



ASIAN ECONOMIC DEVELOPMENT CONFERENCE 2022

Inclusive, Sustainable Recovery in Asia and the Pacific 14–15 July 2022 | Tokyo, Japan (GMT +9)

14 July 2022, Thursday

9:00 am – 9:15 am	Opening Remarks	Albert F. Park, Chief Economist and Director General, Economic Research and Regional Cooperation Department, ADB Tetsushi Sonobe, Dean, ADBI			
9:15 am – 10:00 am	First Keynote Address	<i>Social Protection in Developing Countries: Lessons from Indonesia</i> Rema Hanna, Jeffrey Cheah Professor of South-East Asia Studies and Chair of the International Development Area, Harvard Kennedy School			
10:15 am – 12:15 pm	Sessions 1A-1D				
	Parallel Session 1A: Education I	1. How Do Teachers' Unions Influence Policy? The Role of Power Politics and Expertise in Indonesia	2. Telementoring and Homeschooling during School Closures: A Randomized Experiment in Rural Bangladesh	3. Can Compulsory Schooling Foster National Identity? Evidence from Chinese Minorities	4. Does Higher Parental Involvement Lead to Learning Gains? Experimental Evidence from Indonesia
	Parallel Session 1B: Labor and Demographics I	1. High-Tech Clusters, Labor Demand, and Inequality: Evidence from Job Postings in China	2. Labor Force Demographics and Corporate Innovation	3. Returns to Mandarin: A Quantitative Analysis of the Language Barriers in China's Internal Trade and Migration	
	Parallel Session 1C: Infrastructure, Poverty, and Inequality	1. Electricity Services and COVID-19: Understanding the Role of Infrastructure Improvements and Institutional Innovations	2. Financial Crises and Inequality: New Evidence from a Panel of 17 Advanced Economies	3. Structural Transformation and Inequality: Does Trade Openness Matter?	4. Industrial Growth with Poverty Reduction and Equity? Predictions from Nighttime Lights in Vietnam
	Parallel Session 1D: Gender	1. Structural Transformation, Gender, and Modern Development—Evidence from a Multi-Generation Tracking Survey in the Philippines	2. The Gender Wage Gap: Evidence from South Korea	3. Contemporaneous and Lasting Effects of Electoral Gender Quotas	4. Intergenerational Link of Women Employment: Evidence from Indonesia



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1:15 pm – 2:00 pm	Second Keynote Address	<i>Preferences, Behavior, and Welfare Outcomes against Disasters</i> Yasuyuki Sawada, Professor, University of Tokyo and Visiting Fellow, ADBI			
2:15 pm – 4:15 pm	Sessions 2A-2D				
	Parallel Session 2A: Environment and Energy I	1. Environmental News Emotion and Air Pollution in China	2. Effectiveness of Electric Vehicle Subsidies in China: A Panel Study	3. How Temperature Affects Firm Output Loss? Evidence from Bangladesh	4. Temperature and manufacturing production in India: Plant-level evidence for adaptation strategies
	Parallel Session 2B: Monetary and Regional Economics	1. On the Effects of COVID-19 on Food Prices in India: A Time-Varying Approach	2. Leasing as a Mitigation Channel of Capital Misallocation	3. Comparative Advantage, Endowment Structure and Regional Specialization in China	4. Internal Trade in India: Patterns and Determinants
	Parallel Session 2C: Health, Human Capital, and Welfare	1. Nudging by Beauty: Improving Women’s Health Decisions and Well-Being in the Field	2. Early Childhood Human Capital Formation at Scale	3. The Impact of COVID-19 on Food Insecurity and the Mitigating Role of Social Assistance: Panel Data Evidence from Indonesia	4. Seasonality and Conditional Cash Transfer: Evidence from a Randomized Field Experiment in Bangladesh
	Parallel Session 2D: Asian Development Review	1. Impacts of COVID-19 on Households in ASEAN Countries and Their Implications for Human Capital Development: Medium-Run Impacts and the Role of Government Support	2. Climate Risk and Corporate Debt Financing: Evidence from ASEAN	3. Predicting Provincial GDP by Using Satellite Data and Machine Learning Methods: Case Study of Thailand	4. Not All That It Seems: Narrowing of Gender Gaps in Employment during the Onset of COVID-19 in Indonesia



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15 July 2022, Friday

9:00 am – 9:45 am	Third Keynote Address	<i>China's 40 Years Demographic Dividend and Labour Supply: The Quantity Myth</i> Xin Meng, Professor, Australian National University and Guest Editor, Asian Development Review Discussant: Albert F. Park, Chief Economist and Director General, Economic Research and Regional Cooperation Department, ADB			
10:00 am – 12:00 pm	Sessions 3A–3D				
	Parallel Session 3A: Technology	1. SMEs Amidst the Pandemic and Reopening: Digital Edge and Transformation	2. The Impacts of Different COVID-19 Containment Policies on Online Merchants and Recovery: Evidence from Alibaba's Large-Scale Administrative Data	3. Cashless Payment and Financial Inclusion	4. Rise and Fall of New Technology: Quasi-Experimental Evidence from a Developing Country
	Parallel Session 3B: Agriculture and Environment I	1. Social Protection Expenditure and Growth in the Agricultural Sector in Asia	2. Extreme Weather and Agricultural Input Management in Rural Thailand and Vietnam: Intensify or De-Intensify?	3. Natural Disasters and Economic Dynamics: Evidence from the Kerala Floods	4. Exploration of Farm Mechanization among Smallholder Farmers: Evidence from Indian States of Haryana and Bihar
	Parallel Session 3C: Economic Growth and Infrastructure	1. Good Enough for Outstanding Growth: The Experience of Bangladesh in Comparative Perspective	2. Impacts of Electricity Quality Improvements: Experimental Evidence on Infrastructure Investment	3. An Empirical Evidence and Proposal on the Spillover Effects of Information and Communication Technology Infrastructure in India	4. The Institutional Effects of Public-Private Partnerships on Competition
	Parallel Session 3D: Environment and Energy II	1. Natural Disasters and Fiscal Drought	2. The Impact of Climate Change on Economic Output in Chile: Past and Future	3. Households' Fuel Choices in the Context of a Decade-Long Load-Shedding Problem in Nepal	4. Energy Storage Policies: Implications for Asia and the Pacific
1:00 pm – 3:00 pm	Sessions 4A–4D				
	Parallel Session 4A: Labor and Demographics II	1. Intergenerational Transmission of Time Preferences: An Evidence from Rural Thailand	2. 'Perversity Trope' of Labor Reforms in India	3. Name Ethnicity and Labor Market Performance	



ASIAN ECONOMIC DEVELOPMENT CONFERENCE 2022

Inclusive, Sustainable Recovery in Asia and the Pacific

14–15 July 2022 | Tokyo, Japan (GMT +9)

	Parallel Session 4B : Poverty and Inequality	1. Assessing the Effects of Vulnerability, MGNREGS, and Governance on Poverty	2. Is Growth Pro-Poor among the States of India? A Poverty Decomposition Exercise during the 2000s	3. Multiple Risks and Poverty: Evidence from Afghanistan	
	Parallel Session 4C : Education II	1. Who Benefits and Loses from Large Changes to Student Composition? Assessing Impacts of Lowering School Admissions Standards in Indonesia	2. The Effectiveness of Kindergarten in Promoting Female Labor Supply: Evidence from Regression Discontinuity Design in Indonesia	3. Commodity Price Shocks and Human Capital Investments: Evidence from Indonesia	4. The Effect of School Mergers on Student Performance—A Case Study of India
	Parallel Session 4D : Disasters, Agriculture, and Welfare	1. Natural Disaster and Local Government Finance: Evidence from Typhoon Haiyan	2. Allocation of Humanitarian Aid after a Weather Disaster	3. Mobile Phone Network Expansion and Agricultural Income: A Panel Study	4. Do Weather Shocks Exacerbate Subnational Income Disparities? Satellite Evidence from the Philippines
3:15 pm – 5:15 pm	Sessions 5A–5C				
	Parallel Session 5A : Agriculture and Environment II	1. The Roles of Perennial Crop Systems on Livelihoods: A Case Study in Dak Lak Province, Central Highlands, Viet Nam	2. The Impact of the COVID-19 Pandemic on the Risk Factors for Subclinical Mastitis in Smallholder Dairy Farms in Bangladesh	3. The Impact of Agricultural Credit on Farm Yield Risk: Quantile Regression Approach with Propensity Score Matching (PSM) and a Test for the Rank Similarity Condition	4. Forecast-Based Humanitarian Assistance in the Context of Extreme Weather Events: Evidence from a Randomized Controlled Trial in Mongolia
	Parallel Session 5B : Gender and Welfare	1. Don't Cross the Line: Bounding the Causal Effect of Hypergamy Violation on Domestic Violence in India	2. Do Natural Disasters Cause Domestic Violence? A Study of the 2015 Nepal Earthquake	3. Does Marriage and Motherhood Impact Women's Participation in Labor Markets in India	4. Dynastic Measures of Intergenerational Mobility with Empirical Evidence from Indonesia
	Parallel Session 5C : Finance, Infrastructure, and Governance	1. Can Open Banking Substitute Credit Bureaus?	2. Incentives to Manipulate for Public Good: Evidence from a Unique Road Policy in India	3. How Altruism Works during a Pandemic: Examining the Roles of Financial Support and Degrees of Individual Altruism on International Remittance	4. Does Corruption Discourage Entrepreneurship?
5:15 pm – 5:30 pm	Closing Remarks	Joseph E. Zveglic Jr., Deputy Chief Economist, Economic Research and Regional Cooperation Department, ADB			

14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1A: Education I

Moderator: Daniel Suryadarma, ADBI

How Do Teachers' Unions Influence Policy? The Role of Power Politics and Expertise in Indonesia

- Amanda Beatty (Mathematica), [Christopher Chambers-Ju \(University of Texas-Arlington\)](#), and Rezanti Pramana (SMERU Research Institute)

Telementoring and Homeschooling during School Closures: A Randomized Experiment in Rural Bangladesh

- [Hashibul Hasan \(Monash University\)](#), Asad Islam (Monash University), Abu Siddique (University of Munich), and Liang Choon Wang (Monash University)

Can Compulsory Schooling Foster National Identity? Evidence from Chinese Minorities

- Zhi-An Hu (Central University of Finance and Economics) and [Wei Luo \(University of Hong Kong\)](#)

Does Higher Parental Involvement Lead to Learning Gains? Experimental Evidence from Indonesia

- Florischa Ayu Tresnatri (Australia Indonesia Partnership for Economic Development), Asep Kurniawan (SMERU Research Institute), [Daniel Suryadarma \(Asian Development Bank Institute\)](#), Shintia Revina (SMERU Research Institute), and Niken Rarasati (SMERU Research Institute)

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1B: Labor and Demographics I

Moderator: Aiko Kikkawa Takenaka, ADB

High-Tech Clusters, Labor Demand, and Inequality: Evidence from Job Postings in China

- [Geunyong Park \(University of Rochester\)](#), [Qin Chen \(Business Big Data Inc.\)](#), [Ande Shen, \(University of Rochester\)](#), and [Klint Mane \(University of Rochester\)](#)

Labor Force Demographics and Corporate Innovation

- [Ambrus Kecskes \(York University\)](#), [Francois Derrien \(HEC Paris\)](#), and [Phuong-Anh Nguyen \(York University\)](#)

Returns to Mandarin: A Quantitative Analysis of the Language Barriers in China's Internal Trade and Migration

- [Jiaxuan Lu \(University of Chicago Booth School of Business\)](#)

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1C: Infrastructure, Poverty, and Inequality

Moderator: Albert Park, ADB

Electricity Services and COVID-19: Understanding the Role of Infrastructure Improvements and Institutional Innovations

- Husnain F. Ahmad (Sewanee: The University of the South), Ayesha Ali (Lahore University of Management Sciences), [Robyn C. Meeks \(Duke University\)](#), Zhenxuan Wing (Duke University), and Javed Younas (American University of Sharjah)

Financial Crises and Inequality: New Evidence from a Panel of 17 Advanced Economies

- [Jaejoon Woo \(DePaul University\)](#)

Structural Transformation and Inequality: Does Trade Openness Matter?

- [Wannaphong Durongkaverroj \(Ramkhamhaeng University\)](#)

Industrial Growth with Poverty Reduction and Equity? Predictions from Nighttime Lights in Vietnam

- [Christian Otchia \(Nagoya University\)](#) and Takahiro Yamada (Pennsylvania State University)

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1D: Gender

Moderator: Yesim Elhan-Kayalar, ADB

Structural Transformation, Gender, and Modern Development—Evidence from a Multi-Generation Tracking Survey in the Philippines

- [Soyoung Kim \(University of Tokyo\)](#), [Yuki Higuchi \(Sophia University\)](#), [Kei Kajisa \(Aoyama Gakuin University\)](#), and [Yasuyuki Sawada \(University of Tokyo\)](#)

The Gender Wage Gap: Evidence from South Korea

- [Kyeongah Lee \(Stony Brook University\)](#)

Contemporaneous and Lasting Effects of Electoral Gender Quotas

- [Swapnil Motghare \(University of Notre Dame\)](#)

Intergenerational Link of Women Employment: Evidence from Indonesia

- [Joseph Marshan \(Australian National University\)](#)

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2A: Environment and Energy I

Moderator: Yuho Myoda, ADB

Environmental News Emotion and Air Pollution in China

- [Damien Cubizol \(University Clermont Auvergne – CERDI\)](#), [Sebastien Marchand \(Universite Clermont Auvergne-CERDI\)](#), [Elda Nasho Ah-Pine \(ESC Clermont Business School\)](#), and [Huanxiu Guo \(Nanjing Audit University\)](#)

Effectiveness of Electric Vehicle Subsidies in China: A Panel Study

- [Tong Zhang \(Australian National University\)](#), [Paul J. Burke \(Australian National University\)](#), and [Qi Wang \(Southwestern University of Finance and Economics\)](#)

How Temperature Affects Firm Output Loss? Evidence from Bangladesh

- [Debasish Kumar Das \(Australian National University\)](#)

Temperature and Manufacturing Production in India: Plant-level Evidence for Adaptation Strategies

- [Olexiy Kyrychenko \(Center for Economic Research and Graduate Education – Economics Institute\)](#)

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2B: Monetary and Regional Economics

Moderator: [Arief Ramayandi](#), ADB

On the Effects of COVID-19 on Food Prices in India: A Time-Varying Approach

- [Lotanna Emediegwu](#) ([Manchester Metropolitan University](#)) and [Obianuju O. Nnadozie](#) ([University of Ibadan](#))

Leasing as a Mitigation Channel of Capital Misallocation

- [Yiming Xu](#) ([Cambridge University](#)) and [Kai Li](#) ([Peking University](#))

Comparative Advantage, Endowment Structure, and Regional Specialization in China

- [Wenliang Li](#) ([Paris-Dauphine University](#))

Internal Trade in India: Patterns and Determinants

- [Prerna Pandey](#) ([Madras School of Economics](#)), [Sankalp Sharma](#) ([Madras School of Economics](#)), and [Haripriya Enamundram](#) ([Madras School of Economics](#))

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2C: Health, Human Capital, and Welfare

Moderator: Minhaj U. Mahmud, ADB

Nudging by Beauty: Improving Women's Health Decisions and Well-Being in the Field

- [Hisaki Kono \(Kyoto University\)](#), Minhaj Mahmud (Asian Development Bank), Nahoko Mitsuyama (International University of Health and Welfare), Yasuyuki Sawada (University of Tokyo), and Tomomi Tanaka (World Bank)

Early Childhood Human Capital Formation at Scale

- [Saravana Ravindran \(National University of Singapore\)](#), Johannes M. Bos (American Institutes for Research), Akib Khan (Uppsala University), and Abu Shonchoy (Florida International University)

The Impact of COVID-19 on Food Insecurity and the Mitigating Role of Social Assistance: Panel Data Evidence from Indonesia

- [Ridho Al Izzati \(SMERU Research Institute\)](#), Fauzan Kemal Musthofa (SMERU Research Institute), Michelle Andrina (SMERU Research Institute), Sylvia Andriyani (SMERU Research Institute), Rizki Fillaili (SMERU Research Institute), and Asep Suryahadi (SMERU Research Institute)

Seasonality and Conditional Cash Transfer: Evidence from a Randomized Field Experiment in Bangladesh

- [Tomoki Fujii \(Singapore Management University\)](#), Christine Ho (Singapore Management University), Rohan Ray (National University of Singapore), and Abu Shonchoy (Florida International University)

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14 July 2022, Thursday (2:15 pm – 4:30 pm)

Session 2D: Asian Development Review

Moderator: [Xin Meng, Australian National University](#)

Impacts of COVID-19 on Households in ASEAN Countries and Their Implications for Human Capital Development: Medium-Run Impacts and the Role of Government Support

- [Peter Morgan \(Asian Development Bank Institute\)](#), [Long Q. Trinh \(Asian Development Bank Institute\)](#), and [Kunhyui Kim \(Asian Development Bank Institute\)](#)

Climate Risk and Corporate Debt Financing: Evidence from ASEAN

- [Donghyun Park \(Asian Development Bank\)](#), [Shu Tian \(Asian Development Bank\)](#), and [Resi Ong Olivares \(Asian Development Bank\)](#)

Predicting Provincial GDP by Using Satellite Data and Machine Learning Methods: Case Study of Thailand

- [Nattapong Puttanapong \(Thammasat University\)](#), [Nutchapon Prasertsoong \(Thammasat University\)](#), and [Wichaya Peechapat \(Thammasat University\)](#)

Not All That It Seems: Narrowing of Gender Gaps in Employment during the Onset of COVID-19 in Indonesia

- [Daniel Halim \(World Bank\)](#), [Sean Hambali \(World Bank\)](#), and [Ririn Salwa Purnamasari \(World Bank\)](#)

Discussants: [Robert G. Gregory, Australian National University](#)

[Yasuyuki Sawada, University of Tokyo](#)

[Tetsushi Sonobe, ADBI](#)

[Joseph E. Zveglich Jr., ADB](#)

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3A: Technology

Moderator: Peter Morgan, ADBI

SMEs Amidst the Pandemic and Reopening: Digital Edge and Transformation

- Lin William Cong (Cornell University), Xiaohan Yang (Peking University), and Xiaobo Zhang (Peking University)

The Impacts of Different COVID-19 Containment Policies on Online Merchants and Recovery: Evidence from Alibaba's Large-Scale Administrative Data

- Xiaolan Zhou (East China Normal University), Yasuyuki Sawada (University of Tokyo), Matthew Shum (California Institute of Technology), and Elaine S. Tan (Asian Development Bank)

Cashless Payment and Financial Inclusion

- Shumiao Ouyang (Princeton University)

Rise and Fall of New Technology: Quasi-Experimental Evidence from a Developing Country

- Sachiko Miyata (Ritsumeikan University), Yasuyuki Sawada (University of Tokyo), and Kazuma Takakura (University of Tokyo)

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3B: Agriculture and Environment I

Moderator: Donghyun Park, ADB

Social Protection Expenditure and Growth in the Agricultural Sector in Asia

- [Ervin Prifti \(International Monetary Fund\)](#), Noemi Pace (Università di Teramo), Irene Staffieri (Food and Agriculture Organization), and Abiodun A. Ogundeji (Univeristy of Bloemfontein)

Extreme Weather and Agricultural Input Management in Rural Thailand and Vietnam: Intensify or De-Intensify?

- [Nguyen Thi Lan Huong \(Leibniz University Hannover\)](#), Sabine Liebenehm (University of Saskatchewan), and Hermann Waibel (Leibniz University Hannover)

Natural Disasters and Economic Dynamics: Evidence from the Kerala Floods

- Robert Beyer (International Monetary Fund), Abhinav Narayanan (Asian Infrastructure Investment Bank) and [Gogol Mitra Thakur \(Centre for Development Studies\)](#)

Exploration of Farm Mechanization among Smallholder Farmers: Evidence from Indian States of Haryana and Bihar

- [Jeetendra Prakash Aryal \(International Maize and Wheat Improvement Center\)](#), Stein T. Holden (Norwegian University of Life Sciences), Madhusudan Bhattarai (International Food Policy Research Institute), and Dil Bahadur Rahut (Asian Development Bank Institute)

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3C: Economic Growth and Infrastructure

Moderator: Jiang Yi, ADB

Good Enough for Outstanding Growth: The Experience of Bangladesh in Comparative Perspective

- [Robert Beyer \(International Monetary Fund\)](#) and [Konstantin M. Wacker \(University of Groningen\)](#)

Impacts of Electricity Quality Improvements: Experimental Evidence on Infrastructure Investment

- [Robyn Meeks \(Duke University\)](#), [Arstan Omuraliev \(Kyrgyz State Technical University\)](#), [Ruslan Isaev \(Kyrgyz State Technical University\)](#), and [Zhenxuan Wang \(Duke University\)](#)

An Empirical Evidence and Proposal on the Spillover Effects of Information and Communication Technology Infrastructure in India

- [Naoyuki Yoshino \(Keio University\)](#), [Tifani Siregar \(Asian Development Bank Institute and Waseda University\)](#), [KE Seetha Ram \(Asian Development Bank Institute\)](#), and [Dina Azhgaliyeva \(Asian Development Bank Institute\)](#)

The Institutional Effects of Public-Private Partnerships on Competition

- [Weh-Sol Moon \(Seoul Women's University\)](#), [Sukmo Ku \(Korea Development Institute\)](#), [Hyejung Jo \(Korea Development Institute\)](#), and [Jina Sim \(Korea Development Institute\)](#)

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3D: Environment and Energy II

Moderator: Dina Azhgaliyeva, ADBI

Natural Disasters and Fiscal Drought

- [Lazar Milivojevic \(World Bank\)](#)

The Impact of Climate Change on Economic Output in Chile: Past and Future

- [Karla Hernández \(University of Wisconsin-Madison\)](#) and [Carlos Madeira \(Central Bank of Chile\)](#)

Households' Fuel Choices in the Context of a Decade-Long Load-Shedding Problem in Nepal

- [Dhiroj Koirala \(University of Massachusetts Amherst\)](#) and [Bikram Acharya \(Policy Research Institute and Global Center for Research and Development\)](#)

Energy Storage Policies: Implications for Asia and the Pacific

- [Dina Azhgaliyeva \(Asian Development Bank Institute\)](#) and [Zhong Sheng \(National University of Singapore\)](#)

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4A: Labor and Demographics II

Moderator: Xin Meng, Australian National University

Intergenerational Transmission of Time Preferences: An Evidence from Rural Thailand

- [Suparee Boonmanunt \(Mahidol University\)](#), Wasinee Juntorn (University of Thai Chamber of Commerce), Varunee Khruapradit (University of Thai Chamber of Commerce), and Weerachart Kilenthong (University of Thai Chamber of Commerce)

‘Perversity Trope’ of Labor Reforms in India

- [Diti Goswami \(Indian Institute of Technology Delhi\)](#) and Sourabh B. Paul (Indian Institute of Technology Delhi)

Name Ethnicity and Labor Market Performance

- [Weiguang Deng \(Hunan University\)](#) and Tingwei Gao (University of Chinese Academy of Sciences)

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4B: Poverty and Inequality

Moderator: [Joseph E. Zveglich Jr., ADB](#)

Assessing the Effects of Vulnerability, MGNREGS, and Governance on Poverty

- [Swarna Parameswaran \(Indian Institute of Management\)](#), [Hari K. Nagarajan \(Indian Institute of Management\)](#), [Abhiman Das \(Indian Institute of Management\)](#), and [Vivek Pandey \(Institute of Rural Management Anand\)](#)

Is Growth Pro-Poor among the States of India? A Poverty Decomposition Exercise during the 2000s

- [Priyabrata Sahoo \(Banaras Hindu University\)](#), [Debolina Biswas \(Gurudas College\)](#), and [Saswata Guha Thakurata \(Kanchrapara College\)](#)

Multiple Risks and Poverty: Evidence from Afghanistan

- [Nasib Jan \(National Statistics and Information Authority\)](#) and [Zaneta Kubik \(University of Bonn\)](#)

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4C: Education II

Moderator: Paul Vandenberg, ADB

Who Benefits and Loses from Large Changes to Student Composition? Assessing Impacts of Lowering School Admissions Standards in Indonesia

- [Emilie Berkhout \(University of Amsterdam\)](#), Goldy Dharmawan (SMERU Research Institute), Amanda Beatty (Mathematica), Daniel Suryadarma (Asian Development Bank Institute), and Menno Pradhan (University of Amsterdam)

The Effectiveness of Kindergarten in Promoting Female Labor Supply: Evidence from Regression Discontinuity Design in Indonesia

- [Dyah Pritadrajati \(Australian National University\)](#)

Commodity Price Shocks and Human Capital Investments: Evidence from Indonesia

- [Sandy Maulana \(Hitotsubashi University\)](#)

The Effect of School Mergers on Student Performance: A Case Study of India

- [Pooja Rathore \(Guru Gobind Singh Indraprastha University\)](#)

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4D: Disasters, Agriculture, and Welfare

Moderator: Tetsushi Sonobe, ADBI

Natural Disaster and Local Government Finance: Evidence from Typhoon Haiyan

- Joseph Capuno (University of the Philippines), Jose Corpuz (University of Warwick), and Samuel Lordemus (University of Lucerne)

Allocation of Humanitarian Aid after a Weather Disaster

- Lukas Mogge (Potsdam Institute for Climate Impact Research), Morag McDonald (Potsdam Institute for Climate Impact Research), Christian Knoth (University of Muenster), Henning Teickner (University of Muenster), Myagmartseren Purevtseren (National University of Mongolia), Edzer Pebesma (University of Muenster), and Kati Kraehnert (Potsdam Institute for Climate Impact Research)

Mobile Phone Network Expansion and Agricultural Income

- Svenja Fluhrer (Potsdam Institute for Climate Impact Research and Humboldt-Universität zu Berlin) and Kati Kraehnert (Potsdam Institute for Climate Impact Research)

Do Weather Shocks Exacerbate Subnational Income Disparities? Satellite Evidence from the Philippines

- Jesson Pagaduan (Asian Development Bank)

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5A: Agriculture and Environment II

Moderator: [Albert F. Park](#), ADB

The Roles of Perennial Crop Systems on Livelihoods: A Case Study in Dak Lak Province, Central Highlands, Viet Nam

- [Thi Thuy Phan](#) ([Tay Nguyen University](#)), [Le Duc Niem](#) ([Tay Nguyen University](#)), and [Philippe Lebailly](#) ([Gembloux Agro-Bio Tech](#))

The Impact of the COVID-19 Pandemic on the Risk Factors for Subclinical Mastitis in Smallholder Dairy Farms in Bangladesh

- [Momena Khatun](#) ([University of Bern](#)), [Mohammad Habibur Rahman](#) ([Bangladesh Agricultural University](#)), [Md. Bahanur Rahman](#) ([Bangladesh Agricultural University](#)), [Md. Mizanur Rahman](#) ([Chittagong Veterinary and Animal Sciences University](#)), [Rupert M. Bruckmaier](#) ([University of Bern](#)), [Karen Medica](#) ([Capacity Building Exchange \(CBX\) International](#)), [Peter C. Thomson](#) ([University of Sydney](#))

The Impact of Agricultural Credit on Farm Yield Risk: Quantile Regression Approach with Propensity Score Matching (PSM) and a Test for the Rank Similarity Condition

- [Sumedha Shukla](#) ([Indraprastha Institute of Information Technology](#)) and [Gaurav Arora](#) ([Indraprastha Institute of Information Technology](#))

Forecast-Based Humanitarian Assistance in the Context of Extreme Weather Events: Evidence from a Randomized Controlled Trial in Mongolia

- [Julian Roeckert](#) ([Potsdam Institute for Climate Impact Research PIK](#)), [Lukas Mogge](#) ([PIK and Humboldt-University of Berlin](#)), and [Kati Kraehnert](#) ([Potsdam Institute for Climate Impact Research](#))

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5B: Gender and Welfare

Moderator: Yothin Jinjarak, ADB

Don't Cross the Line: Bounding the Causal Effect of Hypergamy Violation on Domestic Violence in India

- Punarjit Roychowdhury (University of Nottingham) and [Gaurav Dhamija \(Indian Institute of Technology Hyderabad\)](#)

Do Natural Disasters Cause Domestic Violence? A Study of the 2015 Nepal Earthquake

- [Arpita Khanna \(Singapore Management University\)](#) and Tomoki Fujii (Singapore Management University)

Does Marriage and Motherhood Impact Women's Participation in Labor Markets in India

- Rahul Lahoti (United Nations University-WIDER), [Rosa Abraham \(Azim Premji University\)](#), and Hema Swaminathan (Indian Institute of Management Bangalore)

Dynastic Measures of Intergenerational Mobility with Empirical Evidence from Indonesia

- Olivier Bargain (Bordeaux University and IZA), [Maria C. Lo Bue \(University of Bari\)](#), and Flaviana Palmisano (Sapienza University of Rome)

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5C: Finance, Infrastructure, and Governance

Moderator: John Beirne, ADBI

Can Open Banking Substitute Credit Bureaus?

- [Kumar Rishabh \(University of Basel\)](#)

Incentives to Manipulate for Public Good: Evidence from a Unique Road Policy in India

- [Mukta Mukherjee \(Alliance University\)](#)

How Altruism Works during a Pandemic: Examining the Roles of Financial Support and Degrees of Individual Altruism on International Remittance

- [Nobuyuki Nakamura \(JICA Ogata Research Institute\)](#) and [Aya Suzuki \(University of Tokyo\)](#)

Does Corruption Discourage Entrepreneurship?

- [Donghyun Park \(Asian Development Bank\)](#) and [Kwanho Shin \(Korea University\)](#)

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1A: Education I

How Do Teachers' Unions Influence Policy? The Role of Power Politics and Expertise in Indonesia

Amanda Beatty (Mathematica), [Christopher Chambers-Ju \(University of Texas-Arlington\)](#), and Rezanti Pramana (SMERU Research Institute)

Existing research on education policy change has centered on “power politics,” or analyzing how teachers’ unions mobilize organizational resources, a large member base, and political connections to shape policy. And yet, a case study of Indonesia reveals that the largest teachers’ organization, with 2.4 million members, has had surprisingly little success with this strategy affecting education policy since 2005. We argue for more attention to an understudied factor: expertise. Through an analysis of several episodes of policy reform, we show how expertise (or the lack thereof) is crucial for intervening in debates about the quality of education, namely teacher training, professional development, and evaluation. While Indonesia’s union successfully shifted policy to improve teacher welfare, it was marginal when the debate turned to improving education quality because it lacked coherent proposals. Overall, our analysis suggests that ideas, reputations for competence, and proposals can be important inputs for shaping policy.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1A: Education I

Telementoring and Homeschooling during School Closures: A Randomized Experiment in Rural Bangladesh

[Hashibul Hasan \(Monash University\)](#), Asad Islam (Monash University), Abu Siddique (University of Munich), and Liang Choon Wang (Monash University)

Using a randomized experiment in 200 Bangladeshi villages, we evaluate the impact of an over-the-phone learning support intervention (telementoring) among primary school children and their mothers during Covid-19 school closures. Following the intervention, treated children scored 0.75 SD (35%) higher on a standardized test, and the homeschooling involvement of treated mothers increased by 22 minutes per day (26%). We returned to the participants one year later, after schools briefly reopened, and find that impacts on learning gains and homeschooling had persisted. Academically weaker children benefited the most from the intervention that only cost \$20 per child.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1A: Education I

Can Compulsory Schooling Foster National Identity? – Evidence from Chinese Minorities

[Wei Luo \(University of Hongkong\)](#) and Zhi-An Hu (Central University of Finance and Economics)

We use a compulsory schooling program in China to identify the effects of mass education on national integration. In 1986, the Chinese Central Government initiated Compulsory Education Law that rolled out across provinces in subsequent years. We find that the minorities affected by the law were more likely to marry Han people, indicating greater integration. This effect is salient in regions with higher Han people density and with less residential segregation. The affected minorities were also more likely to choose Han names for their offspring. However, language usage was unaffected since the minorities were allowed to be instructed in their own language by the law. Overall, our paper highlights the importance of compulsory schooling in shaping national identity.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1A: Education I

Does Higher Parental Involvement Lead to Learning Gains? Experimental Evidence from Indonesia

Florischa Ayu Tresnatri (Australia Indonesia Partnership for Economic Development), Asep Kurniawan (SMERU Research Institute), [Daniel Suryadarma \(Asian Development Bank Institute\)](#), Shintia Revina (SMERU Research Institute), and Niken Rarasati (SMERU Research Institute)

We study how information delivered by teachers to parents on student's learning progress and guidelines for active involvement in child's education can improve learning outcomes. We conducted a randomized control trial experiment in 130 primary schools in Kebumen District, Central Java, Indonesia. The implementation of the intervention collided with the school closures due to the COVID-19 pandemic, hence adding the significance of this intervention to help parents in undergoing the learning from home. We find that the intervention increased parental involvement at home and communication with teachers. The information also improved parental demand to teacher which increased teacher's motivation and support in students' learning. However, the positive impacts on parents and teachers did not translate into improved student's numeracy test score. Further investigation revealed that parents' low capability to teach their child and the lack of right support given by teachers to students during the learning from home hindered the impact on learning outcome.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1B: Labor and Demographics I

High-Tech Clusters, Labor Demand, and Inequality: Evidence from Job Postings in China

Geunyoung Park (University of Rochester), Qin Chen (Business Big Data Inc.), Klint Mane (University of Rochester), and Ande Shen (University of Rochester)

This paper evaluates the impact of modern place-based industrial policies on labor demand and inequality by focusing on a Chinese policy called “Made in China 2025”. Exploiting the staggered roll-out of the policy and the representative online job posting data in China during 2015–2020, we conduct a difference-in-differences event study to investigate the heterogeneous effects of the policy on labor demand, wages, and living costs across occupations and regions. We find that targeted cities experience a significant labor demand increase relative to non-targeted cities, partially due to new firm entry. In the short term, this policy causes labor demand to drop in neighboring areas. After the first two years, targeted cities combined with their neighboring areas experience more labor demand than other regions, as the spillover effects in neighboring cities become positive after the first two years. Wages show an increasing and diverging trend for non-routine and routine jobs, and the gap becomes significant as the sample proceeds. Housing and rent prices increase quicker than wages in targeted cities and are persistent throughout the sample period. Our results suggest that policymakers should be cautious about the short-run labor drain from neighboring areas and potential inequalities due to living costs and wage patterns when implementing such place-based policies.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1B: Labor and Demographics I

Labor Force Demographics and Corporate Innovation

[Ambrus Kecskes \(York University\)](#), Francois Derrien (HEC Paris), and
Phuong-Anh Nguyen (York University)

Firms in younger labor markets produce more innovation. We establish this by instrumenting the current labor force with historical births in each local labor market in the United States. Analyses of firms and inventors allow us to rule out unobservable heterogeneity across local labor markets and firms, life cycles, and other effects. Corporate innovation in younger labor markets reflects the innovative characteristics of younger labor forces and has greater market value. Younger workers as a group – inventors interacting with non-inventors – produce more innovation for firms through the labor force channel rather than through a financing or consumption channel.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1B: Labor and Demographics I

Intergenerational Transmission of Time Preferences: An Evidence from Rural Thailand

[Suparee Boonmanunt \(Mahidol University\)](#), Wasinee Jantorn (University of the Thai Chamber of Commerce), Varunee Khruapradit (University of the Thai Chamber of Commerce), and Weerachart T. Kilenthong (University of the Thai Chamber of Commerce)

This study investigates the association between child and caregiver time preferences in rural Thailand. We find that caregiver discount factor is positively correlated to a child's ability to delay gratification, indicating that patient caregivers are more likely to have patient children. This correlation exists regardless of whether the caregiver is a biological parent or not. However, some evidence suggests genetic contribution in intergenerational transmission of time preferences: this correlation is stronger when both biological parents live at home than when none is present, and mother's time preferences are stronger correlated with child time preferences than grandmother's.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1B: Labor and Demographics I

Returns to Mandarin: A Quantitative Analysis of the Language Barriers in China's Internal Trade and Migration

Jiaxuan Lu (University of Chicago)

I leverage the fact that the spread of Mandarin across China was lumpy around 2000 to evaluate the extent to which the country's efforts to reduce its linguistic fragmentation have affected inter-provincial trade and migration. Estimation results using the gravity framework with fixed effects indicate that, relative to the 1990 level, the language barriers in domestic trade and migration have decreased by 99.8% and 46.5%, respectively, due to the popularization of Mandarin around 2000. Relying on these empirical findings, I construct a general equilibrium model of trade and migration based on Tombe and Zhu (2019) and show that, relative to the factual 2000-2002 equilibrium, there would have been a 4.4% decrease in China's aggregate welfare, a 3.9% decrease in its real GDP per worker, a 1.5% increase in regional inequality and a 5.0% increase in the convergence of the composition of output across provinces should there be no promotion of Mandarin.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1C: Infrastructure, Poverty, and Inequality

Electricity Services and COVID-19: Understanding the Role of Infrastructure Improvements and Institutional Innovations

[Robyn C. Meeks \(Duke University\)](#), Zhenxuan Wang (Duke University), Javed Younas (American University of Sharjah), Husnain F. Ahmad (University of South), and Ayesha Ali (Lahore University of Management Sciences)

Fiscal challenges pervade the electricity sector in many developing countries. Low bill payment and high theft mean the electricity distribution company has lower cost recovery and less money to invest in infrastructure maintenance, modernization, and technical upgrades. The low-quality electricity services that can result impair the economic benefits from connections to the electrical grid. COVID-19 can exacerbate these issues, as customers may consume more electricity services during lock-downs, resulting in higher bills, but have a lower ability to pay due to increased unemployment and decreased mobility. In collaboration with an electricity utility in Pakistan, we study the impacts of two interventions that were implemented before COVID-19 with the goal of reducing distribution losses and increasing revenue recovery: infrastructure improvements that made illegal connections physically more difficult and institutional innovations designed to increase communities' trust in and cooperation with the utility. Using differences in implementation timing across space, we estimate the interventions' impacts before COVID-19 and their role in mitigating the pandemic's effects on electricity services. Results indicate that the infrastructure improvements reduced losses pre-COVID. The institutional innovations significantly impacted revenue recovery, but not losses in their initial months; however, these institutional efforts did mitigate COVID-19's negative effect on the utility finances.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1C: Infrastructure, Poverty, and Inequality

Financial Crises and Inequality: New Evidence from a Panel of 17 Advanced Economies

Jaejoon Woo (DePaul University)

What is the distributional consequence of a financial crisis? If financial crises are associated with boom and bust, does income inequality follow the same path of rise and fall whereby the inequality issue is addressed by itself to some extent? Is the impact of a financial crisis on income inequality different from a normal recession? Does the financial crisis mainly affect the wealthy and the recession mainly affect the rest of the population? Does fiscal policy space prior to crisis explain cross-country variation in the severity of distributional impact? What are the main channels through which a financial crisis likely affects inequality? They are important questions that are little understood at present. Our paper fills this gap in the literature by carefully examining the income inequality impact of financial crises in a panel of 17 advanced economies for 1955-2016. Our results suggest that the adverse impact on market income inequality and labor market income share of systemic financial crises is statistically significant and long-lasting over time. So is the inequality impact of financial crisis-induced recessions in sharp contrast to that of normal recessions. Interestingly, the estimated effects of financial crises (or financial crisis recessions) also differ systematically across different indicators of inequality, shedding light on main channels linking financial crises and inequality. Various robustness checks confirm our results.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1C: Infrastructure, Poverty, and Inequality

Structural Transformation and Inequality: Does Trade Openness Matter?

Wannaphong Durongkavoroj (Ramkhamhaeng University)

The purpose of this paper is to examine how trade openness impacts on income inequality in the process of economic transformation. The paper begins with an analytical framework drawing on Kuznets (1955) to set the stage for the empirical analysis. It then examines the role of trade openness in the structural transformation-income inequality nexus using a multi-country panel data analysis covering 48 countries for the period from 1960 to 2010. The results suggest that an increase in the share of employment in manufacturing reduces inequality, irrespective of the stages of structural transformation, and the impact on income inequality is larger for countries with higher degree of trade openness. The findings withstand the inclusion of relevant explanatory variables and the use of different estimators.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1C: Infrastructure, Poverty, and Inequality

Industrial Growth with Poverty Reduction and Equity? Predictions from Nighttime Lights in Vietnam

[Christian S. Otchia \(Nagoya University\)](#) and Takahiro Yamada (The Pennsylvania State University)

Long-term sectoral compositions of growth and their interaction with initial inequality can have persistent effects on poverty change. Yet, we have limited evidence on these relationships because long panel datasets at subnational levels are not usually readily available, and we lack counterfactual evidence because not many countries have experienced rapid poverty reduction and sustained growth induced by policies. The characteristic of Vietnam's development after the Doi Moi has been remarkable triple successes: a high economic growth rate, significant poverty reduction, and relatively little inequality. Using disaggregated provincial-level data of Vietnam from 2002 to 2010 and a linear regression model, this study verifies the relationship between sectoral compositions of growth and poverty reduction with the consideration of initial inequality. The estimation results suggest that industrial sector growth is a strong driver of poverty reduction, while agriculture does not. The results are robust using nightlight intensity as a proxy for industrial outputs to overcome insufficient quality and potential manipulation of GDP statistics, and the coefficient stability test proposed by Oster (2019). Further, we find that poverty and initial inequality do not have a stable statistical relationship. These results could be Vietnam-specific and only apply to other developing countries with a high economic growth rate, substantial poverty reduction, and little inequality.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1D: Gender

Structural Transformation, Gender, and Modern Development: Evidence from a Multi-Generation Tracking Survey in the Philippines

Soyoung Kim (University of Tokyo), Yuki Higuchi (Sophia University), Kei Kajisa (Aoyama Gakuin University), and Yasuyuki Sawada (University of Tokyo)

This study investigates how former agrarian villages have transformed in response to enhanced connectivity, school openings, and industrialization focusing on the effects on occupation dynamics and educational investments. Using the forty-year-long dynasty panel data from the Philippines combined with long-term satellite imageries and public administrative data on school openings, we find that village-level school availability facilitated schooling and that higher exposure to newly constructed highway and industrial estates has led to coexistence of the canonical structural transformation and the premature deindustrialization. On one hand, we found that the “modernization treatment” of infrastructure and manufacturing sector investments facilitates human capital investments and occupational transformation from agriculture to manufacturing. On the other, we also found “premature deindustrialization” which induced “servicification” of occupations seemingly driven by educational divide of primary and tertiary schooling.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1D: Gender

The Gender Wage Gap: Evidence from South Korea

[Kyeongah Lee \(Stony Brook University\)](#)

Using microdata between 2007 and 2017, this study provides potential explanations for the gender wage gap in South Korea, which has been the largest among OECD countries. Although the improvement in females' relative measured labor market characteristics plays an important role in the decrease of the gender wage gap, these characteristics cannot explain a large part of the gap, and wage convergence between full-time male and female workers has slowed over the period. Indeed, the unexplained gender wage gap has become larger than the explained gender wage gap. This is confirmed when a decomposition of the gender wage gap is performed across the wage distribution. This study provides evidence of the existence of a glass ceiling, in that the unexplained gap substantially increases at the upper end of the wage distributions over the period. In addition, this study shows that the effects of marriage and childbirth can help account for a dramatic increase in the gender wage gap for female workers in their 30s and 40s. Once full-time female workers marry, the wage paths between males and females are found to diverge significantly.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1D: Gender

Contemporaneous and Lasting effects of Electoral Gender Quotas

Swapnil Motghare (Pulte Institute for Global Development)

Using a newly compiled data on reserved seat quotas for women in village councils in the Indian state of Jharkhand for two consecutive elections (2010 and 2015), we study the effect of gender quotas on election competitiveness, caste composition of the winning candidates, spillover effects at downstream positions, and their lasting effects after they are no longer binding. We find that gender quotas reduce election competitiveness, but only in the first round of elections. We find that gender quotas do not affect the caste composition of the winning candidates. Nor do they have any spillover effects on other lower hierarchy positions in the council. We find that village councils head positions subjected to mandated reserved seat quotas continue to elect more women as compared to those not subjected to the quotas, even after the quotas are no longer binding. The results suggest that quotas are useful when women are unable to win in their absence and that temporary electoral gender quotas can be an effective policy tool to increase long-run women's political representation. The results are pertinent for temporary affirmative action policies addressing other forms of discrimination.

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14 July 2022, Thursday (10:15 am – 12:15 pm)

Session 1D: Gender

Intergenerational Link of Women Employment: Evidence from Indonesia

Joseph Marshan (Australian National University)

I investigate the existence of an intergenerational link of women labor supply decisions in Indonesia using a rich large-scale longitudinal data known as the Indonesia Family Life Survey (IFLS). This study contributes to limited empirical evidence on intergenerational link in the female attachment in the labor market in the context of a developing country. In addition to cross-sectional correlation, I employ a permanent component approach (Chadwick and Solon, 2002; Galassi et al., 2019) to estimate the intergenerational correlation between mother's lifetime employment and daughter's lifetime employment. I find that a mother's employment affect daughter's employment decision in the future. From the baseline specification result, this intergenerational link coefficient is equivalent to more than two additional years of education. This suggests meaningfulness and the importance of intergenerational belief transfer in shaping the next generation of female labor force. Finally, I provide evidence that the role-model effects and occupation-specific human capital transfer as the plausible mechanism behind the intergenerational correlation. The study highlights the challenges of any efforts to improve female labor supply given a slowly changing social norms society.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2A: Environment and Energy I

Environmental News Emotion and Air Pollution in China

[Damien Cubizol \(Universite Clermont Auvergne\),](#)

In response to a dramatic increase in air pollution-related illnesses and socioeconomic risks, the Chinese government has undertaken a large-scale public policy to combat air pollution since 2013. The online media has become ever since a major informal instrument of this public policy through their important role in diffusing environmental news and shaping people's perceptions and emotions regarding air pollution. In this study, we investigate precisely how might the government make use of the emotional tone in environmental online news as an informal regulator of polluters' behaviors. We combine the GDELT media emotion database with daily air pollution monitoring data to investigate through a fuzzy regression discontinuity design methodology the causal relationship between the emotional tone of environmental news and air pollution levels in China. We find that a decrease in the emotional tone in online news can reduce air pollution at both the city and county levels. We attribute this robust effect to the context of China's war on air pollution in which the government strongly relies on media as an informal regulator of pollution. Building on these results, our contribution finally proposes a reflection for the adoption of effective pro-environmental public policies in line with the SDGs beyond the Chinese context.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2A: Environment and Energy I

Effectiveness of Electric Vehicle Subsidies in China: A Panel Study

[Tong Zhang \(Australian National University\)](#), Paul J. Burke (Australian National University), and Qi Wang (Southwestern University of Finance and Economics)

Electric vehicles (EVs) are likely to emerge as the main means of zero-emission road transport. China is ahead of many other countries in terms of adoption. This study uses a three-dimensional dataset to estimate the effect of purchase subsidies for domestic EVs on adoption in 316 prefecture-level cities in China over January 2016–December 2019. An instrumental variable approach is pursued that involves using the timing of the cancellation of local subsidies by the central government as an instrument. The findings suggest that a 1,000 Chinese yuan (CNY) increase in the per-vehicle purchase subsidy for domestic EVs on average leads to about a 6% increase in uptake in the same month. However, the subsidies discourage uptake of imported EVs. Higher consumer awareness of subsidies is associated with a larger proportional effect. We estimate that carbon dioxide (CO₂) emissions have been reduced at a marginal subsidy cost of about 1,800 CNY (US\$288) per tonne via this mechanism. However, there are other likely benefits also, including the emergence of a clean technology sector that will be competitive without subsidy support.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2A: Environment and Energy I

How Temperature Affects Firm Output Loss? Evidence from Bangladesh

Debasish Kumar Das (The Australian National University)

Global temperature change and extreme weather events is a prime concern for damaging the electricity grid and causing power outages in Developing countries like Bangladesh. This paper investigates the impact of temperature on firm output losses, in particular how firm output losses increase depends on how hot it is outside on the day the power outage made? I employ Instrumental Variables (IV) strategy using daily temperature data from Bangladesh Metrological Department and WEPS. Examining firm level survey data over four major cities across Bangladesh, this paper shows evidence that a subtle transmission through which increasing temperature (above average level in a normal day, i.e. $>27^{\circ}\text{C}$) influence power outages therefore firm output losses.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2A: Environment and Energy I

Temperature and Manufacturing Production in India: Plant-Level Evidence for Adaptation Strategies

[Olexiy Kyrychenko \(CERGE-EI\)](#) and [Tong Liu \(Stanford University\)](#)

This paper examines the impact of temperature on manufacturing production in India and the underlying mechanisms. Using plant-level manufacturing data and satellite-based temperature estimates from 1998-2007, we find that the relationship between temperature and output exhibits an inverted U-shape, with especially large losses occurring at extreme cold and hot temperatures. The estimated temperature-output relationship is driven by the joint effects of temperature on total factor productivity and capital. Our findings have important implications for adaptation. Manufacturing sector can adapt to changing climate by reducing the sensitivity of labor productivity to temperature and investments in machinery. Labor-related adjustments can also contribute to adaptation by offsetting direct productivity losses or facilitating labor reallocation. Guided by these strategies, India's manufacturing can achieve climate change policy goals without compromising its growth and development perspectives.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2B: Monetary and Regional Economics

On the Effects of COVID-19 on Food Prices in India: A Time-Varying Approach

[Lotanna E. Emediegwu \(The University of Manchester\)](#) and [Obianuju O. Nnadozie \(University of Benin\)](#)

Since the inception of the novel coronavirus virus, immense research efforts have been made to understand how several economic indicators, including food security, would be affected. With India racing behind the United States in terms of daily infection rate and being a country with challenging food security issues, it is important to investigate how the presence of the pandemic has influenced the dynamics of food prices in the country. This paper considers seven price series from 167 markets across the five regions in India, as well as the growth rate of COVID-19 infection. The paper uses a time-varying autoregressive (TVAR) model to investigate the nonlinear dynamics of food prices in relation to the pandemic in India. The resultant models reveal strong asymmetric properties with shock-inflicted persistence, which appear not to converge over the simulation period. Moreover, in terms of the location of the burden of the pandemic impact, we find a food product divide.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2B: Monetary and Regional Economics

Leasing as a Mitigation Channel of Capital Misallocation

Yiming Xu (Cambridge University) and Kai Li (Peking University)

Leased capital accounts for about 20% of the total productive physical assets used by US publicly listed firms, and this proportion is even higher among small and financially constrained firms - over 40%. In this paper, we argue that leasing is an important alternative way of capital reallocation, complementary to directly purchasing capital from the reallocation market, and it significantly mitigates credit-constraint-induced capital misallocation. However, in the existing literature, leased capital is “unmeasured” capital in quantifying capital reallocation efficiency. Empirically, we show that neglecting leased capital and overlooking its mitigation effect leads to significant overestimations of capital misallocation (Hsieh and Klenow, 2009) and the cyclical nature of capital reallocation (Eisfeldt and Rampini, 2006). Theoretically, we develop a general equilibrium model with heterogeneous firms, collateral constraint, and an explicit buy versus lease decision to demonstrate leasing’s novel role in mitigating capital misallocation.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2B: Monetary and Regional Economics

Comparative Advantage, Endowment Structure and Regional Specialization in China

[Wenliang Li \(Paris Dauphine University\)](#)

This paper investigates the role of classical trade determinants in shaping the industrial specialization pattern at Chinese provincial level. For this purpose, I build an original input-output dataset spanning 31 Chinese provinces and 25 industrial sectors from 1990 to 2016. I then construct the measure of industrial specialization and classical trade determinants under the framework of a partial equilibrium model with multi-provinces, multi-sectors and two factors. The empirical results show that the disparity of China's regional industrial structure is driven by both Ricardian comparative advantage in TFP and Heckscher-Ohlin endowment condition. Meanwhile, there exists strong inertia effect on industrial structure, which implies that the regional specialization choice is largely history-dependent.

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14 July 2022, Thursday (2:15 pm – 4:15 pm)

Session 2B: Monetary and Regional Economics

Internal Trade in India: Patterns and Determinants

[Sankalp Sharma \(Madras School of Economics\)](#), [Perna Pandey \(Madras School of Economics\)](#), and [Haripriya Enamundram \(Madras School of Economics\)](#)

What factors determine the level of trade flows between geographic entities? An extensive literature has addressed this classic question in international trade within the gravity framework. On the other hand, factors determining trade flows at the sub-national level are poorly understood, primarily due to data limitations. India's domestic trade volume is 1.7 times higher than its international trade, making the knowledge of such factors critically important. Using novel administrative and geospatial data, we find evidence of growing spatial and product concentration in internal trade occurring within India's national borders. Half of all trade flows occur between 19 partner states and the top 4 trading partners account for 17%, as the trade basket becomes increasingly concentrated with products in which states have comparative advantage. Reduced form evidence from a structural gravity model estimated using panel data models show that three-fifths of observed variation in trade flows can be explained by rising product concentration - as states trade more of one good, they expand their existing trade linkages. We argue that traditional parameters of the gravity model such as economic output do not explain a large share of trade within India due to the natural resource curse - states that export more do not experience significant gains from trade and are economically backward. Our findings are robust in a sectoral context as well; trade in agricultural goods is highly sensitive to the concentration of agricultural products rather than agricultural output.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2C: Health, Human Capital, and Welfare

Nudging by Beauty: Improving Women's Health Decisions and Well-Being in the Field

[Hisaki Kono \(Kyoto University\)](#), Minhaj Mahmud (Asian Development Bank), Nahoko Mitsuyama (International University of Health and Welfare), Yasuyuki Sawada (University of Tokyo), and Tomomi Tanaka (World Bank)

Health interventions often have limited effectiveness in influencing behavior as they fail to consider the choice architecture. To clarify how to improve health interventions, we evaluated a unique intervention for women in rural Bangladesh that highlights the importance of health, hygiene, and nutrition for the skin's beauty and condition. This intervention aimed to attract more attention of women who are beauty conscious. Applying the high-dimensional covariate balancing propensity score, we found that the intervention had a substantial impact on beauty and health-related outcomes, and it improved the social relationships and subjective well-being of its recipients. We also compared it with the existing interventions via three-level meta-analysis and concluded that beauty salience can improve the effectiveness of health and hygiene programs that target women.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2C: Health, Human Capital, and Welfare

Early Childhood Human Capital Formation at Scale

[Saravana Ravindran \(National University of Singapore\)](#), Johannes M. Bos (American Institutes for Research), Akib Khan (Uppsala University), Abu Shonchoy (Florida International University)

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

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2C: Health, Human Capital, and Welfare

The Impact of COVID-19 on Food Insecurity and the Mitigating Role of Social Assistance: Panel Data Evidence from Indonesia

Ridho Al Izzati (SMERU Research Institute), Fauzan Musthofa (SMERU Research Institute), Michelle Andrina (SMERU Research Institute), Sylvia Andriyani (SMERU Research Institute), Rizki Fillaili (SMERU Research Institute), Bimbika Basnett (Prospera), Usha Riyanto (Prospera), Ratnawati Muyanto (UNICEF), and Asep Suryahadi (SMERU Research Institute)

This paper investigates the impact of social assistance programs on household food insecurity in Indonesia during the COVID-19 pandemic. Using nationally representative panel survey data, we find that the proportion of households which experiencing food insecurity increased from 21.1% in 2019 to 29.2% in 2020 for mild food insecurity and from 4.2% to 7.3% for moderate-severe food insecurity. The government disbursed large social assistance programs in 2020. Using semi-parametric difference-in-differences estimation, our results show that the social assistance programs have significantly reduced the food insecurity. Receiving at least one social assistance program reduces moderate-severe food insecurity by 4 percentage points or mitigates 56% of the potential increase in moderate-severe food insecurity. The impact is greater for households which are poorer, have children, have a person with disability, and headed by females. Receiving two programs and receiving a higher share of the benefit enlarged the impact. It means that programs complementarity and size of the benefit matter.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2C: Health, Human Capital, and Welfare

Seasonality and Conditional Cash Transfer: Evidence from a Randomized Field Experiment in Bangladesh

Tomoki Fujii (Singapore Management University), Christine Ho (Singapore Management University), Rohan Ray (National University of Singapore), and Abu Shonchoy (Florida International University)

Conditional cash transfers (CCTs) have become one of the most common policy interventions to increase school attendance, but whether and how much their impacts vary throughout the year are not well understood. Using unique daily attendance and rainfall data from a randomized field experiment in Bangladesh, we explore the seasonality in CCT impacts and how the seasonality varies by gender. We find strong evidence that the impact of conditional cash transfers depends on seasonality. In particular, the impact is substantially higher during the harvest season. On the other hand, there is no such dependence for the SMS treatment, which only provides attendance information to households. We also find that the rainfall during the harvest season tends to weaken the CCT impact, but not during the non-harvest season. Interestingly, the effect of seasonality seems to exist for both agricultural and non-agricultural households and for both boys and girls, except possibly for boys from agricultural households. Our results potentially underscore the importance of domestic work as a form of child labor and focuses on girls from both agricultural and non-agricultural households who are believed to be less vulnerable to seasonal child labor.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2D: Asian Development Review

Impacts of COVID-19 on Households in ASEAN Countries and their Implications for Human Capital Development: Medium-Run Impacts and the Role of Government Support

[Peter J. Morgan \(Asian Development Bank Institute\)](#), Long Q. Trinh (Asian Development Bank Institute), and Kunhyui Kim (Asian Development Bank Institute)

The outbreak of the COVID-19 virus and the resulting falls in demand due both to uncertainty and policy interventions such as lockdowns, “social distancing,” and travel restrictions are having a severe impact on Asian economies and hence on Asian households. These negative impacts come through a variety of channels, including loss of employment or reduced working hours, loss of sales and income of a household business, inability to travel to work, increased need to stay at home to look after children or sick household members, higher prices and/or lack of availability of staple items, reduced access to schooling, etc. In order to better understand these impacts, we carried out computer-assisted telephone interviews of households in eight ADB developing member countries: Cambodia, the Lao People’s Democratic Republic, Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam. Our empirical results suggest that various household characteristics, including household income class (before COVID-19), household demographic factors, and COVID-19-induced factors such as having at least one person who lost their job or being located in lockdown areas, all affected the likelihood of a decline in income. In all countries, having at least one person who lost their job or had reduced working time increases the likelihood of experiencing financial difficulties by 17 percentage points. Overall, two-thirds of households that applied for government financial aid received it. Regardless of the country, the poorest income group received the most government aid relative to their income. The results imply that government aid was relatively well distributed to the poorest groups. Nonetheless, econometric analysis does not provide any clear evidence that the aid was large enough to have a significant impact on income declines or the experience of financial difficulty. Further work is needed in this area.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2D: Asian Development Review

Climate Risk and Corporate Debt Financing: Evidence from ASEAN markets

[Donghyun Park \(Asian Development Bank\)](#), Grace Tian (Asian Development Bank), and Resi Ong Olivares (Asian Development Bank)

Climate change risk has been documented to be priced in various financial markets in the forms of the physical acute risk and transition risk. As the existing literature largely focuses on relatively advanced financial markets, this research examines how transitional climate risk affect corporate's debt financing decisions focusing on ASEAN markets. Using the ratification of the Paris Agreement as an exogenous shock that signals possible regulatory changes towards low-carbon development and tightened restrictions of carbon emission, we find that controlling for key driving factors, an ASEAN emitter faced an average of 0.77% higher cost of debt relative to non-emitters after their respective countries ratified Paris Agreement. Meanwhile, ASEAN emitters also adjusted their leverage to accommodate such risks with emitters an average of 1.1% decline in leverage relative to non-emitters after Paris Agreement. This evidence is consistent with existing findings from the advanced markets. However, further investigation on possible working channels such as investor recognition channel captured by stock market reaction to the Paris Agreements, and higher risk channel captured by various volatility measures do not indicate significant difference between emitters and non-emitters after the Paris Agreement, which may be driven by less efficient stock market in the region to climate risks. Overall, ASEAN corporations are adjusting their debt financing decisions to incorporate possible regulatory transition risks.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2D: Asian Development Review

Predicting Provincial GDP by Using Satellite Data and Machine Learning Methods: Case Study of Thailand

[Nattapong Puttanapong \(Thammasat University\)](#), Nutchapon Prasertsoong (Thammasat University), and Wichaya Peechat (Thammasat University)

Considering the expanding accessibility of open data and the growing popularity of open-source software packages, this study introduced a new approach for monitoring regional development by applying satellite data with machine learning algorithms. Satellite data that represent physical features and environmental factors were obtained and arranged into provincial indicators by developing a web-based application on the Google Earth Engine platform. Four machine learning methods were applied to the obtained geospatial data to predict provincial gross domestic product. Random forest (RF) achieved the highest predictive performance, with 94.47% accuracy. The constructed RF model was extended to conduct variable importance (VIMP) and minimal depth (MD) analyses, enabling the quantification of a factor's influence on the prediction outcome. VIMP and MD generated similar results, indicating that urban area and population are the most influential factors. Moreover, environmental and climate indicators (e.g., drought index, nighttime temperature, and vegetation index) exert medium-level effect, while rainfall and water bodies' indices exhibit the lowest impact. This study showed that integrating open satellite data and machine learning methods could be an alternative framework for facilitating a timely and costless monitoring system of regional development, particularly during the post-COVID-19 recovery of developing countries.

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14 July 2022, Thursday (2:15 pm – 5:00 pm)

Session 2D: Asian Development Review

Not All That It Seems: Narrowing of Gender Gaps in Employment during the Onset of COVID-19 in Indonesia

[Daniel Halim \(World Bank\)](#), Sean Hambali (World Bank), and Ririn Salwa Purnamasari (World Bank)

This paper studies the impacts of the COVID-19 pandemic on Indonesia's labor market by exploiting the exogenous timing of the pandemic in a seasonal difference-in-differences framework. Using multiple rounds of Indonesia's National Labor Force Survey from 2016 to 2020 (before and after the pandemic), our results suggest that the early onset of the pandemic has mixed effects on Indonesia's labor market. In contrast to empirical findings in the majority of other countries, we observe increased likelihood of being employed among women—except those aged 19-29—and lower likelihood to be employed for men of all ages. The increase in women's employment is suggestive of an 'added worker effect'. While the pandemic narrows down gender gap in employment participation, it also lowers employment quality for both women and men—turning away from formal to informal employment. Steeper employment declines are observed in urban areas, particularly among males. Among those employed, both women and men work fewer hours and earn lower wages. There are worrying signs that the high school-age youths (aged 15- 18) have been induced away from school enrolment to take up jobs, or combine schooling with work, threatening Indonesia's progress in transitioning toward more middle-class jobs.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3A: Technology

SMEs Amidst the Pandemic and Reopening: Digital Edge and Transformation

Lin William Cong (Cornell University), [Xiaohan Yang \(Peking University\)](#), and Xiaobo Zhang (Peking University)

Using administrative universal firm registration data as well as primary offline and online surveys of small businesses in China, we examine (i) whether digitization helps Small and Medium Enterprises (SMEs) better cope with the COVID-19 pandemic, and (ii) whether the pandemic has spurred digital technology adoption. We document significant economic benefits of digitization in increasing SMEs' resilience against such a large shock, as seen through mitigated demand decline, sustainable cash flow, ability to quickly reopen, and positive outlook for growth. Post the January 2020 lockdown, firm entries exhibited a V-shaped pattern, with entries of e-commerce firms experiencing a less pronounced initial drop and a quicker rebound. Moreover, the pandemic has accelerated the digital transformation of existing firms and the aggregated industry in multiple dimensions (e.g., altering operation scope to include e-commerce, allowing remote work, and adopting electronic information systems). The effect persists at least one year after full reopening, offering suggestive evidence for the long-term impact of the pandemic and transitory mitigation policies.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3A: Technology

The Impacts of Different COVID-19 Containment Policies on Online Merchants and Recovery: Evidence from Alibaba's Large-Scale Administrative Data

Xiaolan Zhou (East China Normal University), Yasuyuki Sawada (University of Tokyo), Matthew Shum (California Institute of Technology), and Elaine S. Tan (Asian Development Bank)

Using merchant-week level data of seven cities in 2019-2021 from Alibaba Group's online on-demand delivery platform, we find heterogeneity in merchant responses to the COVID-19 pandemic during and after different containment policies in China. During a lockdown, sellers that remained open offered less price discounts and a narrower variety of products; consumers tended to consolidate orders. After the lockdown, for a city with a complete lockdown or no containment policy, it took online services longer to recover to its pre-pandemic levels of operation performance and number of agents on the online platform, such as shops, active users, and riders; the cooked food industry has been very slow to recover from the pandemic. Chain stores, especially those with a large chain network, or stores with multi-app exposure (listed on Koubei, another local-life app of Alibaba Group) and digitalization experience exhibit stronger resilience than their counterparts during and post-lockdown. We exploit the geospatial and categorical granularity of our data to develop instrumental-variable estimates to show that cross-group external effects are positive between merchants and consumers, which is consistent with the assumptions of multi-sided markets. However, direct network effects are ambiguous. They are positive for merchants in the same category but are negative for merchants in entirely different main categories.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3A: Technology

Cashless Payment and Financial Inclusion

Shumiao Ouyang (Princeton University)

This paper evaluates the impact of mobile cashless payment on credit provision to the underprivileged. Using a representative sample of Alipay users that contains detailed information about their consumption, credit, and investment activities, I exploit a natural experiment to identify the real effects of cashless payment adoption. In this natural experiment, the staggered placement of Alipay-bundled shared bikes across different Chinese cities brings exogenous variations to the payment flow. I find that the use of in-person payment in a month increases the likelihood of getting access to credit in the same month by 56.3%. Conditional on having credit access, a 1% increase in the in-person payment flow leads to a 0.41% increase in the credit line. Those having higher in-person payment flow also use their credit lines more. Importantly, the positive effect of in-person payment flow on credit provision mainly exists for the less educated and the older, suggesting that cashless payment particularly benefits those who are traditionally underserved.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3A: Technology

Rise and Fall of New Technology: Quasi-Experimental Evidence from a Developing Country

[Sachiko Miyata \(Ritsumeikan University\)](#), [Yasuyuki Sawada \(University of Tokyo\)](#), and [Kazuma Takakura \(University of Tokyo\)](#)

This paper investigates a new technology's long-term processes of adoption, standardization, and decline. Specifically, we examine the decision to invest in floating net aquaculture, introduced as a social safeguard program for poor Indonesian households that were involuntarily resettled because of a dam/reservoir construction project. We find the program helped transform and sustain the livelihood of resettlers by facilitating the adoption of this new technology. We also find behavioral irreversibility in technology adoption, resulting in overfishing in the reservoir. Considering the increasing importance of hydropower and renewable energy sources, this innovative resettlement program provides critical policy insights.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3B: Agriculture and Environment I

Social Protection Expenditure and Growth in the Agricultural Sector in Asia

[Ervin Prifti \(International Monetary Fund\)](#), Noemi Pace (Università di Teramo), Irene Staffieri (Food and Agriculture Organization), and Abiodun A. Ogundeji (University of Bloemfontein)

This paper aims at debunking the myth that social protection is obstructive to economic growth by analyzing the impacts of social protection on agricultural growth and its stabilizing role on growth by acting as a buffer against weather shocks. We exploit cross-country data with homogeneously measured fiscal variables to estimate the elasticities of agricultural Gross Domestic Product to several measures of social protection. We find that fiscal stimulus channeled through social protection expenditure for the poor stimulates agricultural Gross Domestic Product and counters the negative impacts of extreme weather shocks. Impacts are heterogeneous and vary according to the income level of countries.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3B: Agriculture and Environment I

Extreme Weather and Agricultural Input Management in Rural Thailand and Vietnam: Intensify or De-Intensify?

Nguyen Thi Lan Huong (Leibniz University Hannover), Sabine Liebenehm (University of Saskatchewan), and Hermann Waibel (Leibniz University Hannover)

In this paper, we explore the impact of droughts on small-scale farmers' input management decisions in Northeastern Thailand and Central Vietnam. This study area is interesting as government policies promote rural-urban migration, yet the farm size structure basically remains the same, and small-scale farming dominates. At the same time, small-scale farmers in the two regions are increasingly exposed to severe weather events, particularly droughts, that aggravate their situation of being caught between a "rock and a hard place". More specifically, we investigate whether small-scale farmers intensify the use of agricultural inputs in response to extreme weather events in order to minimize yield losses, or do they reduce the use of inputs to save production costs. To that end, we combine longitudinal household data from the two regions (i.e., the Thailand Vietnam Socio Economic Panel) from 2007-2017 with monthly high-resolution (0.5 degree) rainfall and temperature data from the Global Historical Climatology Network Version 2 and the Climate Anomaly Monitoring System (respectively) to characterize droughts at the sub-district level. We find a couple of interesting observations. First, our results indicate that farmers tend to de-intensify agricultural production in terms of hired labor, pesticides, number of crops grown, and investments in response to severe droughts. Second, farmers increasingly hire machinery as a substitute for own investments and own household labor. Third, the magnitude of effects increases as the severity of droughts increases. Differentiating the analysis between regions, farm sizes, and upland and lowland rice, shows that the level of de-intensification varies. For example, Thai farmers allocate more domestic and hired labor to agricultural production, and Vietnamese farmers invest in agricultural assets. Larger farms intensify input use specifically in permanent crop production.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3B: Agriculture and Environment I

Natural Disasters and Economic Dynamics: Evidence from the Kerala Floods

Robert Beyer (International Monetary Fund), Abhinav Narayanan (Asian Infrastructure Investment Bank) and [Gogol Mitra Thakur \(Centre for Development Studies\)](#)

Exceptionally high rainfall in the Indian state of Kerala caused major flooding in 2018. This paper estimates the short-run causal impact of the disaster on the economy, using a difference-in-difference approach. Monthly nighttime light intensity, a proxy for aggregate economic activity, suggests that activity declined for three months during the disaster but boomed subsequently. Automated teller machine transactions, a proxy for consumer demand, declined and credit disbursement increased, with households borrowing more for housing and less for consumption. In line with other results, both household income and expenditure declined during the floods. Despite a strong wage recovery after the floods, spending remained lower relative to the unaffected districts. The paper argues that increased labor demand due to reconstruction efforts increased wages after the floods and provides corroborating evidence: (i) rural labor markets tightened, (ii) poorer households benefited more, and (iii) wages increased most where government relief was strongest. The findings confirm the presence of interesting economic dynamics during and right after natural disasters that remain in the shadow when analyzed with annual data.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3B: Agriculture and Environment I

Exploration of Farm Mechanization among Smallholder Farmers: Evidence from Indian States of Haryana and Bihar

Jeetendra Prakash Aryal (International Maize and Wheat Improvement Center), Stein T. Holden (Norwegian University of Life Sciences), Madhusudan Bhattarai (International Food Policy Research Institute), and Dil Bahadur Rahut (Asian Development Bank Institute)

Intensification of agriculture is crucial for food security in India, and farm mechanization offers a way to achieve it. However, farm mechanization depends on several factors, and thus, understanding those factors is crucial for enhancing its uptake to improve the farmers' wellbeing and also, for designing appropriate policies. Using data collected from 1267 farm households of Haryana (626 households) and Bihar (641 households) states of India, this study assessed factors associated with the adoption of farm machineries, including irrigation pump, tractor, harvester, thresher, and other farm machines. Considering that farmers' mostly use combinations of these machines in farm operations, we applied a multivariate probit model for the analysis. Results show that adoption decisions of these farm machines are interrelated and mostly complementary. Economic assets such as land, livestock, and improved output/input market, and credit accesses are positively associated with the likelihood to adopt farm machines. Farmers with off-farm income are more likely to adopt harvester and other machines compared to those without off-farm income, confirming that high opportunity costs of labor enhance the adoption of machinery. Another key finding is that machine ownership is not necessary for the adoption of any of these machines as farmers mostly hire these services, thus reducing the capital requirement for adoption and enhancing rural transformation. Therefore, promoting farm machinery hiring services and enhancing farmers access to credit are key areas of policy reform.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3C: Economic Growth and Infrastructure

Good Enough for Outstanding Growth: The Experience of Bangladesh in Comparative Perspective

[Robert Beyer \(International Monetary Fund\)](#) and Konstantin M. Wacker (University of Groningen)

This paper investigates the outstanding economic growth experience of Bangladesh. It shows that the country's improvements in structural correlates of growth from 1990 to 2004 are in the global top 5 percent for any 15-year period since 1970. They were driven by infrastructure enhancements, more openness to trade, and increasing foreign direct investment. Additionally, this period coincided with significant financial reforms after the banking crisis of the late 1980s and increased political stability. A further increase in growth after 2005 was not correlated with new growth impulses from structural improvements. Instead, the benefits from previous achievements and a stable macroeconomic and institutional environment were "good enough" to prevent the mean reversion of growth that comparable fast-growing economies usually experience.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3C: Economic Growth and Infrastructure

Impacts of Electricity Quality Improvements: Experimental Evidence on Infrastructure Investment

[Robyn Meeks \(Duke University\)](#), Arstan Omuraliev (Kyrgyz State Technical University), Ruslan Isaev (Kyrgyz State Technical University), and Zhenxuan Wang (Duke University)

Hundreds of millions of households depend on electricity grid connections providing low quality and unreliable services, which is a barrier to development. We investigate the impacts of and residential consumer response to electricity quality improvements in Kyrgyzstan through the randomized installation of smart meters, which utilities can install to monitor service quality. Service quality did improve as a result. Billed electricity consumption increased during peak months post-intervention. Consistent with this, treated households, particularly renters, significantly increased electric heating. Treated households made significantly more energy efficiency investments, potentially mitigating their electricity increases post-intervention. Consumer welfare gains were approximately 8 USD per household per year.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3C: Economic Growth and Infrastructure

An Empirical Evidence and Proposal on the Spillover Effects of Information and Communication Technology Infrastructure in India

Naoyuki Yoshino (Keio University), Tifani Siregar (Asian Development Bank Institute and Waseda University), KE Seetha Ram (Asian Development Bank Institute), and Dina Azhgaliyeva (Asian Development Bank Institute)

The COVID-19 pandemic highlights the importance of information and communications technology (ICT) not only for the economy but also for human well-being. However, the investment gap in ICT infrastructure has been growing and is expected to reach more than \$30 billion by 2040. We argue that one of the ways to attract private sector involvement in ICT infrastructure is by creating a steady stream of income for the investors. We quantify the spillover effects of mobile network on tax revenues, using annual state-level data for 2005 to 2016 from India across all states. Using simple Fixed Effect (FE) as well as Fixed Effect (FE) Two-Stage Least-Squares (2SLS) estimations, we show that the rise in the number of mobile network subscribers is associated with an increase in the amount of regional tax revenues. On average, an increase in the number of the Global System for Mobile Communications (GSM) subscribers per capita by 1 percentage point is expected to raise annual state tax revenues per capita by ₹134 (3% of average annual state tax revenue per capita in 2016). The number of GSM subscribers affect tax revenues through increased economic activities, as shown by our 2SLS estimation results. The results of this study justify our proposal to share the increased tax revenues with the investors to create a steady stream of income for investors. The findings of this study also support the increased support for the development of digital and physical infrastructure in the national budget of India for 2022–2023.

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ASIAN ECONOMIC DEVELOPMENT CONFERENCE 2022

Inclusive, Sustainable Recovery in Asia and the Pacific

14-15 July 2022 | Tokyo, Japan (GMT +9)

15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3C: Economic Growth and Infrastructure

The Institutional Effects of Public–Private Partnerships on Competition

Weh-Sol Moon (Seoul Women's University), Sukmo Ku (Korea Development Institute), Hyejung Jo (Korea Development Institute), and Jina Sim (Korea Development Institute)

In many countries that allow unsolicited proposals (USPs) for public–private partnership (PPP) projects, incentives are awarded to the initial proponent of the USP projects during the tendering process as rewards for initially making a proposal. Due to such a reward system, including the bonus system, USPs are commonly known to involve fewer tender participants. This paper investigates the empirical relationship between the number of tender participants and the institutional factors of PPPs. Specifically, two institutional factors are examined: (1) the use of USPs and (2) the bonus system for initial USP proponents. The Poisson regression analysis used in this study to analyze PPP data in South Korea demonstrates that USP projects have fewer bidders participating in tenders than solicited projects. Meanwhile, the analysis shows that the bonus system as another component of the institutional framework does not account for the number of bidders in tendering. In the analysis by three different facility types (*Roads*, *Environmental facilities*, and *Others* types) of whether the bonus system discourages participation in the bidding, we find heterogeneous responses among the types. For *Roads* and *Others* types of projects, the existence of the bonus system reduces the number of bidders for USP projects, while for *Environmental facilities*, there is no negative relationship between bonus points and the number of bidders. In the analysis of whether there are fewer bidders when no bonus points are awarded, there is no statistically significant difference in the number of bidders for *Roads* and *Environmental facilities*. These findings imply that USP projects with no bonus points do not necessarily make tenders more competitive. Against the backdrop of differing opinions regarding whether the bonus system for the initial USP proponent limits competition, this study shows the possibility that other institutional factors apart from bonus points affect competition.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3D: Environment and Energy II

Natural Disasters and Fiscal Drought

Lazar Milivojevic, (World Bank)

This paper examines to what extent slowdowns in economic growth are compounded by widening fiscal deficits and corresponding pressures on public debt after natural disasters. We rely on the GAME database (Felbermayr and Groeschl (2014)) that comprises exogenous measures of physical disaster intensity, well suited for causal analysis. Empirical results suggest that natural disasters lead not only to output losses but also to further deterioration of countries' fiscal positions. Moreover, a disaster in the top 1-percentile of the disaster index distribution increases government debt by almost 9 percent of GDP, while the top 5-percentile worst disasters cause the debt-to-GDP ratio to rise by at least 0.5 percent. Local projection estimates indicate that the adverse effects persist in the medium term, not only on impact. In addition, we use a Dynamic Stochastic General Equilibrium (DSGE) model to explain the propagation mechanism of an extreme weather event that affects agricultural productivity. Based on Gallic and Vermandel (2020), the model features farmers endowed with land with time-varying productivity subject to economic and weather conditions. Simulation results exhibit the climate-fiscal nexus existence and highlight the role of structural resilience in limiting the impact of natural disasters.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3D: Environment and Energy II

The Impact of Climate Change on Economic Output in Chile: Past and Future

[Carlos Madeira \(Central Bank of Chile\)](#) and [Karla Hernández \(University of Wisconsin-Madison\)](#)

We study the impact of some weather variables (precipitation and temperatures) on GDP by using a region-industry panel data for Chile over the period 1985-2017. We find no effect of precipitation changes on GDP, but the results confirm a negative impact of higher summer temperatures on Agriculture-Silviculture and Fishing. An increase of one Celsius degree in January implies a 3% and 12% GDP reduction in Agriculture and Fishing, respectively, plus a negative effect on Construction, Electricity, Gas, and Water. Substantial uncertainty can be argued around these results due to the unavailability of region-industry GDP at a quarterly or monthly frequency and the assumption of fixed-coefficients over time. Stress test exercises for 2050 and 2100 that use all the industry coefficients estimated from our model or from an USA model imply a small effect of climate change on the overall Chilean GDP relative to a scenario without further climate change. However, these results should be taken with caution due to the overall fitness of the model. Indeed, under some parameter settings of the model, our stress test implies that the Chilean GDP would fall between -14.8% and -9% in 2050 and between -29.6% and -16.8% in 2100 relative to a scenario without further climate change. We also review several studies for the future impact of climate change during the 21st century. Some studies suggest that Chile is likely to suffer mild effects in terms of GDP growth, labor productivity and mortality costs. However, the studies of Kahn et al. (2019), Kalkuhl and Wenz (2020) and Swiss Re (2021) predict that Chile may suffer significant GDP costs due to the adaptation difficulties in a warmer weather. Furthermore, several studies and that Chile is facing non-GDP related problems from climate change, such as air pollution, drought, water stress, migration and changes in land classification.

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3D: Environment and Energy II

Households' Fuel Choices in the Context of a Decade-Long Load-Shedding Problem in Nepal

[Dhiroj Koirala \(University of Massachusetts Amherst\)](#) and Bikram Acharya
(Policy Research institute and Global Center for Research and Development)

Access to an uninterrupted electricity supply is an important driver of growth and human development. However, people in many developing countries do not yet have access to a steady electricity supply—partly due to power cuts, blackouts, and load-shedding. Such disasters exert pressure on households and hinder energy modernization. This paper investigates how households' fuel choices are possibly distorted amidst unreliable electricity supply. It studied households' cooking fuel choices and fuel switching behavior in the face of the load-shedding problem in Nepal (2006 –2016). This study employs two National Living Standard Surveys(NLSSs) and four Annual Household Surveys(AHSs). Multinomial Logit and Multinomial Probit model estimations suggest that the crisis delayed households' energy modernization drive. Furthermore, households diversified their fuel basket and increased 'energy stacking' in response to the crisis. Despite a trend of increasing preferences towards modern fuels, significant reliance on traditional fuels remains. Therefore, it is recommended to improve supply reliability remarkably for a successful transition toward modern energy. Moreover, the nature of the crisis needs to be well understood to formulate efficient policies on energy transition since different crises might affect households differently (Energy Policy 162 [2022]; <https://doi.org/10.1016/j.enpol.2022.112795>).

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15 July 2022, Friday (10:00 am – 12:00 pm)

Session 3D: Environment and Energy II

Energy Storage Policies: Implications for Asia and the Pacific

[Dina Azhgaliyeva \(Asian Development Bank Institute\)](#) and [Zhong Sheng \(National University of Singapore\)](#)

The main challenge with high share of renewable energy deployment, is that the intermittency caused by renewable energy sources makes balancing of an energy system challenging. One of the solutions to this issue is energy storage. However, most energy storage technologies are immature and require investments in R&D to improve performance and safety, and to reduce cost. This study will be particularly of interest to for Asia and the Pacific, due to a fast-growing renewable energy, and thus, a growing need in energy storage policies. Empirical literature studying investments in renewable energy is abundant, however empirical literature studying investments in energy storage is highly limited due to data availability. We use unique data on energy storage policy collected by authors. To the best of our knowledge, this is the first empirical study measuring the impact of energy storage policies on investments in energy storage technologies. Using panel data from all OECD countries, including three countries from Asia and the Pacific (Australia, Japan and the Republic of Korea) over the period 1985-2016 we study the determinants of investments in R&D of energy storage technologies. The results of fixed effects and random effects estimations provide an empirical evidence that energy storage policy and environmental patents increase investments in R&D of energy storage technologies. Based on the results we provide policy recommendations on promoting energy storage in for Asia and the Pacific.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4A: Labor and Demographics II

Intergenerational Transmission of Time Preferences: An Evidence from Rural Thailand

[Suparee Boonmanunt \(Mahidol University\)](#), Wasinee Jantorn (University of the Thai Chamber of Commerce), Varunee Khruapradit (University of the Thai Chamber of Commerce), and Weerachart T. Kilenthong (University of the Thai Chamber of Commerce)

This study investigates the association between child and caregiver time preferences in rural Thailand. We find that caregiver discount factor is positively correlated to a child's ability to delay gratification, indicating that patient caregivers are more likely to have patient children. This correlation exists regardless of whether the caregiver is a biological parent or not. However, some evidence suggests genetic contribution in intergenerational transmission of time preferences: this correlation is stronger when both biological parents live at home than when none is present, and mother's time preferences are stronger correlated with child time preferences than grandmother's.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4A: Labor and Demographics II

'Perversity Trope' of Labor Reforms in India

[Diti Goswami \(Indian Institute of Technology Delhi\)](#) and [Sourabh B. Paul \(Indian Institute of Technology Delhi\)](#)

The paper examines the impact of labour reforms on plant employment and performance. After several years, in 2014, Rajasthan became the first Indian state to introduce deregulations in labour laws by amending the Industrial Disputes Act (1947), the Factories Act (1948), the Contract Labour (Regulation and Abolition) Act (1970), and the Apprentices Act (1961). This was done keeping in mind the concept of 'perversity trope', indicating that the laws created to help workers often end up hurting them in developing countries. Exploiting this unique quasi-natural experiment, we examine the impact of labour law deregulations on plant employment and performance. We apply a difference-in-difference framework using the longitudinal data of India's organised manufacturing establishments from the Annual Survey of Industries. Our results show that the deregulations in the labour laws had an unintended consequence of the decline in labour use. The reforms caused a disproportionate decline in the number of directly employed workers and increased the use of contractual workers. Evidence suggests that the reforms positively impacted capital, gross value added, and emoluments, whereas decreased inputs, productivity, and profits. The efficacy of these effects varies depending on the underlying industry and reform structures. The findings prove robust to a set of specifications.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4A: Labor and Demographics II

Name Ethnicity and Labor Market Performance

[Weiguang Deng \(Hunan University\)](#) and [Tingwei Gao \(University of Chinese Academy of Sciences\)](#)

China has a unique name culture and implements special policies which support ethnic minorities. We investigate how the ethnic characteristics of names affect individuals' labor market performance in the Chinese context using the 2005 Chinese census data. The findings indicate that name sinicization decreases employment probability, hourly wages, and monthly income, but it increases working hours. The effect of name sinicization differs between non-ethnic and ethnic autonomous areas; it also varies with urban-rural identity, enterprise ownership type, ethnic proportion, ethnic regime history, and ethnic written language ownership. The causal effects of name sinicization on labor market performance are identified, by exploiting a sample containing the intergenerational consistency of name sinicization and instrument variable estimations. Mechanism analyses suggest that name sinicization influences labor market outcomes, possibly by facilitating migration, attenuating personal ethnic identities, improving education, leading to discrimination, and affecting engaged industry.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4B: Poverty and Inequality

Assessing the Effects of Vulnerability, MGNREGS, and Governance on Poverty

Swarna Parameswaran (Indian Institute of Management), Hari K. Nagarajan (Indian Institute of Management), Abhiman Das (Indian Institute of Management), and Vivek Pandey (Institute of Rural Management)

Estimations involving poverty often do not account for risks arising from the exposure to shocks that lead to volatile and uncertain future incomes, thus making a household vulnerable. Using unique and rich panel data from the REDS 1982, 1999, 2006, and SEPRI 2016 rounds this study establishes a relationship between vulnerability, workfare, household decision-making, spillovers, governance, and poverty. We show that vulnerability increases the incidence of poverty and reduces the likelihood of households escaping chronic poverty. The issue of higher transient poverty compared to chronic poverty also warrants attention. The paper suggests that the policy of female reservations for panchayat heads and MGNREGS reduced the likelihood of household poverty, facilitated shifts out of poverty, and prevented households from falling into poverty conditional on vulnerability to future poverty. We find that the household decision to enroll in the MGNREGS by owning a job card and holding it for a greater duration and spillovers generated from village-level employment creation is effective in decreasing the probability of household poverty and increasing the likelihood of escaping poverty traps given ex-ante poverty. Thus, the program provides support in the event of adverse events, for beneficiary households by enabling them to apply for work. Similarly, the total village level employment generated by the program provides wage transfers to beneficiaries and increases village incomes, thereby lowering ex-post poverty. Hence, our study makes a major contribution to identifying policy measures that could be employed to tackle vulnerability and poverty.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4B: Poverty and Inequality

Is Growth Pro-Poor among the States of India? A Poverty Decomposition Exercise during the 2000s

Priyabrata Sahoo (Banaras Hindu University), Debolina Biswas (Gurudas College), and Saswata Guha Thakurata (Kanchrapara College)

Economic growth is considered to be the most important factor for achieving a lower level of poverty, but burgeoning inequality could affect poverty reduction adversely. This article decomposes the change in both rural and urban poverty into what can be termed as ‘growth effect’ and ‘distribution effect’ for twenty major Indian states during India’s highest growth episode (2004–2011). It further examines the pro-pooriness of the growth in these states. One of our key findings is that while income growth plays a key role in rural poverty reduction, rising inequality appears to be a major hindrance with respect to urban poverty. Our investigation also suggests that higher growth is not necessarily pro-poor. If the growth process itself is iniquitous, it might reduce the poverty elasticity of income and, in turn, result in slower poverty reduction despite high growth. This being specifically relevant for urban India and with urban poverty increasingly becoming a serious concern, economic policymakers should adopt a policy paradigm ensuring a more inclusive urban growth instead of considering growth as a panacea.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4B: Poverty and Inequality

Multiple Risks and Poverty: Evidence from Afghanistan

Nasib Jan (National Statistics and Information Authority) and [Zaneta Kubik](#) (University of Bonn)

Households in developing countries manage multiple risks at the same time. Exposure to the various sources of risk, in particular when they occur simultaneously, can have important implications for poverty. In this paper, we assess the relationship between multiple risks and poverty based on the evidence from Afghanistan. We use three rounds of repeated cross-sectional data spanning the last decade, from 2011 to 2020, and covering a nationally representative large sample of 57,570 households. Our analysis includes both descriptive bivariate poverty profile and multivariate poverty analysis. In particular, we aim at disentangling the relationship between various shocks and the likelihood of poverty. We look at both idiosyncratic and covariate shocks and show that the likelihood of a household falling into poverty is highly correlated with the occurrence of idiosyncratic shocks; particularly those related to labor markets which then translate into income loss. We also look at selected covariate shocks, including weather extremes, conflict and the recent Covid-19 pandemic. The effect of weather shocks, as measured by rainfall shocks and drought, on poverty is substantial. However, the evidence is much weaker in case of conflict. This can be explained by two factors: first, the conflict has been so widespread and so long-lasting that it is difficult to assess the impact of conflict event on contemporaneous poverty at the household level; second, the data suggests that there might be a reverse causality whereby richer districts are more often the target of terrorist attacks. Finally, while our data does not include the information specific to the Covid-19 pandemic, we take advantage of the timing of the last round of the survey, implemented in 2020, and use the seasonality effects to estimate the potential effects of the pandemic. The findings suggest that the pandemic, mainly due to the rising food prices and lockdown, has led to an important increase in urban poverty, which, in turn, has contributed to closing the historical rural-urban poverty gap.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4C: Education II

Who Benefits and Loses from Large Changes to Student Composition? Assessing Impacts of Lowering School Admissions Standards in Indonesia

Emilie Berkhout (Amsterdam Institute for Global Health and Development), Goldy Dharmawan (SMERU Research Institute), Amanda Beatty (Mathematica Policy Research), Daniel Suryadarma (Asian Development Bank Institute), and Menno Pradhan (University of Amsterdam)

We study the effects of an admission policy change that caused a massive shift in student composition in public and private junior secondary schools in Yogyakarta, Indonesia. In 2018, the primary criterion for admission into Yogyakarta's 16 preferred, free public schools (grades 7-9) changed from a grade 6 exam score ranking to a neighborhood-to-school distance ranking. This policy change resulted in a decline in average grade 6 scores in public schools by 0.4 standard deviations (s.d.) and a 0.4 s.d. increase in private schools. We assessed learning impacts caused by the changed student composition by comparing two otherwise similar cohorts of students admitted before and after the policy change. Average grade 8 test scores across math and Indonesian declined by 0.08 s.d. (not significant). To understand which students throughout the education system gained and lost in terms of learning, we simulated public school access under the 2018 policy and its predecessor for both cohorts. In public schools, teachers attempted to adapt lessons to lower-scoring students by changing teaching approaches and tracking students. These responses and/or exposure to different peers negatively affected learning for students predicted to have access to public schools under both policies (-0.13 s.d., significant at the 10 percent level) and aided students with predicted public school access under the new policy slightly (0.12 s.d., not significant). These results are in contrast to existing literature which finds little or no impact from shifts in student composition on incumbent students' learning. In private schools, we found no such adaptations and no effects on predicted incumbent students. However, students predicted to enter private schools under the new policy saw large negative effects (-0.24 s.d., significant), due to lower school quality and/or peer effects. Our results demonstrate that effects from high-performing, selective schools can be highly heterogeneous and influenced by student composition.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4C: Education II

The Effectiveness of Kindergarten in Promoting Female Labor Supply: Evidence from Regression Discontinuity Design in Indonesia

Dyah Pritadrajati (Australian National University)

Preschool is expected to reduce barrier for mothers to work, making it easier for them to combine paid work and childcare responsibilities. This paper examines the effects of preschool enrolment, particularly kindergarten, on female labour supply in Indonesia, a country with a large informal sector including for childcare. Identification is based on sharp and fuzzy regression discontinuity (RD) designs exploiting the age eligibility rule for kindergarten enrolment. I find no evidence that kindergarten enrolment affects labour force participation, employment, work hours, or job searching, for all females and mothers. However, working mothers with children enrolled in kindergarten are on average 15.9 percentage points less likely to be in formal employment. The negative effect on formal employment is primarily driven by married mothers, those with primary education and below, and those in the bottom 40 percent of the expenditure distribution. Despite limited effects among mothers, kindergarten enrolment increases participation of single females without children in the labour force and employment by more than 30 percentage points, indicating significant crowding out of informal childcare

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4C: Education II

Commodity Price Shocks and Human Capital Investments: Evidence from Indonesia

[Sandy Maulana \(Hitotsubashi University\)](#)

The study investigates the impact of commodity price shocks on human capital accumulation, particularly high school and higher education enrollment. Using the palm oil case in Indonesia during the commodity boom period of 2006-2012, this study constructed district pseudo-panel data from nationally representative household surveys to examine adolescents' response to commodity price shocks. I found the adverse impact of the commodity boom on enrollment. Individuals decided not to participate in education because higher commodity prices influenced expected wages in commodity sector. Additionally for women, the shocks also increased their burden of household works, thus reducing schooling. Preliminary evidence also suggested that individuals substituting formal school with non-formal courses or training outside schools in the commodity boom period.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4C: Education II

The Effect of School Mergers on Student Performance: A Case Study of India

Pooja Rathore (Guru Gobind Singh Indraprastha University)

Education is the most important leveller for social, economic, and political transformation. In India, over a million schools are run by the government (UDISE, 2016). Even with the country having one of the largest public-school education systems in the world, the literacy rate stands at only 74 %. In order to achieve the goal of universal access of education, the Government of India has started several initiatives. These initiatives, though have improved enrolment and retention rates dramatically over years, have stopped a step short of improving the learning outcomes. In order to improve the working of schools and outcome of students, the State Government of Rajasthan, announced in 2014-2015, that it will consolidate its first batch of schools in the following year. A total of 3,000 primary schools have been combined with upper primary, and 2,000 primary schools have been transformed into secondary schools over the academic year 2016-2017 (Palit and Mitra, 2014). Using a unique dataset collected from a survey of schools in Rajasthan, we specifically try to examine the change in academic performance of students after school mergers in the years 2016 and 2017. We used difference –in-difference and propensity score matching approach and found school mergers positively impact the students’ outcome. We found in our results that school mergers had a significant effect on the student performance.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4D: Disasters, Agriculture, and Welfare

Natural Disaster and Local Government Finance: Evidence from Typhoon Haiyan

Joseph Capuno (University of the Philippines), Jose Corpuz (University of Warwick), and [Samuel Lordemus \(University of Lucerne\)](#)

This paper examines how natural disasters affect local public finances and their interplay with intergovernmental transfers and external resources. We document the causal effect of a natural disaster on the allocation of local public resources by exploiting the random nature of the 2013 Typhoon Haiyan, one of the most devastating natural disasters in recent history. Combining data on local government finance with reports on the level of damages caused by the typhoon, we employ several estimation strategies: we first rely on difference-in-differences and event study designs, and we further address a potential endogeneity concern by instrumenting the intensity exposure to the typhoon with distance to the storm path. We show that local revenue and public expenditures remain largely unaffected, except debt service, which are on average 15% lower in affected cities or municipalities. However, we document important heterogeneity in local revenue responses. We find no support for the moral hazard problem: our results indicate that external aid leads to higher local expenditures, particularly general public services, socioeconomic expenditures, including education and social services, and debt payments. These results highlight the crucial role of central government transfers in supporting local governments and mitigating the geographical economic disparities in the aftermath of exogenous shocks such as natural disasters.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4D: Disasters, Agriculture, and Welfare

Allocation of Humanitarian Aid after a Weather Disaster

Lukas Mogge (Potsdam Institute for Climate Impact Research), Morag McDonald (Potsdam Institute for Climate Impact Research), Christian Knoth (University of Muenster), Henning Teickner (University of Muenster), Myagmartseren Purevtseren (National University of Mongolia), Edzer Pebesma (University of Muenster), and Kati Kraehnert (Potsdam Institute for Climate Impact Research)

This paper tests whether need or political economy considerations determine the allocation of humanitarian aid following an extreme weather event in Mongolia. Our analysis focuses on the extremely harsh winter of 2015/16 that caused high livestock mortality in some areas of the country. Both the Mongolian Government and international donors delivered humanitarian assistance to pastoralist households. We exploit the exogenous nature of the weather disaster, its spatial variation, the timing of legislative elections taking place just months after the disaster, and the fact that the Government defined clear criteria based on risk projections for prioritizing the allocation of humanitarian aid across districts. Our analysis considers humanitarian aid at both the extensive and intensive margin. Results show that a clearly defined need criterion based on meteorological risk projections is the strongest factor determining the allocation of international humanitarian aid, while it is less relevant for the allocation of governmental humanitarian aid. We do not find evidence that political alignment or core voter considerations matter either for the likelihood of providing aid to districts or for the intensive margin of aid allocation.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4D: Disasters, Agriculture, and Welfare

Mobile Phone Network Expansion and Agricultural Income: A Panel Study

Svenja Fluhrer (Potsdam Institute for Climate Impact Research and Humboldt-Universität zu Berlin) and Kati Kraehnert (Potsdam Institute for Climate Impact Research)

During the last decade, LMICs strived to close the gap between urban and rural information and communication infrastructure to boost economic development and improve rural living conditions. This study examines how an expansion of mobile phone networks affects rural development in Mongolia. The database is a detailed household panel survey with four waves, spanning the 2012-2021 period, which we combine with two measures on the expansion of mobile phone networks. Our identification strategy exploits the uneven roll-out of mobile phone networks across rural areas over time. Using a household fixed effects approach, we show that the expansion of mobile phone networks strongly and significantly increases total household income of pastoralist households. The effect is driven by increased income from agriculture, particularly by higher received prices for animal by products and increased household mobility. Investigating the effect on income composition, we find that the expansion of networks decreases income diversification among pastoralist households. Instead, results show specialization in agriculture through an increased profit per animal and bigger herd sizes. Our findings suggest that investments in telecommunication infrastructure can help rural households to sustain a livelihood in the agricultural sector.

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15 July 2022, Friday (1:00 pm – 3:00 pm)

Session 4D: Disasters, Agriculture, and Welfare

Do Weather Shocks Exacerbate Subnational Income Disparities? Satellite Evidence from the Philippines

Jesson Pagaduan (Asian Development Bank)

Combining novel nighttime lights (NTL) data with high-quality atmospheric reanalysis, we exploit the annual variation in temperature and precipitation shocks to identify the causal effects of weather shocks on income per growth at the municipality level in the Philippines. We test whether these effects persist in the medium run and analyze the transmission channels of weather shocks. Our analysis reveals interesting insights. First, we find that poor municipalities are the most sensitive to temperature and precipitation shocks, while the rich ones appear more insulated. Second, we uncover that the cumulative effects of weather shocks on poor municipalities with hot climates are likely to persist in the medium run. Lastly, we establish that temperature shocks affect income growth mainly through their growth effects on agriculture and services sectors namely education, health, real estate and ownership of dwellings, transportation and storage, and electricity consumption. The effects of precipitation shocks, on the other hand, are transmitted through their impact on all main sectors including industry namely mining and quarrying. Among services subsectors, wholesale and retail trade as well as education are the channels of precipitation shocks. Such findings highlight the importance of understanding the distributional effects of climate change within countries.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5A: Agriculture and Environment II

The Roles of Perennial Crop Systems on Livelihoods: A Case Study in Dak Lak Province, Central Highlands, Viet Nam

Thi Thuy Phan (Tay Nguyen University), Le Duc Niem (Tay Nguyen University), and Philippe Lebailly (Gembloux Agro-Bio Tech)

This paper aims to evaluate the provision of two representative perennial crop systems on farmers' livelihoods and rural economics as well as determinants of intercropped system approach. The data for this study is obtained through structured interviews by the use of multistage procedure and comparing performance. Additionally, determinants of intercropped system adoption were also identified. We found that there is a significant role of perennial crop systems on farmers' livelihood including economic benefits, job creation, gender participation, and extended employment opportunities. Particularly, intercropping systems are the best economically viable livelihood activity and lower sensitivity to market risk. Moreover, determinants of participation decisions are willing to adopt the intercropped farms including training, labor-related farms, and crop failure. This finding is highly likely to positive significance to cope with challenges by rural people and understanding the contribution of perennial crop systems to livelihood is crucial for making the decision and rural economics strategies.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5A: Agriculture and Environment II

The Impact of the COVID-19 Pandemic on the Risk Factors for Subclinical Mastitis in Smallholder Dairy Farms in Bangladesh

Momena Khatun (University of Bern), [Mohammad Habibur Rahman \(Bangladesh Agricultural University\)](#), Md. Bahanur Rahman (Bangladesh Agricultural University), Md. Mizanur Rahman (Chittagong Veterinary and Animal Sciences University), Rupert M. Bruckmaier (University of Bern), Karen Medica (Capacity Building Exchange (CBX) International), Peter C. Thomson (University of Sydney)

This cross-sectional study investigated the occurrence of subclinical mastitis (SCM) in smallholder's dairy farms due to COVID-19 shutdown in Bangladesh. Direct interview with the smallholder dairy farmers ($n = 100$) and on farm physical assessment of cows ($n = 56$) and their udder quarters ($n = 224$) were performed to collect data and milk samples during the period between July to September 2020. Risk factors associated with SCM were analyzed using binary logistic generalized linear mixed models. Out of 38 demographic, individual cow level, calving and mastitis management-related variables, 19 were associated ($P < 0.05$) with SCM at different thresholds of SCC (10 to 500, $\times 10^3$ cells/ml). The greater the family member, female family member, animal number, milking cow number, higher educational status, the greater was the occurrence of SCM particularly in the mixed-type farms ($P < 0.05$). The lower the farming experience, milk selling problem and no source of income apart from dairy, the lower was the occurrence of SCM (< 0.05). Individual cow's body condition score, heart girth and behavioral changes were significantly associated with SCM ($P < 0.05$). Washing hands between milking, milking frequency, involvement of women in milking and milking by single number of milkmen were significantly associated with SCM ($P < 0.05$). Calving floor, isolation after mastitis, milking the mastitic cow last were significantly associated with SCM. The women were less skilled in dairy farming and there was a lack of extension services/training opportunities to raise awareness of the smallholders to minimize economic loss during the COVID-19 pandemic. Strong dairy extension services and training opportunities are required to minimize the economic loss due to SCM in COVID-19 pandemic area.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5A: Agriculture and Environment II

The Impact of Agricultural Credit on Farm Yield Risk: Quantile Regression Approach with Propensity Score Matching (PSM) and a Test for the Rank Similarity Condition

Sumedha Shukla (Indraprastha Institute of Information Technology) and Gaurav Arora (Indraprastha Institute of Information Technology)

Agricultural credit is an important instrument for mitigating farm risks through input stabilization, higher labour productivity, and better land management. However, skewed credit access raises concerns regarding the limited role that credit has in stabilizing farm incomes and mitigating farm risk. Here, we combine quantile regression analysis with propensity score matching (PSM) to evaluate the impact of institutional and informal credit on downside yield risk among smallholder sorghum farmers in fourteen semi-arid villages of India during 2001-2014. We first match households based on their credit worthiness and then estimate the average yield differentials across loanee farmers and their counterfactuals. Further, we estimate a quantile yield function to compare the credit impact on the left tail of yield density (i.e., downside risk) among matched sorghum-growing households. This study is also the first to formally test the rank similarity identification condition for quantile regression analysis when PSM is employed to reconcile the endogenous treatment. Rank similarity states that each household preserves their rank in the conditional yield distribution across matched treated and untreated households. Specifically, we build upon Dong & Shen (2018) and propose Kolmogorov-Smirnov distribution-based test for rank similarity. We find farmers who availed agricultural credit to have experienced on-average higher yields relative to the no-credit scenario and the impact of formal credit was higher by about 10 kilograms per-acre relative to the informal credit impact. Further, the credit impact was skewed in favour of upper yield quantiles. In particular, the impact of credit on the 25th yield quantile was ~25-percent lower than the corresponding impact on mean-yield for formal credit. For informal credit, the impact on the 25th and 50th yield quantiles was insignificant. However, for both the formal and informal credit scenario, we rejected rank similarity for higher quantiles but failed to reject it for the 25th yield-quantile in case of formal credit. In addition, we evaluate credit impact across four land-based risk mechanisms: soil erosiveness, local weather variability, land ownership status, and scale of operations. Availing credit was on-average more productive among landowners with bigger land holdings located on regions with low weather variability and non-erosive soils relative to the landless or marginal farmers having erosive soils and high weather variability. Overall, we critically evaluate the utility of agricultural credit for enhancing farm productivity among lower socio-economic classes.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5A: Agriculture and Environment II

Forecast-Based Humanitarian Assistance in the Context of Extreme Weather Events: Evidence from a Randomized Controlled Trial in Mongolia

Julian Roeckert (Potsdam Institute for Climate Impact Research PIK), Lukas Mogge (PIK and Humboldt-University of Berlin), and Kati Kraehnert (Potsdam Institute for Climate Impact Research)

Forecast-based assistance is a novel approach in humanitarian aid in the context of natural disasters. Practitioners utilize meteorological forecasts to act early and assist vulnerable households before a disaster strikes. Through enabling adaptive behavior, early action is expected to reduce the impacts of disasters and the costs of relief actions. While humanitarian stakeholders place high hopes in forecast-based action, few rigorous scientific studies exist that evaluate its effectiveness. Our study seeks to address this knowledge gap by conducting an impact evaluation of forecast-based financing, using a Randomized Controlled Trial approach. Our focus is on Mongolia, a country that is increasingly afflicted by extreme winter events that threaten the livelihood of pastoralist households. We test whether unconditional forecast-based cash transfers delivered to pastoralist households in the midst of the extremely severe winter of 2020/21 have a causal effect on preventing socio-economic damages. Our study presents first results on the extent to which forecast-based cash transfers enable households to prevent a reduction in their herd size and well-being, approximated by life satisfaction, and invest in shock coping strategies.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5B: Gender and Welfare

Don't Cross the Line: Bounding the Causal Effect of Hypergamy Violation on Domestic Violence in India

Punarjit Roychowdhury (University of Nottingham) and Gaurav Dhamija (Indian Institute of Technology Hyderabad)

We empirically examine whether violation of hypergamy - which occurs when the wife's economic status equals or exceeds that of her husband's - causally affects domestic violence using microdata from India. Identifying the causal effect of hypergamy violation on domestic violence, however, is challenging due to unmeasured confounding and reverse causality. To overcome these difficulties, we utilize a nonparametric bounds approach. Relying on fairly weak assumptions, we find strong evidence that violation of hypergamy leads to a significant increase in domestic violence. Further, we provide suggestive evidence that this result arises because violation of hypergamy is likely to undermine patriarchal beliefs and norms about gender roles, and also because it is likely to increase men's likelihood of using domestic violence as an instrument to sabotage their wives' labor market prospects. Our findings suggest that policies that seek to empower women and promote gender equality might paradoxically increase women's exposure to domestic violence.

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Session 5B: Gender and Welfare

Do Natural Disasters Cause Domestic Violence? A Study of the 2015 Nepal Earthquake

[Arpita Khanna \(Singapore Management University\)](#) and Tomoki Fujii
(Singapore Management University)

This study estimates the impact of exposure to the 2015 Nepal Earthquake on intimate partner violence with two rounds of Demographic and Health Surveys data. Using differences-in-differences estimation, we find that exposure to the earthquake lead to a statistically and economically significant increase in intimate partner violence in the urban areas but not in the rural areas. This is possibly due to an increase in the stress felt by the victims. We also offer some evidence that the impact heterogeneity between the urban and rural areas is attributable to the differences in the reconstruction processes and assistance provided.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5B: Gender and Welfare

Does Marriage and Motherhood Impact Women's Participation in Labor Markets in India

Rahul Lahoti (United Nations University-WIDER), [Rosa Abraham \(Azim Premji University\)](#), and Hema Swaminathan (Indian Institute of Management Bangalore)

Marriage and motherhood are almost universal and among the most critical events in a women's life in developing countries. The impact of childbirth on labour market participation of women has been discussed extensively in the context of developed countries with constraints on mothers' labour market participation and earnings being characterized as the 'motherhood penalty'. In the developing country context, and specifically for India, similar studies are limited, primarily due to the lack of longitudinal data. In this paper, using a Life History Calendar approach, we collect retrospective information on major events (marriage, childbirth, labour market transitions) and the concurrent employment status of men and women over their adult lives. Using an event study method, we estimate the impact of marriage and first childbirth on women's

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5B: Gender and Welfare

Dynastic Measures of Intergenerational Mobility with Empirical Evidence from Indonesia

Olivier Bargain (Bordeaux University and IZA), [Maria C. Lo Bue \(University of Bari\)](#), and Flaviana Palmisano (Sapienza University of Rome)

We suggest a simple and flexible criterion to assess inter-generational mobility. It accommodates different types of outcomes (continuous outcomes, e.g. potential earnings, or discrete ones, e.g. education groups) and captures dynastic improvements of such outcomes at different points of the initial distribution. We provide dominance characterizations – for instance on the relative progress made by women vs. men – that are consistent with social preferences upon desirable patterns of mobility. We suggest an application to Indonesia. Using the IFLS data, we match parents observed in 1993 to their children in 2014, providing one of the rare inter-generational mobility analyses based on a long panel in the context of a poor country. Results indicate that mobility in terms of education and potential earnings were markedly at the advantage of women. A large part of the population was lifted out of illiteracy, possibly due to large-scale education and school construction reforms. However, our mobility index also shows that educational mobility was regressive, which has considerably reduced the progressivity of mobility in terms of potential earnings.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5C: Finance, Infrastructure, and Governance

Can Open Banking Substitute Credit Bureaus?

[Kumar Rishabh \(University of Basel\)](#)

Can open banking substitute credit bureaus? I approach this question from the lens of a payment-fintech lender. I utilize a setting that allows me to identify the relative predictive performance of payment footprints and credit scores, overcoming the identification problem that results from the fact that lenders screen and monitor borrowers using financial information and credit scores jointly. Using card-swipe level data, and credit scores sourced independently, I predict defaults with machine-learning algorithms, and find that payment footprints have significantly higher predictive performance than credit scores. I find payment footprints substitute credit scores, as combining credit scores with payment footprints does not improve the predictive performance of the combined model over predictive performance of just payment footprints. These results imply that open banking can substitute the costly credit-reporting institutions. Using interpretable machine learning techniques, I identify the most important payment footprint variables that predict default. Further, in an early warning exercise, I show that payment footprints obtained as early as 28 days after loan disbursement, contain useful information for predicting credit default.

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Session 5C: Finance, Infrastructure, and Governance

Incentives to Manipulate for Public Good: Evidence from a Unique Road Policy in India

[Mukta Mukherjee \(Alliance University\)](#)

In this paper I am interested behind the economic motives of manipulation by the local community to obtain public good. I use data from a universal scheme initiated in India in 2000 to build new all-season roads in villages of India to understand how the various eligibility thresholds for the road policy has been manipulated at the district level during the period of implementation. Results show that the higher economic returns drive the desire to obtain a road in the locality. The better-off sections of the economy is driven by the complementary role between the roads and other facilities, whereas the poorer sections try to substitute with a poor provision of other public goods. Further, I find the politicians in a particular state are substituting the better-off voters with the poor voters with a motive of maintaining high representation in the government.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5C: Finance, Infrastructure, and Governance

How Altruism Works during a Pandemic: Examining the Roles of Financial Support and Degrees of Individual Altruism on International Remittance

[Nobuyuki Nakamura \(JICA Ogata research institute\)](#) and Aya Suzuki
(University of Tokyo)

While the importance of international remittance has been recognized globally, understanding how public subsidies and the degree of individual altruism affect remittance behavior is still limited. Although the COVID-19 pandemic has severely affected the global economy and international remittances were expected to be devastatingly affected at the early stage of the pandemic, some international organizations indicate that it was finally resilient to the negative shock in 2020. Altruistic motivations among migrants or economic stimuli in large economies are raised as potential reasons; however, a detailed investigation from a micro-perspective is urgently needed. This study examines the impact of financial support in host and home countries and individual altruism on international remittance using unique data from foreign care workers in Japan. Our panel data estimation shows that the emergency cash transfers from the host country affect their remittance amounts positively; however, we do not observe any crowding-out effects due to subsidies from the home government. The heterogeneous analysis also reveals that highly altruistic remitters are more likely to send money to their homes after receiving cash transfers in the host country. The results support the conjectures claimed by international organizations on the reason for the resilience of remittance during the pandemic.

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15 July 2022, Friday (3:15 pm – 5:15 pm)

Session 5C: Finance, Infrastructure, and Governance

Does Corruption Discourage Entrepreneurship?

[Donghyun Park \(Asian Development Bank\)](#) and Kwanho Shin (Korea University)

Although entrepreneurship plays a key role in economic development, it remains largely unknown. The reason is that it is challenging to objectively measure entrepreneurship and identify its determinants. In this paper, we analyze the effect of a particular feature of the institutional landscape, namely corruption, on entrepreneurship. It is expected that corruption discourages entrepreneurship since it undermines fair competition. We employ two proxies for entrepreneurship that are widely used in the literature—(1) nascent entrepreneurship collected from Global Entrepreneurship Monitor and (2) entry rate defined as the number of new firms divided by the total number of previous year’s registered businesses, collected from World Bank Group Entrepreneurship Survey. We find that better control of corruption promotes entrepreneurship. Our evidence is stronger when we use entry rate as a proxy of entrepreneurship. Our findings are preserved when we add other determinants of entrepreneurship drawn from the literature. When we use legal origins as instruments for corruption, our results remain essentially the same. The size of population, a proxy for market size, is positively associated with entrepreneurship while corporate taxes are negatively associated.

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