A Note about the Sponsor: The goal of the Weiss Family Program Fund, and its funder, Child Relief International, is to sponsor graduate student and faculty research that will positively affect the lives of poor people in poor countries. Projects must contribute to development economics, broadly defined, and may address a wide range of issues that affect less developed countries. Included below are summaries of the four UC Berkeley-lead research projects funded in fall 2015.

Connecting Rural Households to E-Commerce: Evidence from Taobao’s Thousand Project in China (Edited Excerpt)
Benjamin Faber
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Background
Over the past 15 years close to one half of China’s population has been connected to and by the internet. Over this period, the number of people buying and/or selling products online in China has grown from practically zero in 2000 to more than 350 million in 2014, surpassing the US as the single largest e-commerce market in the world in terms of revenues.

Despite this astounding trajectory, we currently have limited empirical evidence on the impact of e-commerce for improving rural livelihoods in China. This study will estimate household gains in economic welfare from e-commerce integration, utilizing a unique collection of microdata, together with a randomized controlled trial (RCT), in collaboration with the Chinese internet firm Alibaba.

Study Design
Our empirical methodology for this RCT allows us to estimate the change in household economic welfare due to the arrival of e-commerce, and to decompose that effect into several distinct channels. For instance, we will be able to estimate the effect on local purchasing power (due to new product availability and/or cheaper prices), in addition to changes in household nominal incomes from, for example, being able to market their products outside the local village. The data also allow us to explore the distribution of the gains from e-commerce across household characteristics, such as income, age, education, as well as village characteristics.

Hypothesis
This study aims to empirically test our central research hypotheses: that giving rural households first-time access to buy products online and/or sell merchandise online from and to markets far beyond their village boundaries has a significant effect on their real incomes. This effect can operate both through lowering the local price index (increasing household purchasing power due to cheaper prices and access to previously unavailable product variety), and by changing the nominal returns to different types of economic activity (for example by increasing the returns to local farm and non-farm production due to access to urban markets).

In summary, this study aims to provide the first rigorous empirical analysis of the potential benefits of e-commerce integration among rural households in an emerging country environment. The lessons we hope to learn from this analysis are relevant for policy makers in developing countries more generally, as e-commerce connections have the potential to provide a technology-driven and cost-effective approach to spread the benefits of the mainly urban-based economic growth and modernization to households in the countryside.
Social Incentives for Immunization (Edited Excerpt)
Anne Karing, PhD student, Department of Economics

Background
Increasing immunization coverage is a priority for many developing countries and one of the most cost-effective ways to reduce under-five mortality. While some parents fail to initiate vaccination, most parents begin immunization but then neglect later rounds of vaccines. According to the Demographic and Health Survey (DHS) Sierra Leone 2013, 94.7 percent of children received the first vaccination of BCG. However, many children failed to receive later rounds of vaccination, with 75 percent receiving Penta3 and 68 percent Measles.

The high initial rates indicate that parents have reasonable access to vaccinations, but other barriers prevent them from completing the schedule. For example, parents may be occupied with work, health centers are often far away, and the perceived benefits of an additional vaccination might be low. I propose a behaviorally informed intervention, which introduces a social incentive, in the form of colorful bracelets for children. Government health workers will distribute the bracelets during routine immunizations. The bracelets make the fact that the immunization schedule is unfinished, and that other children received vaccines that your child has missed highly salient.

The experiment will address important economic and policy questions: What happens as immunization decisions become visible? To what extent can caregivers be influenced by social image or norm concerns? How cost-effective are social incentives compared to existing interventions? The Government of Sierra Leone previously implemented a child bracelet scheme but the program was not evaluated. Anecdotal reports suggest that the program was highly effective.

Hypothesis
Social signaling
We hypothesize that parents are more likely to comply with immunization schedules if they can signal to others that they vaccinated their child on time. The idea is that parents fear to be judged as careless, or take pride in showing others that they look after their child’s health. We expect that if behavior change is driven by a desire to signal, parents in Treatment Group 1 should not change their behavior after receiving the first bracelet at BCG. Parents in Treatment Group 2, however, have an incentive to immunize their children up to Penta3 as they receive a second, differently colored bracelet at Penta3. A second prediction is that there is no significant difference in Measles vaccinations for Groups 1 and 2. Since community members cannot tell whether a child was vaccinated for Measles, there is no incentive for previous defaulters to change behavior. The opposite holds true for Treatment Group 3, where parents can signal compliance.

Social learning
If parents are more likely to immunize their children for Measles in Treatment Group 2 compared to Treatment Group 3, it is likely that they act for reasons other than social signaling. An alternative explanation is that parents learned about the importance of vaccination by observing other community members taking their child for Penta3. If learning from others plays an important role we expect a more continuous shift in the distribution of the number of vaccinations and a less strong bunching at Penta3.

Using a one color bracelet as control group allows us to control for the salience/reminder effects created by the bracelets. We further eliminate the potential confound of caregivers coming for later vaccinations simply to receive a bracelet.
Diversity and Redistributive Preferences: Evidence from a Quasi-Experiment in Colombia (Edited Excerpt)
Juliana Londoño Vélez, PhD student, Department of Economics

Background
Universities in Colombia are highly segregated across social and economic lines. Most well-ranked universities are private and their high tuition costs, coupled with a dearth of financial support available for low-income students, exclude a large portion of Colombians from accessing high-quality college education. A recent policy, Ser Pilo Paga (henceforth SPP), sought to desegregate higher education by offering 10,000 poor but high-achieving students the means to study at a high-quality college. As a result, the fraction of low-income Freshmen students skyrocketed from less than 5% to 35% in Spring 2015 at the University of Los Andes, with other top-ranked universities experiencing similar patterns. This unprecedented, discontinuous jump in the presence of low-income students at elite universities highlights the magnitude and significance of SPP in promoting diversity and social inclusion in elite colleges in Colombia. Moreover, the Colombian experience provides an ideal setting to evaluate how perceptions of inequality and redistributive preferences can be influenced by policy.

Identification Strategy
I exploit the plausibly exogenous timing of SPP, a policy change that awarded scholarship-loans to high-achieving, poor high-school graduates to enroll in the college and major of their choice. This caused a sharp discontinuity across cohorts in the presence of poor students: in universities certified ‘high-quality’, cohorts beginning schooling in Spring 2015 or later have many poor students, while older cohorts are comprised almost exclusively of relatively rich students.

However, high-quality institutions that were not certified as of November 2014 are exempt from this policy. I can therefore identify the effect of the presence of poor students (the “treatment”) by comparing both within universities (comparing treated and untreated cohorts) and within cohorts (comparing treated and untreated institutions) using a difference-in-differences regression model.3 This approach identifies the average effect on rich college students of adding poor students to their classroom, which is a relevant estimate for policy.

Research Question
What effect do peers from poor households have on beliefs about inequality and redistributive preferences among college students from relatively rich families? I seek to assemble a data set from a policy experiment in Colombia, and measure the following outcomes: (i) perceptions of the income distribution
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Improving labor market economics for disadvantaged workers in India (Edited Excerpt)
Erin Kelley, PhD student, Department of Agricultural and Resource Economics
Elizabeth Ramirez, PhD student, Department of Agricultural and Resource Economics

Background
India’s economy relies on an extensive network of informal workers and small enterprises. Traditionally job seekers in the informal sector have had to rely on social connections to find employment opportunities. These search methods are costly and tend to favor the well-connected, thereby entrenching existing inequalities. In response, Babajob emerged to help connect employers and job seekers in the informal sector. The idea behind their online job portal is straightforward but novel: create an easily accessible platform where job seekers can learn about employment opportunities and employers can search through thousands of job candidates.

Babajob has filled an important gap in the labor market, but there is room for improvement. Currently, the portal elicits limited information about job seekers’ backgrounds: their formal education, language skills, occupation, and location. The portal does not systematically collect other information allowing workers to reveal their ability, such as experience or vocational skills. Without this kind of information, employers use education or caste as a proxy for a job candidate’s quality, which hurts disadvantaged individuals who may have the appropriate job-specific skills. These information frictions may also lead to job offers that are poor fits and quickly terminated, which is particularly burdensome for disadvantaged candidates for whom search costs (e.g., transportation) represent a larger share of their income.

Hypothesis
The challenges we outline above are fundamentally about disadvantaged job seekers’ inability to convey useful information to employers. To address this issue, we propose an intervention to reduce the information asymmetries on this job platform. Our intervention will consist of four treatment arms intended to provide potential employers with different pieces of information regarding job candidates’ attributes. We hypothesize that this information will benefit disadvantaged job seekers because it will allow employers to focus the screening process on job-specific skills instead of proxies, such as education, that are highly correlated with socioeconomic status. Better targeting of job offers should also increase job tenure for those that are hired.

Our proposed project is closely linked to the literature on statistical discrimination. In this class of models, human capital investment is imperfectly observed, so employers use easily observable information, such as education or group identity, to determine expected productivity. If average human capital investment is lower for some groups, even talented individuals of this group will experience worse employment outcomes (Arrow, 1973). However, as employers receive more information about a worker’s productivity, the weight they place on these easily observable characteristics should fall (Altonji and Pierret, 2001), which is the goal of our intervention. We see our contribution as particularly valuable given that most of the evidence in this literature comes from developed countries.

Intervention
Our proposal will use a randomized controlled trial (RCT) to test several constraints that may prevent marginalized workers in Bihar and Jharkhand from revealing their ability to potential employers and securing stable employment. We will partner with Babajob to facilitate the screening process by randomly varying the types of information listed on job seekers’ profiles and providing interview preparation. This will allow us to evaluate the impact of different types of information on the following outcomes:

- Number of job interviews
- Number of job offers
- Job tenure
- Wages