UNIVERSITY OF CALIFORNIA, BERKELEY
DEPARTMENT OF ECONOMICS

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DESIRED RESEARCH AND TEACHING FIELDS:

PRIMARY
Development Economics

SECONDARY
Behavioral Economics
Labor Economics

DISSERTATION TITLE: "Essays in Development and Behavioral Economics"

Date of Completion:	May 2023
Principal Advisor:	Professors Supreet Kaur and Edward Miguel
Other References:	Professors Ulrike Malmendier and Gautam Rao

CURRENT POSITION:

Post-Doctoral Fellow at the O'Donnell Center for Behavioral Economics, Haas School of Business
Supervisor: Prof. Ulrike Malmendier

PRE-DOCTORAL STUDIES:	DEGREE	DATE	FIELD
Bocconi University *110/110 cum laude*	M.Sc.	2016	Economics and Social Sciences
Bocconi University *110/110 cum laude*	B.Sc.	2013	Economics and Social Sciences

JOB MARKET PAPER

The Economic Consequences of Knowledge Hoarding (with Franck Irakoze, Pedro Naso, Nicholas Swanson)

Abstract: Social learning is an important source of knowledge diffusion in low-income countries. However, because developing country markets are often highly localized, individuals with social ties may compete more directly for the same economic rents, creating incentives for individuals to "hoard" their knowledge. This paper studies the impact of knowledge hoarding on the diffusion of profitable skills and technologies in rural Burundi, and measures its aggregate and distributional consequences for the village economy. In a field experiment covering 223 villages (labor markets), workers skilled in high-return agricultural technologies are encouraged to share their knowledge with unskilled individuals. We randomize at the local labor market level whether the unskilled worker is a competitor (i.e., someone from the same labor market) and whether the training is about a technology with rivalrous rents (row planting, which commands a wage premium in the labor market). We first establish that knowledge hoarding indeed reduces social learning. When incumbents are matched with an individual from the same labor market, knowledge transmission occurs only 3% of the time but reaches 43% if the unskilled worker is not a competitor. In contrast, transmission of technologies with nonrivalrous rents (e.g., composting) is high regardless of the unskilled worker's identity. Next, we show that knowledge hoarding creates winners and losers: by hoarding knowledge, incumbents earn 6% more, and the skilled equilibrium wage is 3% higher. Instead, unskilled workers' earnings and farm output are 7% and 20% lower, respectively. Altogether, knowledge hoarding reduces technology adoption by over 20%, suggesting substantial yield losses. Finally, our results suggest that fear of social sanction is a mechanism that sustains knowledge hoarding among the incumbents, highlighting how social ties can foster social learning but also inhibit it when knowledge diffusion threatens incumbents' rents.

WORKING PAPERS:

Under-training by Employers in Informal Labor Markets: Evidence from Burundi (with Pedro Naso, Michel Ndayikeza, Nicholas Swanson)

Abstract: Workers obtain limited human capital through on-the-job experience in low- and middle-income countries, but the reasons for this are unclear. We test whether one friction contributes to low worker productivity: firms unwillingness to train because they do not appropriate the returns from training. We study casual labor markets in Burundi, where employers can train workers in a newly introduced agricultural practice in the region, row-planting–a technique that substantially raises yields. In a first field experiment, in some randomly selected local labor markets (villages), we induce 1/3 of employers to train workers in row planting–leading to a 20-percentage point increase in the share of skilled workers in the village. Training generates meaningful economic returns: employers in treated villages increase their adoption of row-planting by 10 percentage points (20%)–raising farm profitability by 9%. However, employers fail to appropriate most of this surplus: 2/3 of the surplus generated is captured by non-training employers, because many of the trained workers work for others following training. In a second experiment, we randomize employers into a condition that increases the likelihood that the worker will return to work for the employer in the future. Employers receiving this guarantee are 50 percentage points more likely to train the worker. This suggests the wedge between private and social returns from investments meaningfully reduces worker productivity.

*Presentations (*Scheduled):* Harvard/MIT*, USC, Duke University, World Bank DIME, Oxford University, IIES, NBER SI (Development group), BREAD, Network and Development economics, CSAE, PacDev, Aclec, IZA-CREST, AFE, NEUDC, Y-rise*

Habit Formation in Labor Supply (with Supreet Kaur, Heather Schofield, Yogita Shamdasani)

Abstract: Economists have long hypothesized the presence of hysteresis in labor supply: transitory labor market shocks may have persistent effects. We examine hysteresis through the lens of habit formation. We undertake a field experiment with casual urban laborers in Chennai, India, where attendance at labor stands provides a revealed preference measure of labor supply. We randomly provide some workers with small financial incentives for attendance over 7 weeks, leading to a 23% increase in labor supply. We test for habit formation by examining subsequent impacts after the incentives are removed. First, we see a persistent 16% increase in labor supply over the next 2 months, resulting in an 11% increase in employment. Second, treated workers exhibit a higher willingness to accept work contracts that are of longer duration and less flexible. They also self-report an increase in automaticity and self-identity around work—suggesting a change in preferences. Third, shocks that temporarily pull workers out of the labor market lead subsequent treatment effects to collapse to zero; in the absence of these shocks, we cannot reject that there is no decay in effects over time. Fourth, in incentivized measures, employers accurately predict treatment effects, and prefer hiring workers who have been treated with a stronger habit stock in the past—findings that have relevance for understanding duration dependence. Finally, in supplementary data from other settings, we replicate short-run persistent effects of transitory labor supply shocks—indicating the broader generalizability of hysteresis in labor supply. Together, our results suggest that the intermittent nature of employment and frequent shocks experienced in low-income settings may inhibit workers from becoming habituated to regular work—with potential implications for absenteeism and labor supply levels.

*Presentations (*Scheduled):* Yale*, NYU, Princeton, University of Michigan, PSE, University of Bordeaux, IGC-EGC, BCFG, SITE, CEPR, AFE, NEUDC

How Do Workers Use Earned Wage Access? Evidence and Welfare Implications (with Eric Koepcke, Afras Sial, Nicholas Swanson)

Abstract: Earned Wage Access (EWA)—a financial technology that gives workers access to their wages as they are earned, rather than having to wait until payday—can benefit workers by providing cheap, short-term liquidity. However, when workers have self-control problems or biased beliefs, particularly about their future earnings and liquidity shocks, they may use this technology sub-optimally, resulting in overconsumption. We partner with an EWA fintech firm to quantify these trade-offs using administrative data on earnings and EWA usage, in conjunction with a survey experiment. We find that workers systematically over-predict their future earnings, under-predict their future EWA usage, demand incentives to reduce their EWA usage, and are unable to predict future wage shocks. Using quasi-experimental variation in these wage shocks, we document that workers significantly increase their EWA usage in response to positive wage shocks in both their most recent paycheck and their next paycheck, which determines the amount they can withdraw. Using changes in withdrawal fees, we find patterns consistent with partial sophistication about self-control problems. We organize these facts in a consumption-savings model at the daily level, with workers with biased beliefs and partial awareness of their self-control problems. The estimates from our model imply that EWA increases worker's welfare on net, but that regulations such as fees and withdrawal limits can further enhance welfare.

WORK IN PROGRESS:

Free-Riding and New Product Adoption: Evidence from Burundi (with Grady Killeen and Nicholas Swanson)

The Long-Term Consequences of Childhood Exposure to Trauma (with Hadar Avivi, Ulrike Malmendier and Maor Milgrom)

PROFESSIONAL EXPERIENCE:

RESEARCH:

Research Assistant, Department of Economics, U.C. Berkeley
- Professor Nick Tsivanidis — 2020
- Professors Stefano della Vigna and David Card — 2018 – 2019

Pre-doctoral Fellow, Kellogg School of Business, Northwestern University — 2018 – 2017
- Professors Paola Sapienza and Paola Giuliano

Research Assistant, Bocconi University — 2015 – 2016
- Professors Jerôme Adda and Antonella Trigari

TEACHING:

Teaching Assistant, Department of Economics, U.C. Berkeley
- Microeconomics (2x), Advanced Econometrics

FELLOWSHIPS AND AWARDS:

- NBER Pre-Doctoral Fellowship on Behavioral Macroeconomics — 2021 – 2023
- UC Berkeley Rocca Dissertation Fellowship — 2021 – 2023
- VisitINPS Fellowship (access to the Italian universe of matched employer-employee data, with Andrea Cerrato) — 2022 –

GRANTS:

Fundraised $700,000+

As a PI ($400,000): Weiss Family Fund (2x), PEDL, SurveyCTO, J-Pal ATAI, J-Pal Future of Work Initiative, J-Pal JOI, Psychology & Economics of Poverty, East Africa Social Science Translation (EASST) Collaborative, Center for Contemporary India, Rocca Foundation, Norman S. Buchanan Research Award in Development Economics

As Co-PI ($300,000): J-Pal JOI, Weiss Family Fund, STEG, Penn Global research funds

OTHER INFORMATION:

Languages: English, Italian, French
Citizenship: Italian