

## FOREWORD

**The Centre for Research in Economics and Business (CREB)** was established in 2007, as an independent research centre at the Lahore School of Economics, Pakistan. Its primary objective is to conduct policy-oriented research with a rigorous academic perspective on key development issues facing Pakistan and promote public debate on policy issues through conferences, seminars, and publications.

At CREB, we place great emphasis on building research networks and linkages with researchers, within and outside the country, to bring together people with the right set of skills to help achieve these goals. CREB hosts visiting international scholars undertaking research on Pakistan, facilitates and coordinates research by the faculty at the Lahore School.

In the short period since its inception, CREB has built an excellent reputation for the quality of its research. Our faculty and researchers have received funding support from regional partners and international agencies such as British Academy UK, Department for International Development (DIFD), International Growth Centre (IGC), National Science Foundation, USA, Open Society Foundation (OSF) and South Asia Network of Economic Institutes (SANEI).

The aim of the CREB Research News is to provide a perspective regarding the scope and depth of research being carried out at CREB. We invite you to visit our website [www.creb.org.pk](http://www.creb.org.pk) and browse through our ongoing and completed research.

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## Editor's Note

This issue of the CREB Research Newsletter (CRN) is the fifth in a series of research newsletters from CREB. It has information on current and completed research projects at CREB; conferences and workshops attended by CREB staff; and a list of CREB publications and other research publications by the CREB team members. Moreover, it also provides abstracts of completed MPhil theses. **It covers the period between April, 2014 and March, 2015.**

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## Research

### I. Ongoing Projects

#### 1. Analysis of Technology in the Sialkot Soccer Ball industry

The project has been developed under the International Growth Centre (IGC) is led by a team of researchers including *Azam Chaudhry* and *Shamyla Chaudry* (Lahore School), *David Atkin* (UCLA), *Amit K. Khandelwal* (Columbia University) and *Eric Verhoogen* (Columbia University).

The Sialkot soccer ball cluster is made up of a large number of manufactures who export approximately 60 million hand-stitched soccer balls each year, accounting for about 70 percent of global production. But over the last few years, the amount of soccer balls produced in Sialkot has fallen. This project aims to better understand the technologies within the industry and determine the characteristics of the firms that are able to identify and implement new technologies.

The research team developed a cost saving technology in 2012 which it has given to a number of soccer ball manufacturers in Pakistan in order to determine the factors affecting technology adoption in firms and technology spillovers between firms. The research team has also looked at how misaligned incentives between firms and employees can affect technology adoption. As of date the project has collected data on the Sialkot soccer ball sector with a

baseline survey conducted in January 2012, has shared the technology with a group of soccer ball manufacturers in May 2012 and has conducted seven rounds of follow up surveys with the firms. The preliminary data analysis was presented at the IGC Growth Week in September 2012 and September 2013 in London. The researchers have presented this work in seminars and conferences at University of Berkley, Yale University, Columbia University, Harvard University and University of Oxford. It has also been presented at the Government of Punjab in 2015. After these presentations the Secretary Finance and the Secretary Industries, Punjab Government used the project's findings to propose and initiate an Innovation Development Fund (IDF). Currently, the Punjab Government has initiated this fund and the Lahore School is represented on its executive board.

At present, the research team has begun a three year extension of their project in which they will provide subsidized imported inputs to the Sialkot football manufacturers in order to see if these high quality inputs increase the output of high quality balls as well as increase exports.

## **2. Consanguineous Marriage and Investments in Children**

Hamilton's Rule (1964), taken from evolutionary biology, suggests that people will display greater altruism towards individuals that are more closely related to help ensure the survival of their own genes. *Theresa Chaudhry* and *Rabia Arif* (Lahore School) are working on an analysis of the

impact of consanguineous (first cousin) marriage on children, including child labor, household chores, education, and nutrition, to see whether children of cousin marriages may be the recipients of greater altruism due to the stronger genetic tie. Early results are showing that children of consanguineous parents are as likely to attend school, attend private school, and be engaged child labor as other children. Also, educational expenditures do not seem differ either between the two groups. However, children of consanguineous parents miss more school and do less work at home (especially boys) as compared to children of non-consanguineous parents.

In the next stage of the analysis, they will look at the role of consanguinity on child health inputs such as vaccinations, child nutritional inputs, and financial support from the extended family.

## **3. Incentivizing Attendance in Production Teams**

The project has been developed under the firm capabilities programme of the International Growth Centre (IGC) and is led by a team of researchers including *Theresa Chaudhry*, *Zunia Tirmazee* (Lahore School) and *Muhammad Haseeb* and *Christopher Woodruff* (University of Warwick). They have attempted to test whether short-term financial incentives can be used to decrease worker absenteeism in one of Gujrat's leading fan factories.

In 2012 -2013, they piloted attendance incentive schemes on a sample of production teams. Comparing the

attendance records of the teams offered the group-based incentive to a control group, they are finding that the group-based incentive bonus increased the number of days that an announced attendance target was met, at least in part by coordinating workers' absences.

#### **4. Incentivizing Development: A Field Experiment on Third Tier Organizations in Pakistan**

The project is an academic collaboration between *Hamna Ahmed* (Lahore School of Economics/University of Kent), *Asha Gul* (Lahore School of Economics), *Kate Vyborny* (Duke University) and *Simon Quinn* (University of Oxford). This study is a Randomized Control Trial (RCT) being funded by the Pakistan Poverty Alleviation Fund (PPAF). The study focuses on incentivizing development across 800 Local Support Organizations (LSOs) spread across Pakistan by testing the impact of two sustainable measures the donor can take to engage with these community-based organizations: (i) self-reporting and (ii) non-financial incentives.

The design of the study was presented at a CSAE Seminar, University of Oxford in October 2013 as well as the First International Conference on Research and Learning organized by PPAF on 2-3 April 2014. Moreover, the RCT was also presented and appreciated at the ADB-3ie Conference on Making Impact Evaluation Matter *Better Evidence for Effective Policies and Programmes* at Manila, Philippines, 1-5 September, 2014.

The Baseline Survey for the project was completed in October 2014 and has gathered important information about the characteristics of TTOs, the scope of activities in their communities and the level of inclusion (of women, disabled, and the poor) in these organizations. The preliminary findings from the Baseline Survey were presented to PPAF in January 2015 and a detailed report based upon these findings will be compiled by May 2015. The RCT will also formally start in April 2015 and continue for the next two years till April 2017 followed by an End line Survey.

#### **5. Benchmarking of Productivity in Pakistan's Readymade Garment Sector**

The project has been developed under the International Growth Centre (IGC). There is significant potential for expansion in Pakistani exports especially keeping in mind the fact that the European Union has recently granted Pakistan GSP Plus status. That said, expanding exports must be accompanied by improvements in productivity if any export surges are to be sustained over the coming years. Theresa Chaudhry, Azam Chaudhry and Mahvish Faran (Lahore School) are working with Christopher Woodruff and Rocco MacChiavello (University of Warwick) to benchmark the productivity of garment factories in Pakistan. The pilot phase of the project will be used to understand bottlenecks to increasing productivity with the aim to develop productivity-enhancing interventions for the sector, to be

evaluated through the method of a Randomized Controlled Trial (RCT).

So far, detailed production data has been collected from a sample of eight firms, along with surveys of production surveys from six of these. Analysis of the data to understand intra-firm and inter-firm variation in productivity is nearly complete.

## **6. Two Sides of the Same Rupee? Comparing Demand for Microcredit and Microsaving in a Framed Field Experiment in Rural Pakistan**

*Marcel Fafchamps* (Stanford), *Simon Quinn* (Oxford), *Giovanna d'Adda* (Milan Politecnico) are working with *Naved Hamid*, *Farah Said* and *Uzma Afzal* (CREB, Lahore School) to design a Randomized Control Trial to compare the effectiveness of micro-savings and micro-loans as means for households to manage risk and liquidity. Fieldwork for the study is currently underway, with the endline survey expected to be conducted in March, 2015. The study is being conducted in collaboration with the National Rural Support Programme (NRSP) and is supported by the International Growth Centre (IGC). The project is based on a pilot study conducted in collaboration with NRSP in Sargodha, 2013 (working paper available at <http://www.csae.ox.ac.uk/workingpapers/wps-list.html>). The research project has also received funding from ESRC to carry out a scaled up version of the study in mid 2015.

## **7. Impact assessment of start up loans to female run micro-enterprises**

*Farah Said* (Lahore School) and *Mahreen Mahmud*, doctoral student at University of Kent are conducting a Randomized Control Trial to evaluate the socio-economic and welfare impacts of micro-loans to female micro-entrepreneurs. This study is being conducted in collaboration with Kashf and the fieldwork is currently underway. Baseline survey was conducted in May - August 2014; the endline activities are being funded by the International Growth Centre (IGC) and are scheduled for May - August, 2015.

## **8. Measuring Innovation in the Textiles Sector of Pakistan**

The project has been developed under the firm capabilities program of the International Growth Centre (IGC) and is led by *Azam Chaudhry* and *Waqar Wadho* (Lahore School) and will look at the level and types of innovation in the Pakistani textile sector.

Textiles is the major manufacturing sector of Pakistan contributing one-fourth of industrial value added, employing 40 percent of industrial labor force, and on average 60 percent share of national exports. Two particular characteristics of textiles, scope and production chain posit both opportunities and challenges for this sector to be more innovative and competitive.

Firstly there is a greater scope of increasing its world share through innovation, and particularly given an increasing trend in wages in China the leading textile exporter country coupled with recent GPS plus status granted by Europe. Secondly, textiles have the longest production chain, with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, processing, made-ups and garments.

In this project, they plan to study innovation activities of firms in the textiles sector of Pakistan during 2011- 2013. The survey will be conducted in April 2015 across a sample of 500 textile firms in Punjab and Sindh and will measure both the technological (product and process) and the non-technological (organizational and marketing) aspects of innovation.

## **9. Intergenerational altruism and misappropriation of public resources in the endogenous growth model with human capital**

*Umair Ayaz* and *Waqar Wadho* at the Lahore School are working on the theoretical research paper 'Intergenerational altruism and misappropriation of public resources in the endogenous growth model with human capital'. The paper aims to model the behavior of altruistic individuals who face a trade-off between acquiring education and indulging in misappropriation of public resources originally intended towards

improving the productivity of the educational system.

## **10. Creation of an Innovation Fund for Small and Medium Enterprises (IFSME) in Punjab by the Lahore School of Economics**

The project is led by a team of researchers including Azam Chaudhry and Shamyla Chaudry (Lahore School), David Atkin (UCLA), Amit K. Khandelwal (Columbia University) and Eric Verhoogen (Columbia University).

The Lahore School of Economics is creating an Innovation Fund for Small and Medium Enterprises (IFSME) with the support of the Government of Punjab in 2015 to promote innovation and potentially raise exports. This fund aims to raise the overall rate of innovation in Punjab by subsidizing the costs of innovation for small and medium-sized firms.

Rather than trying to directly identify the new innovations itself, the Fund instead creates the correct incentives for firms to undertake investments in new technologies. It effectively lowers the costs of investment helping to ensure that innovating firms earn a positive return on the investment. With these new incentives in place firms will innovate more, but the gains will still be shared broadly as the innovations diffuse across the entire industry.

## II. Completed Projects

### 1. Understanding and Addressing Rural Poverty in Pakistan: Oxford University–Lahore School Collaboration

With funding from the British Academy and the Lahore School of Economics, researchers at Oxford and CREB have completed the 3-year collaborative program on the Economics of Rural Poverty in Punjab. The collaboration has led to several joint academic projects between the two institutions, involving work between *Dr. Marcel Fafchamps*, *Dr. Simon Quinn* at Oxford, *Dr. Kate Vyborny* at Duke University and *Dr. Naved Hamid*, *Dr. Azam Chaudhry*, *Dr. Theresa Chaudhry*, *Hamna Ahmed*, *Asha Gul*, *Uzma Afzal* and *Farah Said* at the Lahore School and *Muhammad Haseeb* at University of Warwick. The collaboration has now far exceeded the scope originally planned, leading to new joint projects that have continued beyond the end of the grant. This project was completed in 2014.

The collaborative work includes research on the following topics:

#### **a. Patron-Client Relationships and Rural Development in Pakistan**

How do social networks and local “patrons” affect household wellbeing and access to public services? Patron-client relationships, or vertical social relationships in which individual powerful “patrons” have

multifaceted relationships with “clients”, are said to be key features of both markets and politics in many developing country settings, including rural Pakistan. But how do these relationships work in practice and how do they affect the delivery of government goods and services?

These questions are being explored by *Azam Chaudhry* (Lahore School), *Muhammad Haseeb* (University of Warwick) and *Kate Vyborny* (Duke University/Lahore School) initially with data collected from the Lahore School's Privatization in Education Initiative (PERI) survey and then with the new survey under this project. The researchers have developed several research papers analyzing these data, which examine questions including how local context affects the patron-client relationship, how political connections affect targeting of government programs, and whether different types of program design make programs for the poor more robust to the influence of patronage. The researchers have presented this work in Lahore at the Lahore Economic Development Research Seminar Series (LEDRS) and at International Food Policy Research Institute (IFPRI), AIMS-Manila and Duke University as well as at seminars and conferences in Oxford, Ottawa and Paris, and anticipate submitting papers for publication later this year.

#### **b. Learning about Flood Risk: Evidence from a Field Experiment in Pakistan**

*Farah Said*, *Uzma Afzal* (Lahore School) and *Ginger Turner* (The Wharton School) investigated how individuals learn about flood risk through the experience and



observation of flood events. The study tested the theory that individual risk perceptions and preferences could change with disaster experience, even when controlling for variation in initial asset constraints and losses. The aim was to improve on previous studies by matching game choices with survey data that included questions on expectations, asset, information sets, and timing by complementing surveys with experimental design.

A main contribution of this study was to improve the identification of individual loss measures, to test whether variation in flood damages at an individual level can explain differences in observed risk aversion changes. This research was particularly innovative in the Pakistan context, where there has been little work to date on behavioral economics. Findings on behavioral changes have been published in Turner, G., Said, F. and Afzal, U. "Microinsurance Demand after a Rare Event: Evidence from a field experiment in Pakistan". *The Geneva Papers on Risk and Insurance – Issues and Practice* 39, 201 – 223, 2014; Turner, G., Said, F., Afzal, U., Campbell, K. "The Effect of Early Flood Warnings on Mitigation and Recovery during the 2010 Pakistan Floods". A. Singh and Z. Zommers (Eds.), *Preventing Disaster: Early Warning Systems for Climate Change*. London: Springer 2014; Said, F, Turner, G. and Afzal, U. "Attitudes Towards Risk in the Wake of a Rare Event: Evidence from Pakistan", *CREB Working Paper No. 02-14*,

2014 and Said, F; Turner, G. and Afzal, U. "Risk Taking and Risk Learning after a Rare Event: Evidence from a Field Experiment in Pakistan", *Journal of Economic Behavior & Organization' special issue on experiments in developing countries* (forthcoming, 2015).

The authors are also collaborating with Karen Campbell (The Wharton School) on a component on household resilience to shocks in the environment.

### ***C. Evaluating the Impact of Punjab's Girls Stipend Program***

The government of Punjab, starting in 2004, offered a conditional cash transfer (CCT) of Rs 200 per month, to girls in class 6 to 8 with minimum 80 percent attendance, in order to increase the educational attainment of girls in districts with less than 40 percent literacy. The program was later was extended up to grade 10.

Using data collected a survey of rural households in Punjab (supported by the British Academy and Lahore School of Economics), Theresa Chaudhry and Anam Masood (Lahore School) are analyzing the impacts of this CCT on enrollment and marriage outcomes by means of triple and quadruple difference-in-differences approaches, comparing eligible girls to their non-eligible elder sisters younger siblings in both stipend and non-stipend districts.

## **2. Caste, Social Exclusion and Education in Rural Punjab: World Bank and CREB joint Research Initiative**

This funded research was in collaboration with *Tayyaba Tamim* (Lahore School) and *Rehan Jamil* (World Bank). They used a multiple case study design and mixed methods approach to capture, in-depth, the processes by which caste-based social exclusion shapes the educational opportunity for the marginalized castes in rural Punjab. Three villages were selected from the PERI 2011 data based on geographical spread (North, south and Centre of Punjab), caste and religious complexity and lowest school enrollment. Each village was taken as a case. The study used Amartya Sen's capability approach to human development to evaluate educational opportunity in the space of capabilities and opportunities, in combination with forms of social exclusion identified by (Whitley, 2005) and Pierre Bourdieu's social critical theory to analyze the results. Data from 105 interviews and questionnaires with low and high caste parents of (10 -16 year old children) and school heads revealed that the caste-based social exclusion stemming from socioeconomic dimension refracted into active and passive forms of institutional exclusionary processes at macro and micro levels, across temporal, spatial and social planes on the one hand; and unfavorable inclusion of the low castes in their own groups, on the other hand; forcing the poorest and most excluded castes to self-deselect themselves from accessing

educational opportunity. This project was completed in 2013.

Findings of this study have been published in Tamim, T., Musa, M., Tariq H., and Rathore, S. "Caste, Social Exclusion, and Opportunities for Education in Rural Punjab", *CREB Working Paper No. 01-15*, 2015 and Tamim, T. and Tariq, H. "The Intersection of Caste, Social Exclusion and Educational Opportunity in Rural Punjab", *International Journal of Educational Development* (Forthcoming 2015).

## **3. Public Vs Private Schooling Choice at the Household Level**

With a grant from *Open Society Institute (OSI) Privatization in Education Initiative (PERI)*, researchers led by *Masooma Habib, Hamna Ahmad* and *Sahar Amjad* (Lahore School) undertook a study titled *Determinants of School Choice – Evidence from Punjab, Pakistan*. The study addressed the following overarching question: Why do parents choose low cost private schools when free public schools are available? The main emphasis of the study in answering this question was on the role of parents' perceptions in school choice while controlling for a range of child, household and school specific characteristics. The study was based on a sample of 1024 rural households in 64 clusters spanning over 8 *tehsils* and 7 districts of the Punjab. This project was completed in 2012.

Findings of the study have been published in Ahmed, H., Amjad, S., Habib, M and Shah., S. A. "Determinants of School Choice: Evidence

from Rural Punjab, Pakistan”, *CREB Working Paper No. 01-13*, 2013; and Ahmed, H., Amjad, S., and Habib, M. “Private Schooling: Determinants and Implications for Social Justice in Rural Punjab, Pakistan”. I. Macpherson, S. Robertson, and G. Walford (Eds.), *Education, Privatisation and Social Justice: Case studies from Africa, South Asia and South East Asia*. Oxford: Symposium Books Ltd 2014.

#### **4. Financial Crisis and Migrant Remittances: Effects on Growth and Poverty in Selected South Asian Countries**

With a grant from South Asia Network for Economic Institutes (SANEI), researchers led by Azam Chaudhry, Naved Hamid and Mahreen Mahmud from the Lahore School of Economics empirically investigated the effects of the global financial crisis on remittance growth and national income in Bangladesh, Sri Lanka and Pakistan. This project was completed in 2011.

Findings of the study have been published in Mahmud, M., and Hamid, N. “Migrant Remittances to South Asia: Determinants and Effect on Growth”. M. K. Mujeri, and M. Wahiduddin (Eds.), *Adjusting to Global Economic Volatility. The Case of South Asia*. New Delhi: Academic Foundation 2014.

For more information please visit:  
<http://creb.org.pk/research-projects/>

## **CREB Publications**

CREB publishes papers to bring research being done at the Centre to a wider audience. **Working Paper series** comprise of rigorous analytical and empirical research studies while the **Policy Paper series** publishes papers more directly targeted towards a policy audience. The papers published since the last Annual Conference are listed below:

- **CREB Working Paper No. 03-14**  
The Impact of Parents’ Subjective Aspirations on Schooling Investment in Rural Punjab  
*Anam Ashraf*
- **CREB Working Paper No. 04-14**  
Education, Employment, and Women’s Say in Household Decision-Making in Pakistan  
*Duryab Fatima*
- **CREB Working Paper No. 01-15**  
Caste, Social Exclusion, and Opportunities for Education in Rural Punjab  
*Tayyaba Tamim, Marriam Musa, Hana Tariq and Shahzeb Rathore*
- **CREB Working Paper No. 02-15**  
Natural Disasters and Social Capital: Evidence from a Field Experiment in Pakistan  
*Uzma Afzal, Ginger Turner and Farah Said*

To view the complete list of papers in both series please visit:  
<http://creb.org.pk/publications/>

## CREB Team Research

### A. Staff Publications

CREB staff have produced research which has been published in national and international journals. The papers published since the last Annual Conference are listed below:

- 1. Two Sides of the Same Rupee? Comparing Demand for Microcredit and Microsaving in a Framed Field Experiment in Rural Pakistan.** *CSAE Working Paper* No. 2014-32  
Uzma Afzal, Giovanna d'Adda, Marcel Fafchamps, Simon Quinn and Farah Said
- 2. Patterns of Export Diversification: Evidence from Pakistan.** *Lahore Journal of Economics*, Special Edition, Vol 19, September 2014  
Hamna Ahmed and Naved Hamid
- 3. Private Schooling: Determinants and Implications for Social Justice in Rural Punjab, Pakistan.** Book chapter 3 in I. Macpherson, S. Robertson, and G. Walford (Eds.), *Education, Privatisation and Social Justice: Case studies from Africa, South Asia and South East Asia*. Oxford: Symposium Books Ltd 2014  
Hamna Ahmed, Sahar Amjad, and Masooma Habib
- 4. Determinants of School Choice: Evidence from Rural Punjab, Pakistan.** *Lahore Journal of Economics*, 19(1), June 2014  
Hamna Ahmed and Sahar Amjad
- 5. Exports: Lessons from the Past and the Way Forward.** Book chapter 6 in R. Amjad and S. J. Burki (Eds.), *Pakistan Moving the Economy Forward*. Delhi: Cambridge University Press 2015  
Hamna Ahmed, Naved Hamid and Mahreen Mahmud
- 6. Beyond the Poverty Line: A Multidimensional Analysis of Poverty in Pakistan.** Book chapter 13 in R. Amjad and S. J. Burki (Eds.), *Pakistan Moving the Economy Forward*. Delhi: Cambridge University Press 2015  
Azam Chaudhry, Theresa Chaudhry, Muhammad Haseeb, Uzma Afzal
- 7. An Impact Assessment of Expected Future Turmoil Risk on FDI: A Panel Data Analysis of Developing Countries.** *Lahore Journal of Economics*, 19(2), December 2014 Mahvish Faran
- 8. Analyzing Pakistan's Trade Opportunity with Turkey.** *Lahore Journal of Economics*, Special Edition, Vol 19, September 2014  
Asha Gul
- 9. The Textiles and Garments Sector: Moving Up the Value Chain.** *Lahore Journal of Economics*, Special Edition, Vol 19, September 2014  
Naved Hamid, Ijaz Nabi and Rafia Zafar
- 10. Migrant Remittances to South Asia: Determinants and Effect on Growth.** Book chapter 2 in R M. K. Mujeri, and M. Wahiduddin (Eds.), *Adjusting to Global Economic Volatility. The Case of*

*South Asia*. New Delhi: Academic Foundation 2014  
Mahreen Mahmud and Naved Hamid

**11. Risk Taking and Risk Learning after a Rare Event: Evidence from a Field Experiment in Pakistan.** *Journal of Economic Behavior & Organization'* special issue on experiments in developing countries (forthcoming, 2015)  
Farah Said, Ginger Turner and Uzma Afzal

**12. Microinsurance Demand after a Rare Event: Evidence from a field experiment in Pakistan.** *The Geneva Papers on Risk and Insurance – Issues and Practice* 39, 201 – 223, 2014  
Ginger Turner, Farah Said and Uzma Afzal

**13. The Effect of Early Flood Warnings on Mitigation and Recovery during the 2010 Pakistan Floods.** Book chapter 13 in A. Singh and Z. Zommers (Eds.), *Preventing Disaster: Early Warning Systems for Climate Change*, London: Springer 2014  
Ginger Turner, Farah Said, Uzma Afzal and Karen Campbell

## **B. Other Publications**

Publications by other members of the CREB team (i.e. Senior Research Fellows and Visiting Fellows) in 2014 are listed below:

**1. The effects of external migration on enrolments, accumulated schooling and dropouts in Punjab.** *Applied*

*Economics*, Vol 47, Issue 16, 2015  
Rabia Arif and Azam Chaudhry

**2. The Need for a Coordinated Industrial Strategy to Boost Pakistani Exports: Lessons from Asia.** *Lahore Journal of Economics*, Special Edition, Vol 19, September 2014  
Azam Chaudhry and Gul Andaman

**3. Exporters in Pakistan and Firms Who Do Not Export: What's the Big Difference?** *Lahore Journal of Economics*, Special Edition, Vol 19, September 2014  
Theresa Chaudhry and Muhammad Haseeb

**4. Business Dynamics, Efficiency, Asset Quality and Stability: The Case of Financial Intermediaries in Pakistan.** *Economic Modelling*, Vol (46) 2015  
Nawazish Mirza, B. Rahat and K. Reddy

**5. A Partial Hamiltonian Approach for Current Value Hamiltonian Systems.** *Communications in Nonlinear Science and Numerical Simulation*, 19(10), 2014  
Rehana Naz, F. M. Mahomed and Azam Chaudhry

**6. Inflation Volatility: An Asian Perspective.** *Economic Research*, 27(1) 2014  
Kumail Rizvi, Bushra Naqvi, C. Bordes, and Nawazish Mirza

**7. Languages in Education and Implications for Poverty Reduction.** *Lahore Journal of Policy Studies*, Vol 5, 2014  
Tayyaba Tamim

**8. Languages in education and symbolic violence in Pakistan.**

Book chapter in M. Solly and E. Ersch (Eds.) *Language and Globalization*, Cambridge Scholar Publications 2014  
Tayyaba Tamim

**9. The Intersection of Caste, Social Exclusion and Educational Opportunity in Rural Punjab.**

*International Journal of Educational Development* (Forthcoming 2015)  
Tayyaba Tamim and Hana Tariq

To view the complete list of CREB staff research please visit:

<http://www.creb.org.pk/Staff%20research>

## **More from the Centre**

### **Annual Conference on the Management of the Pakistan Economy**

The Centre organizes the Lahore School's Annual Conference on the Management of Pakistan's Economy. The proceedings of the Conference are published in a special issue of the Lahore Journal of Economics. This year's conference is titled "**Pakistan as a Regional Manufacturing Hub – Prospects and Challenges**". Previous conferences have focused on a range of themes covering topics in growth, trade, and development.

For more information on current and past conferences please visit:

<http://creb.org.pk/conferences/>

### **CREB Staff at the ADB 3ie Conference on Making Impact Evaluation Matter**

The research fellows at the Center for Research in Economics and Business (CREB), Lahore School of Economics, got an opportunity to present their on-going projects at the ADB 3ie Conference on Making Impact Evaluation Matter held from 3 – 5th September 2014 in Manila, Philippines. Speakers for the plenary sessions and panel discussion included distinguished international figures from the field of impact evaluation and policy making. Conference sessions covered a range of topics and impact evaluations being conducted in the field of health, education, community development, governance, climate change, poverty alleviation and other aspects of social development.

Farah Said (Lahore School of Economics) presented the design of a study that is joint work with Mahreen Mahmud (University of Kent). The study is a Randomized Control Trial involving business loans provided by Kashf Foundation to women in households where no female run enterprise exists currently. Asha Gul (Lahore School of Economics) presented the design of the Randomized Control Trial being funded by the Pakistan Poverty Alleviation Fund (PPAF) and is an academic collaboration with Hamna Ahmed (University of Kent), Kate Vyborny (Duke University) and Simon Quinn (University of Oxford).

## **CREB Staff at the South Asia Micro-entrepreneurs Network (SAMN) Regional Conference**

The South Asia Micro-entrepreneurs Network (SAMN) Regional Conference took place in Islamabad from 17th-19th November, 2014. The conference focused on the state of microfinance in South Asian countries and explored means of improving access to finance for a population of over one billion that remains financially excluded in this region. The conference was attended by representatives from the South Asian region, including Afghanistan, India, Nepal, Bangladesh and Sri Lanka; as well as representatives of some of the biggest microfinance banks in the region in terms of outreach.

One of the conference sessions on Day 2 was on "Is Microfinance Working? Research and Evidence on the Impact of microfinance". Researchers from the Lahore School of Economics, Farah Said and Uzma Afzal were panelists on this session and presented their joint work with University of Oxford "Using the ROSCA as a model for Individual finance in Pakistan: Results from a randomised field experiment". They discussed initial results from a pilot conducted in Sargodha district of Pakistan Punjab in September 2013, funded by the Department for International Development (DFID). They also discussed collaboration with Kashf Foundation regarding micro-loans to female borrowers looking to set up an enterprise.

## **Completed MPhil Theses**

### **1. *The Role of Socio-Economic Networks in Lahore for the General Elections 2013*** *Mahnoor Asif (Supervisor Azam Chaudhry)*

This study creates a map of the political and non-political networks of the main parties of Lahore to see how politicians are affiliated to each other. General Elections are crucial in framing a country's future. As all consequent policies, internal and external, are products of those who secure a seat in the Provincial and National Assemblies. But, before a candidate contests in the General Elections, he must win the party ticket. From a pool of applicants the one who is chosen to represent his party at a given constituency, is a prominent and connected leader, as such a representative has a higher probability of securing a win for the party. This study looks at such connections, which exist among politicians in the shape of a network. Using political and non-political variables, networks were generated among the major leaders/politicians of Lahore. Each common variable among the politicians created a connection, and all these connections together produced a network. On the basis of such networks, centrally located politicians were identified using a simple Centrality Index<sup>1</sup>. Following this, empirical analysis was conducted to establish the determinants of centrality, and to see how being centrally located in a network impacts a politician's probability of securing party ticket and subsequently winning the General Elections.

## **2. *Endogenous Patience in a model of Economic Growth with Human and Unproductive Social Capitals***

*Umair Ayaz (Supervisor Waqar Wadho)*

This research explores the relationship between size of the government and economic growth in an endogenous growth model with productive human capital and unproductive social capital. We model discount factor as an endogenous function of inherited human capital. We find that with low endowment of human capital, government intervention of any size is growth depressing, for high endowment of human capital, government intervention is not associated with the accumulation of unproductive social capital and there is high growth. Whereas for intermediate levels of inherited human capital, whether government intervention is growth depressing or not depends on the size of intervention and level of inherited human capital. In this scenario, bigger size of the government is growth depressing and higher levels of inherited human capital dilute this effect by promoting investment in productive human capital. Furthermore, countries with identical levels of inherited human capital and size of government can be in different equilibrium regimes if they differ in quality of institutions.

## **3. *Corruption, Tax Evasion and Economic Development in Economies with Hierarchical Tax Administrative System***

*Anum Ellahi (Supervisor Waqar Wadho)*

The paper looks into joint determination of corruption and development where there is hierarchical bureaucratic setup; tier one-bureaucrat and tier two bureaucrats.

Corruption happens at two level once when tier one bureaucrat collude with households for tax evasion and another when tier one and tier two bureaucrats collude to hide corruption. The paper determines that at high level of corruption, there is low development and at low incidence of corruption, there is high development.

## **4. *Effects of Birth Order on Child Nutritional Status***

*Maha Khan (Supervisor Theresa Chaudhry)*

Birth order and the associated parental discrimination are evidenced to detrimentally affect a child's long-term nutritional status. This research explores the in depth role of birth order in determining child nutritional status through a between- and intra- family analysis of stunting, wasting, and underweight in children. It further tries to evaluate whether the child's height-for-age varies with gender; and if the drop off in height with each additional birth order can be attributed to pre and postnatal health disinvestments in pregnancies and births. The Punjab Multiple Indicator Cluster Survey for 2011, a household-level dataset gathered by the Punjab Bureau of Statistics, provides our sample data. The results of this study imply that birth order has negative effects on child health, with child height and weight gradient monotonically declining with increasing birth order children. Moreover, birth order effects become stronger in larger families, even after controlling for birth spacing. Yet, we find only limited evidence of gender based postnatal disinvestment on mothers in household fixed effects regressions, while no gender specific effects were observed for child health investments.