and more persistent for the mothers as I'm gonna show you here. So in all of these figures, the blue coefficients or the blue dots and standard error bars show you father's outcomes. Specifically what these are plotting are the differences between the cancer

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households and the non-cancer households. And so we can see for basically almost all of these outcomes, father's outcomes either barely move or move much less than mother's outcomes. So if we start with labor force participation, we see that mother's outcomes, which or mother's trajectories, which are plotted in red drop immediately after a child is diagnosed with cancer, which is that dot dash vertical line that you see. Labor force participation does slowly recover, but never quite gets back to the levels before the child cancer diagnosis. We see that this also translates to market income. Interestingly, here we see drops for both mothers and fathers. But clearly, the drop is much larger for mothers and much more persistent for mothers. And this is driven partially by labor force participation, but also reductions in hours worked. So that was what I was referring to right now, is the figure that you see in the top right. Now, as I'm going to describe a bit more on the next slide, Denmark has a very generous safety net program that involves transfers to parents that have to take care of their sick children. And so in the bottom, you see total income which is the sum of this market income and these transfers. And you can see that it seems to be the case that these transfers are indeed buffering some of these shocks because the drops are not as large. But once again, the drops are much larger for mothers than they are for fathers, so they essentially only exist for mothers. And so what we're interested in understanding is the role of the social safety net. So just to give you a brief overview of what exists in Denmark, there's a safety net program that compensates parents who reduce labour supply to care for a severely sick child. And in order to understand what role this social safety net plays, we exploit the fact that in 1998, the generosity of this program increased. So prior to 98, benefits were capped at a fairly low level and were only available for up to a year's duration. This was increased to 100% wage replacement, and essentially for as long as the child remained sick in 1998. And so what we're gonna do is we're essentially going to compare children who are diagnosed just before and just after this to get a better understanding of the role the social safety net plays. So what you can see here is essentially, as written on the title slide,, these reductions that I showed you in the previous slide are mitigated by the social safety net. So the red line shows you the response under the less generous transfer regime. So we do see drops in labour force participation here as well as total income initially. Whereas in the more generous regime, the pattern is completely smooth. So it seems like here the social safety net is really doing a good job of mitigating these reductions. Now, I will mention here that the figures I'm showing you combine both mothers and fathers outcomes into one, just for simplicity. But as you can probably guess from what I showed you prior, these patterns are completely driven by mother's income and labor force participation.

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02:56:09

And so what does this mean for lower and middle-income countries? Unfortunately, this kind of data does not typically exist in lower and middle-income countries. That would allow us to answer a question like this. However, I think it's worth pointing out that marriage and shocks other than childbirth seem to play a role in lower-middle-income countries. So this is again a picture from that Kleven paper that I referenced earlier, which shows us what percentage of the gender employment gap can be explained by child-related issues, marriage-related related, and just everything else. So the gray is everything else. And so you can see that towards the upper end of this graph, on the right-hand side of the of the x-axis, this is sort of you can think of that as just the richer countries. Child penalties matter a lot. But as you go down, it seems to be the case that marriage-related gaps matter more and this residual gap matters more. Child and family health shocks could still be important to the extent that even childless women are often responsible for the other people in the family. But I think it also highlights that we need to think about what identifying the most important factors for LMICS. Now in terms of the social safety nets, extremely generous safety net programs like Denmark's are probably currently infeasible in LMICS, though the specific one that I just described doesn't exist at all here in the US. But there are more basic safety nets like CCTs, which were talked about in the previous session that are becoming more common and are widening their reach. And so in the next paper, I'm going to shift to talking about one such program, these these CCTs. Now up until now, I've been basically talking about individual shocks to labor force participation and the like. But the the issue of aggregate shocks is also clearly become much more salient as well with obviously with the Covid pandemic. And so in this paper, we ask, do existing social safety nets matter more in times of crisis? Probably unsurprisingly, we're thinking about the Covid 19 pandemic. Our outcome of interest here is now mental health. And this is obviously an important outcome in and of itself. But I think we also know a lot now about how it relates to labor market outcomes like productivity, labor supply and that sort of thing.

02:58:47

And I also wanna mention that the answer to this question is actually theoretically ambiguous ex-ante. And so in order to get at this question, we are going to be using panel data from the Philippines. And our approach is essentially going to involve comparing rates of depression for people who were already beneficiaries of an existing CCT program, to the rates of depression for non-beneficiaries of similar socioeconomic status before and during the pandemic.

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02:59:25

And so what this figure is showing is essentially our main result. The two bars on the left, those are depression rates, severe depression rates prior to the pandemic. You can see that they're very low and very similar for the two groups. Now the light blue bars are showing you the households who were not part of this existing CCT program. And the dark blue bar shows you the group that were already beneficiaries of this CCT programme. And by the way, the CCT programme essentially involved cash transfers to households who satisfied various education and health-related conditions like sending their kids to school. And so in the two right-hand bars, you can see, first of all, a big increase in depression rates during the pandemic. But importantly, divergence between the two groups. So now you see a significant difference between the two groups, the beneficiaries and the non-beneficiaries or in other words, we see that existing social protection programs seem to matter more in times of crisis. And so this is true I think and I think it's worth pointing out that this is true, even with the generous emergency assistance programs that were rolled out to the broader group here in this context. What we think matters a lot is the fact that having the existing CCT beneficiary network allowed for quicker distribution of cash to the beneficiaries. And we think this is just one reason why, in this case, it seemed to be that, you know, these social safety nets became much more valuable in times of crisis. And that's all I have.

Thank

you.

(APPLAUSE)



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SHALINI

ROY:03:01:25

While we're waiting, I'll just say thanks so much. It's great to be part of this conference and this wonderful panel. I'll be presenting part of a study from Bangladesh that speaks to sustainability of gender impacts after a social safety net program ends. This is based on experimental evidence from a randomized controlled trial. And it's joint work with Akhter Ahmed, Melissa Hidrobo, John Hoddinott, Bastion Cote and Saladin Joseph. So, as background, some very recent reviews on social protection and gender, including a really nice meta-analysis by CGD and a review of reviews that a team I was part of recently did show quite robust evidence that social assistance or social safety nets can improve a large range of women's outcomes around economic inclusion, empowerment, health, violence prevention. And relevant to this panel, this includes improving women's labor force participation and productive work intensity, which is hours worked or earnings. So overall, evidence is actually showing quite robustly that social safety nets can improve women's outcomes, but less is known about some of the nuances, including what is the role of specific program design features. And that includes the transfer modality like food versus cash. And also, if it matters whether there's complementary programming, kind of this so-called plus that's often added to cash transfer programs. There's also questions about the role of contextual factors. Importantly, once these safety net programs end, since households don't usually stay in these indefinitely, there's questions about whether the effects are sustained, particularly for women's outcomes. And there's still little known about how impacts on women's economic outcomes, which we care about intrinsically, might also relate to broader poverty objectives at the economy level, but also even within their own households. So in this study, we try to contribute to addressing some of these gaps. We look at a two year program where target participants were women in very poor rural households, and the program provided monthly cash or monthly food transfers. So this varies the transfer modality with or without a complementary plus component. So this varies that complementary programming in two regions of Bangladesh, which have different contextual factors, including in terms of livelihood opportunities and which we followed with gender-disaggregated data collection through four years post-program. So this helps us look at post-program sustainability of impacts for both households and women. And I'll just mention we've actually collected even eight years post program but don't have those results just yet. So the little picture here is just showing that this was a two-year intervention from May 2012 to April 2014. The N line happened just after that last transfer in April 2014, and then the four-year post-program survey round was in April 2018. We have a few different studies on this, but in the one I'll speak to, we assess four-year post-program impacts on household consumption and also plausible impact mechanisms for those impacts on household consumption, which include women's economic and psychosocial outcomes. So again, we care about those intrinsically, but they're also plausible mechanisms for how household consumption impacts might be sustained. So this work is then contributing to both the very scarce evidence on post-program impacts of safety nets, specifically on women's outcomes, but also a larger but currently quite mixed body of evidence on the sustainability of household-level benefits from cash transfer programs. And in part, the literature is mixed, likely because there is quite a bit of variation across

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the existing studies and program design features and context. And so it's helpful here that we're able to disentangle some of those roles. So the specific intervention that we study in Bangladesh is the Transfer Modality Research Initiative, or TMRI, which was a pilot program designed by IFPRI Bangladesh and implemented by WFP Bangladesh. Designed is two randomized controlled trials, each in a region of Bangladesh from 2012 to 2014. Again, it targeted mothers of children aged zero to 24 months. So in kind of that window of opportunity for nutrition in very poor rural households and it provided monthly cash transfers of equal value, sorry, monthly transfers of equal value cash or food transfers, which were worth 1,500 Taka, which is about \$19, or about 25% of these households baseline consumption. So these transfers were provided either with or without a group-based nutrition behavior change communication component, or BCC, which I'll say more about in a minute. There were five arms implemented by region, but for budget reasons, in this four-year post program round, we could follow up only four of them. And the arms that are the same across regions were implemented identically. So in the north, which was in Rampur district, there is a control arm which received no intervention, cash transfers only, food transfers only and cash transfers with that BCC. In the south, there was a control arm, a cash arm, a food arm only and food with BCC. So back to the nutrition BCC. It was an intensive, high-quality intervention with three key components. One was weekly group meetings, the second was biweekly home visits, and the third was once-a-month community meetings. The core component really was those weekly group meetings, and this is every week for two years. They involved about ten women per village, and you can see that in the picture. They were led by a trained community nutrition worker. And these were really explicitly focused on child nutrition. They weren't on livelihoods. They weren't on empowerment explicitly. They were particularly on infant and young child feeding, including the diverse foods that are important to feed children under two, including fruits and vegetables, animal-sourced foods, particularly in a context like rural Bangladesh, where the diet is heavily rice-focused. So this included why they're important when to start feeding these foods, and also how to access these foods, including both through markets and through own production. So cultivation through homestead gardening, raising poultry and livestock. Once a month, these sessions also invited other influential household members like mothers-in-law and husbands to join. Notably, these sessions were very lively, interactive. There was singing, call-and-answer role-playing. And women reported that these groups were really meaningful for them, both for the knowledge gained, which made them experts on an important topic in their communities, but also because in the absence of these sessions, they were quite isolated. They had little social contact with other women largely because of female seclusion norms in rural Bangladesh, but also because they came from very poor households, which also faced social stigma. And so women reported enjoying these sessions and essentially meeting with friends. So given time jumping to some results. So looking first at the impacts on household consumption, these are expressed as log transform total consumption. So what we see is that during the program when you look at Endline and 2014, which was just after the last transfer of two years of transfers. In both the North and the South, all the arms, cash transfers. Food transfers. Transfers with BCC significantly increased household

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consumption. It's not necessarily surprising, this was just after the transfers had ended. But four years after the program ended. So this is four years of no transfers or BCC in 2018, we still see some arms showing a sustained significant increase in total household consumption. In the North, that's coming from the cash transfers only. It's about 5% higher than the control group at that time. To an even larger extent, that's cash plus BCC, about 9% higher than the control. And in the South, we see that coming from the food plus BCC, about 8% higher than the control. So then we look at plausible mechanisms for these sustained impacts on household consumption at four year post-program, which includes women's economic and psychosocial outcomes for your post-program. So in the paper, we're looking at nine and four-year post program impacts. Here I'm just gonna mention the four-year post-program. But basically, we consider that sustained treatment impacts on household consumption might be occurring through sustained treatment impacts on assets, on agricultural production, on labor hours and women's psychosocial well-being. And we focus on women here because they were the target participants. And in terms of psychosocial well-being, we're looking at stress, depression, locus of control, and social and community support. So just to note, even if we do see treatment impacts on these, we can't say conclusively that these are mechanisms for the impacts that we see on consumption. They may just be co-occurring impacts, but there is plausibility that they're linked. So looking at the arms where we saw sustained impacts on household consumption cash in the north, cash plus BCC and the north and food plus BCC in the south, starting with cash in the north, we're seeing sustained increases in assets, especially savings, alongside improvements in women's psychosocial well-being. From cash plus BCC in the north, we're seeing similar but even broader impacts. We're seeing sustained increases in assets, including livestock, which tends to be women's work. Also production from homestead gardens, again typically women's activity, corresponding increases in labor for own farming. We look here at household labor. But when we look at disaggregation, we see this as driven by women's hours and again, broad improvements in women's psychosocial well-being. For food plus BCC in the South, we don't see sustained increases in assets, but we do see increased production from homestead gardening increases in total labor, again driven by women. And we see women's psychosocial well-being looking better than the arms in the South without the BCC. So again, with the caveat that we can't say conclusively that these are mechanisms rather than just co-occurring impacts, we do see a possibility that some of these treatment arms that are leading to sustained improvements in, or at least protecting women's psychosocial well-being, which again, drawing on the literature, Theresa mentioned linking mental health to forward-looking behavior. Investment livelihoods could be related to sustained increases in assets and women's livelihoods, and these are then contributing to sustained increases we're seeing in household consumption. And the patterns we see indicate that program design features and contextual factors might be shaping the extent to which these play out. So very quickly, in terms of implications, we do see social assistance can sustain post-program improvements in household consumption and in women's outcomes. We see specifically also that modality, complementary programming and context matter. In the context of this study. we're seeing the cash plus BCC is sustaining large increases

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in household consumption with suggestive evidence that women's labor and psychosocial outcomes are among key mechanisms. We're seeing food plus BCC showing similar patterns, but to a lesser extent, cash alone having context-specific effects and food alone showing no sustained impacts. I don't have time to get into the how and why of why we think the modality, complementary programming and context matter in this study setting, but happy to talk about it in Q&A. I will mention that there are also other sustained impacts on women's outcomes that we see. For example, we find for your Post program that the cash plus BCC in the North also sustains large reductions in women's experience of intimate partner violence. And we find suggestive evidence that that's being driven by cash plus BCCs impacts on both household economic security, which reduces household stress, and women's empowerment pathways, which is consistent with the sustained impacts we're seeing here. And I'll also just mention that analysis of our eight-year post-program impacts is underway. We have mixed method evidence there drawing on women's own perceptions from the qualitative side. So stay tuned for those and I'll stop there. Thank you.

(APPLAUSE)

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KEHINDE

AJAYI:03:13:58

Good morning, everyone. It's great to be here with you today. I'm going to be talking about something that's a little different from what everyone else on the panel today is talking about in this session, and I'll be focusing on adolescent girls. And adolescent girls are really at the intersection of the two things we're focusing on today. We've had a lot of remarks, discussion yesterday highlighting the importance of thinking about women's economic inclusion when we're thinking about broader issues around growth and this situation of great incoherence. So thinking about women's or gendered impacts and the gendered constraints to economic inclusion on one hand. And on the other hand, recognizing the importance of thinking about youth and the fact that in a lot of low and middle-income countries, particularly in Africa, I'll be focusing on Africa later on, we have this bulge in the population that's coming through. And this is a crucial moment to really focus on understanding what are the critical interventions, policies, programs that must be implemented in order to ensure that this next generation achieves their fullest potential and makes the greatest contribution they can to economic growth and well-being. So I'll be focusing on this issue of the impacts of social safety nets on adolescent girls' economic inclusion. When we think about adolescent girls, and I'll be focusing on 10 to 19-year-olds, we don't often think about economic inclusion for them. And so one other point I want to highlight is the importance of shifting our mindset from the things we traditionally focus on for adolescent girls, which is keeping girls in school, delaying marriage, delaying childbearing, which are all critical things. But the importance of going beyond that, looking forward to setting them up on a pathway towards economic inclusion and towards economic prosperity. Earlier this morning, we heard or we saw a lot of evidence on the tremendous gains that have been made in gender equality and education. So in a lot of places, girls are achieving equal levels or higher levels of education than boys are. But we still see, in adulthood, these big gaps in economic inclusion and women's economic participation and in the overall contribution to the economy. And so I'm going to be focusing on this question of what can we do in adolescence to ensure that these investments in education that we've seen and other dimensions of improvements in adolescent girls' well-being translate into gains in economic inclusion as they transition from adolescence into adulthood. So the work I'll be presenting today is drawing on a forthcoming report, Pathways to Prosperity for Adolescent Girls in Africa, and it's a collaboration between CGD, the Population Council, and the World Bank, the Africa Gender Innovation Lab, and the Human Development Group Practice. So this report is really making this case for really shifting our perspective on what we think about in terms of investments in adolescent girls and highlighting the fact that girls really do have a potential to transform the trajectories of African countries in particular. And I'll be talking today a little bit about this part of the report that focuses on a comprehensive review on evidence, on interventions designed to empower adolescent girls in Africa. And when we think about empowerment, there's two broad dimensions we focus on. One is building these human capital fundamentals. So thinking about investments in education and health and recognizing that they are crucial for adolescent girls' well-being. But then going on beyond that to think about what additional complementary

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interventions can enhance adolescent girls' economic well-being and their prosperity. And that's including things that improve agency for adolescent girls, things that improve complementary resources. So things like digital inclusion, financial inclusion, different skills that are beyond education. And then also thinking about economic achievements. So what is the work that adolescent girls are doing, and is it dignified work? Is it age-appropriate work? And what type of income are they receiving from that? And so in this part of the report, we review evidence from studies focused on Africa over the last 20 years. And we highlight what we define as effective interventions, those with three or more studies demonstrating positive impacts on adolescent girls' outcomes. Promising interventions which there's less than three studies, but we have some positive impacts or emerging evidence from somewhere outside the region. And then also discuss interventions with mixed evidence. And as you'll see later, cash transfers falls into that where in some situations where there is some studies showing positive impacts, some studies showing negative impacts. And the real question is, what are the potential adaptations that could lead to more positive impacts for this intervention? So in reviewing and drawing on a lot of recent reviews that have been done and more recent studies, we identify 86 studies with 19 different interventions. And cash transfers are the most evaluated intervention for adolescent girls in Africa. So of those 86 studies, 18 have some evaluation of some kind of cash transfer, whether it's conditional or unconditional, it varies, what age it's focusing on, and different modalities. But cash transfers are the most commonly evaluated intervention for adolescent girls in Africa. And the second type of intervention that we also hear a lot about is girls' group empowerment programs. One thing to note is that we think about cash transfers as the main type of social safety net program, but we also have some studies looking at school feeding, which depending on how that's designed, can also be another safety net intervention. And then in-kind transfers for schooling as well. And those are both interventions that have been studied to some extent within the region as well.

03:20:25

So getting to what we know from the evidence. This study demonstrates that these types of interventions, and I'll get back to this actually one.

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03:20:40

One challenging thing, which was also alluded to earlier in terms of understanding or doing this type of review, understanding or defining what are effective interventions for adolescent girls, one challenge is that these impacts happen over the long term. And so something may not appear to be effective in the first year follow-up when it's evaluated, we might not see impacts on education or impacts on whatever immediate labor force participation in the short run. But that's not to say that there aren't longer-term impacts. So it is challenging doing this type of work to really - and I think Karen really highlighted that in her work, when we think about interventions at adolescence leading to adulthood outcomes, it's challenging to really find the data to track these outcomes. And the second thing is that they're multi-dimensional. When we think about education outcomes, we're often focusing on learning-adjusted years of schooling or test scores. And that's something very concrete and very specific. But when we think about adolescent girls' well-being, this is a multi-dimensional concept. It often includes multisectoral interventions. And so that makes it even more challenging to really capture what the impacts are. But despite that, we do the best we can to review this evidence and find... A few key things. One is that we'll start by focusing on cash transfers. We have, overall, I would say, strong evidence that cash transfers have proven to be effective at getting adolescent girls in school in Africa. And when we think about this second question, though, of longer-run, enhancing longer-run economic success, there we have mixed evidence. We have some studies that find that these impacts on school attendance fade out over time, and we don't see things in the longer run. We have some evidence of things that do seem to emerge in some settings in the long run, but it's not overwhelmingly in the same direction. And so we'll talk a bit more - I'll talk about this at the end about what does this imply. What can we take away from the studies that do show positive impacts? And what can we take away from those that don't? And how to switch to ensuring that safety nets do have positive impacts overall. In-kind transfers for schooling, that's where we see strong positive impacts, both on actually the short-term objective of getting girls to go to school. And these in-kind transfers, when we define that, that's including scholarships where there's no actual cash transfer that's given or cash that's transferred to households, but they are able to attend school because of payments made to schools on their behalf. And also things like transfers of bicycles to enable girls to attend school and other in-kind resources to offset school expenses. And there we see evidence of impacts both on school education and also on longer run economic success. So things like what happens to their labor force participation. And the third bucket I highlighted there is school feeding where we see positive impacts on improving human capital fundamentals. So a lot of research, including from colleagues at CGD, highlighting the impacts of school feeding on educational outcomes, on health outcomes, and some few studies, but some promising evidence that it might have impacts on longer-term economic success as well. And I should say, with cash transfers there, we do see impacts on things like agency as well as a positive dimension there. But two things I'll highlight as challenges. One is that most studies do not report heterogeneous effects across participant characteristics. So I talked about adolescent girls as being this group of 10 to 19-year-olds. And that's a broad age span. And so we would ideally...

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Each of these columns highlights the share of studies in green that don't report heterogeneous effects and the ones in yellow that do. Age is the most commonly reported dimension of heterogeneity. So almost 40% of studies do. But even that is less than we would ideally like. And then crucial things like whether girls are married or not, whether they're in school or not, and what year of schooling they are in. Ideally, we'd also like to know whether there are impacts on that, especially when we're thinking about designing interventions or policies to support the most vulnerable girls, who often tend to be already married, already out of school. And we could add, these are just four dimensions of potential heterogeneity, but we could add multiple ones, rural, urban, whether someone is in a setting affected by fragility, conflict of violence, or individual experience of violence. So this is a big, I think, issue for future work is understanding how social safety nets can be designed to more effectively support adolescent girls with facing different circumstances. And the last thing is unpacking this question of studies that have mixed impacts. So there are promising studies from some settings showing that cash transfers and other social safety net interventions can improve economic inclusion, but also studies showing finding no or weak long-term impacts. And so what can we learn about strategies to enhance the positive impacts? So this review paper I cited there looks specifically at adolescent girls' sensitive social safety nets and highlights five key ways to enhance their impacts. One is modifying targeting criteria to really expand existing social safety nets programs to direct resources to households with adolescent girls, and to identify adolescent girls. In particular, expanding, for example, programs focused on children to support children at a higher age range so it doesn't stop once they reach adolescence, which is this crucial period. And then thinking about improving linkages to complementary services and programming. And so not just focusing on cash transfers or other types of transfers, but thinking about linking it to health service provision, linking things to employment preparation services so that we can actually use these cash transfers or social safety nets as an entry point for identifying vulnerable adolescent girls. Expanding overall safety net coverage. And we've talked a little bit about fiscal space and the fact that we can't do everything. But a lot of low and middle-income countries already have existing social safety net programs. And so thinking about what are ways to leverage these existing social protection system to have broader impacts on adolescent girls. Recognizing this is a critical period. And one entry point to really transform both youth inclusion and gender inclusion further down the line. And then the last two things is just ensuring the predictability, punctuality, value of cash transfers so that households can plan accordingly. Thinking about long-term investments. If households know that they're going to be receiving something for the future, they can make the appropriate adjustments in the short run. And then improving methods for identifying vulnerable girls. I think one big thing, again, when we get to this question of fiscal space, is the fact that a lot of programs, because of challenges with targeting, are making transfers or providing resources that are inframarginal. So ideally, we would want to identify all those only girls who are on the margin of staying in school or getting a job or going on the trajectory towards increased economic inclusion and direct resources to them exclusively. But that is challenging with the typical types of targeting tools that we have. And so being creative,



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innovative in ways of identifying and managing the cases of particularly vulnerable girls can be especially effective. The last thing I'll say is this report will be coming out in the fall. So stay tuned for more of that. And yeah, look forward to rest of the conversation. Thank you.  
(APPLAUSE)

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EESHANI

KANDPAL:03:29:40

Thank you. And thanks to being here, everyone. It's great to see so many familiar and new faces as well. I'm still waiting. OK. I'm going to present work that is done with Modeste Daye and Pascale Schnitzer. Modeste is a lecturer at the Catholic University of Lille, and when we started this work was a fellow in the Africa Chief Economist Office of the World Bank. And Pascale Schnitzer is a senior economist in social protection at the World Bank. The paper I'm going to talk about is more about cash transfers, but sort of linking a couple of the pieces that we heard in the plenary panel is going to be about cash transfers and norms, sort of in the same setting, and particularly the interplay of cash transfers and norms. Raquel, Ashwini, I think did a really nice job talking about how important it is to think about whether norm-driven outcomes are feasible to change and sort of on what time horizon. I think Ashwini highlighted how it can be very difficult to change norm-driven outcomes. But then Raquel gave this amazing example, perfect example of how sometimes that sort of change can actually happen very quickly. A very nice example, I think, of the latter, of norms changing relatively quickly and in response to a cash transfer is work by Rachel Heath, who's in the audience, and Shalini, who's up here, as well as other work by Anukriti and her co-authors, who was also on the program later today. Both of these sort of show how financial incentives to households that target women can affect things like intimate partner violence in a subset of households, in the paper by Rachel and Shalini, in polygamous households. And in the paper by Anukriti and her co-authors in India, showing that access to health care, to contraception in particular, can really be facilitated by vouchers, but especially if you engage with the household structure of the Indian household where you're typically living with your mother-in-law. At the same time, work by Pam Jakiela and Owen Ozier, which I believe Owen is actually presenting later today as well, and many other studies and something I think Karen also alluded to in her plenary address, is that often the short-run effects of cash totally dissipate when the cash ends. And so this conundrum where sometimes cash does a lot of good things. Sometimes it does a lot of good things, but only in the short run. And of course, there's also further heterogeneity. Again, as Karen mentioned, sometimes there is really no impact as well on average. So how do we sort of think about all of these? I think a piece that's missing in this conversation is work done by Mayra Buvinic and her co-authors, which shows that - or sort of suggests that impacts of safety nets, including things like cash transfers, are actually mediated through the household bargain. And so unless you were doing something to change the gender norms and change that bargain itself, those impacts are going to end when the program ends. So the paper I'm going to talk about is going to ask about one specific norm-driven aspect of the bargain, which is the structure of the bargain itself. And so it's going to ask whether the nature of the bargain is an important but overlooked determinant of impact heterogeneity in cash transfers. The evidence is from Chad. It's going to focus on women in Chad. This is a fragile environment. And not a lot of studies have looked at this sort of environment. But as I'll talk about on the next slide, this is actually an increasingly common setting, especially for safety nets where safety nets are being implemented. And it's going to contribute to a small but I think interesting work of literature, a body of literature on how cash transfers can affect women's

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entrepreneurship and mental health outcomes all mediated through shifts within the household. We're going to show you that there are a lot of impacts on sort of the average household, a lot of positive shifts in the story. But in some instances, a costly bargain, where the bargain itself is costly can limit the impacts of those cash transfers in a subset of households, and how that's important to think through more systematically and what economic theory tells us about how we can think through that more systematically. So just a word on the setting and the program design. Chad is one of the poorest countries in the world. About 47% of the country is below the World Bank's \$2.15 a day poverty threshold. 98% of our sample is - sorry about that, of our sample is below that threshold, which is common for pilot stages of all safety net programs to be targeting the poorest parts of the country. It's a setting with recurrent food crises, with ongoing civil conflict, which actually affected our data collection as well at one point, and some of the worst gender-related outcomes in the world. Now, as I said, these sorts of settings are relatively understudied, but they are actually quite important increasingly so. Even before the Russian invasion of Ukraine, two-thirds of the world's extreme poor were projected to live in fragile and conflict-afflicted settings by 2030. And obviously, that's only going to be hastened by everything that's happened in the last few years. About the program, it provides about \$75, \$76 to women in the household every three months for a period of two years. And the results I'm going to show you primarily are after a year of transfers. So at that point, the women will have received about \$306 total. Just to benchmark a little bit what this means. These are larger, but they are less frequent, the size of the transfer, than other programs in the region. It is similar to for example, the setting that Rachel and Shalini and others studied, which is Mali, as well as a program in Niger, which sort of have many similar components, but only provided \$18 every month. So a smaller but more frequent transfer. In terms of the proportion of beneficiary income that is provided by this program, that's about 25% of beneficiary household consumption at baseline. This is comparable to the Mexican cash transfer program that Karen talked about, Progresa, as well as the Philippine cash transfer program that Teresa talked about, 4Ps or Pantawid. And if I heard Shalini correctly, then also the Bangladesh. This is very different from the GiveDirectly shock that a lot of us think about in this literature increasingly. That was a one-time 18-month cash drop. So just hold that in your mind. I find it useful to hold in my mind. So now you must as well. I'm going to be using regression discontinuity design. And so for those of you who care about this, just very briefly to say, obviously manipulation of the households poverty score, proxy score around that threshold by household. So underreport your wealth so that you become eligible is a concern in this literature. We can test for that using something called the McCrary density test. And as you can see here, at my peril I'm going to attempt to use this pointer. As I said, at my peril. As you can see here, it's quite nicely smooth around that discontinuity where you would expect to see any bunching where there are some. We can also look at sort of the predicted probability whether or not it's discontinuous at the threshold, the predicted probability of treatment. Again, looking over that poverty score on the x-axis. And you do see that sharp decrease in predicted treatment probability at the threshold. So let me move on to what we find for the average household. And I'll come back to the heterogeneity in the

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next few slides. So on average, we find that household consumption increases by about \$353 after having received transfers, as I said, of about \$306. So this in itself, I think, is really fantastic news for a cash transfer. You can't always show where the money went. And we're actually showing that these households are consuming about an additional \$47 on average, over and above what they received. This is primarily being driven by the economic activity of the women in these households. They're twice as likely as non-recipients to start a new business. And what we see is that there's a 53% increase in their business profit. And that's actually almost exactly equal to it's about \$60. And the increase in consumption is about 47. And we can't sort of say that the numbers are different from each other in a statistical sense. So, it really seems like it's that additional cash that the households are consuming. And what we find the women are doing with the cash is they're using it to higher paid labor. The only impact on men's productive activity is actually to shift responsibility for the sale of harvest to the women in the household. And I'll show you a little bit more about this in the next slide. But to really unpack this a little bit more for you, a mix of quantitative and qualitative evidence tells us that what women are doing in these households is they're processing the sorghum that's grown by their husbands, and they're selling it. They're converting it into a bottled beer that's called bilibili. It's a low ABV beer. And I understand, Shalini, you've encountered this beer elsewhere in the region in your work as well. What the cash transfer is letting them do is produce more of it, bottle it, and sell it on a larger, further away market. And that's where the sort of the additional profit is coming from. So, this is really a story of vertical integration of production to capture the value addition from that processing within the household. And tied to this, we see a very large improvement in women's mental health in particular but also some for the men. We see in particular about 1.7 time increase in women's generalized self-efficacy. Those of you who are in this literature, you know, you will have seen Madeline McElwee's paper, for instance, that looks at this as a particularly important outcome for women's economic inclusion and empowerment. We also see an 18% reduction in the probability of being depressed, so falling below the CD-10 cutoff for clinical depression. Now, in terms of that shift in responsibility for the harvest sales, what we see is, you know, when women receive the cash transfer, so those are the women who are... OK, I'm not going to use the pointer, who are to the left of the cutoff here. So, below the poverty threshold, these are the recipients. They're much more likely to say that they control some of the agricultural revenue within the household, revenue that was earned by the household to the sale of harvest of crops grown by the household much lower than the women who were actually above that threshold and therefore did not receive the cash transfer. And again, in the morning we talked a lot about autonomy and what it means and what it takes to empower a woman. And so, this really seems like a pretty fundamental shift to me in the production process within the household. That's the average, though. What we do also find is a lot of heterogeneity and transfer impacts. And we can sort of characterize three sets of households or three sets of outcomes at the household level. So, about 86% of the households is where we're seeing this sort of vertical integration of production. And this is where we're seeing these, these gains in consumption and mental health including a year after the transfers have ended, we went back

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and did another round of survey. These households have really thrived just on those two years of cash transfers. And that's where that, that beer, the vertical integration story comes from. In about 8% of the sample, actually, we find households split temporarily while the transfer is underway. And then they reconcile once their transfers have ended. Here, we see some short-run consumption gains, but no production impacts, so no vertical integration. There just isn't the sorghum for you to convert into beer, right? We see some short-term mental health gains, but actually, if anything, a little bit worse after the transfers have ended, which is obviously of great concern. And as I said, it's about 8% of the sample that's splits, but it's a temporary split. So, the takeaway is not the cash transfers cause marital disintegration. But in 6% of the sample, very intriguingly, we see very little changing. There's no reorganized production in the short run. There are no improved outcomes. There's not even a whole lot of impact on the consumption really. We see some drawing down of outstanding loans, but not much else. There's no splits, nothing. These women, you know, they tell us they're afraid of speaking up in a disagreement with their spouse. And they do not trust that their spouse has their best interest at heart. And so, these women are sort of really stuck in a kind of a really a low equilibrium, if you will. And so, what does economic theory tell us that is useful for us to try and organize this set of results? So, the Lundberg & Pollak model of the household bargain is the canonical one. So, we can sort of think of the first two types of households as being type 1, Lundberg & Pollak, and type 2, Lundberg & Pollak. Let me tell you a little bit more about that. In the first set of households, you know, that's the 86% that are driving these gains that we're seeing, the spouse, the woman receives the cash transfer, right? And what the model would tell us is that she makes a counteroffer to her spouse, that give her sort of a greater share of the household's pie, if you will, greater control over the household's resources. So, in the type 1, Lundberg & Pollak households, the spouse agrees to that new term of the household bargain. These are the households that then vertically integrate production, and they're better off, including the long run after the transfers have ended. In type 2, again, very consistent with the Lundberg & Pollak model. That counteroffer is not accepted in the household, separates in the short run. The woman uses the cash, and this period of separation to renegotiate the terms of the marriage. This is actually not uncommon in this part of Africa. There's a decent amount of sociological evidence suggesting that women do use temporary periods of separation to renegotiate their terms of the marriage. In this case, the long-run outcomes aren't indicative of the woman actually having come back to a stronger bargaining position. It just looks like the cash ran out and she went back. And then that third set of households, we look to a model by Siwan Anderson and Garance Genicot, where they introduced to this literature, this notion of the bargain itself having costly frictions. And so, this is where the women tell us that they don't trust their spouse, they're scared of speaking up. And so, they just can't use that cash to renegotiate the terms of their marriage. So, here, because they're getting the cash, to some extent, we see a little bit of improvement in short-run consumption, but really none of the longer run benefits from the cash transfer. So, to conclude, what I want to highlight is, you know, something that Karen also brought up in her plenary is that we've known for a while that cash transfers have had, that they

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can have wildly heterogeneous effects, but we know a lot less about why. And one important and overlooked aspect is, I think, this, the direction that Mayra's work has pointed us in, which is that the effects of the cash are actually mediated through the household bargain. And so, if you're targeting women as many of these cash transfers are most of them are, you really have to ask whether the context is one where the woman has the ability to influence the household resource allocation. As it turns out, this is one where 86% of the women did, right? But you could imagine this story going a very different way in a more patriarchal setting. And it's also then very important to assess impacts on outcomes of the bargain, including things like marital status. And other than this paper, there are relatively few that have looked at this as an outcome. There's a couple of papers by Gustavo, Babones, and that's about it. And then just on measurement to conclude the two things that I wanted to note was much like with Shalini's work, also with Teresa's, where she's building on some older work in the Philippines, you know, we have three rounds of surveys with the same households. And so, it's really important once you have run an intervention to invest in understanding the impacts of those interventions. We also have a lot of qualitative work that we can build on to unpack, you know, that the beer sorghum story. These are things that I see, I think increasingly commonly in the economics research profession. But somewhat to my surprise, still a little bit less so, or quite a bit less so in the policy dialogue. And so, I just wanted to put these two measurement aspects on the table. And with that, thank you very much.

(AUDIENCE APPLAUDS)

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MARIA

CARIDAD

ARAUJO:03:47:49

Thank You. Thank you very much to the four panelists. And thank you also for doing great in terms of time management. So, we'll have plenty of time to hear questions from the audience in person and virtually. I just wanted to share a couple of thoughts. I think we've heard a lot about the role of safety nets. And in thinking of structural transformations, I think, you know, as societies have urbanized, increasingly the informal safety nets have lost relevance, and as families are more isolated. So, relying on these publicly provided safety nets, especially for the poorest, is seems to be a key mechanism for protection. And so, especially in key moments, both in the lifecycle or in terms of shocks and Teresa's two papers were very powerful in terms of key health shocks. And so, definitely, a powerful policy tool that can lead us to think, how can we make the most out of it? And I think this last reflection on to what extent their impacts are mediated by bargaining, and then the whole aspect of social norms, what you were raising the cash plus, and the complementarity. How can you connect these interventions in better ways? And these are not irrelevant questions 'cause they take, especially when we want to bring these programs to scale, they take significant costs in terms of coordination across actors to make sure we can provide quality without sacrificing impact. And so, to me, and this is an empirical question, but a thought I'm left with is, if at the end, we can think of a cash plus package that to some extent is also promoting some behavioral changes, changes in norms and beliefs, aspirations, to what extent we also do not need scale to have actually a critical mass of people that are subject to that shift. Like we saw some of the evidence on social norms comes from mass media, so MTV, you know, really interventions that reach a critical mass of people, so to what extent would, that is not part of the package that we need for these programs, especially when we want to also mediate the bargaining, the norms to reach a broader audience and have more sustainable impacts also in wider social change. So, that's a thought I'm left with, but I'm super happy to hear from the audience what questions they have for the participants, and both here and people connected. So, anyone who wants to open? Yes, of course. OK.

AUDIENCE

PARTICIPANT

QUESTION

1:03:50:58

Thank you. So, one more time. Really great. But I guess I have a question for Eeshani. I've worked on bargaining and I've worked on culture, and yet I haven't worked on both in the same sort of context. And I was wondering how you, I mean, I know that you're thinking that part of it is norms, that's, for example, that 6% that you're talking about, but it could also be personalities, who knows. If you were to thought, think about it more broadly, or at least or maybe a larger set of countries or situations, how much do you think is just changing women's bargaining power, and how much do you think it is changing societal norms? And I don't expect a number. But if you could reflect upon that trade-off or it may not be a trade-off. But if you could reflect upon that, that would be useful.

MARIA

CARIDAD

ARAUJO:03:52:01

You want to start, Eeshani?

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EESHANI

KANDPAL:03:52:03

That is quite the question. So, let me just clarify one thing and I think I should have done so while I was presenting as well. The norms really that I had in mind are about production and how production is organized in the first place. This said you know, as I sort of alluded to at the end, there are obviously important norms about everything else. And how much control you have over the household resources is very much one of those. And this is where, you know, I think the cash transfer did well in Chad and it could have lots of different unintended consequences that wouldn't be entirely unexpected 'cause we've seen them pop up in the form of backlash, in the form of increased IPV in other settings, so on. So, there's a lot to unpack just in that norms bucket. How much of it is changing societal norms versus bargaining power? I think is, I can't answer that question because I think there're obviously one, there's sort of like a cycle, right, where what the norms are within the household reflect, but also shape what the norms are in society more broadly. And so, I'll just turn it back to what you and Ashwini said at the beginning, which is norms including around things like how who makes the decisions within the household, how production's organized within the household, who gets to leave the household to engage in economic activity and who doesn't, who takes care of children and how much, all of these are things that can change. Jensen and Oster, for example, is a paper that you cited, right? It's one that I have in mind as well for very rapid norms change in a very patriarchal setting. But then in contrast, there's all this work suggesting that they can also take forever to change. I would love to see a lot more work on trying to predict where norms might change more quickly and where they might not. But as I think the two of you left off in the morning, it's not immediately clear how that's going to go and where. Sorry, I'm not sure that answered, but I tried.

MARIA

CARIDAD

ARAUJO:03:54:14

Anyone else who would like to ask a question? Let's take a couple now that there's a few hands. Oh, I'll go with you and then you and you, third.



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AUDIENCE	PARTICIPANT	QUESTION	2:03:54:28
		Hi, my name is Abhilasha from the World Bank Gender Group. Thanks. Firstly, this was a very illuminating discussion on various facets of safety net and cash transfer programs. My question is a little more sort of from the standpoint of policy and where investments should be made. So, there is a critical mass of evidence that cash plus approaches are a promising tool for women's empowerment, for building resilience, including for adolescent girls' empowerment. But there isn't as much of a sort of nuanced understanding of which specific sort of complementary interventions can create impact and impact at scale. We are often working in environments with limited fiscal space. And Kehinde you alluded to this. And so, what we hear from policymakers as well, when there aren't enough resources to sort of implement the full package of in-kind transfers, skill development, some community mobilization or norms, which specific interventions could be prioritized? So, if I have a dollar to invest, what should I be investing in? Thank you.	

MARIA	CARIDAD	ARAUJO:03:55:30
		Thank you. I think there was someone in the back. Yeah.

AUDIENCE	PARTICIPANT	QUESTION	3:03:55:33
		Yeah, this is another question regarding the household bargaining framework. And you mentioned that you think it's maybe underrated by policymakers. And so, I'd be really interested to hear a bit more about some other context besides conditional cash transfers that you think it could also be relevant and kind of increase the efficacy of, if you can think of any.	

MARIA	CARIDAD	ARAUJO:03:55:54
		Sounds good. Then here.

			03:56:01
		Thank you.	

AUDIENCE	PARTICIPANT	QUESTION	4:03:56:02
		Hello, my name is Dina. And my question is for Shalini for your paper. I just had a question because in your paper you said that food alone delivered no results or almost none. But we know as like in society and in policymaker providing food assistance for the poorest and food stamp is a very popular method. I'm just curious why, according to you in the paper, why did food had almost little to no impact? Or is it the way it would the impacts were measured? Or is it because maybe is the cost of food in the country maybe that they were consuming very, very little compared to the cash that they receive? So, I'm just curious about this outcome.	

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MARIA

CARIDAD

ARAUJO:03:56:52

So, let's do our first round of answers if these questions on impact of food cash plus and also bargaining. So, maybe, Shalini, you want to take a crack, and anyone else is welcome to pitch in, but why don't you start?

SHALINI

ROY:03:57:06

Sure. And I can start with the question on the food. So, my apologies, I was not clear. It's not that food alone has no impact during the intervention. It's that when you look four years after the intervention ended and you look at one, whether at the household level, you're seeing sustained increases in household consumption. So, after the program was provided for two years, you do see increase in consumption. But then when the program stops for four years and you go back, do you now still see sustained increases in household consumption? And that you don't see from food alone. Whereas you do from the combination of food with the plus component, you do from cash alone. In one context, you do from cash with the plus component. But food alone during the program, we do see strong impacts on consumption, reductions in poverty and so on. So, I think as consumption support, food alone is quite powerful. I can also speak to the question about what kinds of plus, which I think is a great question. So, I think policymakers very reasonably as you say, say like, oh, well it sounds great to add every kind of plus component in the world and put every kind of policy intervention on our cash transfer programs, but that's going to vastly dilute the resources we have to actually implement our cash transfer programs well. And these aren't like Christmas trees that you just hang ornaments on, right? So, that's a very reasonable consideration. And the way that we tend to recommend thinking of plus components is whether there are real synergies with kind of the core program objectives and whether actually combining it with the cash transfer provides some greater benefit than implementing them kind of as standalones. So, for example, in the Bangladesh example, the plus component was around child nutrition. And the idea there, the program itself was focused on improving food security and child nutrition. And the idea was that resources alone may not be enough for mothers to be able to improve child nutrition, but they may also need some training and knowledge on child nutrition. And so, that was the motivation that they could use the knowledge and the resources together to improve child nutrition. Now, it had all these kind of add-on benefits because of the platform of the group dynamics, the power of kind of nutrition knowledge in the community and so on, leading to all these benefits in terms of livelihoods and so on. But there the program objectives were kind of aligned with the plus component. So, a recommendation would be to kind of work through what are the core program objectives, also, what are the capacities of the program implementers kind of coming to norms. A challenge we often hear is, look, we're social protection people, we don't know how to implement a norms, intervention well. And while it is great if we can build that capacity or that capacity doesn't exist, it could actually be quite risky for norms change interventions to be put in place without the sufficient gender expertise and resources. So, taking program components that kind of align with program objectives and trying to design them to the extent possible to make them address as

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many objectives as possible. For example, here, the group dynamics bring women together as a group seemed quite powerful, inviting husbands and mothers-in-law built household acceptability of women attending, built greater acceptability of the messages. So, trying to make core program components more gender sensitive rather than necessarily trying to bring in kind of unrelated components.

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KEHINDE

AJAYI:04:00:57

On that question about the cash plus and which components. I think another critical thing to recognize is the context differs. So, one of the things we do in the adolescent girls' report is kind of characterize four patterns of adolescent girls' experiences across countries in Africa. And there are some places, all of the upper-middle countries where you see very high levels of education. So, think about South Africa, Lesotho, Eswatini, Gabon, relatively high levels of education, but very little labor force participation for adolescent girls. These are places where they're highly formalized labor markets, where it's very little economic activity besides salary jobs. And so, young people have an especially hard time entering the labor market. And so, in those kind of contexts, thinking about employment related plus and connections to those type of resources might be relevant. But then there are other places, some places we characterize as survivor countries where there's low levels of education, low levels of labor force participation, high levels of marriage, and high levels of childbearing. So, some examples of this would be Chad, Mali, for example. And so, there you could think about a broader sense of potential interventions, and then places other where you have high levels of work, but it's very low-paid work, often precarious work for adolescent girls. And so, really thinking about what is the context, what are the constraints to economic inclusion and what are ways in which social safety nets can be used as an entry point to address those constraints, I think, is another. So, there's not one unit. And beyond that, within countries, there's different experiences for adolescent girls based on location or income level or those types of things. So, I think when approaching it from the perspective of what are the key constraints facing this specific population in this context and what can be designed around that.

EESHANI

KANDPAL:04:02:56

Can I add one thought to that as well?

MARIA

CARIDAD

ARAUJO:04:02:58

Of course.

EESHANI

KANDPAL:04:02:58

So, it's a great question. As you can tell from the takeoff.

EESHANI

KANDPAL:04:03:04

One thing that I think it's important to keep in mind is that it's not always either or, right? You can use cash as a first step while you build the capacity to implement the plus, right, which generally takes more capacity. And so, in fact, in Chad, that was very much the initial idea. But with the civil conflict, the plus component never happened. And so it's even more important that the government went ahead and rolled out the cash when it did.

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TERESA

MOLINA:04:03:30

And actually, just to add to that last point, I think, so in the last paper that I was talking about, it was really helpful to just have a system in place when the COVID-19 pandemic hit. And so that sort of just emphasises, again, what Eeshani was saying. The plus is important, but I think sacrificing maybe some of the plus to, for now, implement just the cash can be also valuable. And I just want to add that I loved all of these responses 'cause the way I was trying to think of the answer was first to think, OK, what does the empirical evidence say? And as of now, there are more and more studies that actually do this comparison between a cash and a cash plus. But most of the earlier studies are just looking at a cash or just looking at a cash plus. So maybe soon we'll have more empirical evidence on that. But for now, I think thinking very specifically at the context is really the way to go.

MARIA

CARIDAD

ARAUJO:04:04:31

Thank you. So why don't we take another round of questions? And we can also give you all another round of reflections. I know there were some hands on this side. OK, there's like three people in the back. And then someone here.

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AUDIENCE PARTICIPANT QUESTION 5:04:04:52

OK. Val Okaru-Bisant, the CEO general counsel founder of Afro Cosmo Development Impact LLC, Maryland USA, also a professor. But I had just three questions. The first one has to do with your starting point for this, the objective of the initiative within that framework in terms of the demographic group, the criteria you use to select the women you worked with in Chad, given the varied socioeconomic cultural conditions. Now, within that framework, what's the duration of the second question linked to that, duration of cash transfers? I'm sort of piggybacking on another question asked earlier. Duration in terms of how long does it last versus exploring possibilities of entrepreneurial skills, which is more long lasting. It goes back to give fish versus how to fish. And then secondly, on the question of normative values, very, very, very critical. What was your starting point for this? Normative values, how did you weave that into customary laws? I'm an attorney, so when we talk about normative values in Africa, why I'm asking about that is that it's really not just at the normative level. The pluralisms in Africa, when you talk about normative, it's not just social norms alone. It's the law, statutory law, Islamic law, if you're in Chad and Mali, and customary laws. Why do I ask? It ties in with the question of, and I think you did a good job with alluding to the impact on reducing violence, the cash transfers, and the question about bargaining. But it ties in with the third question, which I have, which is, what is the impact? How are you dealing with the impact on, this is candy for you because you mentioned Chad, on adolescent boys? The impact on adolescent boys in terms of resentment and apathy. How are you weaving that in, your work, into including them? They're very, very wide disparities right now. There's a lot of focus on female. When you go to those regions, the boys are roaming around being recruited by either Boko Haram or al-Shabaab. We have to be very careful about our move. I'm a woman, too, so I'm into empowerment. So please answer those three questions. I can repeat them again, but they're all woven in. Thank you.

MARIA CARIDAD ARAUJO:04:07:41

Thank you. There were a couple more on that side. Yeah, there, Karen, and then Laura.

AUDIENCE PARTICIPANT QUESTION 6:

Thanks for a great session. There's too many questions in my head, so I'm just gonna focus on one of them, which is for the meta of you. So and it's tying back in with something that Carida said. Can you say, do you know anything about, I was struck on your list of kind of factors that you kind of put up as understanding what works better and worse. The implementation wasn't part of that, and so as we go to scale, and there must be a lot of variation in scale in the programs you have in your meta-analysis. Can I say anything you can say about what we know about implementation fidelity? And that relates, I think, to the previous discussion on, as we make these things more complex, it becomes even more difficult to have implementation fidelity.

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AUDIENCE PARTICIPANT QUESTION 7:04:08:34

This very much follows up on some of these questions, and thank you very much. I wanted to follow up a bit on, so Laura Rawlings from the World Bank. We had talked, I think, in a very important way about looking at decomposing the plus in the cash plus programs and what is being added, if you will, to the basic income support. But I wanted to shift and pick up on also the how. And Shalini, you mentioned the design elements, and it picks up on what Karen was just saying about implementation. And I'm wondering what you all can recommend in terms of what's known and where the research needs to go about some of these design elements. In other words, how do we support some of these groups that seem to be very important, for example, in the Bangladesh example? How do we support the social service workforce in a number of these countries who are often the ones that are on the front lines that can either incentivize demand for this or help with service delivery? How can we also plug some of the beneficiaries into elements such as supply chains or support that already exists? So I really wanted to ask about what you all know about that how and the implementation, which, of course, is critical to scale, critical to fidelity when we understand about certain things that work. Thank you so much.

MARIA CARIDAD ARAUJO:04:10:14

Thank you, Laura. I think there was one more question around this area. Why don't you go ahead, and then we'll give one more round to our panelists.

AUDIENCE PARTICIPANT QUESTION 8:04:10:21

Emily Bosch from the OECD's Development Cooperation Directorate. So thank you very much for great presentations. And I think we can tell that it's nice to hear that the academic research kind of reinforces policy that we've been talking about, use existing safety net programs for COVID response, the longer-term effective cash transfers, and then also looking at the kind of heterogeneity of different cash transfer programs. And I was just curious, I mean, as we see quite a few donors retreating from the Sahel region, we see different responses in terms of kind of cash transfers being delegated maybe to subregional regions, so kind of the implementation of that. And I just wonder, and where maybe giving cash is less politically viable and politically constrained environments. So I was just wondering what kind of, I appreciate you weren't able to design or put into effect a complementary to the cash transfer, but what would that have been or what now, based on what you know, could that be? And do you have, I heard a little bit about like if you can only do one, the cash are complementary. So maybe if you have any thoughts about that mix. Thank you.

MARIA CARIDAD ARAUJO:04:11:34

Thank you very much. So another good round of questions, a lot on the chat program, and many things on design complementarity scale. So I'll give you all a round of comment if you want.

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TERESA

MOLINA:04:11:49

Yeah, just very, very briefly on the design and scale. Just one point, I think there is some promise in interventions, not just in social safety nets, but if you're also thinking about just interventions you want to implement in factories, let's say, where I have some work. I think, and schools, for example, we can get a lot of benefit from training others to train. So there are some studies that sort of compare how effective certain interventions are when you have it the full package, or if you train someone to then train others. And I think, obviously, the effects are never 100% the same. But I think there is promise in this type of model. You can still get pretty large effects, even if you don't have centralized control of how these interventions get rolled out.

SHALINI

ROY:04:12:52

Thank you. I could speak a little bit to the how on the design. I think, for me, the short answer is we just don't know very conclusively yet exactly the right designs in every context. But I think what we see specifically in the Bangladesh case study is that what seems to be driving the differences in, for example, cash transfers alone in the north versus cash transfers in the south is actually a range of factors. So one is, in the north, livelihoods like livestock rearing are productive, whereas in the south, they are not because of the agroecology. And that is one of the main investments that's kind of available to poor rural women. So in the north, they invest in that, and they're able to kind of, even after the program ends, build a sustainable livelihood. In the south, they make the same kind of investment. But after the program ends, it doesn't provide a continued income stream in a way that kind of sustains their livelihoods. There is differences in climatic conditions. The south is constantly hit by cyclones, by windstorms, and other things, which kind of offer away kind of the benefits that they were receiving from the program. We see differences in crowding out. So in the north, receiving the program doesn't seem to change the kinds of benefits they get from other public programs or kind of family support, whereas in the south, being a recipient of the program seems to be somewhat offset by receiving fewer other public safety nets and also getting kind of fewer domestic remittances, which is more common in the south to begin with. There is just a range of different things that kind of shape these contextual factors, why the same intervention within the same country does so differently. A big piece seems to be, to what extent are you actually helping people support a livelihood that will continue past the end of the intervention? And in the case of the plus here, it seems like some of the psychosocial stuff and the knowledge gains might have played a pretty key role in supporting investments beyond the end of the program.

MARIA

CARIDAD

ARAUJO:04:15:17

Thank you. 30 seconds each, 'cause we're really over time.



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KEHINDE

AJAYI:04:15:20

I'll touch quickly on two points, one on engaging boys. And I would say expand that to be boys, men, parents, community leaders more broadly, and not focusing just on adolescent girls. In our categorization of 19 interventions of which cash transfers were won, we do have engaging boys and men in broader community as one category, and one that there is a lot of evidence, growing evidence, both we have some evidence already from Africa and then lots of evidence from beyond that, the positive impacts of engaging boys, both as potential partners, as peers within classrooms, and then as men and leaders in society. So it's absolutely critical to think about the objective of improving women's and girls' economic inclusion as being one that is a collective one and not just focusing on girls and women alone. And then secondly, quickly on Karen, your point about implementation, the note about ensuring punctuality, predictability, and the real value of cash, that's really getting a big part of that when you think about cash transfers. A lot of the implementation failures are people getting their money when they should be getting it, and do they know when it's supposed to be coming, and what is the actual value over time. So I think that's absolutely a critical feature that drives these differences and impacts.

MARIA

CARIDAD

ARAUJO:04:16:46

Thank you, Kahinde. Eeshani, would you like to add something?

EESHANI

KANDPAL:04:16:49

No, I think. I'm here. Customary law is important, and we have an interesting little coda in the paper. I'm happy to tell you about it one on one.

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## Keynote Address: Breaking the Mold—India's untraveled Path to Prosperity

04:56:18

INDERMIT

GILL:

Thank you all for being here. My name is Indermit Gill. I'm the chief economist of the World Bank Group. But it really doesn't matter because you're not here to talk, you're not here to listen to me. What you're here to listen to is Professor Raghuram Rajan. So, who is the Katherine Miller Distinguished Service professor at U of C's Booth school, the University of Chicago's Booth school. So, he was the 23rd governor of the Reserve Bank of India before that, and he was also the vice chairman of the board of the Bank for International Settlements. He was the chief economist and director of research at the IMF. So he's done academics, he's done government, he's done international financial institutions, and I think he's done all three of them brilliantly. I don't know how brilliantly he has written this book, though. And so we're going to actually find out, okay. So he's going to talk to us about this book, it's called Breaking the Mold India's Untraveled Path to Prosperity. Raghuram, you get to speak for about half an hour and then we get to ask you questions.

RAGHURAM

RAJAN:04:57:37

Great. Can you hear me back there?

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RAGHURAM

RAJAN:04:57:40

Thank you. Well, as Monty Python would say, Now, for something completely different from what you've been, it's actually very much in the mold of this conference. What we do in this new era, what is the path for development? So, I'm gonna plunge into this the book is written for a broader audience but the theme is a very important one. How do we grow in this world with increasing protectionism, increasing automation, where the old path is a lot more difficult, what sort of new path do we have? It's set in the context of India, but it is something which has much wider application, for example, to many of the countries in Latin America, but also to Africa. So, with that in mind, let's talk very quickly. And again, this is big picture just to put the ideas on the table, how did countries grow and the most successful means of growth in the last, you know, half a century or so is the East Asian path, which is starting with agricultural reforms, enhanced productivity in agriculture, generate surpluses and absorb surplus agricultural labor in low skilled manufacturing assembly, typically things like putting together electronic components into radios and and phones, but also textiles and so on. And you focus on exports for scale because, you know, there's so many niche products but the global market is much bigger than your domestic market, and as you, you know, obtain you learn by doing as you invest some of the profits the company makes in more capital as a country, invest some of the higher tax revenues in better infrastructure as people invest some of their salaries in better schooling for themselves and their kids, you move up the value chain. And of course, the classic example of this in recent times is China, which has moved from essentially very, very low skilled manufacturing into making EVs, which are on par with the rest of the world today, in fact, probably a world leading EVs. So, much so that countries have to put huge tariffs to keep them out. Eventually you, you know, productivity in manufacturing grows to the point you need less workers and labor moves to services and manufacturing related services. Right? So, that's the successful growth path. And in this part, China succeeded, particularly while India didn't. And so big question is, what happened? Why did India.. you know, India liberalized about ten years after China. Why did India not pick up on manufacturing? And a bunch of reasons... I'm picking a few here. I mean, of course, we're in the realm of the six blind men picking the there reason, you know, their shape of the elephant, but one point that Yasheng Huang from MIT emphasizes is China had much higher levels of education when it liberalized. Somehow communism did that for you, perhaps, that's true of Vietnam also, maybe better to read the Communist scriptures, but somehow democratic India was far behind on education relative to China. China had a much more skilled workforce. This helped both in creating the sort of human capital for even unskilled manufacturing, which actually requires some skills, but also in creating entrepreneurship. Many of the town and village enterprises were set up by workers who sort of learned enough on the job, then went out to make the bolts and nuts on their own outside the big factories. So, that was very important for China. A second important factor we rarely recognize is that China is much more decentralized than, you know, the imagery of the country. As you know, with the Communist Party at the top and governing everything at the local level. There's a lot more empowerment of local officials the city mayor, the town mayor, the village head and also incentivization that they benefit if they

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grow their local economy that used to be the case. They got promoted up the hierarchy faster. And so, what that did was my colleague Chang Tai Hsieh points out that, you know, on the doing business indicators, China doesn't look very good, not much, you know, approximately on par with India. But what he says is that the local level, the local official managed to waive whatever regulations were impeding growth for local champions and essentially created a different business environment at the local level than what was set down in the bureaucratic norms at the center. Now, why did this not turn into cloying cronyism? Because there was competition between localities. So, Shanghai, for example, promoted their General Motors joint venture, and it did that by requiring taxis in Shanghai to be, you know, from General Motors. But of course, Beijing did it with its own local, you know, champion. And so there was competition between jurisdictions. And so I call this comparative cronyism but it helped generate growth. And of course, until 2015, when, in fact, this entrepreneurship by local officials was suppressed, it exposed you to corruption allegations, etc. and that was, in my view probably part of the reason why this, this sort of died out. Also, China suppressed market forces and democratic forces try and acquire land in India. It's very, very hard because, you know, local politicians see some reason to oppose land acquisition and to act as champions of local people. That's not a bad thing, but it makes land acquisition much harder, you know, we've tried in India to build a high speed rail between Mumbai and Ahmedabad. It's ten years running and we're still not there. China built out a huge high speed rail network in about that much time but it did it because it could acquire the land. Very few people ask questions. We've all seen that one household holding out against developers in China but that's the exception that proves the rule easy to acquire land in it. But China also suppressed wage bargaining, it kept wage growth below productivity growth, and that helped companies become more profitable, it kept the cost of capital low by paying, low amounts on deposits that was set at the national level, and of course, that helped companies get cheap capital. So cheap capital, cheap labor companies became more profitable, grew fast, and that helped. It came on the backs of suppressing household consumption one of the problems China is still grappling with today, but that implied China did much better in manufacturing, grew tremendously, India did relatively better in services. If you look at Indian manufacturing employment, it's been stagnant since the 1980s, but services employment expanded until 2019. And of course, Danny Roderick has referred to this as premature deindustrialization but I think he's coming around to the view which we express in this book, that this may be a reflection of India's comparative advantage that, in fact, India may be relatively better in services, that's a good thing. But India today, it's missed the manufacturing boat, not entirely, there are some areas where India is doing very well, for example, two wheelers. India is the largest producer of two wheelers in the world, it's, you know, generic pharmaceuticals business is strong, but in general, India hasn't sort of got a strong place in manufacturing, and unemployment is very high disguised unemployment even higher. Of course, talk to Indian economists, we're constantly debating what the unemployment numbers are, we need better numbers but I think it would, none of the facts on this, on this page are beyond dispute, labor force participation. We heard talk a little bit about it earlier in this conference is low, female labor force participation alarmingly

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so, you know, the concrete evidence we have is for enormous numbers of people applying for government jobs, even low level government jobs. There were 1.2 million people applying for 6,000 jobs as a local revenue officer in in Madhya Pradesh, of those 1.2 million 100,000 were, MBAs, 80,000 were engineers, and 4,000 were PhDs. That suggests two things one, very few jobs, two perhaps the degrees we give our young people aren't particularly good which is why they have to compromise by looking for these kinds of jobs. Even while all this is happening, the capital intensity of manufacturing is increasing. If you look at labor intensive areas like textiles, like leather, those have been shrinking in India, despite the government saying it's about manufacturing. So, what's the bottom line? Bottom line here is that India is talking about going the manufacturing route, about redoing it, catching that manufacturing bus again. And the question is, you know, we desperately need jobs, so, if it catches the manufacturing bus great but we have to accept the possibility that it may not be that easy. And I'll come to that in just a second. So, we have a big question, should we turn back the clock as the government wants and jump on to the manufacturing bus and move up the level, maybe pick it up a little later in terms of moderate level skills rather than low level skills, but pick up the manufacturing bus or should we, you know, stop a second and think, in this new, changed world, what makes sense, does it make sense to go back to manufacturing or do something else? And of course, this determines how India uses its resources and it's important to think carefully. So, what's the case against, you know, a wholesale push on manufacturing, and by this I mean push. If manufacturing jobs come to India, that's wonderful but, should we put all our eggs in the manufacturing basket? And here the worry is there is a backlash against export led growth that wasn't there when China embarked on it. In fact, it is there almost precisely because China embarked on that path and decimated manufacturing industries across the world. So, we've heard Janet Yellen, actually a globalist, talking about near-shoring and onshoring. You know, will there be room in the world for another China, another 1.4 billion people? Yes. If it comes by substituting the existing China but the existing China is going nowhere. It's staying there. It already does a lot of manufacturing. So, this is manufacturing plus is there room both in terms of export absorption by the rest of the world, but also in terms of the environmental impact. And the answer almost surely is no. What about is that ladder available anymore? You've got onto the ladder because you competed with your cheap labor. You were competing with expensive US workers, with expensive European workers with cheap labor and you went up the the ladder. Today you're not competing with the US in many of those industries anymore, you're competing with Indonesia, Mexico, Vietnam, China, many of them with a lot more capital than you have. And also, when you're competing with the West, you're not competing as much with workers as with robots. I mean, this is I'm caricaturing this but what you really dealing with is much more automation, much more capital intensity in both in terms of the emerging market competitors as well as developed country competitors. So, both politically as well as economically, that manufacturing ladder is harder to climb up, also there are potentially sort of new opportunities from global supply chains. But think about what a global supply chain looks like, I'm using Richard Baldwin's example of the smile curve, think of the iPhone the early stages of the iPhone. So, what's on the X axis here? It's stages

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of production in the supply chain, and what's on the Y axis is value added. And think of the iPhone, a lot of R&D and design done early on, that's very high value added, that's where Steve Jobs sort of captures value, go further down you get to production. The last physical item Apple produced was in 2004. Since then, it's outsourced, much of it to people like Foxconn, which produces across the world, and then you go up. So, that's at the bottom of the value chain. That's because manufacturing has become really, really competitive, especially low skilled manufacturing, assembly is very, very competitive. And then you go back up the value chain. When you think about the content in the iPhone, the iTunes, the marketing, the fancy Apple stores, the financing, all that is also value added. So, at both ends of the value chain for the iPhone, it's very high value added, typically services or services embedded in manufacturing. The bottom end is manufacturing, that's very low value added. Now you will immediately respond well, it's low value added because you're looking at component assembly. Let's talk about chips, that's where there's a lot of sophisticated manufacturing, very high value added and that's absolutely true. Foxconn on a good day is worth about \$50 billion, Apple on a good day is \$3 trillion that reflects the value addition in Apple. But of course when you look at chips, TSMC is at the top of the scale as far as chips go. Makes 90% of the chips involved in AI. As I understand it, TSMC on a good day is worth about \$800 billion. Nvidia, which does the design, is worth 3 trillion, and Qualcomm you know again 500 Broadcom 500. So again even when you look at chips the big part of value added is in the intellectual property in the services not in the actual manufacturing, not to say that, that's peanuts but it's not as big. So, what I'm arguing for is we need to consider services as a potential way for the leading edge of the economy. I'm not talking for mass jobs, I'm talking about the leading edge of the economy because today we can sell services across the globe, which we weren't able to in the past. Haircut fixed in time and space. The traditional service, you can't do haircuts at a distance, you can't scale up haircuts. Barber cutting five people's hair would have somewhat indifferent results, so, that was the traditional but we moved from that. Today, for example, a big part of services is direct services, a consultant sitting in Bangalore can provide that service in Chicago in the same way as it used to be provided during the pandemic from Seattle. If we can provide services at a distance within country, we can provide it across countries. Labor arbitrage today is in services, not in manufacturing because that consultant in India cost 40,000. That consultant in the US is 200,000. OK? So, you know, of course there's different expertise and all that but that can be acquired, direct services expanding and exploding. Also, you can have services embedded in manufacturing or embedded in other services. Today, one of the fastest growing areas in India is what are called global capability centers. When I last looked at it \$120 billion in exports. What are these? This is Goldman Sachs office in Bangalore with 8,000 people, the second biggest office in Goldman Sachs outside the US. And what are these people doing? It's not just back office anymore. It's semi front office or even front office work putting together models, risk management models, trading models and sometimes doing the actual trading themselves. Right? So, services embedded in manufacturing and of course there could be services enabling manufacturing. Here are some examples I'm gonna talk about only one, just very quickly (UNKNOWN) is a sari... ..is a seller of Banaras saris.

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What is very interesting is they go to the artisan in Banaras, and they found the artisan was making the same stale designs again and again. Why? For two reasons. The artisan basically had to take the risk of making the sari, they own the sari. And of course, when you own the sari, you don't want to take risks by making new designs. So, they made the old design, but that actually hurt them because they were tired people. But more important, they were easily replicable by the fake industry. So, those designs were plentiful. And as a result, the artisan was going further and further down. What they did was took the risk of the artisan, offered to pay for the sari right off, and then brought designers with fresh designs to work with the artisan. And they have a store which sells across the world. Feel free to look it up. So, that's an example of changing the nature of manufacturing, in this case, artisan manufacturing, but with acting at the right points. Agnikul is a 3D, is a manufacturer of rockets, just sent its first rocket into space. What's different about it? Well, again, it emphasizes services. It's all about design, customized rockets for the user, 20 feet rockets. They get away from manufacturing by 3D printing everything. The biggest sort of part can't be more than 40cm. They're going to move upscale. Now, they're going to buy bigger printers, but it's 40cm because that's how much the printer can take. But what is interesting is they emphasizing design. They will customize your rocket to your needs and send up different satellites. Again, a startup in India. The third is, is what I want to emphasize that, you know, I'm going to talk a lot about if India has to go down a path, any path, it needs to improve the quality of its healthcare, education capability, building much more. And for that, you need to scale up because what is important in India's quality today, not quantity. You need to scale quality up. How do you scale quality? That is an example of how you scale quality. Orchids International basically has scripted 30,000 lesson plans in every subject. And what they've done is, you know, they tell the teacher, here's your lesson. Minute 20, you talk about democracy. Minute 25, you give them examples from these, these chapters in history exam. Minute 45, you show them this video on the French Revolution, et cetera. The whole lesson is scripted. And then you have feedback both for the student as well as for the teacher. What this does, I would hate to teach in such a school. I don't want my lessons scripted, but it does make a good teacher, a very good teacher, or an average teacher, a good teacher, because it gives them the entire gamut, right? Michael Kramer and his colleagues did some evaluations of scripted learning at a lower level and finds that actually makes a huge difference, a huge positive difference. What these guys are doing is they're making average schools into good schools. And India needs plenty of good schools. So, these people are teaching something like 70,000 students directly and offering lesson plans to 350,000 more students. That scale, you need scale for the kinds of actions that we are thinking about. So, now, the misunderstanding when I talk about services is people think I'm advocating only a service based method of growth, especially advanced services. No, no, no. I'm not saying that. What I'm saying is there are other alternatives to manufacturing led growth, starting with low skilled manufacturing. And countries today have to embrace these different growth paths, given the realities that are facing them. What does that mean? That means that you create the conditions for the country to be able to pick whatever path works better. And it may be an amalgamation of all this, do a little bit of manufacturing

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there, do a little bit of services, but know that there are other paths don't fixate on only manufacturing. That's the lesson I want to try and give our own government, which seems to keep it thinking that manufacturing, there's this kind of manufacturing fetishism across the world. Manufacturing is the holy grail, and saying, well, maybe not. So, what does this mean in practical terms? Well, it doesn't mean industrial policy, doesn't mean saying services is the new holy grail. It means let us focus on improving human capital rather than focusing only on physical capital. So, how do we do education and healthcare differently? Well, one of the interesting things is that decentralization seems to help in India. The states that have done the best on healthcare and education have decentralized more. The classic example being Delhi, which has improved the quality of its public schools hugely over the last few years, and is selling that as a way to win elections. In more centralized states, it's much harder to make a difference because the parent doesn't see what is happening, doesn't know who to complain to if the teacher doesn't show up, because there's no empowerment at the local level. So, local level empowerment could help, decentralization could help. And we need to figure out how to do more of it in a better way to get better healthcare, better education outcomes. So, that's one example. If you say, look, I don't care whether you do services or manufacturing. But in the new world, we absolutely need to build up people's capabilities, and that's what we need to do. So that, that is one example of what we would do differently if you started thinking about these other options. Second, we would try and prioritize when the whole world is investing in chip manufacturing. When the chip industry goes from famine to feast, it's a very cyclical industry. We're now you know going to experience a glut because everybody's getting into chip, chip building. When even generation chips, which are three or four generations behind the frontier, cost \$10 billion for a factory to be set up, doesn't make any sense for India to invest in chip manufacturing with huge subsidies today. Somebody wants to set up chip manufacturing in India, be our guest. But don't put \$10 billion into that. When \$10 billion could build you 20 universities of very high caliber, could build you something like 2,000 good schools of very high quality or 20,000 primary schools. I mean, think about how you use resources. And of course, what you want to do more broadly is sort of energize people. Entrepreneurship creativity, innovation is the way to go. I read this paper by Danny Roderick and a co-author, which I think makes a lot of sense that this is not, and this is the point I want to come to, will this create enough jobs? This is not just about creating jobs at the high end. It is creating jobs across the spectrum. If you want to create more manufacturing jobs, we need more skilled people. If you want to create jobs in education and in healthcare, there are ways of creating jobs with a little bit more extra skilling. So, the need of the hour is more jobs. How do we do that? We can do it in two ways, in actually three ways. Two. The first is let's try and upskill people for the jobs that are available. So, there are, you know, we have tons of engineers who graduate with a degree in computer science, but who know nothing about how to write a decent AI algorithm or machine learning. Can we train them on a little bit? We have 300,000 chip designers, many of them trained up from the basics. Can we do that last mile remedial training? So, that's one way to do it. Second, we can also create jobs for the skills people have by being a little more clever about it. So, Danny talks about, for



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example, training Ola and Uber, training up people to drive rickshaws, to drive two wheelers. There's a huge demand for transport in Indian cities. If you could train up people with just a little bit more, you could, you could get them. So, jobs for the skills people have and a little bit of extra skilling for the jobs that could become available. And then you have the longer term. We need to focus much more deeply on healthcare and education. India doesn't have one university in the top 100. But if we need to get a vibrant pharmaceutical industry, we need to spend much more time investing in those areas, investing in education, healthcare. And of course, jobs will emerge once you do the right kinds of investment. If you get a lot of skilled people working for the rest of the world, they themselves create a number of jobs directly, drivers, cooks, security guards, et cetera. They're people who are employed in cities, their kids go to better schools. The kids then become really, you know, they skip a generation in terms of capabilities. When I was at the RBI, we used to invite a class for employees. Those are at the bottom end of the workers in the RBI. Their kids had all gone to decent schools, and they were now managers in Infosys, managers of banks, et cetera. They had basically gone from lower middle class to upper middle class in one generation. And I think that's possible. So, we should see this as a program, which will generate the kinds of capabilities that we need. And of course, there are lots of other ways we can create jobs. And I think we should just be ambitious about it, it can happen. But what I am saying is there's a possibility that we could create a leading edge sector, which is not low skilled manufacturing, but could be high skilled services. And behind that, we get a lot more job creation in many other ways. And that requires some thinking, some effort. So, what I want to do is basically say there's another way. And we should recognize that other ways starts with, you know, to some extent, recognizing that the old parts have changed. There are potentially new parts, but that requires much more focus on how to embark on those new parts. And certainly, India could be an example. And if it is an example, it could be very beneficial for development in many parts of the world. Let me stop there. Thank you.  
(AUDIENCE APPLAUDS)

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INDERMIT

GILL:05:26:55

Raghuram, excellent. So, I know that people have lots of questions, but I have one observation and one, and one question. So, you know, the, so part of the criticism I heard about the book was that, that you're talking about don't focus on industry or manufacturing, focus instead on services. OK. But from my conversations with you, that's not what you intended. What you really intended was, don't think so vertically about the economy, think more horizontally, right? But the way that you presented it, I can see why people think that you're saying don't think industry, think services, 'cause I thought that maybe what you would end up doing was you would end up saying, you know, you got agriculture too, but the only bullet point you had on agriculture was one that was incomplete there, right? So, I think in some sense, part of the thing has to be that when you actually talk about this, you either talk about, either you go horizontally immediately and say, look, it's education, it is competition, it is trade, things like that. Those are the things that you need to do, or you do, or you complete the third vertical, which is the agro based industry and so on, because there's obviously a huge potential there too, right? So, that was my observation, and you can react to it in a bit. But in terms of my question to you, cause you're from the south and I'm from the north, and I wanted to ask you, if you had not written one book, but written two, how would they have ended differently? I guess this is the question that you also got from Siddharth when we were talking outside. How would these two books be different?

RAGHURAM

RAJAN:05:28:52

You mean for the south and the north?

INDERMIT

GILL:05:28:54

Yes.

RAGHURAM

RAJAN:05:28:54

OK. Let me start with the first. It was Daniel Burnham, a famous Chicago architect, who said don't think--I mean, I'm paraphrasing--don't think small thoughts, they don't have the power to energize people. What we're trying to do initially is offer an alternative path, which is actually pretty big in its scope, which has the potential of getting to development in a generation if done well, and you know, typically, it'll take more, but still offers that possibility of escape. And new technologies have permitted that path. So, what we want to say is there is an alternative. And to emphasize that we start the book by talking about that alternative, right? That is not to say, shut down your manufacturing, you know, don't do this, don't do that. I mean, we could write that, you know, assimilate, put together the hundreds of thousands of reports on what India should do, and write that down. That would put the reader to sleep.

INDERMIT

GILL:05:30:13

Not if you wrote the book.

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RAGHURAM

RAJAN:05:30:15

No, it would, especially if I wrote the book. But, so this was an attempt to get at the broader reader and say, look, there is hope, there is an imagery of a successful India. One of the points I skipped over in this talk was one of the motivations for writing this was this also required a Democratic India. And I thought the two went together, a hopeful India and a democratic India, because we wrote this in December in the lead up to the election saying democracy is really important, don't lose it. And it's important you work on that. So, that was why we emphasize services. But then we back off even in the introduction and say, it might sound like industrial policy, let's pick services. No, no, no. What we're saying is there's an option. You don't have to put all your eggs in the manufacturing basket. The fact that we missed the manufacturing bus doesn't necessarily matter at this point, bygones be bygones. Let's think of what we can do next. And that could mean higher skilled manufacturing. That could mean higher skilled services. It also could mean lower skilled services, which is where we've been generating all our jobs in the past. What is true is this government's jobs program is not working. When it says manufacturing, you look at the labor intensive parts of manufacturing, we've been shrinking there. Look at textiles, look at leather. So, to say that we're about manufacturing because it's about jobs is actually not consistent with the data. And so, what we're saying is there are alternatives. And for God's sake, don't put 10 billion into chips when you don't have enough funding for your universities. I mean, what are you thinking of? This goes back to the old "shiny white elephant" projects. You have no capabilities in chips, but you want a chip industry because you say it's good for security. In sort of classic Hindi phrase, I'm saying it's going to be good for security.

INDERMIT

GILL:05:32:24

Yeah.

RAGHURAM

RAJAN:05:32:25

Right. I mean, you're going to be dependent on ASML for machines. You're going to be dependent on for chemicals from across the world. You're going to be dependent on waivers elsewhere. You're going to be dependent on technology from elsewhere. How on earth are you claiming you will get independence in chips? Not in the next 10 to 15 years, which is the really most important part of Indian development, because this is the time we still have our population dividend. It's going away. India doesn't have much immigration. India will get old. That's almost assured with a little bit of development. So, we need desperately to get those kids educated, those kids, you know, 35% malnutrition. What are you talking about becoming a developed country, if you have 35% malnutrition? Again, we'll have a lot of debate about what the precise numbers are. Oh, Indians are smaller, therefore malnutrition is...

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INDERMIT

GILL:05:33:20

I see, I see that, you know, but the thing is, again, to go back to the critique, right? Which is again, you, but you're still talking in vertical terms, right? Because you could have instead said that, look, actually, there's no evidence that, that we have done that, that, you know, India has done vertical policies well, but there is evidence that we've done horizontal policies well, infrastructure, digitalization, whatever. Why don't you do another horizontal one, which will actually give you this, build it up like this instead of like this, right? The next one you build up is education.

RAGHURAM

RAJAN:05:33:56

Right. So, that's the second half of the book, right, which is about education, about healthcare. Again, we are not prescribing because we don't know. And so, we offer a bunch of examples of things that have worked on education, things that have worked on healthcare. The overriding prescription, if there's a new one, is let's decentralize more. The state of Uttar Pradesh, 240 million people governed from Lucknow. It's too centralized. We need to decentralize more so that there's more local empowerment. Local empowerment will mean better public services at the local level. And that can only be a good thing. And that's where, again, democracy helps. Having local strong democracy helps local empowerment. So, the bottom line is, I have no objection to your framing the issue. All I'm saying is the first part was about hope, the second part is about practicality, but we're trying to offer that practicality without going to the, you know, as I said, many, many reports on what India should do. Where it makes sense, I'm happy with all those reports, but I don't want to replay them. I think what is really... If you take three things, we're saying there are alternative parts, we need to build human capital, that's India's prime sort of need of the hour, and it cannot be government driven. You need to expand the scope for innovation at the local level, at the village level, at the national level. Innovation and creativity will be how we grow much faster over the limited time we have before we grow old. So, if India is going to grow rich before it grows old, it needs to up the pace of growth tremendously. And let's not keep patting ourselves on the back for being the fastest growing economy in the G20. We're also the poorest economy in the G20. And let's remember that. And that therefore we have a long way to go.

INDERMIT

GILL:05:35:54

And the other thing that I know that in a previous conversation you also said was that while there is the excuse that Indians make, that we can't grow at the same pace that China did back in the 2000s because the world was different then, the global economy was much more benign and so on. It's not. But what you also, I think what you pointed out that at least internally India is at its peak potential right now in terms of the age structure of the labor force and so on.

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RAGHURAM

RAJAN:05:36:23

Right. Absolutely. And so, some of those numbers, Santosh Mehrotra, who works on labor in India, just put out an alarming number. 100 million people in India have become discouraged from working. I mean, think about that. 100 million people are not contributing to growth, right? And this is when... As I said, we have a limited window for the population dividend. So, we really have to think on how we employ people. And that means skilling. That means, I mean, so many other things we need to do. But I mean, what I'm encouraged by is the fact that the government is starting to start, think about how it does better on skilling. I'm told that the next budget, given what happened in the elections, may contain a lot more on that. But let's see.

INDERMIT

GILL:05:37:16

So, hold the question about the south and the north part first. Why don't we get some questions for Danny and then you, and then Nancy, of course, she owns this place, so she gets a round. (AUDIENCE LAUGHS)

AUDIENCE

PARTICIPANT

QUESTION

1:05:37:29

Hi, Raghu. Thank you for the presentation. Fascinating. You've told us about how the original problem you began with was to think about growth in a world with where windows are closing, there's increasing protectionism, increasing automation. And you have compelling on how India and other countries should not think about the choice being either manufacturing or services. We should be open to things. What is your narrative on how we should think about the choice on exports when 1.5 billion economy exports, whatever it exports is going to shift relative prices, the real prices shift, someone somewhere is going to feel disturbed? What is your story on India and exports? Thank you very much.

INDERMIT

GILL:05:38:20

You want to take a two, three?

RAGHURAM

RAJAN:05:38:22

Yes.

INDERMIT

GILL:05:38:23

Number two and then Nancy? Yes, ma'am, please.

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AUDIENCE PARTICIPANT QUESTION 2:05:38:26

Yes. My name is Juliet Adams. And I'm an also an educator. So, I fully embraced what you said. You spoke very eloquently, but there was a word that is threaded through your remarks, through your presentation that you didn't mention. And that word is leadership, the need for leadership. How can we get leadership to embrace that innovation and creativity? Because as you know, Martin Luther King it's the experience in India that made that rippling change in the US. We have Katherine Johnson, who was responsible for getting the first astronaut into space. She created what didn't exist in math. So, how can we create that environment if India has to be the leader? Well, so be it. But we need that type of environment, especially when you spoke about innovation and creativity at the local level. There must be that environment. You have to get thinkers and leaders. Please share.

INDERMIT GILL:05:39:40  
I think you got the question.

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NANCY

BIRDSALL

QUESTION

3:05:39:46

I couldn't help thinking in what you're saying on the great incoherence. I mean, it's true across the developing world, from Indonesia to Nigeria to Ethiopia, where in the case of Africa, I think the human capital issues are even greater, although my colleague Barbara Bruns would know more about that. Right. Is that your next book, maybe? Or do you have any? I mean, this goes back to the point that Danny Roderick was making for most of the developing world, what to do. And it's very nice. It's very encouraging to hear your emphasis on human capital, on education and health, and I think India's in a much better position to go that direction than too many of the other developing countries. So, any thoughts?

RAGHURAM

RAJAN:

OK, so let me start with Danny. Great question. Look, there's a lot of potential. I mean, 1.4 billion people means many things that require scale. You provide some of that. Not entirely. I mean, we have nearly 4 million cars. That's not big enough relative to, but especially on services. I mean, think about the healthcare needs. That's a huge market in India itself. Think of education needs, huge market. So, focusing on the domestic market offers you a lot of possibilities today, which weren't there when India was much poorer. So, in the span of three or four years, at India's pace of growth, we'll be the third-largest economy in the world. That's just numbers. That's a reasonably big market. Where I think you do exports, where it's going to be potentially easier, is on the leading edge. Where, in fact, the problem to some extent is that's where, in the West, you both have the greatest inequality. That also means they're the most powerful entities in terms of pushing back. But it's also where the West exports the most. I mean, the biggest service exporter to the world is the US. And it's services like legal, financial, et cetera, et cetera. And so, to my mind, if there is an area which is relatively more protected from protectionism because it's a mutual assured destruction situation, it's going to be high-skilled services. But that's also where some of the... I mean, look, I can't get an appointment to see a doctor in Chicago for three months. Maybe telemedicine with the appropriate structures, Cleveland Clinic providing the front end, Indian doctors providing the back end. Could that be a structure which alleviates some of the sort of pressures on medicine in this country? Now, you have to combat vested interests who will say this is competition, etc. But on the other hand, there's a really felt need for some of this stuff. So we need to think more carefully. But I'm hopeful that at least for a while services will be less subject because it's the upper end, it's the elite. And, of course, I'm not talking about mass services. But I think the domestic economy can provide more of a market for mass services. And, of course, there might still be a market for manufacturing. On leadership, I mean, look, one of the reasons I think decentralization would be a good thing is to learn from each other. You know, allowing in mass terms a thousand flowers to bloom, but learning from each other what works, what doesn't work. Having a thousand experiments in the 600 plus districts that India has rather than confining the experiments to the state level. So my sense is, you know, we will get a whole bunch of different leaders if the local authority is empowered, but we'll get a lot more experiments which we can learn from on what works and what doesn't. And I think that's critical.

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So not just the change in incentives that I talked about, but also change in sort of experiments which then allows for us to learn from each other. So I think that would be useful. And what India learns can be transferred. So, I mean, I think there's lots of experiments going on in the rest of the world which can be transferred to India. We have to learn, for example, about some of the entrepreneurship experiments that are being run in Africa and see what we can take in to encourage mass entrepreneurship. But I think there's the ability to pick up from each other. Nancy, I mean, I think that's, you know, to some extent, I think we all need Africa to succeed. And to some extent, I think, you know, there is hope. I think you're right that the same problems that India faces translates, but sometimes with a difference in resources and capabilities. But we were talking just before this program about how India's digital infrastructure could be transferred. You know, the kind of model that Nandan has built. You know, could you transfer that kind of platform elsewhere? There's an organization meant to do that, MOSIP. But could we do that? But also encourage, you know, people to get skill. For example, an education intervention which works in India by combining technology with people, with teachers in the right way, and which can deliver learning to remote areas. Once we work that out, can we transfer it through the same sort of method, but also simply learn from such experiments elsewhere? I think it's easy to become dejected about the pace of progress and development and all the challenges that are coming with climate and so on. But I think it's also easy to be hopeful that in this new technology... in this era of new technology with the integration that's happening, maybe we learn from the many, many experiments that are going on across the world and we absorb them. We just have to make it possible to do that kind of cross-border fertilization, which a conference like this does.

INDERMIT

GILL:

OK, Professor Rajan has only 10 more minutes. And so if you are going to ask a long question, I'm gonna cut you off. So you should make sure that your question is no longer than three short sentences. OK. First, Mayra, and then Siddharth, and then you. Thank you for a wonderful presentation. We take both.

MAYRA

BUVINIC

QUESTION

4:05:47:00

What to do about jobs for women? I mean, for your vision to succeed, women will have to go into the labor market.

INDERMIT

GILL:05:47:09

Good question. Siddharth.



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AUDIENCE	PARTICIPANT	QUESTION	5:05:47:10
		Hi. I have a question on decentralization coming from UP. So you say decentralize, the issue of governance in UP. So what do you mean? At what level? Should it be to district level or should we copy the European of, like, city level or go to the village, the panchayat level? And having seen the mess at the panchayat level in Grand Pradhan's, I'm pretty skeptical of going that below. So what is your level? Or should UP be split again? Yeah. Yes, you. Go ahead. Introduce yourself.	

AUDIENCE	PARTICIPANT	QUESTION	6:05:47:43
		Hi. My name is Samira, and I actually worked with Professor Roderick on the paper that you just mentioned. And the examples that he had mentioned in the paper, the old example, the European example, these are all innovative grassroots-level examples which have not succeeded at scale. So how do you transfer these grassroots-level services to expand to a level? Because maybe, like, Nandini Lakhani's technology is transferable, but how do you reconcile that?	

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INDERMIT

GILL:05:48:15

Do we take one more question? Can you remember the four?

RAGHURAM

RAJAN:

The constraint is my remembering which ones. OK. A staff job for women, and then decentralization. So I mean, there are people who are far more expert on women's employment here and what the constraints are than I am. So I'm not going to second guess the expertise other than saying it's extremely important. I do think that there are cultural aspects, there are security aspects, both in the workplace and getting to the workplace. And I mean, there's also good news in the sense that women are, as elsewhere, in the forefront of getting educational capabilities. What is sad is that you see an inversion of the participation with education, at least according to some of the data that I have seen. It has to be a priority. We can't have half the workforce essentially not participating to full measure. And of course, it should be their choice, but... If I had to paraphrase Ashwini, what she basically said, you create enough jobs, and you'll create jobs for women, we're just not creating enough jobs. That may well be part of it. I'm not going to, let me leave it at that. I think certainly we need many more jobs. OK, now I'm already forgetting the second question. Second question was decentralization. You know, this has always been the complaint about decentralization. So I'm going to be a little skeptical about it. It's always been... in the US it is, if you decentralize, they'll teach creationism, right? So let's not decentralize education down to the local level. Yes, mistakes will be made. Yes, today you have goons occupying those places. But you're sort of assuming that the change in empowerment will not commensurately result in a change in the people applying for those positions, right? If those positions are powerless, then the goons go in. I mean, do you know the name of anybody in the Mumbai Municipal Committee? And you know, people constantly talk about whatever little powers they have are misused. But of course, if you empower them more, if the city mayor was a politician of the sort that the New York City mayor is, or the Chicago City mayor is, maybe there'll be more competition and more talent will come out. So I recognize what you're saying is a problem, but I don't want to say it's going to be permanent. I also don't want to say that new methods of control, better information at the local level, but also light monitoring above in terms of flow of funds, where it's going, what is being spent on, and transparency about that to the local level. That combination cannot solve a problem which, since time immemorial, I mean, you could also have said the local elites will capture the local government. That's another issue. Absolutely. And this is one reason Ambedkar was opposed to local government, right? What is the village but a den of inequity? Yes, but the world changes. And again, I'm not saying, let's experiment more. Casual empiricism suggests the southern states, which have more decentralization, are the ones that are doing better on social provision of public goods. So maybe, but I would say we can experiment. Give a few municipalities in Uttar Pradesh power, give a few Panchayas power over the local teachers, see what happens. Let's not do it at the mass scale, let's experiment. Scaling up. I mean, how do you take these stories that Samira said? Maybe there is no scaling up. Maybe experiments apply to a particular area. We learn from them

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and say, OK, let me apply it in my area, but I'll do it a little differently. So in other words, maybe there's not one experiment. So the OlaCabs, by the way, sorry for not mentioning your name on the paper, but the OlaCabs example where they train up drivers, now that to my mind could be scaled up across. It doesn't have to be only Haryana. It can be across the country. But there are other examples, entrepreneurship. That's why I'm saying let people experiment and they'll pick up, OK, that seemed to work there, maybe it'll work here, but I don't think that other feature will work here. That's why local empowerment makes a lot of sense because the local government can then bring in pieces that they think work elsewhere but apply to the local. And that's really the beauty about local empowerment, that you can sort of make it contingent on local sort of strengths and weaknesses. I think we can take one more round if you do it quickly. Those three there. You're you, sir, first, you next, and you're next.

AUDIENCE PARTICIPANT QUESTION 7:05:53:40

Hi, sorry. My name is Vijayendra Rao. I'm with the World Bank Research Department. Question on basis on his anecdote in a UP village that decentralization doesn't work should be based on data. We've just done a review called 250,000 democracies. I would suggest you read that. It's based on an extensive review of the actual evidence and then make your conclusions clear. Thank you.

SPEAKER: 05:54:01

I would like to see that paper. I'll send it to you. It's a good paper. Yeah. Viju will send it to you.

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AUDIENCE PARTICIPANT QUESTION 8:05:54:09  
Hi, I'm Manas Singh. I understand that you have not completely discarded manufacturing. So given that India is now focused on make in India for a while and the global competencies in low-skilled manufacturing, which sectors do you think should India focus on?

INDERMIT GILL:05:54:23  
One more question and then...

AUDIENCE PARTICIPANT QUESTION 9:  
A few years ago, Indian farmers protested. They didn't want to be up-skilled. The government initially resisted but then capitulated. What do you do with up-skilling if you have so many people who simply refuse to be up-skilled?

INDERMIT GILL:  
There were actually only two questions because Viju didn't ask you a question. We can take one question from this side. Yes, sir. Yes, please. Just one question.

AUDIENCE PARTICIPANT QUESTION 10:  
So I completely agree with education, focus on education. But do you think, and I'm not sure I've not read your book yet, but do you think the nature of education and the nature of jobs are going to transform significantly due to automation in AI? And have you touched on those? It's not typical education that needs to be scaled. It's a new form of education that has to come up.

RAGHURAM RAJAN:  
So let me start backwards. You're basically saying, what does AI do to all this? And the answer is nobody knows. Could AI kill manufacturing? It could. A better robot could kill a lot of the routine sort of low-skilled stuff, right? But it could also kill low-skilled services. Almost surely, and I know Daron doesn't agree with this, but almost surely there will be room for creativity. Because AI is based on past data, yeah, we've seen some of those things put together. But I think there will still, if there's a last bastion for human capability, it would be the most creative parts. And that's why I think building up human capability is almost surely the only thing we can do in the face of AI which is transforming. And I think it will take a lot more time for AI to transform than reflected in the valuations of these companies. It's going to take time. It's not going to happen instantaneously. We'll all have jobs next year and for a few years more. Which sectors. I think this means the quality of education has to improve. And it has focused much more on innovation and creativity. Of course, we can say that. What does that mean? Well, it means certainly improving the basics right from primary to upper education. But we have a national education policy which should be implemented, which talks about improving the quality of our colleges, et cetera. We need to do that. Second question was on the farmers. That's a complicated thing. I know that some of my friends who are experts on agriculture basically say that what they were

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protesting against was one size fits all. And that if you actually talk to the farmers in Punjab, they desperately want to get away from rice cultivation, which they know is a dead end, which is going to be environmentally very bad, and it's going to be subject to climate volatility. They want to get away, but the way the government did it didn't take into account their concerns, their interests. Maybe they were worried about minimum support prices or whatever, but maybe a dialogue would have helped. And I think that is what we need going forward, a dialogue, but which is also decentralized across states, because different states have different requirements on agriculture. And so you need to respect the differences. I think that is, but I'm not an agriculture expert, so I won't say I have the full answer to your question. The third question... Which services sectors or which sectors? Manufacturers. Sectors and manufacturing. You know, I would say let's, if we are, let's at least make sure that our labor-intensive manufacturing has access to, you know, productivity-improving technologies, to consulting, and potentially to credit. But also remove any impediments in their way. I mean, what I find tragic about India is having so many people, the labor-intensive parts of manufacturing are shrinking. So at the very least, let's remove the impediments. I'm not, again, saying industrial policy, let's subsidize, maybe that, you know, we don't have a comparative advantage there. But let's help Tirupur get back in its exports and figure out what's missing. What do those guys say? And there are some places where we've shot ourselves in the foot in trying to help some big industries, we've killed the small guys. We talk about one such example in the book, you know, tariffs on PPA, for example, which is very important input for the kinds of cloth that some of these small guys work on. But they've been priced out of the market. So I would say we need to talk to them. But I would say less of an emphasis on shiny manufacturing. The private sector may want to do it. And certainly, we have defense manufacturing needs. But let's focus on the labor-intensive parts also and remove impediments. Again, let's encourage more entrepreneurship there, more high value-added, you know, cloth and textiles and so on, if we can.

INDERMIT

GILL:

So you're already running a little late, like about four minutes late, so you're almost done. Wait a second. Wait a second. So I wanted to ask you a question. Are you an optimist about India or a pessimist? Are you more of an optimist today than three months ago or less of an optimist?

RAGHURAM

RAJAN:

I'm a huge optimist. I'm also much more, I wouldn't say much more, I would say I thought India would react the way it did. I had said that in some public forum. But I'm happy that the system allowed it to react. And I think democracy is very good for India. I think if we want to be a creative economy, if we want public services for the broader public, we need to focus on that. And I think what happened in the elections enables that. India needs a strong opposition. Whatever its color, whatever its character, it needs a strong opposition. I think we have that now. And hopefully going forward, we will have much more of a debate about where India needs to go. And I think

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that's critical for India. It cannot go in a one-man-knows-everything way. It has to encourage debate.

INDERMIT

GILL:

Raghu, thank you very much on behalf of both CGD and the World Bank. Thank you very, very much.

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06:11:42

## Session 2: Norms and Other Constraints to Women's Economic Inclusion

SOMIK

LALL:

Alright. Good afternoon, everyone. Welcome back to the sessions. My name is Somik Lall. I work for the World Bank, and I'm very happy to welcome all of you to our session today on norms and other constraints to women's economic inclusion. We'll have four really amazing presentations over the next one hour where our speakers will tell us about the role of norms, the role of networks, and the role of neighborhoods in limiting access to opportunity for women. I will introduce each of the four speakers, and then they will speak for about 15 minutes each as they desire. And then we'll turn to all of you for questions and answers. So our speaker, who is going to speak first is Pamela Jakiela, who is a professor of economics at Williams College and a nonresident fellow at the CGD. After her will be Anukriti, who's a senior economist at the World Bank's research group. And before joining the bank, she was an assistant professor at Boston College. After Anu's presentation, we will have Nishith Prakash give his talk. Nishith is a professor of economics and public policy at Northeastern University, and he has been a visiting fellow at Yale, Columbia and MIT. Following Nishith, we will have Rachel Heath, who will give her talk. Rachel is an associate professor in the economics department at the University of Washington. And she did, I did not know you did a postdoc at the World Bank's research department. So let's start with Pamela. But before I start handing over the mic to you, I've been asked that for all our online viewers, you are fully able to participate in the questions and answers during the panel. Send your questions through YouTube, through the LinkedIn live stream or email events at [cgdev.org](http://cgdev.org). And for folks in the room, please keep your cell phones and other devices on silent. Pamela, over to you.

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PAMELA

JAKIELA:06:14:11

OK. Hi. Thank you very much for joining us today. It's a real pleasure to be back here at CGD. So what I'm going to do in this talk is I'm not going to present one specific paper. I'm going to talk about some work I've done, most of it joint with Dave Evans at the IDB reviewing the literature on early childhood interventions in low and middle-income countries. And so what I'd like to do today is to talk about the intersection between early childhood and the constraints on women and gender norms, and sort of present some regularities of that body of literature and talk about how they relate to norms within the household, and how thinking about them in terms of norms within the household can change the way that we view the results in this space. And so I want to start just to motivate a little bit. There are a few things that we know as points of departure. So the first is that there is tremendous gender inequality both in high-income countries and in low-income countries, in the workplace and in the home. So in both rich and poor countries, women are less likely to be in the labor force than men in almost every country around the world. And for women who do work, they often receive lower pay for comparable work. And this is true, you know, this varies across the income distribution, but this is broadly true around the world. And we know that a big piece of this gender gap, and this builds on some of the research that we saw this morning, a big piece of this gender gap is about women's unequal care work burden in the home. So women do most of the child care around the world, and obviously all of the pregnancy and childbirth. And this places constraints on the types of jobs that they can take. This places constraints on how focused on work they are and on their profitability. And again, this is true in low-income settings and also in high-income settings. Now, at the same time, as development economists, we know that early childhood, which includes in most countries, a period where children are not yet in school, is a really critically important time for making investments in human capital that contribute to your ability to learn, meet your developmental potential, and be productive in the workforce throughout your life course. And so we are very interested in a broad class of interventions that will increase the amount of investment in particularly poor and vulnerable children's human capital early in life. And we know that the failure to do this can create poverty traps, both for households and for countries as a whole. So this creates this tension where women bear a disproportionate burden of care work responsibilities in the home. And yet we as development economists actually want households to do more with their young children. And that can make it that can create problems where we risk exacerbating these types of gender inequalities in the name of relaxing this poverty trap. And so what I want to do today is talk a bit about what we've learned from the literature on ECD interventions, and in particular, what we have learned about women and about households from that body of work. So this is a figure from a paper that I wrote with Dave Evans and Heather Knauer, and it's just showing you the sort of explosion of literature evaluating ECD interventions in low and middle-income countries. This is growing over time. And what's in blue here is that until quite recently, almost all of these evaluations focused exclusively on children. So even though when we think about what's going on in early childhood, it is often the households and particularly the mothers who mediate these interventions and make them effective by changing their behavior and investing



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more in their kids. We have, until very recently, basically ignored the impacts of these interventions on women and also on men in the household and other people in the household. This is changing over time, though, and we increasingly now have enough of a body of work that we can start to draw some broad lessons from it. So I want to talk about three regularities and a little bit about how we can see them in the context of norms within the household. So the first regularity, the first result that's coming out of this literature is about the impacts of center-based childcare. So when I talk about center-based childcare, I mean both daycare for children kind of ages zero to two and preschool, whether it's academic, preschool, pre-primary education and through the government or informal or private pre-primary. So there are a couple of regularities from this literature that we can now be pretty confident about, that we would not have known in advance would be true. And so the first is that even though there are ongoing concerns about the quality of daycare and pre-primary in low and middle-income countries in general, these types of programs center-based care is good for child development. It varies depending on the counterfactual, but in broad terms, these policies are either weakly good or significantly, substantially good for kids. And they also tend to in many contexts, increase women's labor supply. So this suggests that these types of center-based policies, and this came up in the earlier discussion this morning that these types of center-based daycare and preschool interventions may be win-win policies. But a regularity that's coming out as we build the evidence base on these interventions is that the impacts on women are not necessarily as large and as consistent as we might expect. And one thing that we do seem to see in a lot of contexts, a growing number of contexts, when we actually look at it, is that giving households access to childcare is also increasing men's labor force participation and men's income. Now, this is interesting because it isn't the case that what is happening is men are doing less childcare work when the kids go into childcare. And the reason we know that's true is that in most of these settings, men aren't doing any child care to begin with, OK? And so what's happening here is that we can think about this in terms of some sort of re-optimization within the household. But when a household gets access to child care, they often take advantage of it. And this changes how all the members of the household allocate their time. And this could be good. This could be a great economic theory, could predict that this is a re-optimization that is good for everyone. But it also raises concerns about whether what is really happening is that when women get time freed up from child care, they're just forced to spend it on other domestic tasks that the husbands don't do. And so this raises an issue that we only now are able to even think about speaking to, which is do these interventions actually make women better off, and how do they change the allocation of tasks and allocation of domestic work within the household? And the problem in answering this question, in theory, as we see more and more expansions of child care, we could answer this, but most of the time we don't ever look. So a vanishingly small number of evaluations of these types of interventions actually measure outcomes for men. So basically we just don't know what they're doing. We don't know what's going on.

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06:21:38

OK, so that's regularity and puzzle number one. So this leads to this question of do these types of interventions which we hope would be win-win, actually make women better off? Or are they just being stuck doing other types of domestic work once their children are in childcare? OK, the second point I want to make is about another class of early childhood interventions. It's actually two types of interventions, group-based parenting classes for women and also home visits from child development professionals. This is a type of intervention that for a long time, has been recognized as something that can be very valuable to children to increase the stimulation that they get, translating into benefits in terms of their human capital and their income. What's interesting, when you look at the whole literature, all of these evaluations, is that there's actually really robust evidence that these types of interventions in a wide variety of country contexts improve women's mental health and their subjective well-being. So this is something that, you know, we've seen it. We've seen it in South Asia. We've seen this in Latin America. We've seen this in Africa. For both home visit interventions and group-based parenting classes. The question that I ask about this literature, why I think this is really interesting, is the question of why this is the case. So one simple story is that parenting education improves women's self-efficacy in terms of how good of a mother they are. And that's really great. And that could be part of the story or the whole story. But what we know is that women, young mothers in many low and middle-income countries have very weak social networks. This is particularly true in regions with patrilocal norms and restrictions on women's mobility. And if we look, I've had conversations with a number of you when we look at the data, the rates of depression among young women and mothers in low and middle-income countries are often staggeringly, scarily high. And so what I think could explain this is that these types of interventions that were designed to be about improving mothering and parenting and be childhood interventions are equally valuable as interventions that facilitate the creation and the strengthening of women's social networks. And I think that's, again, something that we don't yet really have the data that would allow us to look at, because it isn't something we've been looking at as an outcome from these types of interventions, but it's something, a way in which these interventions may be equally effective at outcomes we didn't pay attention to at all that they weren't designed to target.

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06:24:16

My last regularity is about fathers. So fathers, they're there. You know, they're instrumental in the creation of children. And yet when it comes to what they do, it's often staggeringly little. So there's an interesting and you know, I say this with all due respect to the fathers in the room, including the one who's the father of my children. There are many fathers who do lots of things. But there's a rich literature in demography and anthropology and economics that shows that what's interesting in low and middle-income country contexts is when fathers are absent, there is often surprisingly little impact on child survival and child outcomes. And the data we have on what fathers do in terms of early childhood stimulation, the best data we have comes from UNICEF's mixed surveys. It shows that fathers do very, very little engaging with young children. They do less than mothers in almost every country in the world. They also do less than other adults who happen to be around. They do very little of this kind of active parenting. And so recently there have been a number of interventions that have tried to change this, that have tried to get fathers involved. And so this is, I mean, this is an area where until ten years ago, there was, I think, one published evaluation of an intervention about parenting that targeted fathers in low and middle-income countries. The literature has expanded rapidly so that now there are 15 perhaps. It's still a very small literature, but it's growing very rapidly. And we're starting to, again, see a couple of regularities about it. And so the first is that it is very difficult to get fathers to even show up for these interventions. So for every study that successfully engages fathers and changes their parenting knowledge, there are two studies that got bogged down in the field and never got to the result stage because you simply couldn't get dads to come. And then the second regularity is that a well-designed intervention in the right context often can change fathers' knowledge. But that this almost never translates into changes in behavior. And so it is very, very difficult, very, very costly to get fathers engaged. And when we do get fathers engaged, what's interesting is we see that when we get fathers, when we change fathers' knowledge, it spills over a little bit onto mothers. And that can change mothers' behavior in some contexts. But fathers' behavior is very difficult to move. And when we focus on fathers, we risk in fact, missing an opportunity to engage women in what has traditionally been a female-dominated space parenting. And so as this literature grows, of course, hopefully, we will continue to explore new types of interventions. But for me, this raises the question of whether we should even be trying to work in this literature. Whether we should be trying as hard as we are to get fathers more engaged, and whether if we do so, that's actually constructive, or whether we risk bringing fathers and their opinions and their unequal gender norms into the space of parenting, which has traditionally been the domain of women. So for me, these are three different puzzles about regularities we see in the literature that... are somewhat surprising, but we can see them in the context of unequal norms within the household. These are questions that we have the potential to answer. So there's a huge set of evaluations. And to some extent, some of these questions are things that one could go back and answer if you looked at the data in the right way, if you looked for the right types of heterogeneity, but we haven't answered yet. And hopefully moving forward as we continue to focus on early childhood as a really important domain for development,

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interventions will be better able to try to go into it with this model in mind of unequal norms in the household. And women's, the barriers they face in building their social networks and exerting autonomy. And think about how that would translate into the set of outcomes that we measure and how that changes the way we think these interventions are likely working. OK, I will stop there. Thank you very much.

SPEAKER:

Thank you. Anu, over to you.

06:28:41

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Anukriti:06:29:02

Thanks, Pam, for that segue. And now, we're going to move to a slightly different aspect of gender equality, which is women's access to social networks. So, you know, we all know that social networks are significantly important for various, you know, dimensions of well-being. So it's you know, we all know that we get a lot of information about jobs, about business opportunities from our networks. You know, they help a smooth consumption, they insure us. And these are especially important in countries and contexts which have, you know, missing markets or missing institutions. So today, I'm going to focus on a low and middle income country, which is India, where I have some research on women's social networks. And what the literature has shown us is that women typically have fewer social connections than men, and especially when you look at their social connections outside the household. So. And if you look at interactions that women have with other peoples on more private and typically stigmatized topics such as family planning and reproductive health, these interactions become even smaller. And this combined with the fact that there's a significant homophily by gender, by which I mean that women tend to have connections with other women and men tend to have connections with other men, then puts women at sort of a double disadvantage in terms of access to networks, access to information, and so on. So what we do in, you know. So let me, before I go to the two papers that I'm going to talk about, give you a little bit of context since I'm going to talk about women in India. So this is probably not a surprise to this audience that women in India are significantly constrained as far as mobility is concerned. So if you look at data from the demographic health surveys, a very high percentage of women report, especially married women, that they are not allowed to visit places outside the home alone. So they always have to have somebody accompany them. And, you know, there's some numbers here. So 60%, for instance, are not allowed to go alone to the market or health facility or places outside the village or community. And this is correlated with the fact that a lot of them practice, you know, covering their head and faces through purdah and ghunghat. And they are not engaged with the labor market. So there's significantly, you know, large gender gaps in labor force participation. And then that basically means that women are less likely to go outside of the home to even work. You might say that, oh, we have access to digital technology, so maybe women can engage with other people through phones. But if you look at the mobile gender gap in India, it's also quite high. So in urban areas, women are more likely to obviously have phones. But overall, you know, only 33% of Indian women have access to a phone. So this makes for a very socially isolated existence. And, you know, can obviously have negative consequences, which I'm going to talk about. One thing that I hear a lot about women's social networks is access to self-help groups or other sort of collectives. While that's a very important way in which women can engage with other people, especially other women, if you look at the data, only 20% of women say that they are a part of a group or a collective. So while that's a promising avenue, that really does not serve all women. And lastly, the interactions that women do have with other people are heavily regulated. So especially, family members like their husbands or mothers-in-law, that I'm going to talk about a lot more in detail, are regulating who women talk to and whether they even have

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access to places outside the home. So, for instance, 22% of women in the Demographic Health Survey of India reported that they are not permitted to even meet their female friends. So this is a context and this is more so in rural India, maybe in certain parts of India. So it's not, you know, everywhere. But it does tell us that there is a significant degree of social isolation. And now what are the consequences of that are, how can we correct it is something that I'm going to talk about. So, you know, so why, you know, of course, we can see that this is problematic, but the context that I'm going to talk about today is women's access to family planning and reproductive health services, and that's a very heavily gendered sort of topic, because even though family planning is important for both men and women, in this context, access to family planning is especially more, it's considered more a woman's sort of job to, you know, figure out whether to use family planning or not. So, you know, some people say that, OK, women may not have access to their own networks, but what about their husbands? Right. So their husbands are well connected. And maybe, that helps. So while it's true that yes, that can help, but when you talk about these gendered sort of topics, there is very little interaction between men and women. So if men don't talk to other women about family planning and reproductive health, then it's unlikely that that information is going to spread through husbands and go to their wives. Right. So this can have very severe negative consequences for women's information, even about family planning or even access to family planning. And another, sort of source, husband networks in that sense are not a perfect substitute. And the importance of family members, as will become clearer in a slide, is also very important here because these family members, as I said, can be barriers or enablers. And if they are barriers, then that can sort of, you know, be an additional. And if they have reasons to constrain women from going outside the house because of, let's say, norms about women's mobility or because they have different preferences or incentives to, you know, prevent women from going out, then that can sort of, you know, exacerbate the problem that I'm talking about. So I'm going to share some findings from a project that is Jaunpur Social Network study, which we conducted along with my co-authors, Catalina Herrera Almanza at UIUC and Mahesh Karra at Boston University. And we basically went to one of the Indian states, which is Uttar Pradesh. It's the most populated state in India, as some of you know. If we only looked at population, it would be the fifth largest country in the world if it were a country. So this is a very big part of the world. And we collected data from 28 villages in Jaunpur, and we surveyed 671 women who were, and we had certain criteria we adopted. So these had to be married women, relatively young because we were talking about family planning, so 18 to 30 years old. And they had to have at least one child at baseline because otherwise family planning take up is very low. And we collected data on women's social interactions. And so, we knew that women would obviously engage with their husbands about family planning and potentially also their mothers-in-law. So we asked them about people other than these two individuals who they engage with on various topics. So you'll hear me say something called general peers. So these are the people that women engage with on any sort of issue, for instance, children's illness, schooling, health, work or financial support. So these are just people that you talk to about various things. And then we also specifically asked about close peers because it's a more private

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topic about women, about people who they talk to about fertility, family planning and reproductive health. And what we find is that in both these dimensions, our sample women were very highly socially isolated. So an average woman in our sample said she only engages with two other people other than her husband and mother-in-law about anything. And this is two people in the entire district where she lives. Right. So this is contrary to the image we might have that, oh, women have, you know, many other female friends. That's not the case. And if you focus on close peers, so these, like people with whom you have these private conversations, that becomes even less. So just one person on average. In fact, one-third of our sample said that they do not have any close peers in their district, and 22% don't have any close peers anywhere, irrespective of your district or elsewhere. The other characteristics we found was that most of the people that they did speak to tend to be their relatives. Right. So these could be, they may either live inside the household or may be outside, people like sisters-in-law. So sisters-in-law tend to be quite important, especially in this context. And again, almost everyone, in fact, 100% of their social connections were other women. All of them were from the same religion and 94% belonged to the same caste. So there's a lot of homophily by gender, religion and caste in this context. So the first paper we wrote from, you know, our baseline data was about mothers-in-law and whether they have any influence on women's access to social networks. So what we find is that women who co-reside with their mothers-in-law have 20% fewer close peers in the village and 37 fewer close peers outside the household. Right. And so this is a correlation. And we also find that co-residence with mother-in-law significantly reduces women's ability to access places outside the home. So which is consistent with the fact that, you know, they don't have access to networks. We did not find any such influence of fathers-in-law or sisters-in-law. So it's not just that, you know, you have in-laws who prevent you. So mother-in-law, in this context, which I think is not surprising to South Asians, is a significant barrier. And we also then, you know, try to sort of, this is a correlation, but we try to, in the paper, show that this is actually a causal result. And then we were curious about why is it that mothers-in-law are this restrictive influence. So in the context of family planning, what we find is that it has to do with the discordance in the fertility preferences of the mother-in-law and the daughter-in-law. So if the mother-in-law wants her daughter-in-law to have more children than the daughter-in-law wants, we find that this negative influence is stronger. If the mother-in-law disapproves of family planning, then this negative influence is stronger. And if the husband is away, then again we find that this is stronger. Right. So what this tells us is that the mother-in-law is worried about the daughter-in-law adopting family planning or learning family planning, contrary to what she wants her to do, and then as a result, she prevents her from accessing people or, you know, places outside the home. Now, this is a problem because in this context, we have a high unmet need for family planning. So in our sample, half of the women said that they don't want to have any more children, but only 19% were using a method of family planning. So essentially what this means is that women who live with the mother-in-law, then have fewer close peers outside the household are then less likely to visit places outside the home, family planning clinics and use methods of modern contraception. So sort of that was the first result we find. And then, what we did subsequently

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was designed a randomised controlled trial where we wanted to see how can we circumvent this negative influence of the mother-in-law and expand women's ability to access or use the support of their peers to access places outside the home. So what we did was we had an RCT where we split the sample into three groups. So one group was the control group, and then the remaining women were given access to a voucher for family planning at a local clinic. Right. So let me first describe the own voucher group, what we call. So own voucher group basically gets a voucher which enables, gives them 2000 rupees or \$30 worth of family planning services. They can use it for a period of ten months at a local clinic. And in addition, the second treatment group got the same voucher. But also, we told them that if you brought a friend to the clinic, that friend will also become eligible to receive the same voucher. Right. So basically, the difference. So in both cases, the treated woman is getting exactly the same incentive to go to the family planning clinic. But in one case, she's also able to leverage this friend voucher to incentivize someone else to go with her. Right. So we did not restrict who she can bring with her to the clinic. But given that this is the context we're working in, we think it's mainly going to be young women who are in need of family planning. So what we find is that both vouchers increased likelihood of visiting a family planning clinic. So clearly, financial incentives in this case or financial constraints matter. And in both cases, we find that they're more likely to visit without their husbands and mothers-in-law. Right. So it reduces their dependence on them to access the family planning clinic. However, we find, and which we were quite happy to see, is that the Bring a Friend voucher was significantly more successful than the own voucher for women whose mother-in-law was more opposed to family planning at baseline. So this suggests that having this ability to take a friend along enabled these women to overcome opposition from their mothers-in-law and access places outside the home. In fact, the own voucher, which is typically what family planning programs do, was completely ineffective for these women. So without the support of this other peer to go with to the family planning clinic, they were not able to access it. And, you know, consistent with this, we find that modern method use and pregnancy rates also decrease for women who receive the Bring a Friend voucher. In addition, so since, you know, the paper was also trying to improve women's access to social connections, we find that our Bring a Friend voucher was able to increase women's number of social connections, especially those outside their home. Right. So basically, what it meant was if you already had some friends, it improved your engagement with them, because now, you maybe are more likely to talk to them about family planning because you have this voucher, or if you did not have any suitable peers, you could go to a neighbor and tell them about this. And maybe in the process of this, form a social connection with them and discuss family planning. So we do find that this effect is entirely driven by the Bring a Friend voucher, which suggests that because even own voucher women could have done that, you know. But since they did not have anything to offer to the peer, it was less effective. And then lastly, we also find consistent with the previous literature that having more peers did improve women's stigma about family planning. Right. So if peers can provide support, for instance, to counter stigma related to mental health, in a similar manner, what we find is that Bring a Friend voucher enabled women to reduce the stigma they have about access to family planning. So



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what does this tell us about policy and research? So first of all, what we found in the process of writing this paper that we really do not have much data on women's social networks. So typically, when we collect this, it's at the household level. Or you may pick one person, the head of the household and ask, typically who it's a him about the, you know, people they are connected to. And so I have some work, ongoing work with Ishani, where we're trying to see what is the global cross country evidence on this. But I think it's very, you know, important for us maybe to utilize these large data sets like DHS and so on to add maybe a few simple questions that can tell us more about women's social networks. But putting that aside, I think what this paper also tells us is that we need to think about ways in which we can expand women's ability to interact with other people. Yes, women's groups are one such option, but maybe there are other ways we can leverage or incentivize women to connect with other women or even other men. Right. And in this case, we find that sisters-in-law are actually a very, you know, useful avenue, given that one, there is less, there's supposed to be less stigma about interacting with family members. Many of these sisters-in-law may either live with you or maybe in the same village as you. So I think that's how to promote that engagement is something more research can be done on. But of course, you know, there are, you know, we need to think about strategic interactions within households. Maybe there is intra-household rivalry or there is intra-household bargaining issues we need to think about within sisters-in-law. But yeah, I'll stop there.

SPEAKER:

Thank you Anu. Nishith, over to you.

06:44:55

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NISHITH

PRAKASH:06:45:15

Thanks for the invitation. And, you know, to be part of this great conference. And I was thinking about the order of the presentation, and I totally see why it makes sense, because Anu sets the stage for another constraint that I'll be talking about today. So today's talk is going to focus about sexual harassment in public space and police patrolling. I'll be talking about two of the papers, which is part of a larger agenda on this topic of gender-based violence with, you know, Maria Micaela, who is here, Sofia Amaral and Girija Borker at the World Bank. So to set the framework, there are like four, I mean, four key components. The first being what's the problem? And I think for this audience, it's very easy that, you know, this violence against women is a fairly, is a huge problem no matter which country you look at. But the biggest challenge is not just being the problem, it's like it's the underreporting. And even though we see these statistics and feel that this is a big problem, it hasn't been very easy to kind of convince a lot of partners that, hey, this is a big problem because the response is like, oh, if it's a big problem, why don't we see that in the data, right? And second is, well, you people don't report. And second being, if this is not a problem here, it might be a problem in some other city or some other district. So this is kind of like my engagement with a lot of the policy makers. So I'm going to talk about the problem in two particular context. There has been some really nice paper talking about the consequences, I think, that's fairly well established, talks about how these things affects mobility, education, female labor force participation and so on. And so today's talk is going to focus a lot on the solutions. On one hand, I think there's like lots of data about gender-based violence and intimate partner violence, but we don't know a lot about sexual harassment in public space. So that's completely kind of missing. And the business as usual is we expect women to report such crimes. So we should be relying on the admin data. That doesn't work because of the under reporting. So today, I'll be talking about a novel method to measure sexual harassment in public space and talk about evidence from two interventions, both in India. And it's kind of, it's worth pointing out that it's not as if policy makers or police has not been thinking about this. There has been lots of innovative, I would say, things that has been tried out in India, including women help desk in Madhya Pradesh has also been studied by researchers, all women police stations, you know, police patrolling, women justice centers in Peru and various ways to reduce the costs of registering crime. Like, you know, it's not just like you have to physically walk to the police station, which is very costly. India started something called dial 112. So there has been kind of, I would say, lots of progress in that. And then, goes back to like, you know, when we started working on these papers, we started thinking of like, there's something missing. There's something much more important here. It's more about more like structural reforms. And one aspect that we are going to talk about is going to be about training programs. So to what extent these training programs are effective. And then kind of none of these things is possible without this, I would say, strong trust that you build with your partners, including the police or various state police in India, and in many cases, co-creating solutions, which is kind of a lot easier to convince them to scale up. So I'll be talking about two talks. The first is going to be about an intervention where we partnered with Hyderabad City police in the Indian state of Telangana.

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And back then in 2014, I would say it was pretty advanced to think about a specialized police force, which is called SHE Teams with the sole objective of addressing gender sexual harassment in public space. And the second is, although they don't quite overlap because we pretty much started, you know, our team working on the two projects almost at the same time, but which is about a training program. It's a very innovative training program that we co-designed with NGOs, lawyers and the police, which uses techniques from Theatre of the oppressed. This is a very interactive expressive arts training program to study to what extent it can reform police when it comes to gender-based violence. So the first paper is co-authored with Girija, Sofia Amaral, both at world Bank, Mica here, Anjani Kumar, who was a police commissioner back then, and Nathan Fiala, who was my colleague at University of Connecticut. So what do we do in this paper? So it's a program where what we did is we partnered with the police and we convinced them to vary the presence and the visibility of the police. So in the interest of the time, I'll skip some of the details of the intervention. But what it did is they already had a program where the police shows up at these hot spots as an undercover, means, like they wear like civil clothes so that nobody can identify who they are. And it's, like, a lot easier to make arrests. So intuitively, I think they were spot on. And then, it took us, I would say, two to three years to almost have this conversation and kind of convince them, like, look, you know, why don't we vary another, put another arm which is about make them visible, which is make them go in uniforms. We tried this out in 350 hot spots. And then, how do you measure street harassment? And I think it's pretty obvious that we could not have relied on administrative data. So what we did is we trained enumerators who would go on the hot spots and actually observe sexual harassment that's happening and kind of code it. And they did not know anything about the experiment. And then we wanted to also understand kind of, I mean, in fact, this was a part which, this project happened when the COVID hit and we could not collect a lot of data. So we kind of went back, like we had results and we thought about like, OK, why are we finding these results? And since we did not end up doing a lot of data collection during COVID, we came up with this idea of the lab experiments. And maybe we can do lab experiment, kind of create very similar scenarios for the police to understand why are we finding these effects. And we had kind of two questions here that do you think police can detect these crimes? And I can't talk on behalf of my co-authors because I was like pretty clear that they cannot detect this crime because it's a fast moving crime. I was absolutely wrong. And why they don't sanction or and under what circumstances they can sanction these crimes. And we wanted to also study their attitudes towards gender-based violence. so I'll skip the context. But Hyderabad is no different. Probably maybe slightly safer than other parts of India. So we did a survey where we found that 29% faced some form of sexual harassment and 87% takes some kind of preventive measure.

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NISHITH

PRAKASH:06:52:29

So, as I said this, I would say it's a very I would say forward looking program. They started in 2014 with this kind of core activity that they have a separate team. This is a part of the police, but it's a separate team, very independent. And what they did is they would do these undercover policing and it was kind of fairly monitored at the top. And a key component of this patrolling was they had at least one female officers in the team. So that's kind of like one important aspect. So, as I said, we spent almost two years tweaking the program. So, they were expanding the program to another 350 hot spots. So that's where we came in and we convinced them to have this kind of uniformed policing. And on an average, these team would visit hotspot two to three times in a week, and each visit lasted around 15 to 20 minutes. So, it's not a lot, but I would say it was still quite a bit given that you almost had nothing before and this lasted six months. You know, that's the maximum time we convinced them to stick to a plan. I'll skip this part. And I'm going to skip the design and talk about what are the questions. So, we wanted to a study what's the impact of this program and what's driving these results. So, these are like two things that we were interested in studying. So, the key finding that was the big surprise, I would say to us and also the police. So, whether be it uniformed policing or undercover policing, it actually had no effect on aggregate measures of sexual harassment. It was kind of a really big surprise for the police commissioner to kind of who's also a co-author, to accept the result. And then we looked into harassment by two categories which kind of we follow the Indian Penal Code and we kind of divide this into mild sexual harassment. And severe mild means like whistling, catcalling. And by the way, these are illegal. So, there are Indian penal code and in fact it's punishable. And then you have these severe one which is touching and groping. And what we find is these uniformed police patrolling reduces sexual harassment by 27%. So, for the severe form but nothing for the mild form. And we also see this being reflected in women's behavior like at the hot spot when sexual harassment is happening the way they would approach this change. So, their preventive behavior change. So, this is like the two key findings. And as I said undercover no effects, whether be it mild or severe. However, it's worth pointing out that the police were spot on because we did find more arrests in undercover arm because it's easier to arrest, but it did not translate into reduction in sexual harassment. Now what's driving the result? So first it's being driven by deterrence. So, when you see an officer in uniform it's a pure deterrence effect. So that's the key finding. And the next one was a very important I would say as a researcher that the attitude matters a lot. Means if these officers win the lab experiment, what we found that officers who have, I would say more progressive or more harsher attitude towards gender. So, they actually act and on both severe and mild forms. So that's kind of the two reasons why we find these effects. Now then goes this other study, which is in Bihar, which also happens to be my home state. This is with Mika, Sophia and Girija. And this I would say is a project which I would say has taken a lot of our social capital. So we did this in 12 districts in Bihar. The government changed. Many police chiefs changed over time. And here the key, the key intervention was to test a novel in training program. Because most of the training program, when these officers are hired, they have this one-time training and nothing happens after that. So, it's a program which is more

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interactive. It's not about like I'm going to present slides and you're going to attend like the kind of training we take in colleges. Right? So, it's not like that. It's very interactive. And we wanted to study the impact of that program on both officers technical and soft skills and spillover. So, the key message is we targeted that all the key decision makers at the police station level. That was the target, and it was all male officers. So, this this pedagogy is the novelty here. So, we kind of there are various things they try to target, like technical skills, truthfulness. When a victim comes to complain, do you believe the victim? Victim blaming, empathy, attitude towards gender-based violence, discrimination, it's a pretty broad three-day training program. Now I'm going to just point out one aspect. So here it became a very emotional training program because officers are guided through different ways in which their past behavior were harmful to the women. So, this became kind of like a fairly emotional part of the training. This is kind of the pedagogy. These are some pictures. So, this is like snake and ladder. So do's and don'ts as an officer, circle of influence as a police officer, and there's a bit of a story behind this handbook. Like we piloted the training program and after the pilot, when we had the focus group meeting, the officer said it was really fun. But what do we do? And we came back and we're like, wait a second, we had a three-day training program, and you're saying we don't know what to do? So, we consulted senior police officers, and it was a very important lesson for me. It's like you guys don't know what you're doing. So, with the police, you have to give them an action book, right? Without that, it's not gonna work. So, we created this kind of a really fun action book, which was about if someone comes, this is what you're supposed to do, translating inputs into outcomes. And I'll skip the experimental design and some of the quotes was like, it felt like all the childhood memories were restored. Some of them talked about why this training program should be one week and so and so, and I'll just come, we find improvements in both technical and soft skills, which was very encouraging. And we also find evidence of spillover means these junior female officer at the police station, they were better treated. So, these junior officers were not targeted as a part of the program. So just to kind of way forward, as I said, like the partnership was very important because the state has implemented this training program in their academy, which means every new recruit is going to go through this program. And we just did the first batch in 2024. And the last part, which we learned while working on this project in Bihar, was it's like completely overlooked problem. We expect police to do many things, but we barely know what their daily challenges are. Even I was pretty clueless, like the stress, anxiety, cholesterol, blood pressure, sleep we all know these things are important, right? Because there are papers talking about various aspects and how this has implication. But in this particular case, we went ahead, and we are asking them to do more things without knowing what their constraints are. And this is something that me, Girija, Mika and Sofia and Lilies we have been talking about and we have collected data from a few places in India. And this is a new agenda that we would like to pursue. Thank you.

SOMIK

LALL:07:00:19

Well done. Alright, Rachel.

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RACHEL

HEATH:07:00:26

Alright, well, while I wait for the slides, I'll just say thank you so much to Eeshani and the other organizers for kind of creating this really interesting, cohesive session. And indeed, whole day. Thanks to all of you for being here. I'm excited to tell you about several of my projects. Like others, I've kind of chosen several projects that fit together to kind of form kind of a cohesive set of potential policy solutions that can work together to improve working conditions in export manufacturing.

07:00:59

And the case study that I'm going to use is the garment industry in Bangladesh, which means that I do have to start with this extremely sad picture that some of you might remember. This was the Rana Plaza factory. It collapsed in April 2013. Sometimes people see the picture and say, was there an earthquake? No there wasn't. It just wasn't structurally sound. It was never even supposed to be used for manufacturing. And it eventually collapsed and ultimately over a thousand workers were killed, which makes it the biggest garment industry disaster in the history of the world and the biggest disaster in any industry in the world since, since 1984. So just kind of a huge human toll as far as loss of life. In surveys we've done afterwards, just a random sample of workers up to 20% knew a worker that was seriously hurt or killed in Rana Plaza. So just a huge shock to the industry. And so, in light of that, there was a lot of discussion after the collapse. Are workers even going to wanna keep working in the industry? Are suppliers going to pull out given that there was such widespread disregard for worker safety that factories were sending workers to work in a building where they should never have even been working in the first place. But as you see from this graph, that didn't happen in the least. The red line is 2013 when Rana Plaza happened. Bangladesh is the heavy black line. And so, you see there was no trend break. Exports kept growing and growing and ultimately Bangladesh has grown into the second biggest apparel exporter in the world. China is on a different scale on the left, but if anything, it's decreasing its exports. So, workers were still going to the factories even in light of this huge tragedy. And that makes sense, because we also know that the garment industry has had really important positive impacts on workers and their families. So, in some earlier work I've done with Mushfiq Mobarak, we looked at the change in girls lives as the garment industry rolled out. And so, what we found is that the garment industry increased girls' education. And we did that by comparing the enrollment rates of girls in villages proximate to garment factories, where girls could live at home and commute to these garment factories compared to other villages that were not proximate to garment factories before versus after a garment factory opened. And so, what you see in these graphs here, is that there were particularly large effects on younger girls who weren't eligible yet to work in the factories. There might have been some dropouts among older girls. Not enough to have a negative effect. A no age group here. Do we see a negative impact? But there's, you know, a less positive impact among older girls. And the effects were substantial. So, to take one age here, an eight-year-old girl was 13 percentage points more likely to be in school after the garment industry came to a village, compared to another girl in a non-garment proximate village.

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And so, because the industry became so important, we do a back of the envelope calculation that showed that as kind of some of the presentations this morning pointed out Bangladesh is one of the countries that has had a convergence in girls' and boys' education. We find that the garment industry was an important contributor to that convergence, causing about three percentage points nationwide of the increase in girls' enrollment. We also similarly found that the garment industry led girls to delay marriage and childbearing so other positive impacts. And then if we fast forward, we can also see that it's not just future workers, it's the current workers that have these jobs. The garment sector jobs are providing really important, valuable sources of income. So, what I'm showing you here is some is a is some ongoing work I have with Laura Boudreau and Waheed Rahman where in the midst of the Covid pandemic in November 2020, we resurveyed a sample of workers who had been active garment workers in 2017. And so of course, some of them were still working. Others of them weren't. And so, what I'm showing you here is the earnings of workers who men versus women who were still in the garment industry when we surveyed them in late 2020, compared to workers who had left the industry before the Covid pandemic before January 2020, or workers who left after January 2020. So, I don't want to claim that this is a causal impact of the of the garment industry. Workers might have chosen to leave this industry because they were less attached to labor force, but we've at least taken off the kind of most obvious kind of selection here that we're only showing you workers who worked after leaving the garment industry. So, all these were employed at some point. And so, what you see is the among the women, the blue line is the current garment worker line. Same for men as well. And so, you see there's something of a dip among, you know, in the kind of the real peak of the Covid pandemic, April 2020. But after a couple of months the earnings rebound, and they never lost the majority of their earnings. That's in stark contrast to women that were employed, but not in the garment industry, who really lost, ultimately a very large share of their income. And similarly for these women, garment workers, husbands, their graph looks similar. They also lost a large share of their income. So, the garment industry during the Covid pandemic was providing a really important source of income support to the women working in the industry.

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07:07:04

RACHEL

HEATH:

So that brings us to the question. It's obviously a huge tragedy when a factory collapses and kills many workers. There's relatively high rates of other, you know, injuries and illness spread in the factories. I've done some other work on estimating rates of sexual harassment to tag on to Nisha's work as well. So, I mean, these are challenging places to work, but they bring these important benefits to the women who are working and the girls whose families invest in human capital for them to get these jobs in the future. So, I think this brings up the key policy question, can policy make these jobs better so that women can enjoy the good parts of these garment jobs without those hard-working conditions and even tragic consequences. So, the first thing that I wanna show you is a paper from a project that I did with Laurent Bossavie and Yoonyoung Cho, who are both at the bank. And so, what we did was we looked at the net effects of all the Rana Plaza responses. And those were a series of responses we can't unbundle different kind of things that happen, but we can estimate the net effects of all these responses. Which were the retailers started pushing toward for better conditions. And they were prompted by both high-income country consumers who protested and said, I don't want to buy clothes from H&M anymore if you're going to be sourcing from factories where workers are killed. So that was one source of the change. But also, workers in Bangladesh themselves protested for better working conditions and higher wages. Those culminated in some high profile but ultimately voluntary initiatives. You might remember their names, the accord and the alliance, where factories could choose to be audited. They were voluntary, although the retailers might have pushed them to do so and said, I will only buy from you if you sign on to these alliances. So, that was an important channel. Even factories that didn't sign might have improved working conditions or wages because the retailers were still pushing them, even if they didn't sign, or just to compete with these other factories that were signing and where working conditions were improving. So again, the net impact of all of those, we can't disentangle what's a direct channel, what's an indirect, but we try to estimate the net impact of all those channels by comparing workers in the garment industry after Rana Plaza happened in treated districts, and those are districts that export. So, we're thinking that these are the ones where the international buyers are pushing for better conditions and comparing those workers to garment sector workers in districts where there aren't export factories is the one control group. And then other manufacturing workers in these districts where their export factories but that are not garment factories. So, that's our identification strategy to estimate the plausibly causal impacts of this package of reforms after Rana Plaza and the line of the table in blue gives those effects. And so, what we see is that wages went up by on average 10% after Rana Plaza and so did working conditions. Those are measured in standard deviations, and it's a large effect of 0.8 of a standard deviation increase of working conditions. So, that's quite a striking result. And overall compensation went up because both wages and non-wage benefits went up. But the other thing that we find is that this didn't come at the expense of total employment, which you maybe were already predicting because we saw the industry just kept going so that some workers needed to sustain that production. So, what it looks like happened



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is that before Rana Plaza, employers had some degree of monopsony power, market power over the employees. And so there was scope to raise total compensation if they were adequately motivated to do so. And indeed, the retailers pushing for better conditions after Rana Plaza was exactly the motivation they needed. So, it did kind of result in a net win for the for the workers.

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07:11:44

RACHEL

HEATH:

So that was a story of the retailers kind of pushing for better conditions that improved workers lives on the ground. As I mentioned, of course, workers were advocating for better conditions, so they weren't totally uninvolved in the process. But it looks like kind of a key channel was the retailers. But what I want to ask next is the question, is there kind of a more bottom-up approach that says if we give workers information, will that empower them to access jobs with better conditions? So, in this work with Laura Boudreau and Tyler McCormick, we point out the descriptive fact that when we compare internal migrants in Bangladeshi garment factories to local workers who grew, everybody's from Bangladesh, but we're comparing migrants from rural areas to local workers who grew up in these areas near the factories. When we do that, we find that internal migrants are in factories with worse working conditions. And this might not surprise you because internal migrants might be disadvantaged in many ways, but strikingly, they're actually, if anything, in factories with higher wages. So, it's not just an overall disadvantage story. It was something about getting into factories with worse working conditions. The other key fact is that the migrants move towards better factories with better conditions as they gain experience. So, we argue this is consistent with a story in which internal migrants were less informed about the industry as they began. You can't know what's a good workplace. You don't know if the factory is going to fall down unfortunately, until it does. So, they're less informed. Local workers had more word of mouth about what's a good place to work. Everybody knows what wages are. So, the factories that were attracting migrants were actually competing on wages. It wasn't efficient for them to compete on working conditions because workers wouldn't even notice those investments. But as the workers gained experience, they started behaving more like locals. So, this suggests that there's a learning process of migrants, but that there's some welfare gain to be had if you give them the information and help them on this slow learning process. Can we speed that along? So, this was a descriptive paper that kind of suggests that there's this learning model. But so, Laura and I decided to test that experimentally in work with Shakil Ahmed. So, in this RTT, one of the treatments is what we call a report card for garment factories. And on the right here, I show you an anonymized version, um, and translated into English of the report card that workers got. So, to make this report card, the first thing we did was we conducted a large scale, geographically representative survey of workers in these neighborhoods because there's no publicly available information about a representative sample of factories, the kind of factories that you have audit data from aren't representative. And we really wanted to make sure we had information about the full set of factories. So, we color coded the grades that workers got. We masked grades that were below median because we were worried about factories discovering this and getting mad at us and the and the workers. So, if you're below median, you only see the color codes. So at least they don't know exactly the kind of score that they had, even though we told workers that they were in order. So, there were about 30 different survey data questions that went into this report card, and we commissioned, again, like Nishith and the comic book. We commissioned an illustrator to kind of make little

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pictures to help workers that weren't fully literate, to kind of understand what were the things that went into these different grades. So, my time is up. So, we showed the grades for these specific measures. Things like not just an overall grade, but employment practices, maternity and childcare, physical safety and comfort, so that workers that kind of cared specifically about some dimension would be able to check that score as well. There was another treatment arm that gave workers job vacancy information that we collected from HR managers of the factories. And this is in Bangalore, but you kind of get the format of it to see if this is kind of an additional tool that helps workers move towards factories with better wages or working conditions. So just to sum up, I'd say, how can we think about improving working conditions? There's roles for both kind of a top-down approach that in a long supply chain and export manufacturing buyers have an important role. But also this kind of bottom-up approach. And I should mention that that serve is ongoing. We're actually launching the in line next week, so I don't have the results of that experiment. But I'm excited to analyze and disseminate them and to get that information out. But at least kind of the descriptive paper I mentioned suggests that there's this important role for information. And I'll just conclude with a very brief plug for some of my co-authors and others work that it's not either-or top down or bottom up. There's kind of hybrid approaches where unions or safety committees that the factories form but are kind of staffed with workers can also be really effective at improving working conditions. So, thank you.

SOMIK

LALL:07:17:13

Thank you, Rachel.

SOMIK

LALL:07:17:17

Thanks. A big thanks to all our panelists. Stuck on time on point. Right. So now we have 25 minutes for questions and answers. So we're gonna do three rounds. And I would say let's the question short. Ask a question not make a comment. And then identify if there's a particular speaker you'd like to reach out to. Anyone on that side. OK, one. That's two and anyone three. Right. Let's do three right now.

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AUDIENCE PARTICIPANT QUESTION 1:07:17:49

Hi. Good afternoon. My name is Harsh. I recently had the very fun job of working with the World Bank Gender Group on developing the strategy and organizing and analyzing consultations to get content for that. You, Pam, ended your presentation. If I understood correctly, questioning the merit of engaging fathers in care and risking reducing women's autonomy and bringing in sticky social norms. Two inputs that we heard that might go contrary to that is one is the risk of backlash increasing jobs for women while not involving men? And another input we'd gotten is that if you want to absolutely increase wages for women, bring men into those jobs, then wages will go up for everyone. So if you have any data or reflections on that, I'd love to hear that.

SOMIK LALL:07:18:41

The person out here.

AUDEINCE PARTICIPANT QUESTION 2:07:18:45

Hi. Thank you. Caridad. Also a question for Pam. It has to do with whether you've looked into the effects of childcare, preschool separately because it is so different, both from the perspective of the child, the family, and the production of quality care. Those like the zero to two and the three to five age groups that I mean, at least with the evidence I've looked at, the stories are different. You know, definitely preschool. It's easier to produce at scale. It's more standardized. Kids get benefit from interacting with one another. So it's easier to produce better quality in a way. And there's more take up by families. So I just sorry, that was my question.

SOMIK LALL:07:19:31

Great. And there's one out there. Right. So who the question there.

AUDIENCE PARTICIPANT QUESTION 3:07:19:35

Thank you so much. My name is Devanshi, and I'm a public policy student at University of Chicago. My question is for Nishith and Anukriti. Both. So I was before this, I was working in Haryana, and I worked with Mahila police stations and also like, training police force. And one of the biggest problem was the factor of reconciliation, that every time there's a crime that's committed against women, the focus is on putting them back into the house. Right. And I think it's also because of information asymmetry that the women don't know, that there is enough financial resources available like there's a self-help group or there's a one-stop center that they can go to, which is my question that I want to ask Anukriti that in your research, did you explore using () Asha? Asha workers or () Anganwadi workers to sort of bridge that gap? Thank you.

SOMIK LALL:07:20:23

Alright. Let's turn to the panel.

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PAMELA

JAKIELA:07:20:26

OK. So let me so thank you for the questions. So to this first point about... So I think if I understood the question correctly, you're sort of saying there are some lessons we've learned from the literature on women's labor force participation, and you're thinking about how those would relate to the experiments, engaging fathers within the household in early childhood care. I mean, I think your point is a really interesting one, but I'm not sure I would interpret it the way that you did. So I think the first point that we worry about backlash, I think it's exactly the sort of unintended consequences. That is the thing that we should worry about when we think about engaging fathers in the household. So many of us come from this sort of wealthy country mindset of household dynamics where fathers are already quite involved. And I think it's easy to think about that in terms of net benefits for child development, potentially, and to miss the sort of unintended consequence of having men enter a female-dominated space when in an environment where men have a lot of power relative to women. And I also think that we sort of there's this other unintended consequence of fathers who aren't paying a lot of attention to their kids to begin with, may not be very good at it. And the wrong intervention may in fact be worse than no intervention at all. So I think it's a similar story of unintended consequences and backlash that we are wary of. Now. I think your point about within the labour force, we see, and it's difficult to get causality, but in general, male-dominated sectors have higher wages and get more credit. I mean, I think that is a very interesting phenomenon, but I'm not sure how it translates into the domain of domestic responsibilities within the household and that these are things that there's no market wage for how you do the dishes anyway. And so I'm not sure there's a natural I wish that there were, but not that I ever do the dishes. But I think I'm not sure that there's a parallel with that one. But I think the first point is very well taken. But I would interpret it that we should be thinking more about the backlash that's specific to the within the household context. On the second point, about zero to two versus three to five. I mean, you are right, they are quite different. I'm speaking. So in my own systematic review and some of the other systematic reviews that have come out recently, in general, we still see that, while is, so access is very different between those two. But I think in terms of interventions being generally not bad for children, that's a regularity we see on most classes of outcomes for young kids and for older kids. And so even though we worry a lot about quality, both in daycare and in preschool, and with some caveats about the set of programs that are evaluated may not be representative of the broader market. But in general, what we see is that in both of those domains, it looks like center-based care is at least not bad and often weakly or strongly good for children. And so I'm not sure there's as stark of a discontinuity. I think there's also a difference in terms of how they relate to women's labor force participation. Because with preschool, if you also have even younger kids, then it has very little impact on women's labor force participation.

NISHITH

PRAKASH:07:23:44

Was it for me or here?

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PAMELA

JAKIELA:07:23:46

Both of you.

SOMIK

LALL:07:23:48

Both.

S

ANUKRITI:07:23:48

If I can start. So I think I agree what you just said that that is true. That often if there is, say, a dispute within the household or in, issue with domestic violence, even the police station or, you know, anyone who is involved try to sort of make sure that the woman basically just goes back to the household. And I think it just reflects the fact that the outside options for women are pretty bad. Right? So one is if you're not working, if you're not financially independent, then that creates a constraint. The other alternative might be go back to, let's say to live with your natal family or, you know, parents for a little while. And again, there is a lot of social stigma in this context, especially in places like Haryana. And that's really something that is frowned upon. And in fact, there is a reason why the daughter is supposed to just in patrilocal societies just be given away. And then the interaction between natal families and marital families is supposed to be very low. So I think this even though this is a sort of an outcome we don't want, it essentially reflects the social norms that are prevalent and the constraints that women face. So in that sense, if the alternative is just really so bad, then even though this may not be the best outcome everybody is trying to sort of do that. So I think the way we would try to that might become weaker if women are more likely to participate in the economy, work and have financial independence. And then, of course, you know how social norms change over time. And I think and I'll let Nisha add to that. And then the second point you raised was about Asha workers. So in the project that I discussed, we did not because we were working with the local family planning clinic and we could distribute the vouchers ourselves. But in ongoing work, we have now actually gone back to Jaunpur and we are working with the mothers-in-law and the daughters-in-law, and we are trying to have work with health workers. And it's interesting how even though we think that Asha's definitely have a lot of presence, if you ask how many people have actually visited your house to discuss family planning, it's actually not that high. So it's mainly focused on childhood immunization and things like that. But hopefully, we'll see how that goes.

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NISHITH

PRAKASH:07:25:49

It's a great question, and I don't think I have an answer based on my research, but I'll give you an answer based on my working on this topic for a pretty long time. I think you don't want to think about all the cases in one category, right? So you want to pick up like let's say there is a case where there's a very severe beating, right? And in last, I would say ten years there has the cost of reporting has gone down. So when you report, there is a pretty specific protocol that officers try to follow, depending on what their constraints are and their immediate response in that case typically is like you go and arrest the husband, right? But there's also Supreme Court guidelines about reconciliation that you don't want to kind of just go and kind of do this because there would be absolutely no reconciliation after that given also, from what we know about, you know, the family, mother in law's father in laws, things like that. So at least in the context of Bihar, where I have spent most time, they a lot of these officers focus on reconciliation. That is kind of like almost their primary goal. But there has been a pretty steady rise of counseling. So almost every police station supposed to have a counselor, but that counselor could be a police officer himself. Right? They don't necessarily have external counselor, but in that case, they would bring the husbands and the family and kind of make them go through some counseling that this is not OK. And if you do this, next time, I'm gonna arrest you and put you in jail. So I think it varies a lot on a case by case. So that's all I can say.

SOMIK

LALL:07:27:22

Alright. Let's take some more questions. Let's start again from that side. If someone has a question now in the center the two out here, let's let's give the mic here at the back.

AUDIENCE

PARTICIPANT

QUESTION

4:07:27:35

I'm Izabella Barati. Oops, sorry I'm from Ernst and Young's Quantitative economics and Statistics unit. And I have a question about, so we heard that these interventions work. Do you know a way how to make these interventions to become a budget line with a number next to them? Is there a dialogue with governments to make them part of the process and help women develop their agency in these countries? And my other, I'm sorry, I have two questions. Yeah. The second one is a tiny one though. So we are looking at women's, standing on the job market and their situation. Do you know of studies that looked at the long-term impact of these interventions, for example, pension poverty, the gap there between men and women? That's it. Thank you.

SOMIK

LALL:07:28:35

And there was another right there.

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AUDIENCE PARTICIPANT QUESTION 5:07:28:40  
Thank you. I am, that's very loud. And Nicole Goldin, I'm currently a nonresident senior fellow at the Atlantic Council, among some other consulting hats. A quick question for is it Anukriti? Right. I'm just curious if you looked at any impacts in your study on the women, on picking up any educational or income-generating activities as a secondary or other impact that you saw. Thanks.

SOMIK LALL:07:29:11  
Any questions on this side of the room? So two of them. OK.

AUDIENCE PARTICIPANT QUESTION 6:07:29:16  
Hi. Thank you for the presentations. I'm Jheelum Sarkarr, and I'm a PhD student at American University. I have a quick question for Professor Prakash. So among your findings, there was that police patrols had no impact on overall street harassment. Can you give us some of your insights that why that may be the case? Thank you.

SOMIK LALL:07:29:48  
Did you have a question right next to her? Alright.

AUDIENCE PARTICIPANT QUESTION 7:07:29:52  
Rebecca Siford Hi. My name is Reba. I'm also a PhD student at ASU, and I used to be an RA at CGD. And my question is about the garment factory worker scorecards in light of recent Supreme Court decisions in the US. I'm wondering if there's an equivalent in the US to find de facto conditions about factory workers here moving forward with the NLRB decision. Thanks.

SOMIK LALL:07:30:22  
Great. Should we turn back to our panel? Rachel, why don't I start with you?



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RACHEL

HEATH:07:30:28

Thanks. Yeah. So it's a great question. And I confess to not being very up on the US context. But I think that we in the US, we have some kind of institutions that do kind of provide similar information already, things like Glassdoor. And so and actually this relates to the question about scaling up so that when we kind of think about how such kind of these information repositories might be scaled up. One possibility is that once we kind of have this information that garment factories will wanna do this themselves because that kind of helps get workers into factories that are better matches for their specific preferences. And so that might be kind of, this might be something that industries would wanna do on its own or kind of a more an NGO or something that's like Glassdoor, that's kind of funded funded through some other external source. And so I think that we do see evidence of kind of demand for this information that's kind of being provided in the US. But it's possible that there is a role for the government in light of kind of specific legal kind of specific legal changes.

NISHITH

PRAKASH:07:31:48

So I think one of the question was about teacup, right. You talked about these interventions and teacup by I guess the policymaker is that. So I'll give you like a few, I think a lot depends on the timing when you go and talk to them. So suppose you go and talk to them towards the fag end when the government is gonna change, there's absolutely, there's no room for conversation. So I think the first key is like, how do you work together, kind of co-create that policy? I think that plays a very important role in terms of whether it's the person who is in charge or someone comes after that. I think that co-creation has been pretty helpful. I'll give you two examples where in the paper in Hyderabad where we found these results and we said, look, can we push for say surprise component, that's uniform policing because this is what the results show. And it was a no-starter. Like, no, this is not gonna work well with the government. And I said that's fine if there is no room. But he's like, can you tell me a bigger lesson or what can we do? And I said, well, the second part of the lab experiment talks about attitudes. So, you know, can we think about a training program? And it's like, oh, that's a no-brainer. And it's very easy to implement. So you kind of like you have to figure out what's the right message you want to talk. And I think that teacup becomes easier. And on the other hand, in Bihar when we didn't even have results, this is early January when I went with some descriptives to the administrative head of the state. And he looked at these slides and he said, oh, can we implement this in the academy? And I said, oh, we don't have any evidence. It's like, no, it doesn't matter. So it looks good. And he immediately made a call to the police academy and he said, can you implement this curriculum? So I have like two examples. I have another example from education work where I worked in Zambia. And there has been take up in other countries. And you have this question about why we don't find. And I think it's all about deterrence. So the number of times you make an arrest, I think if that number is not high, it's just is not going to be enough. And I think that project was a big learning because, you know, we had lots of conversation with a very open-minded police commissioner. And he said, look, sexual harassment is very important. I care about this. Is this

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my number one priority? And the answer is no. Number one is like, in Hyderabad the religious tensions becomes the number one. Like it's there. They have resources, everything. But that's not number one, right? So and I think one has to understand the constraint. But they had a program. It was well monitored and I think there was a lot of learning. But I think it's a lot about deterrence. And what's the frequency of these arrests?

SOMIK

Thanks, Nishith. Anu.

LALL:07:34:30

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S

ANUKRITI:07:34:32

Yeah. So to answer your question, we don't. So our end line was ten months after the intervention started. And during that time period, we don't find any impact on education or employment. So education we were expecting because typically once you know, women are married, it's they're not going back to the school to such a large extent for the labor market. Again, it could be that, you know, you need to wait a bit longer because we do see a decrease in pregnancy, but it's not. It depends on for how long that the birth spacing goes up. But at least in our study, we don't find anything. We are now going back to the sample and trying to see whether there are any longer-term impacts, for instance, on mental health because we got a lot of questions about, you know, given that you are socially isolated, it may actually impact women's mental health. And so we are collecting data on that. And hopefully we'll be able to say something on that. And on the question of the impact of interventions, I think at least in my experience, I find that researchers are perhaps not really good at working with policymakers or engaging with policymakers and focusing on actually trying to get the research. We do turn into policy. You know, maybe the focus sometimes is more on, let's say, publications. And the audience can be very different. I think in my experience, what I found is, of course, there are projects where you are directly working with the policy maker, right? So that's a different opportunity. They get to see how you're doing research and maybe they observe impact in a much more direct immediate way. And it's much easier. When you're not working with the policymaker, then you really have to figure out how do I convey the findings that I have for those policymakers? They are probably not going to read the American Economic Review and learn about research. So I think we need to find ways to communicate and disseminate results to a broader audience. So for instance, in the case of India, there is, ideas for India, it's a forum where you can publish your research findings for maybe a policy audience. And I do know several administrative officers who actually read work. And then when I publish something they've communicated. So I think that's one. The other at least being at the bank, we do end up working with governments and that I think either on active projects where it is already being scaled up, and then research helps figure out exactly the nuances of that project or how to improve implementation and that's helpful. And the last thing I would say is I've also found that, yes, presenting a research-heavy causally identified study? Yes is useful. But sometimes, you know, a very basic exercise is sometimes even more useful, you know? So I once presented the baseline findings of a very basic survey to a state government in India. And it was really, I find, impactful because they didn't have much data on the types of things that we were collecting data on. And I think that itself helped them be more open to the idea. OK, now we can do research and maybe do an impact evaluation, which they were much more than receptive to afterwards.

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SOMIK

LALL:07:37:27

Thank you Anu, and thank you everyone for this really, really great discussion. And to the audience for the very useful questions. Thanks, everyone. And our next session starts in 15 minutes. And that's gonna be on economic inclusion of the youth. So thanks again.

### Session 3: Economic Inclusion of Youth

TAMAR

ATINC:07:58:59

Hello, everybody. Are you all awake? Welcome to your last session of the day. In fact, the last session of the conference, and it's going to be a good one. Today was meant to focus on the economic inclusion of women and youth. You'll have noticed that the first three panels we had all talked about women, clearly close to my heart, but this is the panel that's going to be talking about the economic inclusion of youth. So, please stay tuned. My name is Tamar Manuelyan Atinc. I'm a senior non-resident fellow at the Brookings Institution after a long career at the World Bank. And we have a wonderful group of presenters here who, as I said, are going to be talking about the topic of economic inclusion of youth. Now, I don't really think this topic needs much of a motivation, but I'll give you one in any case. I believe you all know that youth employment is a challenging issue everywhere around the world, and it is particularly acute in some regions of the world, Middle East and Sub-Saharan Africa in particular. According to World Bank estimates, the working age population in Sub-Saharan Africa will increase by 740 million by 2050, more than doubling its current size, which is at 630 million today. If unemployment and underemployment in general and for youth are a problem now, they will be an even greater drag on growth, source of frustration and a source of instability in the future. Rachel touched upon that point this morning. What programs may help foster the economic inclusion of youth is the topic of this panel. So, let me introduce the speakers who are all going to be talking, presenting papers that all are in the African continent appropriately. Our first speaker is Oyebola Okunogbe. She's an Economist in the Development Research Group of the World Bank. She was born and raised in Nigeria. Next will be Andy Zeitlin is an Associate Professor at the McCourt School of Public Policy at Georgetown University. He was born and raised in Stow, Massachusetts. I don't think I know where Stow, Massachusetts is. He's also a non-resident fellow at the Center for Global Development. Next will be Isaac Mbiti, who's an Associate Professor of Public Policy and Economics at the Frank Batten School of Leadership and Public Policy. Prior to this, he was an Assistant Professor of Economics at Southern Methodist University and a Martin Luther King Visiting Assistant Professor at MIT. He's a JPAL, BREAD, NBER and IZA affiliate. He was born and raised in Kenya. And our final speaker will be Owen Ozier, who's an Associate Professor in the Department of Economics at Williams College. You will remember one of our previous speakers is also Williams College, made me wonder about the inter-household bargaining that took place for that outcome to happen. But we'll leave that aside. So, Owen was previously a senior

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economist in the World Bank's Development Research Group. He's a JPAL, BREAD and IZA affiliate. So, why don't we go ahead and start, Oyebola?

OYEBOLA

OKUNOGBE:08:02:42

Great. Thank you so much for the introduction and thank you to the organizers for inviting me to this great event and thank you to you all for staying.

TAMAR

ATINC:08:02:50

Just one second to get the amount of time you have straight. I was told 12 minutes. And I think, so we're all the presenters, but the last session got 14, so I'm going to ask for equity and treatment and ask for 14. Thank you.

OYEBOLA

OKUNOGBE:08:03:05

Great. Thank you.

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TAMAR

MANUELYAN

ATINC:08:03:05

Go ahead.

OYEBOLA

OKUNOGBE:08:03:06

Yeah, I'm just saying thank you to you all for staying till the glorious end. Looking forward to all the discussion we'll have. So, today, I'm going to be talking to you about a livelihood program in Nigeria. One of the comments we got in one of the earlier sessions on cash transfers was, what is it? Why? Instead of teaching people how to... Instead of giving them fish, how about you teach them how to fish? And many governments apparently think in the similar way. And many, there's a lot of policy interest in helping people to graduate out of poverty. So, many programs have a basic targeted cash transfer program to provide consumption support. And then there's now light layering on top of that, a livelihood intervention to help households develop a sustainable income generating activity. Now, one can think about how this should be targeted within the household. So, who in the household should be the recipients? And then how could one promote positive household dynamics? And this is where the focus on youth employment is going to become apparent, as you'll see later on, because what we find in our study is that, it ends up once the households get the choice of who to target, the young people in the household tend to be the ones that are selected. Let me walk you through this. So, this is the Nigeria National Social Safety Net Program. We call it NASSP. And it's a very large program in Nigeria. It's reaching over 2 million people now. It started in 2017 and has grown rapidly. As much I can say about this program, but I'm going to focus on a key element on some key elements. And before I go further, I'm just going to go back and introduce my co-authors because one of them is in the room, so Kehinde.

(LAUGHS) I was just excited to get into it. So Kehinde Ajayi's here, Robin, Thomas Ayodele, Naira gre all at the World Bank. OK. Let's continue. OK, so in the NASSP program, the first thing to point out is that there is a basic package where households get 5000 naira for each month. This is about equivalent of \$12 and depends on which exchange rate you use. I know we're sticking with the one from a few years back. OK, so they also get savings group mobilization, which is where the recipients in communities, they get a lot of training on the importance of saving even some of this cash transfer so that they can channel it into productive activities. And the recipient of this is the caregiver who is typically the senior woman in the house. So if it's a male-headed household, which is a majority, usually the wife of the household head or someone similar category, and there's usually an alternate who can receive the cash transfers if the caregiver is not available. We worked with the government to develop a randomized experiment to be able to look at other components that are layered on top of this basic package. So there was a top-up package, which in addition to these two elements I described, also got a co-responsibility support which involves training around things like early childhood development, nutrition, sanitation. And for this, the households get an additional 5,000, so they get double the amount. Again here, the recipient of all this training is a caregiver. Now there's a third arm which is the livelihood package that has life skills training components, business skills training, mentoring and coaching.

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And the goal of all of this is to help the recipients to think through what they will do when they eventually get the last component which is the live Productive grant. So it involves things like goal setting, budgeting, management, time management, how do you develop a business plan? How do you market your products? Basically, all kinds of skills that they will need along the three dimensions. And the mentoring and coaching also involved one on one components, where you actually walk people through developing a business plan and what exactly they will do once they get this grant. And the goal of this is that you didn't want people to get the grant and then not have a plan in place for all of this. So all the work I'm going to be describing today happens within this livelihood package. We then, among the group that are randomized to receive the livelihood package, we randomize some elements of the weights delivered. And the key questions that we're trying to answer. Number one is who within the household should participate in the livelihood program? Some programs, the default is the caregiver. So this is the person that the government has been investing in so far. They've been receiving the savings group training. If there was a livelihood, there was the core responsibility training. This person has been the one that the government has really been engaging with. And so it seems like the natural thing is to continue with giving it to them. And many programs do this. But we might think that the qualities that we might be interested in for a caregiver who's the recipient of the cash transfer may be quite different from who we want to be the recipient of a livelihood training program. So for the caregiver, maybe we want the rationale, like many programs, is you want to give it to the woman in the house thinking about the welfare of children and spending the finances on household needs, household consumption. But for the productive members where we care about the person being able to convert this investment into profitable activities, maybe we want to have people who are more business-oriented, who have ideas, who are creative or entrepreneurial. There might be other activities, qualities that we seek in them. And now we can think that the households might also be the people who have the best information about their members. They know their characteristics, they know their strengths and weaknesses, and so I think that they probably have the best information on who should be the productive member. But at the same time, there's the risk of capture. If the household head just says, OK, then it's going to be me 'cause I want the money to go to myself or is making the decision on other criteria that might not be the most productive ones. And so we might think that it might be important to also foster positive household dynamics in this setting to ensure that the most productive member is chosen. Let me now tell you specifically what we do in the intervention. So the first thing is we want to examine the impacts of allowing households the choice of who should be the productive member, who is going to receive all the trainings, and also receive the productive grants once it's given. And the instructions that they're given is that they choose someone who is between, that should be 18, 18 to 45 years old and able-bodied. And so this is the same instruction that's given in the... So when it's the default arm, it's the caregiver. If they fit this criteria, if they don't, then they choose the alternate if they fit it, and then if they don't, then they can move to anybody else in the household that fits it. And if it's in the treatment arm, they're free to choose anyone that meets the criteria. Second thing we did was to do a household sensitization to encourage

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collaborative decision-making. So we had a facilitator go to the household and to just help them to have a conversation on the productive potential of all the household members. So everyone you know, let's think about person A, what's the education? What's their experience? What would they be good at? What are they currently doing? Who was basically trying to get a profile of each person as a way of helping the households to really be proactive in thinking about this? We also had a video to illustrate positive models of collaborative household decision-making, and the goal of all of this was especially interacting with the choice was to see if it will lead to the choice of a more productive member. So this is what the design looked like. There were 2,000 households. And then we had on top is the, so the number one block, the defaults caregiver is selected and there's no sensitization. And then we have the sensitization arm, the household choice arm with no sensitization and then the combined arm. Before going, I will just tell you a little bit more about the sample. For those of you who know Nigeria, we have six states. So these are in each of the six geopolitical zones and we're in 12 rural LGAs. They wanted to see the government was particularly interested in seeing how this type of livelihood program would work in the poorest of the poor. We have the average of 7.4 household members. 90% of our caregivers are women, average of 41 years old. Less than half of them have ever attended school. 90% of the households are farming. And this is important that 63% of them already have some kind of non-farm business. And I'll explain that more. Some pictures to see some of our recipients. OK. So just pulling the timeline. So starting in 2018, we had our baseline survey, which was in a sample of people who were all already receiving the basic cash transfer. So the cash transfer line goes the entire time 'cause everyone in the sample is a cash transfer recipient. Implementation is delayed by some time and then Covid hits. So we don't actually implement the interventions until early 2021 where we have the household choice, households can make their choice. And then we have the sensitisation visits and then that's very quickly followed with the trainings that households are receiving. And then the cash transfer is burst. While the cash grants are being disbursed is when we need to conduct our midline survey for World Bank people. For logistical reasons, the project ended, so we had to have this time in, which leads to really interesting results and as I'll show in a minute. So we have about a third of our recipients have received, but it's really right as they're receiving. So all the results I'll be showing you today are really coming from people having all of this training and the anticipation of the grant and then any savings that they have or whatever activities that they've started doing, it's all coming from there as opposed to the two. It's all pre-grant training and we're going back this fall to collect more data now that people have actually had the grant for a couple of years. OK. So now finally let me show you some results. So the first thing is on the selection of the beneficiary of the productive member. So what we find is that when households have the choice, a third of the time, they shift away from the caregiver when they have the option. And we find that this shift is equally to men and to women. So in the first bar graph, there about 80% of people in the default, the caregiver is in the control group, the caregiver is selected. This reduces by 25 percentage points. And this is about equal split between the shift to women and to men. So when it's no longer the caregiver, half the time it's a woman, and half the time it's a man. It's less likely



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to be the household head's wife. That just a reflection of the fact that many household heads wives are the caregiver, and it is more likely now to be the child of the household head. And it's also more likely to be a young person, someone under the age of 40 and moving. Now, just to summarize what happens with the very early results that we're seeing. Again, this is all pre grants, but we're seeing an increase in household employment. And we think this is coming primarily from the fact that the caregiver is a lot of them. Just from the cash transfers the savings groups, they're already mobilizing into already working in a productive household enterprise. So they're doing little petty trading. They're doing something. And so there are other members who are not economically active who are not engaged. And so we find high employment now for these other members. We see an increase in household earnings as well. We see some increases not statistically significant. But once we um, uh, combine all of these different sources of income, we see increases in the overall household earnings. On the household sensitization, we don't see any effects on the choice of the productive member. We see some improvements in women's mental health and their participation in paid work and in children's nutrition. Well, we don't see any effects on some of these outcomes. I just showed about economic activity and consumption. And interestingly, we also don't see anything in this intersection of the two. So our idea is that helping them to discuss would help. Apparently they can make those decisions fine on their own. OK, so just wrapping up, these are all very early results, like I pointed out where going to get more data. But what we see so far is that it seems that private information that households have among themselves is very important. And we need to think about how we can leverage them in design of this program. Yesterday and even today, there was a lot of talk about how governments are in a very tight fiscal space. And there's investments in social protection programs are are fiscally demanding. And here we see really promising evidence of how a simple tweak in the within-household program targeting can lead to significant improvements in outcomes. And here we see specifically that it's moving towards the younger members of the household, which then deals with this big, big problem that we've discussed many times here about the youth unemployment. So we're cautiously excited and look forward to telling you more about what we find in a few months. Thank you.

(APPLAUSE)

ANDREW

ZEITLIN:08:17:47

That's fine. So I'm standing in for Thomas Ginn, who's based at CGD and my fantastic co-author. And this is joint work of ours together with Travis Baseler at Rochester and Belinda Muya at the IRC and Ibrahim Kasirye at EPRC in Uganda. And so we're gonna be talking about work that is done- waiting. We're gonna talk about some work that we've done, focusing on programs to sort of provide both cash assistance and mentorship to youth in urban...

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ANDREW

ZEITLIN:08:18:25

OK, so we'll be talking about work that is taking place in Kampala in Uganda. And I think with a special I, I think we're still allowed to talk about women in this session. So with an eye towards sort of gender cleavages and then in particular, cleavages of sort of another dimension of potential economic exclusion, which is between host country nationals and refugees in this urban context, as we think about what are the particular barriers that might be there for these particular populations that might impede economic integration for them. So to think about where we're coming from, this, and it's nice to kind of follow this presentation cause I think there's some features that I think you'll hear across several presentations about the types of livelihood interventions that are, that are there. So here, I think the starting point is that this is a population that is engaged in informal micro-entrepreneurship to a large extent, but in a way that has relatively low profits for most. And we hypothesize that some of the constraints that they're up against are both financial constraints. So there are liquidity constraints stopping people from expanding their businesses, but also maybe managerial capital that would impede them or the presence of which would enable them to sort of better put those resources to use. We've seen lots of cash interventions with some positive effects, at least in the short run. Sometimes, these are lower for women. And so we wanna think about kind of what are the potential design features that you could build around that to make sure that those returns were there for all. And when we think about managerial capital, training, interventions that might sort of provide formal business training have varied. And I think sort of modest effects in general relative to the relative high cost. And so thinking about on mentorship models that might provide an alternative to that, that sort of provide the decentralized delivery of information at lower cost to the NGOs that are trying to support these things, or the governments that are trying to support these things may be a viable and interesting alternative. Which raises, I think, potentially interesting questions about how these things get tailored to the particular recipient, how it matters who is mentoring whom for the types of constraints that they might unlock. So that's part of what we're gonna explore in this study. And so we're gonna think about kind of how mentorship might improve business practices, the networks that people have access to and also knowledge, knowledge exchange in ways that might be important for these populations in particular.

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ANDREW

ZEITLIN:08:21:02

OK. So we're working with the IRC to study an aspect of their rebuild programming. We do so with a sample of Ugandans who will describe as the host country, nationals and then refugees, and also purposefully sampling across gender cleavages to look at both impacts on men and impacts on women. And in the large part, we're gonna be focusing on a cohort of 2,000 relatively inexperienced prospective entrepreneurs who fall into this kind of broadly defined youth category, and then they are in some instances, gonna be paired with mentors who come from a slightly more experienced cohort and tend to be a little bit older. At the core of the interventions that everybody's gonna get are a set of cash grants. These are \$450 equivalent, and the control group is getting these sort of at the end of the study, after all the measurement is wrapped up. Then this is in some instances paired with this mentorship intervention that puts people not in one one-on-one mentorship, but into groups of three mentees together with a single mentor. They met weekly for a period of six months, or that was the program to which they were assigned. This is about almost two-thirds of our sample and consists of a couple of pieces. At the core of it is some actual kind of structured content to give a conversation starter and maybe to sort of provide a framework where, for the kind of exploration of some formal skills, to the extent that those kind of managerial skills are important and standardizable in some way, but we're also gonna think about how the particular pairings might matter for the types of information that people can give each other. So we experimentally vary whether the groups are homogeneous or heterogeneous with respect to gender and nationality. And we'll sort of think about that. And then following the literature that suggests that some of this idiosyncratic advice that can be particularly helpful, but that fades away as pairings fall apart. We also have a kind of layer in this study that thinks about whether part of the constraint to the success of these things might be in the incentives within the mentorship models and whether some kind of shared fate might be important to getting these to perform better. So there's some group-level incentives in some of these groups. And what I'll share with you here are preliminary results from a baseline and then quarterly surveys over a year of exposure. We've got one last study round coming up behind that. In broad terms, what we're gonna find is positive and persistent, both over time and over groups. I think to a surprising extent effects of cash. And I'll show you how that holds up. And then on average, essentially a null effect of the mentorship layer put on top of that, but a null effect that masks them, I think quite interesting heterogeneity that's central to the design here. And in particular, we'll see positive effects for some groups for men in particular, and especially when they are matched with men, and some negative effects for women, particularly when they're matched with women. And that challenge I think will be in terms of the design, is a little surprising to all of us and something we wanna unpack in this and further work.

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08:24:19

OK, so to be brief with background. So Uganda is a progressive refugee-hosting country with lots of people there and with pretty broad rights to work and to move. This is a population in this urban setting that they are not, because they are registered refugees, they are not refugees who have just arrived the previous month or anything like that. Many of them have businesses, 70% have businesses at baseline. That's a little higher among the Ugandans and a little higher among the women in our sample. Their profits are low from these businesses or modest from these businesses at \$28 a month as we measure it, but similar between the Ugandan and refugee populations, bearing in mind that this is a host population that's selected to be sort of comparable in sort of the economic barriers that they face a little higher for men and significantly higher for the mentors who are brought in precisely because of having established businesses along those lines, but not sort of a whole world apart, you might say.

ANDREW

ZEITLIN:08:25:23

And one of the key questions here will be what might be the importance of the business context that people can be introduced to. So, it's notable then that Ugandan men have the most business contacts at baseline, but not a lot of cross-nationality or cross-gender contact, which suggests that that might be, there may be frictions there if there's useful information exchange to be had, that might have some positive effects. OK. So let me show you then some of our our core results. So as I said, I'm showing you for brevity results that are just presenting the kind of pooled effects across all of the subject groups for the time being and across all of the rounds. But these are temporally persistent and persistent across the host and refugee populations to a surprising extent. So we see quite substantial effects on profits. These are moving from about \$40 equivalent in the Post-intervention period to close to 80. We see a near doubling of the capital stock, so a lot of the cash that people are getting is showing up in increases in the capital stock. We see against even that relatively high base, some increase in the prevalence of business ownership. And then these things filter through into better mental health. So people report being sad most of the time to a lesser extent. We see that these don't seem to be these sort of related to this question in a way, these targeted interventions don't seem to be crowding out income elsewhere in the household. So it's not the case that the household earning effects are substantially less than the beneficiary business effects. And we see this sort of passing through into some measures of improved kind of consumption stability and the like as the skipping of meals decreases substantially in this population. So I think our first thing is we think about the sort of fundamental constraints in this population is that liquidity constraint is substantial. And while there's a broad literature here, I think we contribute something to the sort of sense of stability and persistence over time and across populations. Turning to the mentorship dimension of this, we see that these effects are really quite modest. We look at this across subgroups and thinking about whom people are paired with when we wanna think about what the consequences of mentorship might be. So showing you first in the panel on the left, the benefits of mentorship for Ugandans and refugees, again across both genders in our sample here. So

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relative to cash, you see that Ugandans are, in point estimate terms, slightly worse off in the mentorship program than without it. And the refugees are sort of more or less the same to the large extent, with some hint of something positive when they're mentored by a refugee rather than by Uganda.

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ANDREW

ZEITLIN:08:28:23

The gender dimension is where this becomes particularly interesting. So, as you can see. So, at the 10% level, men being mentored by men have statistically significant profit effects in this sample over the study period. And these are sharp, especially in the early rounds. And then mentorship seems to, on the other hand, have negative effects for women, particularly when women are mentored by other women. Contrary to sort of something of our expectation here and the expectation of our implementing partners. So, thinking about how the decisions that are made by people are shaped by the experience of mentorship and, and how the access to information that they get may sort of be traded off against the ways that they make slightly different decisions or decisions that expose seem not to have worked out. I think is an interesting and key question for us. We don't see these effects driven by changes in the sectors to which people enter into. We don't see them driven by the likelihood of opening a business. So, some of the obvious channels that you might have expected are not there. But I think this is potentially important. Where we do have some sense of what might be going on is when we look at how this works across the distribution of business profitability. And so, when we. So, what I'm showing you here are quantile treatment effects. Looking across the range of business profitability in the after-intervention period. And first showing you in the upper panels for men and for women what the impacts of the cash grants are by quantile. So unsurprisingly, you see these big effects at the top of the distribution that are potentially important here. Strikingly, then when we look at the effects of mentorship. And so, the bottom graphs are gonna show you the effect of mentorship relative to cash alone across the quantiles of the profit distribution. We see that the negative female effect seems to be coming, particularly at the top. So, it seems like some high return things that might have happened in the absence of mentorship don't get invested in because of the conversations that are happening in these groups, particularly when women are being mentored by other women in this context. But exactly how that's being driven and what trade offs, what other benefits might be there that are being trade off against, I think are questions we want to explore a little bit more. OK. So then just to wrap up, we see in this work substantial effects of the cash grants on business and household outcomes. These effects are persistent over time and across populations and I think one contribution here is to sort of line up in time and at the same time in space, a trial studying both the refugee and host population impacts, and to show that we have some evidence of the generalizability of the sort of interventions to alleviate liquidity constraints across that barrier or across that division. We have these marginally positive effects of mentorship among men, particularly when they're being mentored by other men. And these marginally negative effects of mentorship among women, particularly when they're being mentored by other women and seemingly concentrated among the upper quartile of the profit distribution. Whereas, we don't see this being driven by substitution to other economic activities, we don't see this being driven by differences in the sectors that they choose. And we don't see this being driven by, for instance, like the taxation by their mentors or something like that, that there might be some bargaining going on within the mentorship group that results in funds not going to them. So, some evidence on those

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constraints and some mysteries about where, why this mentorship model has fallen down in some instances for some people. Perfect. Thank you.

ISAAC

MBITI

(8:32:15):

So, thank you so much. It's really great to be here. And thank you for being here. I know it's. Well, I'm keeping you from, or we're keeping you from dinner, so we'll try and be engaging and interesting and but yeah, we'll try. So, I'm gonna give a presentation on some work I've been doing in Ghana with co-authors Gabriel Morgan, Jamie, and Isabel. And we've had some outstanding RA support from DT and Michelle as well. So, I want to just give him a shout-out to people who are behind the scenes, who do great work, and helping us move things along. So, we've been working in Ghana for some time and I think. And I'll probably skip a lot on this motivation here and this sort of framing. But essentially, we're all thinking about youth unemployment and underemployment and it's not good, right? Though I think we can all agree on that. And we're all trying to find ways on, to address this problem. Right. And so, what we've been doing in Ghana for some time is looking at apprenticeships. And in many low and middle-income countries, we have apprenticeship systems, they're pretty common. I think often when people think of apprenticeships, they think of sort of the, sort of German model in some sense of well-established big firms, et cetera. But in these contexts that we're looking at, we're often thinking about or speaking about sort of working in very small-scale informal sectors, right, where the firm owner has maybe like two or three employees and a couple of apprentices, and they're the one that's providing the training. And that's kind of the model of training that we're looking at and studying in, we've been studying in our work here. And so, why do people sort of get interested about apprenticeships? In general, I think they're seen as this promising way of sort of providing skills, but also with the idea that I can boost the employment prospect at the end of the day. And we. It's seen as maybe practical. Right. Because again, you're learning sort of on the job, you're learning from someone who actually is active in the trade. Right. And in some cases, this is paired with classroom instruction, sometimes not. And, there are sort of some thought that what ends up happening, really, is that at least in the sort of the systems that we're studying is that the apprentice basically learns from the trainer and then basically replicates exactly what the trainer does and sort of copies their business at the end of the day and goes sets up their own firm. Right. So again, unlike sort of what you see in developing countries, there's no real retention of like the firm hiring the apprentice at the end of the day, where this is sort of a screening mechanism for your workers. But this is really just a training system. Right. That then sort of trains other folks that enter and start new businesses. Right.

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08:35:02

So, this arguably could be more relevant for sort of the context we're talking about where this is a large informal sector. Right. In Ghana, being over 88% of men and 95% of women are in this sort of informal sector that's arguably low productivity. Right. And so, you can imagine that this is, you're learning from someone who's actively in this space, who's been experienced in this space. And so this might actually be a good form of training, a relevant form of training for that, relative to, let's say, a vocational training institution, which is very classroom-based. Right? And so, and it's somewhat surprising, or at least one surprise, people often get surprised by just how common these sort of types of training are. And in Ghana, for example, like this type of training in formal sector apprenticeships has trained almost four times as many individuals as all other sorts of formal training alternatives. Right? So, if you look at sort of people who went to sort of vocational schools and all these other forms of schooling, apprenticeships basically dominates it. Yet they're actually academic literature looking at apprenticeships, like the economics literature is actually pretty thin relative to the importance.

ISAAC

MBITI:08:36:13

Now, well, again, it could be relevant in terms of actually training you for the sectors. I think a lot of observers have raised quality concerns. Right. And so, things that they've raised are some factors of sort of pointed to it specifically are many of these firms are using outdated technology. There's a lack of monitoring that's going on. There's a lack of formal contracting. The standards and the curriculum are often sort of not there. Right. They just sort of everyone's kind of doing their own thing. In some sense, there's no sort of formal certification or it's limited in many contexts. And there's also the strategic concern, right, where basically because again, unlike sort of like a German system where the firm sort of hires a person at the end of the day, here, you're basically after the training, they go off and start their own business. They replicate your own business. Right. And so, there's this concern that you might be like, well, I'm actually, I don't wanna train Andy Owen or (UNKNOWN) because they're gonna start competing with me. So, I better maybe slow the pace a little bit, maybe withhold some things. So, there are these strategic concerns that come into play as well.



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ISAAC

MBITI:08:37:20

So, how could we address this concern? And that's what we're going to look at or that's what I'm gonna talk to you about today is basically one potential way to address some of these concerns, these quality concerns. And one way to do that is by introducing financial incentives, very much in the spirit of what Andy was talking about, or just sort of getting everyone's skin into the game, right, and sort of a shared skin in the game, so to speak. Right. And so, the idea here is that we will, again, economists love incentives. Right. That's always a solution to everything that economists sort of come up with. But in this case, we thought, the trainer enumeration or what they actually get, right, in terms of cash and what they (INAUDIBLE). If we can strengthen that link, right, that could potentially increase the sort of skills attainment rate among apprentices. Right. And so, we thought, well, this could encourage training effort and improve skill acquisition. And maybe, sorry, in some of these things didn't render very correctly. Better skills could lead to better labour market outcomes. Right. And now again, this was I think motivated a lot from I think the academic literature in schooling, right, where you see in schoolings where you see basically financial incentives for school teachers in K-12 education can be quite effective. And there's a lot of literature on this that's sort of shown that. Now, while that's true in the sort of schooling literature, it's unclear if sort of financial incentives will be effective in the apprenticeship system. Right. So again, when I come to a trainer, right, there's a large opportunity cost of training, right? So like if I'm training someone, right, if I spend a little bit more time training or (UNKNOWN) and Owen. Right, I'm potentially not spending time making stuff dealing with customers. Right. So, there's a large opportunity cost of training. Right. And there's also these strategic considerations, like if I do put more effort, they're gonna be better at competing against me. Right. So, it's not clear this will automatically just translate from the education sector or the formal K-12 education sector into this apprenticeship system. Now, on the other hand, what you do see if you just do sort of survey sort of a lot of training programs that do exist is you see many of them sort of feature these sort of outcome-based contracts for trainers, where basically the trainer payment is linked to training outcomes. So, you've seen this in some work at the world Bank did in Liberia by I think lots of folks and other places. Right. So, that's become a common feature of many training programs. But again, that's. We actually don't have limited evidence of the effectiveness of that sort of contractual structure. So, in this experiment, what we're gonna do is, now it's embedded within a larger experiment that we were doing that's still sort of working on it, on that's trying to look at the returns to apprenticeships in Ghana, and which was that RCT was in collaboration with the Council for Technical Vocational Education and Training in Ghana. It's a government agency. And so, what we're doing here, what I'm gonna talk about today here is basically a sub-experiment within that larger experiment where we're basically looking at what is the effect of giving incentives to training providers within this larger RCT? OK. The apprenticeship training that we're looking at is gonna focus on construction, trades, cosmetology and hairdressing, and garments and tailoring. So, those are the sort of the trades that were offered. We didn't pick those as researchers. This was what the government sort of picked. And due to logistical considerations and just constraints that we had,

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basically, there were no syllabi that we could use, we could only sort of implement this for cosmetology and hairdressing and tailoring and garments. Right.

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ISAAC

MBITI:08:41:05

So, this is just a broader research design sketch, just to sort of give you an idea of what's going on. So, in 2012. So again, this has been going on for a while. We sort of did the baseline for the larger RCT, recruited our applicants. We sort of put people into different buckets of control treatment. Priority, you'll see there is basically we allowed district officials to pick, Oh, only five minutes. Alright. Pick people. So, I'll keep going. I'll talk a little bit faster. And then we moved to match apprentices with trainers. That was sort of 2013. And then we layered on the incentives program just among those that were in training, OK. And so, we have about 225 firms in each treatment arm. What are we doing? Basically in the treatment group trainers are gonna get a financial bonus based on a skills test that we're going to administer to their apprentice. Right. So basically, if we come in, we're gonna test the apprentice, see how well they've learned hairdressing or tailoring. And then basically, the better the apprentice does within the district. Right. So, if they're the top-ranked tailor on this test within the district, the apprentice gets a bigger bonus. So, it's a rank-order tournament structure within district. And in the control group, the trainers are going to get a fixed payment of 100 Ghana cedis if the apprentice takes the skills test. Right. So basically, there's no incentive there to increase your effort. And the average payment is equalized across both groups. Here's a bonus schedule. I'll skip it. But, and I'll skip also this. So, we have lots of data. Basically, we have our baseline, we have our skills data, we have tracking data sort of going through the intervention, we have. And we have two follow-up data. We have one sort of what we'll call a middle line, so to speak, in 2017-18, which is like two years after the intervention of the incentives. And then we have a 2022 follow-up as well. So, I'm actually going to present both. And the 2022 follow-up with 2022, 2023, that's fresh off this data, so it's very exciting. So, who are these folks? Apprentices, they're young people. They're about 23 at the time of enrollment into the program, about seven years of schooling. And because, again, we're focusing primarily on cosmetology and tailoring, they're basically all women. OK. So, skills assessment, really hard to do. We basically had to hire people who were external experts to go around and conduct these assessments. So, folks had to take a theoretical portion, like there was a test that was developed on the theory of hairdressing, the theory of garment making. And then we actually had to do a practical test, basically, and you can see there on the pictures, like how well can you braid hair, how well can you style a hair. And then for the garments, we had that to like so zigzag, scallops, straight edge. And then they also had to like actually make a dress. And we graded all that. About two-thirds of the folks that were assigned to treatment actually took participated in the assessment. And that's balanced across treatment and control. And what do we find in terms of skills? In the treatment group, practical assessment. Right. So, how well can they? So, how well can they do hair. We had about a 0.13 standard deviation increase in learning outcomes, right. So, they actually did a lot better in skills assessment. In a theory, it wasn't really much that was statistically significant. And then they could get a certificate if they passed a threshold. And again, there was no real difference between the treatment and control in terms of passing this test. We come back to sort of 2017, we give them a quiz that basically says "If you were to..." And that was sort of very practically, very practical questions

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about like how would you do this hair? How would you sort of do this stitch, et cetera? And again, still, this is again two years after the incentives. They were better, they did better on that quiz. And they also did better on sales and a sales skills index. Right. Basically, we asked them how would you actually sell this stuff. Right. So basically, skills went up as a result of the treatment. And I think we're pretty convinced about that. In terms of labor market outcomes. We don't see much in terms of a change in labor supply, like we know which sector they worked in, whether they worked for self-employment or wage work but we see increases in earnings. Right. So about, 25% essentially increase in earnings, in total earnings over the past 12 months, we're seeing sort of... And that's driven in in 2017 by self-employment earnings. Right. So, they're basically much more productive in self-employment as a result of that. Right. And then now why is that? Well, obviously skills went up. They also worked more hours during their apprenticeship. Right. So, they got more training so to speak. Their trainers used more syllabi. Right. So, there was a standardization that sort of came into play and there was an increase in the pace of training. Right. So, basically there were actually, we see that apprentices were more likely to complete their training and quicker.

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ISAAC

MBITI:08:46:36

What was surprising to us was these results were persistent through 2022. Right. So, a couple of years ago we come back, we measure their labor supply and earnings, we see that in total earnings is still up by 25, 28%. Wage earnings is what's driving this now, which is sort of surprising. So, it's actually been driven by wage earnings and there's no real increase in self-employment earnings. And again it's all just coming through wage. And now we're seeing in terms of labor supply, there were more likely to work for a wage. So, we were asked to do some policy sort of thoughts to which I'll do my -1 minute. I know. But essentially what I'll say is well-designed incentives could improve apprentice learning and in a cost-effective manner. Right. So, it's hard to do. You have to really pay attention to the design details. And in our setting, the program paid for itself in about 15 months. Right, in terms of apprentice earnings. Right. So, it's actually a pretty cost-effective to do this. Unclear if this will scale up. Right. Because again, as you scale this up, people can learn how to game and sort of game the system. But on the other hand, as I think Owen and co-authors' work, and Andy's work actually has shown, the incentive structure could attract a different or better trainer to the system. OK. So, we just need to do more research on the scale-up potential, and I'll stop there.

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OWEN

OZIER:08:48:01

OK. You've stuck around to the end. You've heard about some long-term follow-up, you've heard about a cash grant program, you've heard about a program that built livelihood skills, teaching people to fish and not merely giving them a fish. And in my presentation, I hope to talk about all of those things. This is a firm of one's own, it's joint work with Andrew Brudevold-Newman and Maddalena Onorati at the World Bank. Gerald Ipapa, who's just finished his PhD at University of Delaware, and Pamela Jakiela, who along with me, we're at Williams College. So, I wanna show a picture, a couple of pictures that illustrate things that Tamar said right at the beginning. This is a picture taken from a report that Deon Filmer in the room, and Louise Fox wrote. What you can see is that on the left side, sub-Saharan Africa's population pyramid has a tremendous amount of youth, OK, compared to almost any place else in the world. And so, when we talk about employment, we need to think about what are young people gonna do? That's really the focus of policy. And you pointed that out earlier. And this is a picture that illustrates it. When we talk about sub-Saharan Africa, this is a graphic taken from Bandiera et al. Look at the bottom thing with the pink bar and the green bars. OK. The green bars are self-employment, the pink bars are salaried employment, wage employment. The top one is Africa, sub-Saharan Africa, 28 countries, I think. And the bottom bar is other countries in the world. And the stylized fact here is that self-employment is really big in sub-Saharan Africa. Labor demand in wage employment is quite low. And there are factors that you can think about changing that. We've heard talks today and yesterday about different ways that industrialization and a revolution in services may change labor demand. But this is the situation as it is now. This is another picture of the same idea. The pie chart on the right side shows that there's this little quarter in the upper left that is wage sector, and everything else is not in sub-Saharan Africa. Also from Filmer and Fox. So, the project I'm gonna talk about today happens in neighborhoods on the sort of east side of Nairobi, Baba Dogo, Dandora and Lunga Lunga. People who live and work in these neighborhoods live and work with varying degrees of formality and informality, and this is gonna be an intervention a lot like the ones that you've heard about. The intervention is run by the International Rescue Committee, which was working on the project in Uganda as well. It's a micro-franchising program. So, it's gonna bring together a bunch of the elements of things that you've heard about, the target population. And the population in this study is young women aged 18 to 19. They're living in these neighborhoods, and they express an interest in starting a business. The idea, the distinction between micro franchising and other multifaceted interventions is that in addition to providing a kind of life skills training, which you heard about in (UNKNOWN) presentation and a specific business skills training, in addition to providing capital so that you can start your business to overcome any capital constraint, credit constraint you may face. In addition to all of those things, micro franchising is gonna attach you and your small business to a nationally recognized brand. You're going to have a business model to do. OK. Now, it's self-employment, so you can decide whether you want to do it or not. But there's gonna be a business model all worked out and recognized branding. So, that's like we're trying to overcome, the IRC is trying to overcome with this program, as many of the possible constraints that may inhibit young people from

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launching their businesses as possible, along the lines that we've heard in other presentations today. So, you're matched with one of a few different franchise models on the basis of the preferences that you express. And you get all this training and you even get mentoring. That was a feature of several of these things as well. You get mentoring after your micro franchise is launched. The two sectors that this ends up being in, the partners that the International Rescue Committee had to work with, young women in the east side of Nairobi were hair salons. So, here you can see an academy where people are learning how to do different things with hair. And here's one of the salons that they've started after coming out of the academy and mobile food carts where they sell prepared, ready-to-eat foods. And there's like a company that they're associated with in a national brand in each case.

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OWEN

OZIER:08:52:45

Another thing I mentioned you heard about was a cash grant. So, we're gonna run a sort of a horse race of sorts between two interventions that are both meant to help people in this population. So, one of them is the micro-franchising program. The other is a completely unrestricted cash grant. It's about \$230, 20,000 Kenya shillings. And there was no particular encouragement to do anything with this money. So, you could think a lot of things might happen as a consequence of getting a few hundred extra dollars. Now, what does this do for kind of thinking like economists? This will relax the credit constraint. So, if you're just short a few hundred dollars and you don't have a way to get credit, this will overcome that problem for you. But if you face all kinds of other constraints, this won't necessarily do anything about them. So, we think of these as competing models. And so, if, for example, a variety of skills that you could get in the training program that accompanies the micro-franchising intervention, if those are the skills you're really lacking, then it will do much better. So, which of these is going to help people get out of poverty better? One thing to notice, and one often described advantage of a cash grant program is that it's much easier to implement. It's very simple. You don't have to find a partner organization of the kind who is willing to do training and launch people with a brand, it's much simpler than that. And if I'm running a training session next Monday starting at 9:00 in the morning, it's gonna be a logistical constraint to get people to be there. Some people have something already next Monday at 9:00 in the morning. But if I just need to get you a couple of hundred dollars, we can meet at almost any time to do that. So, take-ups gonna be very high in the cash grant program relative to the micro-franchising program. And that's common, the fact that it's not 100% take-up, more like two-thirds, 60%. That's common in the literature on active labor market programs. People who are looking to change the way they interact with the labor force have other stuff going on. And so, they aren't all gonna show up at a training at a specified time, even if they express an interest in doing so. So, for that reason, what I'm gonna show you are gonna be what we call intention to treat results. So, I'm gonna say here's who's assigned to this group, here's who's assigned to that group. It's a randomized trial with three arms. So, people in this randomized trial express interest in the program. The program has limited spots. So in the middle in the blue, and blue will be a color associated with micro-franchising throughout the rest of the presentation, several hundred people are assigned to the micro-franchise group. In the green, you have people who are assigned to the grant group. And in the gray, you have the control group.



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08:55:30

As I said, the take-up is gonna be lower in the more complicated program. So, we see that we get everybody who completes the baseline survey, 95% of those assigned to receive a cash grant receive one. And of those assigned to and invited to come to the training program to do the micro-franchising, a little over 60% start the training and go through some part of it. And about 40% get to the point of launching a micro-franchise. But if the training itself is all you need, you don't necessarily have to get to the launch point. So, we're gonna show you intention to treat in both cases. The cash grant is similar in magnitude to the value of the micro-franchising intervention, but it's very hard to price some of the elements of that intervention. So, I'm not gonna say that they're exactly the same. I'm sure they're not. OK, first thing, we followed this group of young women for six years after the intervention. And on the dimension of self-employment, the results are almost exactly the same at each of year one, year two, and year six, and they're also almost exactly the same between the cash grant arm and the micro-franchising arm. Whether you are invited to the micro-franchising program or you receive a cash grant, you're a little more than ten percentage points more likely to have self-employment in your portfolio, starting that moment and lasting for years to come, OK? So, it's a lasting, it's a persistent effect, six years. Now, how does this work out in terms of your portfolio of income-generating activities? I only talked about self-employment. So, in the top bar, we have the number of income-generating activities that you do. And in the bottom set of results, we have the impact on paid work. So, working for somebody else as opposed to the self-employment. In that first year, let's look at the bottom left corner first. In that first year, whether it's the franchise program or the grant, you get this thing that helps you do self-employment and you're less likely to do wage employment 'cause you've got this other thing going on, right? That doesn't last, OK? It doesn't, in a persistent way, it does not crowd out wage employment. And you can see that pattern sort of in the top panel. In the top middle bar, you can see that by year two, particularly in the franchise group, people have a larger number of income-generating activities in their income-generating activity portfolio, OK? So, I sell shoes, but I also do hairdressing. Whereas in the comparison group, I only sell shoes or something like that. We can talk about whether you're exclusively self-employed. That's the top row here. And that's something that we see an impact on in the first couple of years, but that does start to diminish, OK? So, you start out getting excited about this new self-employment thing and that drops off as the only thing that you've got going on. As we can see in the bottom right, it looks like self-employed and working for others is something that gradually becomes more likely if you're in the franchise group, for example. So, this is adding to the set of things that you can do. And at first, you do mainly that, and then it's just one of the things that you can do.

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08:58:46

When you get a cash grant, are you gonna stop working or are you gonna work harder? In our population, that green bar on the left, people who get that cash grant are working hard to make their new businesses exist. In fact, they're working more hours than the people who get the micro-franchising intervention. Maybe because there's more work to do. They have to figure out their business model, figure out where to source all the capital, things like that. But those effects are not persistent. Something that I'm sure everyone wants to know about is the effect on income. I'm showing you cumulative distribution functions, and the simplest thing I can say about the picture on the left is that the gray bar being above the blue and green bars at the very beginning means that people in the control group are more likely to earn almost nothing than people in either the cash grant or the micro-franchising group. But that sharp distinction that is there in the first panel starts to fade away as we get to year six. So, in a regression table framework that some of you may like and others of you may not, we see that you're earning, this is in Kenya shillings, so you divide by 100 to get to dollars. People in the franchise and grant groups are earning a few dollars more per week in the first year relative to about \$5 a week that the control group is earning in that year, OK? It's statistically significant. People are earning more in the first year. That is no longer true at years two and six. The income effect goes away. And we might think maybe that's just a thing about averages, sometimes averages mask variation in the distribution. We saw some quantile treatment effects. So, we looked around the distribution. Here this is a difference in CDFs. And again, the simplest thing I can say is any place this shaded interval is below the line, it means that's a place where it has made incomes better for the treatment group. So, the franchise treatment really seems to make things better for people with low incomes. They end up with higher incomes in that first year. The grant treatment seems to have impacts all across the distribution, including at the upper right. The right end of the distribution. So, there's some pretty successful businesses. But when we look at years two and six, there's really no place in the distribution. You can kind of squint and see one or two little blips. But there's not really much variation that the average is masking. There's not a huge persistent effect on income somewhere that the average doesn't let you see. So, this is a program. These are both interventions that help incomes in the short term, but that income effect doesn't last. One thing that people say about, as an example of women starting businesses rather than men starting businesses, sometimes the husband is the problem and is a constraint on women's business operation. But most of these women are not married when they start these businesses. So, it's not really the husband's fault. That's not the mechanism here, OK? So, women launch businesses. Do they get rid of them entirely? No. And then we ask, so if you don't get rid of them entirely and if you are not earning more income, what's happening here? And so, we were brought to ask questions about well-being, some of which we saw in one of the earlier presentations. We ask about living conditions, we ask about food security, we ask about subjective well-being and happiness now and what you expect for the future. And what I've got in a table format here is a pretty simple idea. At year two, we asked this, and at year six, we asked this. At year two, we didn't really see any significant effects to speak of on well-being, but

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by year six, the franchise intervention that had the mentorship and the life skills training and all of that stuff, that left people feeling better about their lives, in some cases in concrete ways and in other cases in less concrete ways. So, one lesson we took from this is that it's valuable to look not only at income and sector of employment but at how people feel about how they're living in their lives. It seems like the micro-franchising intervention helped people see themselves as micro-entrepreneurs and know that that's a difficult path to go on and understand that the struggle that they're on is one that is part of the business project that they're doing, and it doesn't mean there's something wrong with them. So, people see themselves as micro-entrepreneurs more in the franchise group and not in the cash grant group. So, there are a variety of mechanisms that you could explore more, but for those of you doing projects along these lines, we encourage you to not only look at long-term effects but to look beyond income and sector of employment. So, I'll leave it there. Thanks very much.  
(APPLAUSE)

TAMAR

ATINC:09:03:27

Great. Thank you very much for excellent presentations and good discipline on timing. So that leaves us a good 20 minutes for discussion. We heard some promising interventions, we heard some not terribly promising interventions, at least as far as labor market outcomes are concerned and some concern about scalability. So, let's open it up to questions, comments from the floor. Show of hands. I have one there and then I'll take, we'll do a second round, two, three, four, right behind each other there.

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AUDIENCE PARTICIPANT QUESTION 1:09:04:11

Thank you. Great. Another great session. Thanks for these insights. A question on both the last and the first paper on Owen. How much of the franchises still exist at year six? Since that's part of your interpretation there and then any, since this is about income diversification, any way that you can look at whether this helps cope with shocks or manage shocks and that that's where some of the benefits are coming from, not on average but in this moving part. And then on the first one, super interesting, really more a question of interpretation. So, the, do you know why they kind of allocated to the youth and not to the husbands and then, you know, and so you said so optimistic, so it sounds like it's, you know, maybe we should wait kind of in light of what we heard. But it is like, but kind of, you are optimistic about it so maybe tell us a little bit why you think that was a, you know, why that's a positive outcome.

TAMAR ATINC:09:05:16

Thank you. Let's go over there.

KEHINDE AJAYI QUESTION 2:09:05:18

Thank you all for these really interesting presentations. I have questions for Owen and Isaac on sector and I guess, speculation about generalizability. So I know you don't have data on what this, what would have happened if you had done this in different sectors, but I'm wondering if you know based on how these, the hairdressing sector, the tailoring sector compares to other sectors that young people and women in particular are involved in, whether you think, how much of this do you think is sector specific and how much do you think might generalize to other sectors beyond those?

AUDIENCE PARTICIPANT QUESTION 3:09:06:00

Hi there. Thank you so much for your presentation. I'm Rachel, a recent master's graduate at Georgetown University in the School of Foreign Service in their Global Human Development Program. So, I was curious about, so for micro-entrepreneurship, from your research and things maybe you've been working on, what's the idea in terms of scaling up? So, we are talking about providing jobs for the unemployed and the youth, but how do we move these micro-entrepreneurs to become SMEs or even larger? And where do investors come in? How do we attract investment? Are there any angel investment networks you've discovered in Africa? So just thinking about that scaling up so that we can try to solve this problem of youth employment.

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AUDIENCE PARTICIPANT QUESTION 4:09:06:44

Hi. Thank you so much Farhan Majid from USAID and University of Pennsylvania. I found all of the presentations really fascinating, but I just wanna comment on the first and the last right now. So, for the first presentation, I was thinking if you've thought about the abilities of the household members and, you know, like you can think of this as a response, a household response to abilities and thinking about what are the efficiency versus equity motives here. So, you're just thinking from a youth versus non-youth, but I'm just curious about how is that playing out and if there's a way for you to measure the preferences and work with that. And for the last presentation, I was just thinking, given the age group of 18 and 19 and the time period, if there's delays in like childbirth or like marriage patterns as well, which you noticed. Thank you.

TAMAR ATINC:09:07:41

Thank you. Why don't we start with you, I think.

OYEBOLA OKUNOGBE:09:07:45

OK, so the first question on why people switch to the younger people as opposed to the household head. One of the things that was built into the program was given this age brackets for it, so 15 to 45, and I think while that still allowed many of the caregivers to be in, it excluded a lot of their spouses cause they're typically a large age differential between the spouses, so I think they were just not eligible. So that's probably something to keep in mind for other types of programs if we're concerned about kind of capture in them, yeah. And the second question about the ability of different household members, I think it's important'cause I guess there are two ways to think about it. One is if you have the high ability individual, then maybe you do want them to be the ones who have the opportunity so that they can produce, they're more productive, and then the household can benefit from there. And then there's the equity concern that if they are the ones that get all the opportunities, then what about the less able household members? I think that's, I mean one of the things that we want to dig more into, both some of the data we have now and in the future is to look more at the specific characteristics of these household members, so wanting to learn more about if they've previously run any kind of enterprise, what the education levels are, other measures that we have of what features of the ability may be predicting their performance. I think that would guide us a little bit, but I think at the end, or this type of setting, I think there tends to be a shift in prioritizing the efficiency argument in the hopes that this then will be redistributed across the household members.

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ANDREW

ZEITLIN:09:09:40

I'll just speak to the question of scale that, or scaling up that Rachel asked. I think that's an interesting challenge, and I think others might have different views, but I think most of the types of interventions that we're talking about here have modest or no effect on people's ability to employ others outside their own household. So, these are at best moving people from self-employment businesses that don't exist or doing very little for their household income to things that are doing a bit more for their household income. And I think the question of where might demand for wage employment come from, where might that sit is a really crucial one. The answer might not be that it comes from starting from really small businesses and growing them into bigger ones, but thinking about businesses that start on a different level in the first instance with a level of capital intensity and things like that that these businesses don't have, and think of that as the place where wage demand might be, or demand for wage labor might be generated instead.

SPEAKER:

09:10:38

Yeah.

ISAAC

MBITI:09:10:39

So, I had a question about the generalizability of some of the findings beyond sort of hairdressing and tailoring, I think, from Kehinde. Yeah, I mean, I think as long as one can develop a good test, at least, you know, if I could develop a masonry test and a carpentry test, I think the sort of theory of change would be applicable. And again, we'll have to test to see whether it works, but I don't see any issues there particularly that I can think of. But I think one would wanna test it first and create a good test. And just to sort of piggyback on what Andy was saying about the scaling, I think the other thing that I think is challenging is that many people in self-employment are not there by choice. And I think if you were to find people who have great ideas, brilliant ideas, who want to be entrepreneurs, identifying these types of people that can actually grow and sort of, you know, change, you know, bring in new ideas, bring in new products that can actually, people want to buy and can then, you know, that's really hard to find those types of people. So yeah, I think that's one challenge is who goes into self-employment.

OWEN

OZIER:09:11:58

Exactly. So let me say, I'll answer the question that Tamar didn't ask. We heard some good news and some not so good news, I think. But what's funny about the not so good news is it seemed like better news the first year. OK, there were income effects in the program that I looked at and in the grants that I looked at in the first year. And so, for a lot of interventions, including some here, we so far only have evidence on the good news part of the program. So how these things evolve, and I think, how many years has the tailoring stuff that you've done?

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ISAAC MBITI:09:12:31  
It's long. It's long.

OWEN OZIER:09:12:32  
How many years is that?

ISAAC MBITI:09:12:33  
It's 12 years.

ISAAC MBITI:09:12:33  
Yeah, I mean, the 20, yeah, we started at 2013.

OWEN OZIER:09:12:36  
Yeah, to 2022.

ISAAC MBITI:09:12:37  
Yeah.

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OWEN

OZIER:09:12:37

So, some of this is quite long. But I think these things do have dynamics. So that's the first thing I wanted to point out. I agree completely with Andrew and Isaac's answers to the question of scale and how to find ways of scaling this in the project that I've done as well. Very few of these young women go on to employ someone else. So then if you're asking where can you find the partners to do these kinds of things with, that's a difficult question. I agree completely with what you've said. To Karen's question about are the microfranchises still around? One way of answering that is to say what is it that the young women who are still running self-employment businesses, what are the sectors in? And the ones who started in the hair salon microfranchise are much more likely to still have a hair salon as one of their businesses. So, to some extent, they don't close. But they decrease the intensity of their work. It's something that they've got as an option in their portfolio. I think it must help them cope with shocks, though I don't have a sort of specific measure of shock coping, but their living conditions are a little bit better, and they report greater food security. So, in some way, that suggests that yes, it must. On generalizability to Kehinde's question, which by the way, is almost exactly an interview question I was once asked when I was applying for a job as an economist. Anyway, that question we have a little bit of evidence on because we have at least two sectors, and though it's not randomized which of the two microfranchise models you're in, there's variation both in what preferences people express, so we can exploit that heterogeneity, and there was differential availability of the different models across some rounds of rollout and across either of those ways of looking at it, a kind of more exogenous way or a more endogenous way, we don't see consistent evidence of differential impacts. So, it seems like the two models were very similar in what limited evidence we have. So that suggests that we could go further. The theory of change isn't specific to either of those things, but what sector would you come to next? I don't know.

09:14:42

Farhan asked about marriage and childbirth patterns. I don't think there's any impact that we find on eventual household size or household configuration. So, no effects there. Yeah.

TAMAR

ATINC:09:14:58

Let's take a few more. I saw a hand up there before. OK, there's one, two, three, four.



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AUDIENCE	PARTICIPANT	QUESTION	5:09:15:11
			Hello. I'm Priya. So, I have a nonprofit, and we actually work on the micro-entrepreneurship in India. So, from last ten years, we are working with the women and the youth. So, we understood that when the first year, when you start the business, everyone, when we do as a cash, you give a grant, sometimes they just come to get the cash grant. That's why they attend the training. And after attending the training, many time it happened that just, you know, that incentive towards the getting the cash, because of that, they continue with the, you know, training part, OK, I want to do the business. But at the last step, we understood that many time this women actually don't want to be an entrepreneur. They just want to be, have that cash grant, and because of that, they get involved. So that is one thing which we face the challenge. Second challenge was that, you know, many time it happened that the woman and the youth, when we talk about the both way, youth start the business, we help them to start, and after, once they get a good job, they switch to the job. Once they laid off from the job, they again come to the, you know, the livelihood opportunity. So that is one of the challenge with the youth, so where we have to work on the model, what are the models are good for the youth, because women and the youth, we can't keep it on the together them. So, I think there is need to be a different model. So, yeah, what is your point of view on that?

AUDIENCE	PARTICIPANT	QUESTION	6:09:16:44
			Thank you. Hi. Thank you so much for the presentation. My name is Sonia, and I am an undergrad student from the University of Notre Dame. So, my question is more about, like, the landscape about.

			09:16:57
			Our financial incentives like right now. I was wondering like when we were talking about financial incentives are we talking more about like grant or we're talking more about like franchise men or are we moving more towards like microfinance like micro loans something like that? And also when we are talking about offering those incentives to people are we like how do we make sure like how do we determine like how much are we offering people and also are we offering to individual like household or like who, like who in the household? So, thank you.

TAMAR			ATINC:09:17:26
			Over there and then behind him.

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AUDIENCE PARTICIPANT QUESTION 7:09:17:31

Hello, and thank you for your presentation. My name is Federico Baechli. I'm working at the World Bank. I have a couple of questions for ISAC and BT about apprenticeships. The first is about your opinion on as the advice you would give to a policymaker in your experiment you are targeting... the interventionist targeting the masters to indirectly target the apprentices and I was wondering if you have any opinion about policies that target the masters or policies that would target apprentices directly. The reason why I'm asking that is because I'm wondering to what extent the fact that the master is retaining apprentices is telling us about they're willing to retain this productive employee or does that mean that apprentices do not have outside option outside of the workshop. They are lacking of opportunity to use their skills outside of the workshop. So I was just wondering whether it might make sense to target also apprentices in some way to help them in their transition outside of the workshop. Thank you.

TAMAR ATINC:09:18:47

The last one there.

AUDIENCE PARTICIPANT QUESTION 8:09:18:50

Thank you for your presentation. My name is Aida Martinez. I'm an intern in the World Bank and I'm a student in the Master of Public International Development Policy at Duke University. And well, this is more recommended for Owen. I was thinking as well that maybe the lack of willingness of being an entrepreneur. It was the reason to look those a fates and the effects of both franchise and the grants. And the second thing it was that women are tend to like testing more a larger share of their incomes to household expenses. That could be another reason. And when you mentioned that the... well like the grant beneficiaries were not married, I was thinking that maybe it's not the case for all of the participants of this like RCT, but economic violence is not only perpetrated by a husband's but also for parents, for sisters, for a sublet in general. So I was thinking about that. Like maybe looking at that could help to understand a little bit more why those effects change.

TAMAR ATINC:09:20:15

Thank you very much. Isaac, why don't we start with you because there was a specific question to you.

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ISAAC

MBITI:09:20:20

Yes. Thank you so much for the question. So in terms of you know, how do you target masters or apprentices and sort of how you think about this sort of I guess the outside options. What I would say is there's a very complex sort of tradition I would say of you know determining when a against in the traditional system, right? So you you enter the apprenticeship and basically, you know, the master trainer basically has a lot of power over when you compete, right? And this is I think part of the thing the contractual sort of issues and the monitoring issues. You basically end up and again at the end of the day basically they graduate so to speak and they will move away from the firm. And there's a question of like, OK when are they going to graduate and the master is the one who actually determines that, right? So what you see is basically a lot of training that just gets dragged out for a really really long time and I think that just is evidence of a partly this monopsonistic sort of power that they have over them to sort of control their lives because basically when you sort of say I did an apprentice, you need to have like a reference letter from them, right? So they can't leave until they get that reference letter. And they're these sort of trade associations that are very powerful that sort of, you know, have these customs about. So there's just a lot of I think I think norms and sort of societal sort of structures here that I think really I think put apprentices at a disadvantage where they end up sort of staying in these really low paid apprenticeships for a long time and the master trainer is able to basically extract a lot of rents. So yeah, I think there are I think ways to really speed up training through targeting the trainer as we did and I think yeah, there are also probably complementary ways we can sort of help the apprentice move faster. But I think one of the things we need to do is sort of systemic where we basically need to sort of put some more regulation and oversight to make sure we're not getting people in apprentices for five years, right? So I think this is I think a role for government to really come in and sort of I think regulate the system a little bit more and sort of put standards and so I think really just upscale and upgrade this apprenticeship system a little bit more.

TAMAR

ATINC:09:22:48

Thanks, let's move to the rest of you to pick up on the questions

AROUND:

09:22:53

What if people really don't want to be an entrepreneur? And then some of the design elements that were brought up. Why don't you start Owen and then we'll go.

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OWEN

OZIER:09:23:06

OK. Yes, I'm not sure that people think that entrepreneurship is the thing that they have always wanted to do. But in an environment where there's really low labor demand from the wage sector, it's helpful to have at least as a coping strategy, if not something more. So I think that's an accurate description of a lot of the people here. I should say we didn't advertise cash grants. We said, if you're interested in starting a business, and then we said, Good and bad news. The business training is full, but I do have something good and people didn't know that that was coming. So I don't think we faced particularly adverse selection of the type that you described, but completely fair point. With respect to the point about the roots of economic violence may not exclusively originate in the husband and things like that, completely agree. One of the things we did, though we were frustrated by, is that we looked for the predictable heterogeneity. We looked for baseline characteristics, who the woman was residing with, how much education she had, a host of background characteristics, and we used a variety of machine

OWEN

OZIER:09:24:07

"Does any of those background characteristics predict whether this is going to work out for her in the long run or not?" And we were unable to find a reliable predictor along those lines. So I think it's still open to figure out what to do there. And I forgot my best anecdote in answer to Kehinde's question. We actually didn't come here originally to study hairdressing and food carts. The original microfranchising model that the IRC had done in West Africa and was really happy about was a refrigerated goods microfranchise called "Ice, Ice, Baby." So I think there's at least one more sector out there.

TAMAR

ATINC:09:24:45

Andy. And very quickly.

ANDREW

ZEITLIN:09:24:47

Yeah, very briefly, I think, Priya, your anecdote about conditionality I think is an interesting one. I think it speaks to an important challenge. So one thing is, you know, do people want to become an entrepreneur? And then the other thing is kind of once you're on a path toward that, should you force them or, you know, economically incentivize them in strong ways to go through particular trainings targeted at particular things? I think that model is predicated on the idea that there's some market failure out there, that people don't know that this training is really gonna be great for them, don't realize the value of it. That may be true in some circumstances. I think the evidence we're seeing in a variety of these studies is that those benefits are modest, and that has, therefore, a double tax, right? You're both spending money, you know, from the organization's perspective on things that aren't, you know, they could be cash that does good things for somebody else, and you're taking up people's time that they could be putting into the enterprise itself or other things that they might enjoy in their life. So I think that's worth thinking really carefully about.

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OYEBOLA

OKUNOGBE:09:25:45

So, there was a question about how the financial amounts are set, how much to offer. I think I was looking at the range of amounts. It's somewhere between two to \$300 tends to be the amount, and I think it's based on what could be used to start up a microenterprise in the setting. I completely agree with the other panelists that this is really a stopgap measure in many cases. When I was making the title of my slide, when I wrote "The Choice of Entrepreneur," I chuckled to myself that no, really, these are not entrepreneurs. These are, you know, some kind of sustenance, subsistence livelihood activities. And when I always think of these big problems of youth unemployment, the questions are much bigger than, I feel like these are all micro solutions to macro problems. There are no jobs. That's why we have all of these programs that are at play. And, you know, we're talking about the Bangladesh story early, and I feel like if all of us could get that in our countries, like people that can employ and mass young people and really find ways to address this pyramid that all of us are looking at and very worried about.

TAMAR

ATINC:09:27:06

That's a very good place to end this discussion. Thanks to all of you, and thanks very much to the panel. A round of applause, please.

AUDIENCE:

09:27:14

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09:27:46

## Closing Remarks

TAMAR

ATINC:

Alright. I want to ask, how many of you participated in the discussions yesterday as well? OK, quite a few. Alright. I want to thank the Center for Global Development in particular for giving me this opportunity not just to moderate this wonderful panel, but also to give closing remarks. And I was really wondering yesterday, after hearing the discussions, what I can bring to this audience by way of closing remarks at the end of two full days of amazing presentations, big ideas, and fruitful discussions. I thought I would lean on my comparative advantage. You might ask, what is that? And I would respond by saying I am pretty tired. So I have been away from these conversations for almost ten years, and what that does for me is that it gives me some perspective. It also allows me to plead ignorance because I will say some things that I don't know a great deal about. So what I want to do is I want to talk about what I heard during these two days, and especially today, and reflect on how different what I heard was from what I knew, what the discussions were ten years ago when I was in the midst of these conversations. So, there were a lot of discussions on challenges, and what I heard on that side is that many of the issues facing the global community, the developing world today, are not entirely new, but they are definitely qualitatively different. Yesterday's four presentations focused on these big issues. Digital technology was definitely around ten years ago, but it is much more ubiquitous today, and AI in particular promises to transform our lives, our societies, and our economies in ways that could not be imagined ten years ago. Second, the climate agenda. Again, we have had warnings about the climate crisis for many years, unheeded, but I have a sense that the urgency of the climate agenda now has become a mainstream topic, and there are constant calls for action on raising trillions of dollars and changing the trajectory of economic production. Third is that all this is happening, these two major drivers of change, are happening at a time when we have historically low growth rates globally and in a geopolitical context where many OECD countries have turned inward. Both those things severely curtail the opportunities for low-income countries to grow through trade, which has been the traditional path, as demonstrated by East Asian countries, to growth into middle-income and higher-income status, and also to take advantage of migration because the same inward-looking policies on the part of wealthy countries are also closing off those opportunities. On top of this is the accumulating debt burden for many developing countries that we heard about yesterday, which ends up reducing the fiscal space for investment in infrastructure and the social sectors. So, that's for the challenges. What did I hear on the side of solutions? And I'll focus on today. Today was meant to focus on, as I said, the economic inclusion of especially women and youth. A lot of the conversations that we had today, the discussions, the panels, are topics that I was very familiar with, in many ways the same, including creating jobs through beauty salons and cosmetology. Many of the discussions focused on reducing the constraints to the labor market participation of women through various means, including changes in societal norms and through safety nets, cash transfer programs, credit, outside encouraging greater labor force participation on the part of women by reducing

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these constraints. We had the discussion, most notably in my panel today, on how to encourage programs to foster more entrepreneurship. Entrepreneurship, as we all ended up saying, may be too big of a word for what's going on. It's really self-employment and household businesses that we're talking about. Both of these types of interventions, removal of barriers as well as working on the small micro-enterprises, really take labor demand as a given. In the context of a given labor demand, what can we do to encourage the economic inclusion of women and youth? These are the conversations that we had today. Some incredible, creative experimentation that ultimately I feel may not move the needle. On the discussion around women, I think there are some big ideas there. If we're able to change societal norms, if we're able to remove some of the barriers, as in providing childcare services for example, to women that we heard, that would encourage them and enable them to participate more. I can see the potential for scale and economy-wide impacts. I have a difficult time doing the same for the types of interventions that we talked about in this panel. They are important, as we said, because for the moment at least, these are the only things that are available to poor people that don't have access to many opportunities and certainly not wage labor. So, two main takeaways for me. I think we need to think more boldly and more creatively about addressing the challenges of the day, which are the ones that I talked about in terms of the technological improvements and the climate agenda. We have learned a tremendous amount through a portfolio of impact evaluations. We have learned how to think about value for money, which is what Rachel has been emphasizing, and these are all very important learnings. But I think the challenges of today require us to get outside our comfort zones and think more boldly.

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09:35:38

I think there's significant room for enhancing our knowledge about what economic inclusion will look like in a world that's dealing with climate change and the promise and threats of digital technology. How can AI, technology, and innovation more generally be harnessed to improve labor productivity, especially for low-skilled workers? Can we think about experiments that demonstrate how AI can complement rather than supplant current workers in the education sector, in agriculture, in the health sector, in social work, and in the area of the green economy? I really don't know what that means, and I found out that many people don't know what that really means, but it is a thing. What scope is there for low-income countries to be part of the supply chain for some products? If not solar panels and batteries, which I was disabused of yesterday, something else perhaps. I don't know exactly what. What about investments in adaptation to reduce the costs of climate-induced disasters in low-income countries, the same countries that are paying for the costs of a problem that they really had no part in producing? Experiments to produce heat-resistant crops, I think Rachel mentioned this yesterday, adapt infrastructure to become more resilient to climate change. There was also an interesting panel yesterday on the revival that industrial policy seems to be experiencing and exploring the scope for more activist government policies to spur growth. What I did not hear in that panel, in that discussion, was any attention to distributional concerns. So, if innovation, the green economy, and some new form of industrial policy are to produce gains for the poorest segments of society, for youth, and for women, I think that people who worry about these concerns have to raise these issues and be part of those conversations. So, my second point is that I believe this agenda, distributionally sensitive innovation, climate transition, and new industrial policies needs to form a big part of future research for people who worry about poverty reduction, jobs, and human capital. I think there's a significant need for generating evidence on what works and learning through experimentation. For this to happen, I really think there needs to be a much closer collaboration between macro and microeconomists. In other words, more coherence the word of the conference between day one and day two of this conference. I was expecting to see more of a connection between the issues raised on day one and what we talked about today. I mean, Rachel touched upon why it is that we're talking about human capital today, which is an important contributor to growth, but I think a more explicit link would have been more helpful. I was very happy to hear Michael Kramer's thoughts yesterday on how to encourage innovation that delivers social benefits, more government and private sector collaboration through appropriate incentives, potentially mediated through new institutional arrangements. There is clearly room for more creative thinking along those lines. And I trust that you all will rise to the challenge because I'm gonna go off into my retirement again. Thank you very much for listening to me.