Mitigating the consequences of job-loss in low-income countries: Experimental evidence from Ethiopia

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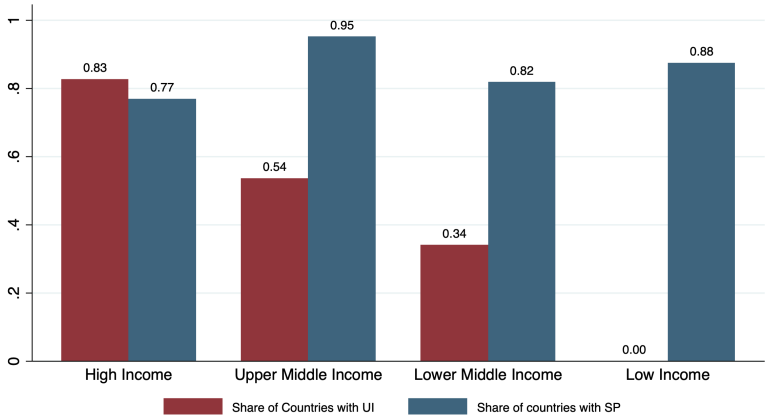
December 4, 2024

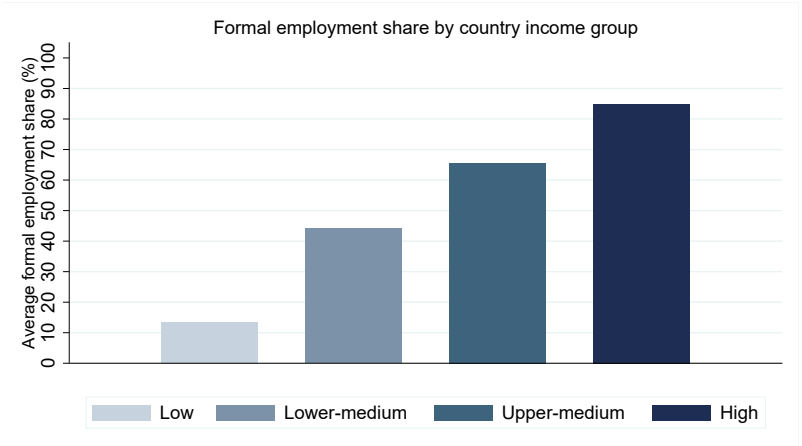
Developing countries have more limited job displacement insurance (JDI)

"Government-provided or government-mandated programs to help workers financially after job displacement"



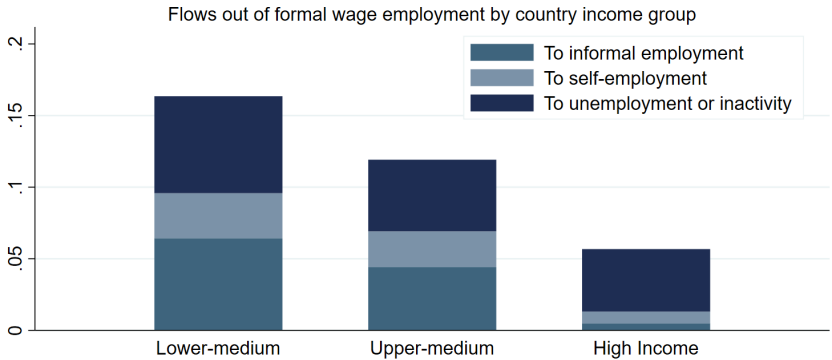
Data from Gerard, Gonzaga & Naritomi (forthcoming)
UI = Unemployment Insurance; SP = Severance Pay

Developing countries have fewer jobs that can be covered by JDI



Data from Jensen (2022)

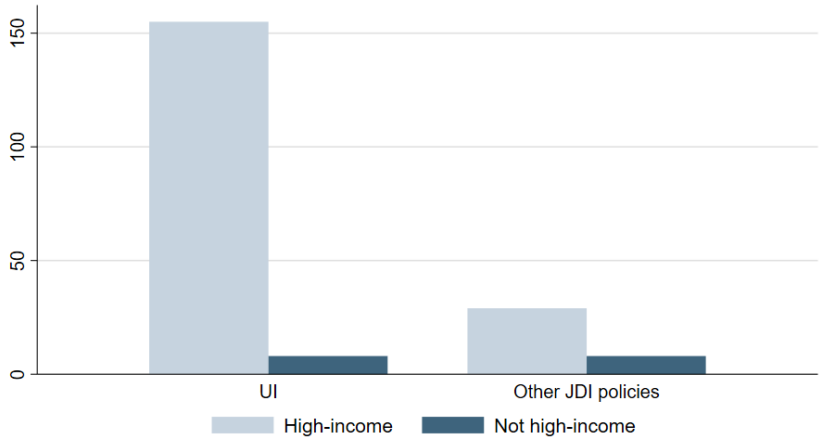
But job instability is no less relevant for formal jobs in developing countries



Data from Donovan et al. (QJE 2023) (caveat: no low-income country)

Big evidence gap outside high-income countries

Number of papers published on JDI in top economic journals since 2000



Data from Gerard, Gonzaga & Naritomi (forthcoming)

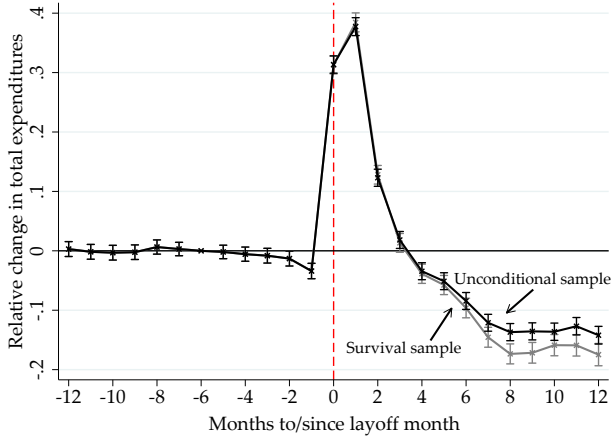
Motivating questions

1. Impact of job loss in low-income setting
   - How big of a shock is the loss of a formal job in a low-income country?
   - How do workers cope with it?

2. Optimal JDI design in low-income setting
   - SP is both unconditional and one-off

   A Good reasons why payments are not conditioned on *not having formal job* (as with UI)
   - Widespread informality + limited capacity to track formal reemployment
   - Gains from discriminating benefits based on duration without a formal job more limited

   B **But why rely exclusively on *one-off payments*?**
   - May make it harder to smooth consumption (Gerard and Naritomi (2021)



Gerard and Naritomi (2021)

$\rightarrow$ **Why not unconditional payment disbursed in installments?**

This project

Randomized control trial with workers displaced from garment factory in Ethiopia

- **Control** (N=471): receive statutory SP (about 2.5 monthly wages)
- **Lump-sum** (N=488): statutory SP + one-off payment (about 2.5 monthly wage)
  - To put magnitude in perspective: level of support from Ethiopia to Kenya proposal
- **Monthly** (N=451): statutory SP + equivalent amount but in 5 monthly payments
  - Equivalent = adjusted for expected inflation

Quasi-experimental variation: also recruit a sample of workers from another garment factory nearby, who were not laid-off at the time (the **non-displaced** sample).

We track workers' outcomes over 1 year post-layoff (baseline, 5 phone surveys, endline).

Setting

The study is set in the Hawassa Industrial Park (HIP) Pictures

- Since 2014, Industrial Parks key to Ethiopia's growth strategy ("China's successor")
- HIP: up to 35k workers (mostly garment manufacturing) in city of 400k people

Typical worker: young, female, secondary education, many first-time migrants Balance

- Very relevant population for formal employment growth strategy ("factory girls")
- Key policy challenge: how to attract and retain workers to these Industrial Parks?

Partner firm for earlier project laid off most of their workers in September 2022:

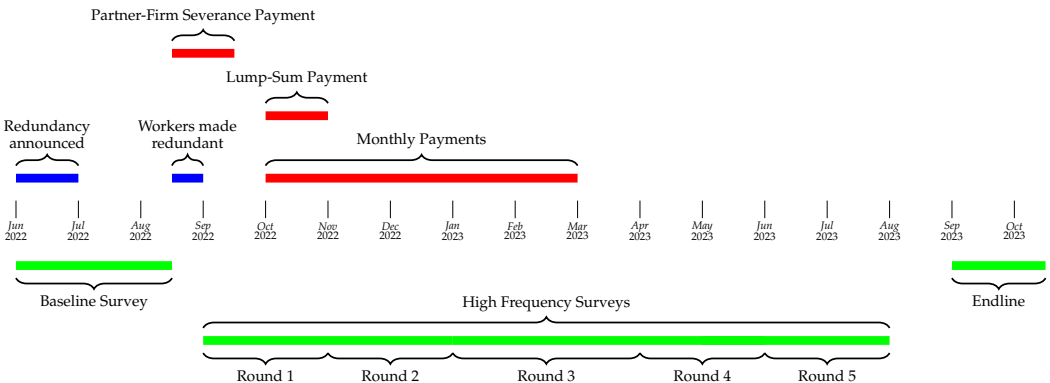
- Ethiopia lost duty-free access to U.S. market because of its civil war in early 2022

→ The firm experienced a large fall in orders and laid off 2,000 workers

- To our knowledge no major layoffs in other firms at same time Employment

Timeline

Figure: Project Timeline



Contributions to the literature

→ Persistent impact of job loss in developing countries
- Mostly evidence from middle-income countries (e.g., Gerard and Gonzaga, 2021; Gerard and Naritomi, 2021; Britto et al, 2022); Covid-19 shock in Ethiopia (Hardy et al., 2022)
- Central role of informal transfers (e.g., Morten, 2019; Meghir et al., 2022)

→ Experimental evidence on impact of JDI payments (any reference of other RCT?)
- Social protection (incl. JDI) in developing countries (Hanna and Olken, 2024)

1 "No evidence that cash transfers discourage (...) work" (e.g., Banerjee et al., 2017)

2 Optimal structure of cash transfers (e.g., Kasinkas et al 2023)

→ Formal labor markets in developing countries
- Growing literature on ways to help workers find better jobs (e.g., Caria et al, 2024)
- Quality of factory jobs at early stages of industrialization (Blattman and Dercon, 2018)?

Outline

What economists expect?

What are the impacts of job displacement?

What are the impacts of additional JDI payments?

What is the demand for additional JDI payments?

Experts' online survey with economists

- Impacts of job loss
  - Persistent negative impact on expenditures graph
- Impacts of additional JDI payments
  - No long-term effects on expenditure graph
  - No long-term impacts on employment graph
  - Persistent effect of lump-sum on migration graph

Outline

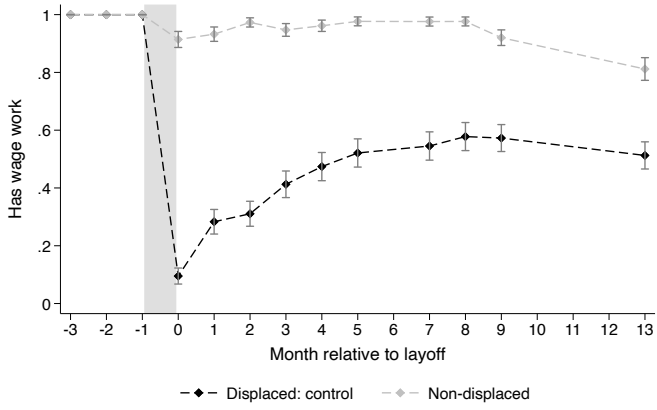
What economists expect?

What are the impacts of job displacement?

What are the impacts of additional JDI payments?

What is the demand for additional JDI payments?

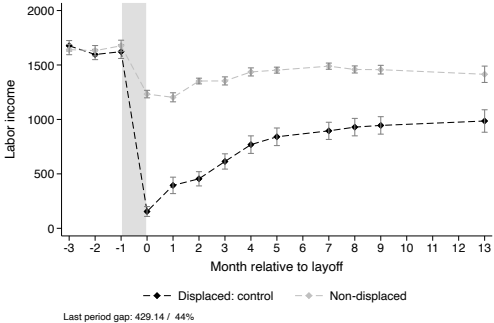
Persistent gap in wage employment



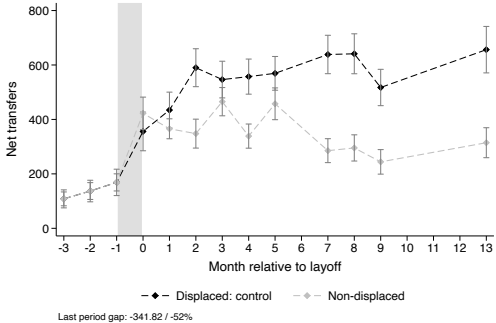
Similar drop in economic activity because only small increase in self-employment (3.5pp)

tab: paid work | tab: econ active | tab: self-employment

Large drop in labor income, partly offset by informal transfers



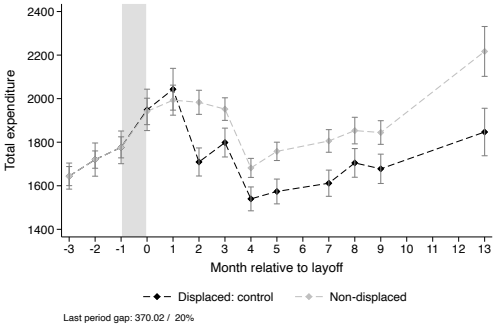
Last period gap: 429.14 / 44%



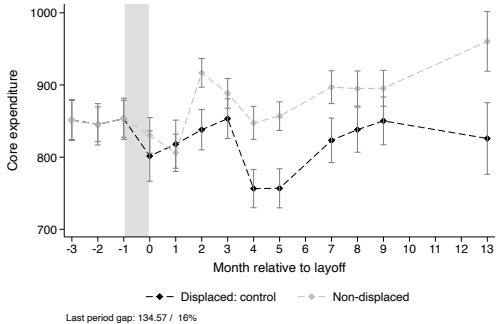
Last period gap: -341.82 / -52%

▸ tab: labor income ▸ tab: net transfers

Persistent gap in expenditures, but mitigated by informal transfers



Last period gap: 370.02 / 20%

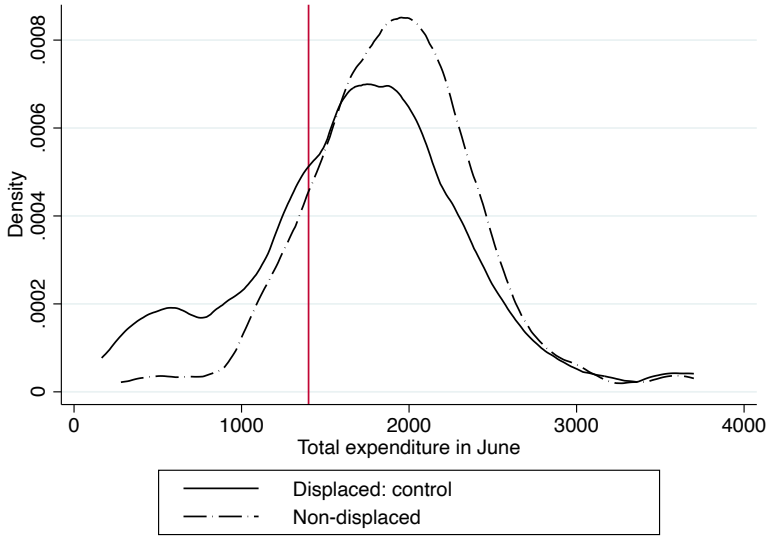


Last period gap: 134.57 / 16%

▸ tab: total expenditures ▸ tab: core expenditures

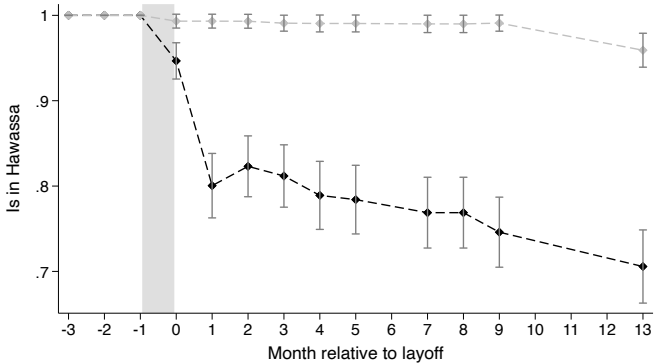
Gap in expenditure leads to increased poverty

endline | tab: absolute poverty



Persistent out-migration

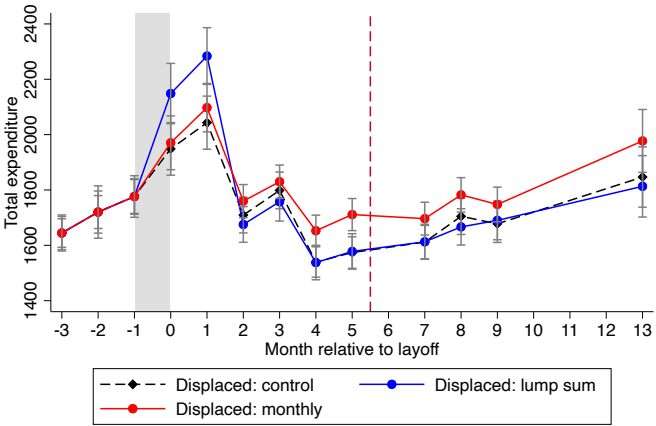
tab: migration



Last period gap: 0.25 / 35%

Outline

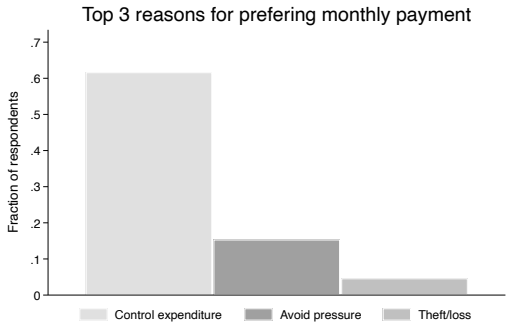
Lump-sum causes short-run expenditure spike
Impacts on expenditures more persistent with monthly payments

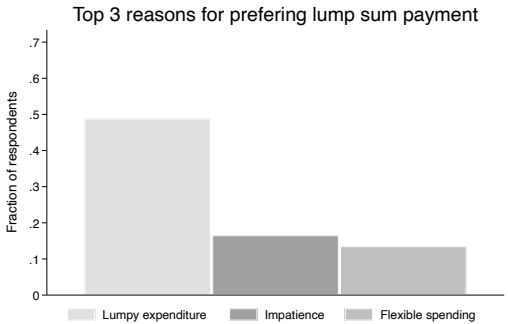


Last period gap: 370.02
Lump sum increased gap by 9%.
Monthly closed gap by 35%.

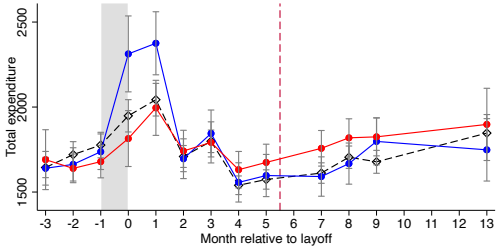
core expenditures | tab: total expenditures | tab: core expenditures

Elicit preference for treatment at baseline: 58% prefer monthly payments

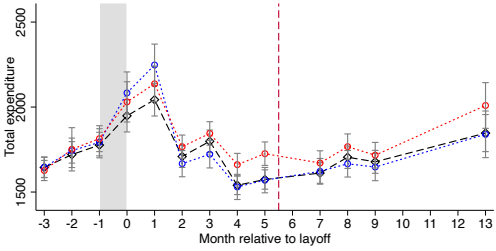




Expenditure spike driven by those who preferred monthly payments



Last period gap: 0.25
Lump sum increased gap by 32%.
Monthly increased gap by 8%.



Last period gap: 0.25
Lump sum increased gap by 32%.
Monthly increased gap by 8%.

▸ core expenditures ▸ tab: total expenditures ▸ tab: core expenditures

More persistent impact of monthly payments reduces absolute poverty

	In absolute poverty				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.006	-0.070***	0.025	-0.013	0.048
	(0.019)	(0.025)	(0.025)	(0.028)	(0.033)
Monthly	-0.042**	-0.027	-0.048**	-0.050*	0.017
	(0.018)	(0.025)	(0.024)	(0.027)	(0.032)
Δ Control - Non-displaced	0.124**	0.085	0.143***	0.086	0.153**
Control mean	0.306	0.262	0.316	0.308	0.322
Lump sum = monthly (p)	0.059	0.074	0.003	0.171	0.339
Observations	1400	1314	1350	1330	1312

▸ june ▸ endline

Lump-sum reduces wage employment

	Wage employment				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.081***	-0.041**	-0.110***	-0.099***	-0.099***
	(0.021)	(0.021)	(0.027)	(0.032)	(0.034)
Monthly	-0.028	-0.012	-0.043	-0.040	-0.021
	(0.021)	(0.021)	(0.027)	(0.031)	(0.033)
Δ Control - Non-displaced	-0.520***	-0.734***	-0.542***	-0.397***	-0.299***
Control mean	0.415	0.189	0.422	0.558	0.513
Lump sum = monthly (p)	0.012	0.149	0.012	0.062	0.022
Observations	1400	1314	1350	1330	1312

Similar reduction in economic activity despite small impact on self-employment

▸ wage employment ▸ econ activity ▸ tab: econ active ▸ tab: self-employment

Lump-sum does not reduce informal transfers graph

	Informal transfers				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	49.729	17.035	99.981**	74.665*	55.436
	(32.212)	(46.383)	(40.360)	(44.478)	(59.553)
Monthly	-5.841	21.712	-50.992	79.267*	55.759
	(32.037)	(44.038)	(38.060)	(44.967)	(63.415)
Δ Control - Non-displaced	220.963***	34.572	165.195**	314.155***	346.161***
Control mean	576.203	439.559	566.721	592.917	672.552
Lump sum = monthly (p)	0.086	0.919	0.000	0.921	0.996
Observations	1400	1314	1350	1330	1312

Lump-sum causes persistent out-migration

graph

	Lives in Hawassa				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.029	-0.031	-0.038	-0.027	-0.076**
	(0.021)	(0.019)	(0.025)	(0.028)	(0.032)
Monthly	0.003	-0.003	-0.021	0.034	0.000
	(0.020)	(0.018)	(0.024)	(0.026)	(0.030)
Δ Control - Non-displaced	-0.205***	-0.120***	-0.192***	-0.239***	-0.253***
Control mean	0.783	0.874	0.800	0.749	0.706
Lump sum = monthly (p)	0.131	0.133	0.498	0.024	0.015
Observations	1400	1314	1350	1330	1312

"No selection" benchmark: migration accounts for 1/3 of employment effect

tab: mediation

Long-term treatment effects and JDI preferences

graphs

	Employment Status				Job search	Job Aspirations				Migration
	(1) Wage Work	(2) Any Factory Work	(3) Any HIP Work	(4) Self-Emp.	(5) # Apps	(6) HIP	(7) Textile	(8) Trade	(9) Self-Emp.	(10) Stayed
Lump sum	-0.099***	-0.129***	-0.083**	0.024	-0.012	-0.037*	-0.050**	0.074**	0.069**	-0.076**
	(0.034)	(0.034)	(0.032)	(0.017)	(0.081)	(0.021)	(0.021)	(0.032)	(0.034)	(0.032)
Monthly	-0.021	-0.047	-0.025	0.006	0.145*	0.005	-0.019	0.032	0.052	0.000
	(0.033)	(0.034)	(0.032)	(0.016)	(0.086)	(0.022)	(0.022)	(0.031)	(0.034)	(0.030)
Control mean	0.513	0.524	0.395	0.053	0.464	0.122	0.131	0.290	0.467	0.706
Lump sum = monthly (p)	0.022	0.014	0.068	0.314	0.057	0.044	0.121	0.200	0.603	0.015
Observations	1312	1312	1312	1312	1312	1312	1312	1312	1312	1312
Δ Lump sum vs. monthly										
— If strongly preferred monthly	-0.090	-0.080	0.014	0.017	-0.042	0.010	0.007	0.023	-0.008	-0.028
	(0.063)	(0.062)	(0.059)	(0.030)	(0.147)	(0.038)	(0.035)	(0.059)	(0.063)	(0.059)
— If not strongly preferred monthly	-0.073*	-0.088**	-0.094**	0.021	-0.189*	-0.063***	-0.049**	0.049	0.026	-0.102***
	(0.040)	(0.040)	(0.038)	(0.021)	(0.100)	(0.024)	(0.024)	(0.039)	(0.040)	(0.038)
Observations	877	877	877	877	877	877	877	877	877	877

Outcomes from lump-sum may not be sub-optimal for those who wanted the lump-sum

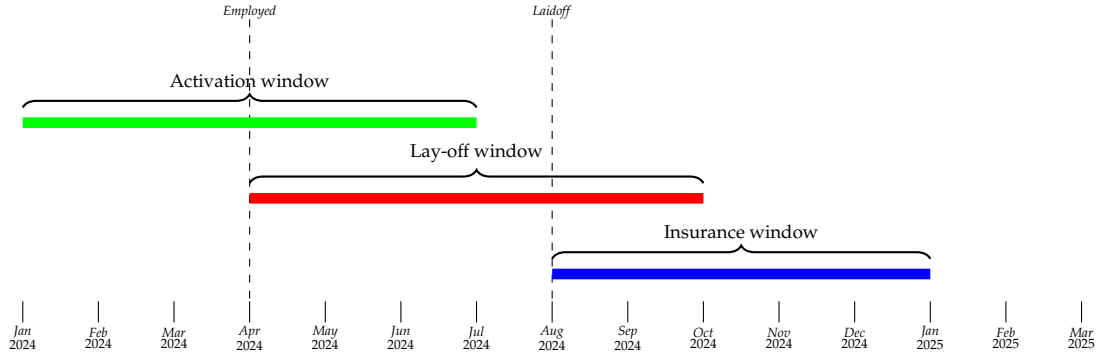
Outline

Design for elicitation of JDI demand at endline

- If the worker is employed during a 6-month 'activation window', they receive a monthly wage top-up from us (for up to 6 months, as long they remain employed)
- The worker then chooses whether to reduce this transfer to pay for additional JDI
- We identify WTP using multiple binary choices varying the "insurance premium"
- We elicit WTP for the monthly and lump-sum JDI policies (as in our 2 treatment arms)

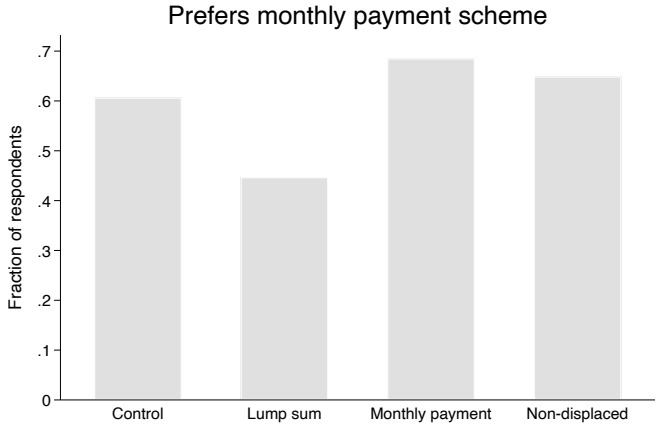
Elicitation of WTP for job-loss insurance

Figure: Timeline for elicitation mechanism



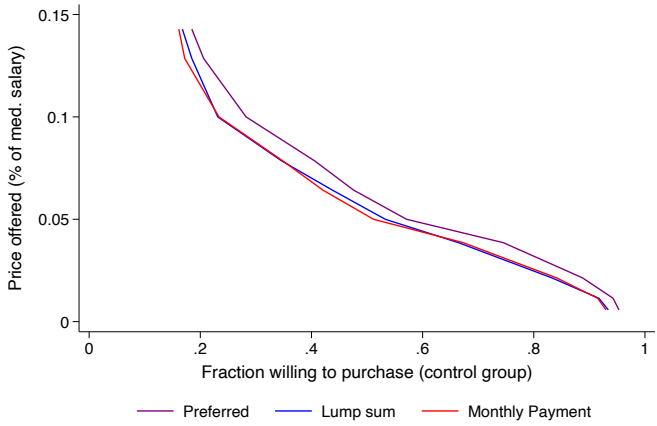
▸ WTP and subjective beliefs

Direct choice between two JDI options at endline



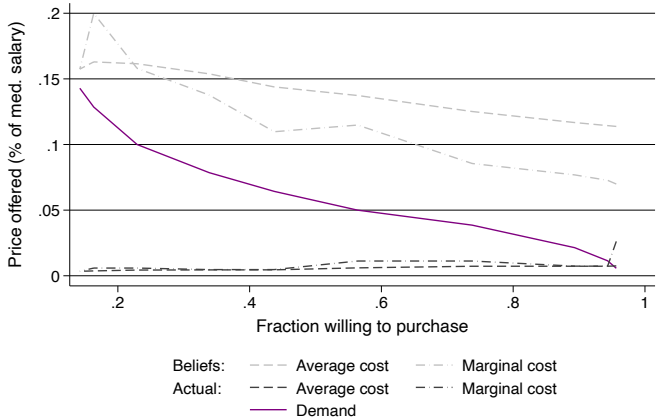
▸ By ex-ante preference

Elicited demand curve for JDI schemes (control group)



On average: demand for lump-sum vs monthly not that different
But heterogeneity in preferences → allowing for choice increases demand
External validity: demand comparable in non-displaced sample graph

Demand sufficient to pay for realized but not expected lay-off probabilities



Demand is increasing in perceived likelihood of lay-off.

But not with realized layoff risk.

Conclusion

- Persistent impact of job loss
  - Welfare implications of key insurance role played by informal transfers?
- Impact of JDI payments
  - Lump-sum support may conflict with government objectives
- Implications for optimal JDI design
  - Allowing for payment in tranches likely desirable, but not mandating it
- Demand seems sufficient to fund a fiscally sustainable scheme.
  - Future work: To what extent is this driven by beliefs or sample characteristics?

Appendix

Back

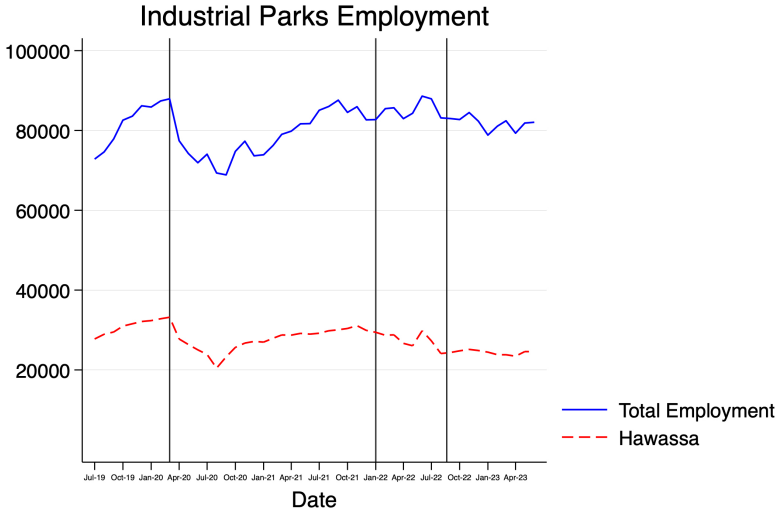
Back

	Displaced			Non-displaced	Differences		
	(1) Control	(2) Lump sum	(3) Monthly	(4)	(5) (2) - (1)	(6) (3) - (1)	(7) (4) - (1)
Panel A: Demographics							
Female	1.00	1.00	1.00	1.00			
Age	22.11	22.01	22.05	22.61	-0.104	-0.068	0.499***
Completed at least secondary education	0.96	0.95	0.93	0.96	-0.011	-0.023	-0.002
Has rural origin	0.60	0.57	0.60	0.63	-0.022	0.004	0.036
Is married	0.13	0.17	0.13	0.10	0.041*	0.008	-0.021
Panel B: Labor market background							
Months working at company	12.87	12.42	12.50	12.29	-0.447	-0.366	-0.580*
Monthly earnings (Birr)	1530.51	1505.94	1508.80	1364.39	-24.573	-21.718	-166.124***
Job satisfaction (0 - 10)	6.79	6.82	6.85	6.79	0.030	0.061	0.001
Panel C: Financial variables							
Savings (stock)	752.74	708.35	795.70	326.54	-44.393	42.962	-426.200***
Monthly core expenditure (Birr)	848.50	874.31	872.17	874.05	25.811	23.664	25.548
Monthly total expenditure (Birr)	1682.29	1675.17	1692.81	1804.23	-7.116	10.524	121.947***
Panel D: Attrition							
Any follow up survey	0.98	0.98	0.99	1.00	-0.001	0.009	0.019***
Number of observations	471	451	488	403			

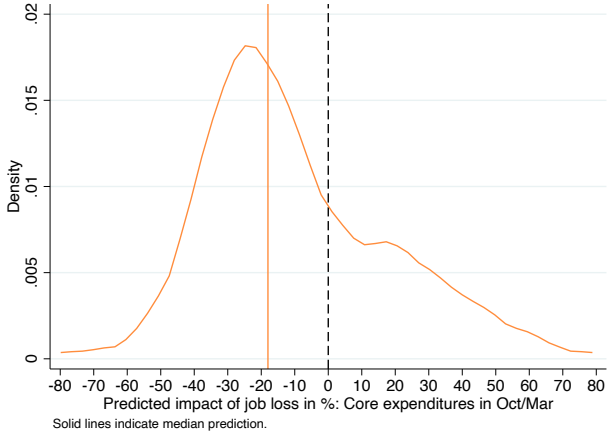
At the time 22 Birr equaled one USD PPP. Back

Employment in Ethiopia's industrial parks

Back

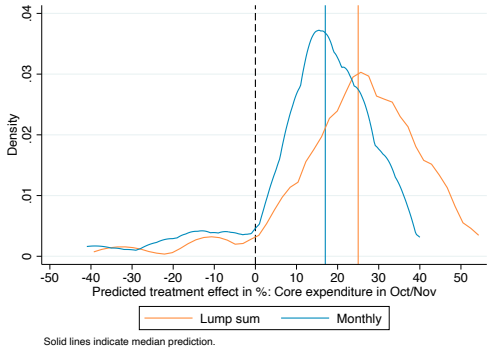


Economists expect persistent impact of job loss on expenditures

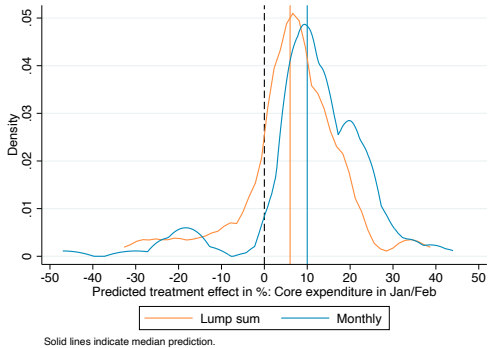


Data from experts' survey (online survey with economists) back

Economists expect expenditures to be sensitive to cash-on-hand



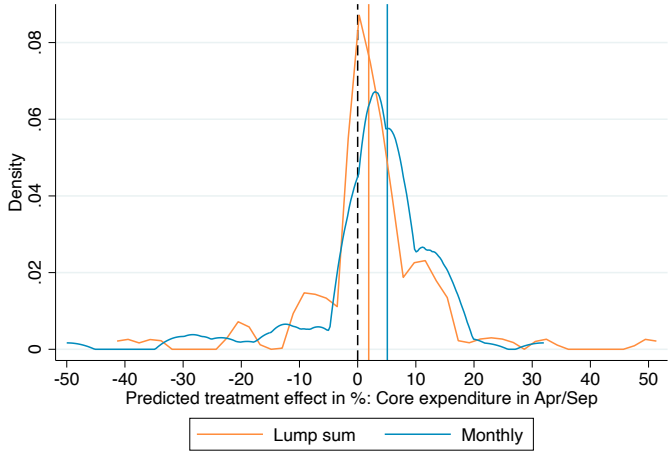
Solid lines indicate median prediction.



Solid lines indicate median prediction.

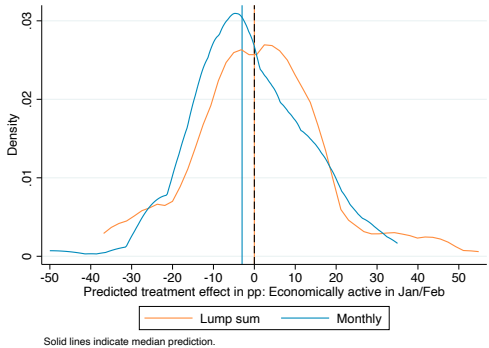
Data from experts' survey (online survey with economists) back

Economists don't expect any long-term effect on expenditures

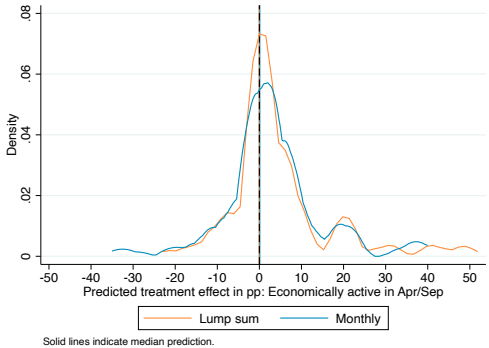


Data from experts' survey (online survey with economists) back

Economists don't expect income effect on reemployment with lump-sum



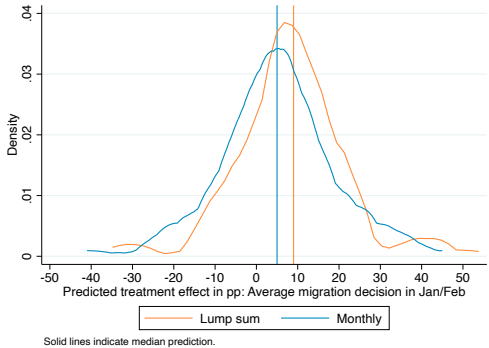
Solid lines indicate median prediction.



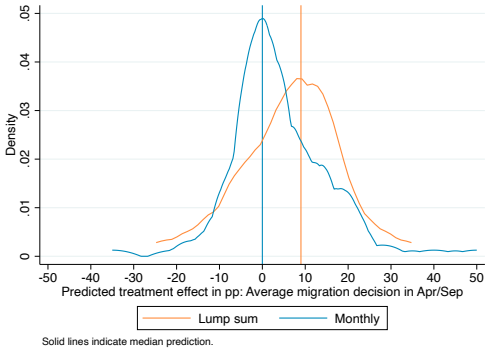
Solid lines indicate median prediction.

Data from experts' survey (online survey with economists) back

Economists expect migration effect with lump-sum



Solid lines indicate median prediction.



Solid lines indicate median prediction.

Data from experts' survey (online survey with economists) back

	Wage employment				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.081***	-0.041**	-0.110***	-0.099***	-0.099***
	(0.021)	(0.021)	(0.027)	(0.032)	(0.034)
Monthly	-0.028	-0.012	-0.043	-0.040	-0.021
	(0.021)	(0.021)	(0.027)	(0.031)	(0.033)
Δ Control - Non-displaced	-0.520***	-0.734***	-0.542***	-0.397***	-0.299***
Control mean	0.415	0.189	0.422	0.558	0.513
Lump sum = monthly (p)	0.012	0.149	0.012	0.062	0.022
Observations	1400	1314	1350	1330	1312

back: jobb loss back: treat

	Economically active				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.060***	-0.003	-0.092***	-0.075**	-0.085**
	(0.021)	(0.023)	(0.027)	(0.031)	(0.034)
Monthly	-0.018	-0.001	-0.036	-0.032	-0.009
	(0.021)	(0.023)	(0.027)	(0.031)	(0.033)
Δ Control - Non-displaced	-0.487***	-0.708***	-0.506***	-0.361***	-0.267***
Control mean	0.451	0.218	0.464	0.599	0.547
Lump sum = monthly (p)	0.045	0.931	0.036	0.165	0.024
Observations	1400	1314	1350	1330	1312

back: jobb loss back: treat

	Self employed				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	0.029***	0.035**	0.021*	0.025*	0.024
	(0.010)	(0.014)	(0.013)	(0.014)	(0.017)
Monthly	0.012	0.015	0.009	0.013	0.006
	(0.009)	(0.012)	(0.011)	(0.013)	(0.016)
Δ Control - Non-displaced	0.035***	0.031***	0.036***	0.036***	0.050***
Control mean	0.039	0.034	0.041	0.041	0.053
Lump sum = monthly (p)	0.100	0.167	0.324	0.400	0.314
Observations	1400	1314	1350	1330	1312

back: jobb loss back: treat

	Labor income				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-57.095	53.432	-88.479*	-76.961	-201.106***
	(36.686)	(43.321)	(45.383)	(55.411)	(71.381)
Monthly	-10.200	32.085	-15.435	-36.139	-109.366
	(36.429)	(41.070)	(46.124)	(52.925)	(71.313)
Δ Control - Non-displaced	-692.325***	-943.578***	-734.498***	-547.537***	-429.137***
Control mean	679.100	274.415	661.817	923.177	985.568
Lump sum = monthly (p)	0.218	0.645	0.127	0.467	0.183
Observations	1400	1314	1350	1330	1312

back: job loss

	Informal transfers				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	49.729	17.035	99.981**	74.665*	55.436
	(32.212)	(46.383)	(40.360)	(44.478)	(59.553)
Monthly	-5.841	21.712	-50.992	79.267*	55.759
	(32.037)	(44.038)	(38.060)	(44.967)	(63.415)
Δ Control - Non-displaced	220.963***	34.572	165.195**	314.155***	346.161***
Control mean	576.203	439.559	566.721	592.917	672.552
Lump sum = monthly (p)	0.086	0.919	0.000	0.921	0.996
Observations	1400	1314	1350	1330	1312

back: job loss back: treat

	Total expenditure				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	36.464	231.777***	-24.335	-14.614	-27.619
	(33.666)	(63.256)	(36.898)	(42.123)	(79.950)
Monthly	76.780**	28.581	67.967*	57.771	117.658
	(31.460)	(60.046)	(35.282)	(39.684)	(79.977)
Δ Control - Non-displaced	-158.035*	28.636	-189.285**	-161.701*	-370.025**
Control mean	1739.423	1995.846	1654.600	1666.292	1846.832
Lump sum = monthly (p)	0.221	0.001	0.012	0.078	0.080
Observations	1400	1314	1350	1330	1312

back: job loss back: treat

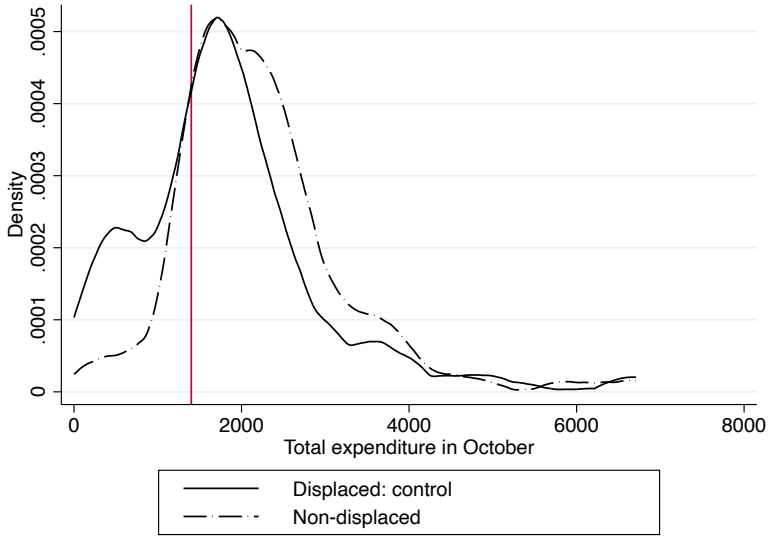
	Core expenditure				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	9.051	66.167***	6.186	-4.478	-33.160
	(14.895)	(23.661)	(16.756)	(20.974)	(33.877)
Monthly	27.266*	6.233	36.515**	19.324	27.468
	(14.095)	(22.462)	(15.977)	(19.253)	(33.737)
Δ Control - Non-displaced	-52.827**	-8.378	-76.318***	-57.221*	-134.574**
Control mean	818.271	809.762	802.643	840.480	825.862
Lump sum = monthly (p)	0.211	0.011	0.073	0.243	0.078
Observations	1400	1314	1350	1330	1312

back: job loss back: treat

	Savings stock						
	(1) Mean	(2) HF1	(3) HF2	(4) HF3	(5) HF4	(6) HF5	(7) Endline
Lump sum	137.686**	540.222***	238.187***	16.069	14.567	23.441	-39.290
	(54.496)	(113.115)	(75.355)	(65.006)	(55.963)	(59.848)	(149.804)
Monthly	82.884	225.384**	287.581***	122.937*	111.053*	14.890	-149.577
	(51.303)	(95.069)	(73.351)	(67.563)	(61.371)	(59.765)	(144.246)
Δ Control - Non-displaced	373.470***	613.816***	324.659***	334.088***	227.723***	242.051***	414.721**
Control mean	638.929	924.162	562.088	544.325	444.776	412.497	883.607
Lump sum = monthly (p)	0.292	0.008	0.549	0.120	0.105	0.886	0.299
Observations	1400	1314	1332	1246	1200	1317	1312

back: job loss back: treat

Displacement and poverty (endline) back

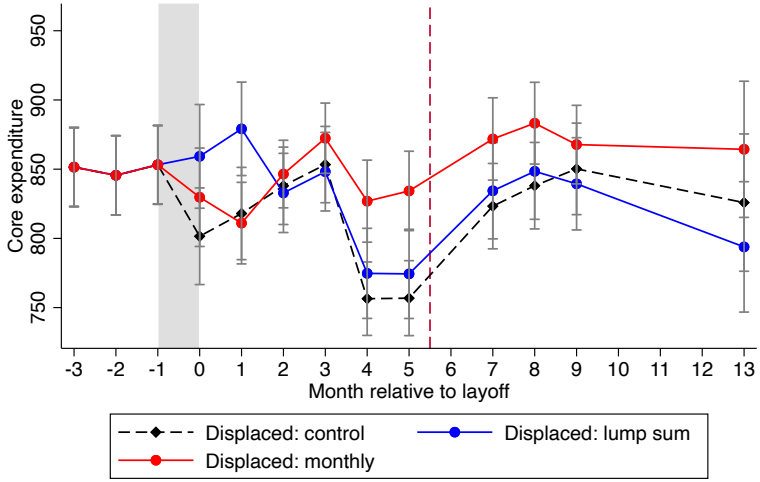


	In absolute poverty				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.006	-0.070***	0.025	-0.013	0.048
	(0.019)	(0.025)	(0.025)	(0.028)	(0.033)
Monthly	-0.042**	-0.027	-0.048**	-0.050*	0.017
	(0.018)	(0.025)	(0.024)	(0.027)	(0.032)
Δ Control - Non-displaced	0.124**	0.085	0.143***	0.086	0.153**
Control mean	0.306	0.262	0.316	0.308	0.322
Lump sum = monthly (p)	0.059	0.074	0.003	0.171	0.339
Observations	1400	1314	1350	1330	1312

back: job loss

	Lives in Hawassa				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Lump sum	-0.029	-0.031	-0.038	-0.027	-0.076**
	(0.021)	(0.019)	(0.025)	(0.028)	(0.032)
Monthly	0.003	-0.003	-0.021	0.034	0.000
	(0.020)	(0.018)	(0.024)	(0.026)	(0.030)
Δ Control - Non-displaced	-0.205***	-0.120***	-0.192***	-0.239***	-0.253***
Control mean	0.783	0.874	0.800	0.749	0.706
Lump sum = monthly (p)	0.131	0.133	0.498	0.024	0.015
Observations	1400	1314	1350	1330	1312

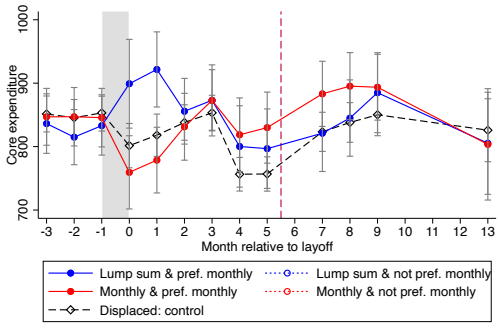
back: job loss



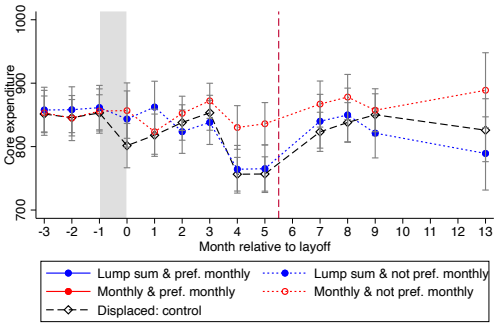
Last period gap: 134.57
Lump sum increased gap by 24%.
Monthly closed gap by 29%.

back: treat

Expenditure spike driven by those who preferred monthly payments



Last period gap: 0.25
Lump sum increased gap by 32%.
Monthly increased gap by 8%.



Last period gap: 0.25
Lump sum increased gap by 32%.
Monthly increased gap by 8%.

back: treat

	Total expenditure				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Strongly preferred monthly					
Lump sum treatment	1835.351	2342.350	1758.409	1781.627	1458.071
	(98.234)	(183.966)	(101.585)	(116.777)	(212.773)
Monthly treatment	1833.781	1916.076	1796.477	1889.428	1586.486
	(96.745)	(191.266)	(101.352)	(115.568)	(210.076)
Not strongly preferred monthly					
Lump sum treatment	1815.677	2201.521	1720.950	1722.191	1528.006
	(91.233)	(170.140)	(96.697)	(110.090)	(196.536)
Monthly treatment	1855.622	2095.378	1837.000	1775.378	1644.833
	(91.568)	(169.293)	(94.710)	(108.676)	(197.394)
Δ — Strongly preferred monthly	1.570	426.275***	-38.068	-107.802	-128.414
	(62.707)	(114.936)	(69.401)	(77.673)	(153.944)
Δ — Not strongly preferred monthly	-39.945	106.144	-116.049***	-53.187	-116.827
	(40.209)	(74.542)	(43.735)	(48.830)	(99.810)
Δ — Str. preferred monthly - Δ — Not str. preferred monthly	41.515	320.131**	77.982	-54.614	-11.588
	(74.306)	(137.180)	(81.936)	(91.602)	(183.690)
Control mean	1739.423	1995.846	1654.600	1666.292	1846.832
Observations	932	883	904	890	877

back: treat

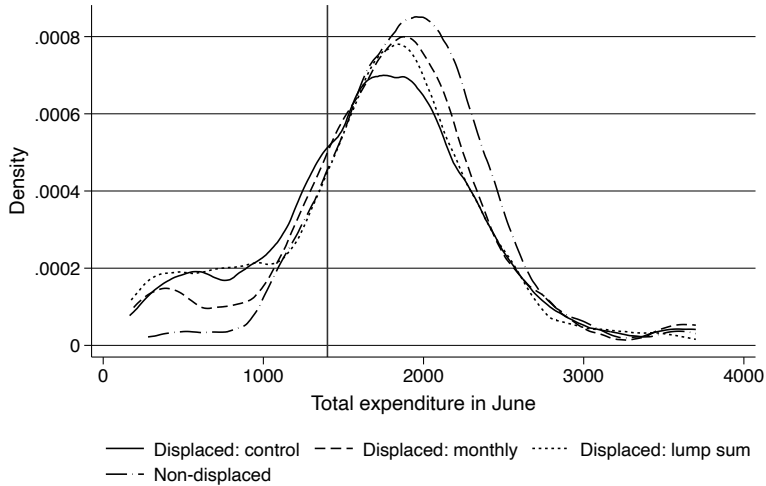
	Core expenditure				
	(1) Mean	(2) Months 0-1	(3) Months 2-5	(4) Months 7-9	(5) Month 13
Strongly preferred monthly					
Lump sum treatment	906.870	935.388	897.511	981.958	809.339
	(52.568)	(74.469)	(52.080)	(72.209)	(114.061)
Monthly treatment	889.819	790.183	897.433	1002.334	797.885
	(52.131)	(77.949)	(52.568)	(70.578)	(112.996)
Not strongly preferred monthly					
Lump sum treatment	885.590	883.806	872.548	967.232	811.176
	(51.351)	(71.166)	(51.429)	(71.693)	(112.259)
Monthly treatment	904.841	847.894	905.999	973.850	873.349
	(51.004)	(69.907)	(50.176)	(69.343)	(112.383)
Δ — Strongly preferred monthly	17.051	145.205***	0.078	-20.376	11.454
	(29.228)	(43.120)	(33.990)	(39.880)	(65.415)
Δ — Not strongly preferred monthly	-19.251	35.912	-33.451*	-6.618	-62.173
	(18.430)	(29.144)	(20.301)	(25.027)	(43.960)
Δ — Str. preferred monthly - Δ — Not str. preferred monthly	36.302	109.293**	33.529	-13.759	73.626
	(34.476)	(52.249)	(39.442)	(46.855)	(78.707)
Control mean	818.271	809.762	802.643	840.480	825.862
Observations	932	883	904	890	877

back:treat

	Savings stock						
	(1) Mean	(2) HF1	(3) HF2	(4) HF3	(5) HF4	(6) HF5	(7) Endline
Strongly preferred monthly							
Lump sum treatment	693.160	1599.367	786.203	417.355	385.314	237.764	657.187
	(112.224)	(325.332)	(193.470)	(151.450)	(162.873)	(140.614)	(217.772)
Monthly treatment	827.235	1482.685	989.977	790.813	581.321	498.681	596.715
	(115.071)	(317.330)	(191.109)	(167.837)	(171.109)	(179.683)	(186.923)
Not strongly preferred monthly							
Lump sum treatment	805.214	1835.159	873.020	565.520	493.005	348.426	551.788
	(99.434)	(314.896)	(172.479)	(133.740)	(157.854)	(133.189)	(173.168)
Monthly treatment	661.375	1436.572	864.054	560.387	539.675	212.798	423.237
	(97.586)	(297.830)	(178.218)	(137.544)	(171.059)	(130.301)	(157.215)
Δ — Strongly preferred monthly	-134.075	116.682	-203.774	-373.458***	-196.007*	-260.917**	60.472
	(101.730)	(205.777)	(159.486)	(140.784)	(110.529)	(122.075)	(231.885)
Δ — Not strongly preferred monthly	143.839**	398.587***	8.966	5.133	-46.670	135.628*	128.552
	(62.039)	(142.858)	(94.643)	(77.170)	(72.342)	(69.680)	(114.327)
Δ — Str. preferred monthly - Δ — Not str. preferred monthly	-277.914**	-281.906	-212.740	-378.591**	-149.337	-396.545***	-68.080
	(118.724)	(252.665)	(184.276)	(159.856)	(132.378)	(140.066)	(259.352)
Control mean	638.929	924.162	562.088	544.325	444.776	412.497	883.607
Observations	932	883	891	843	802	884	877

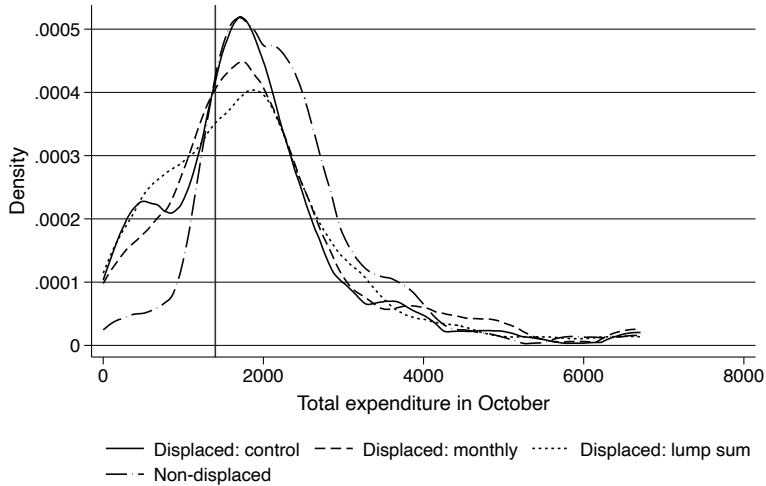
back:treat

More persistent impact of monthly payments reduces absolute poverty



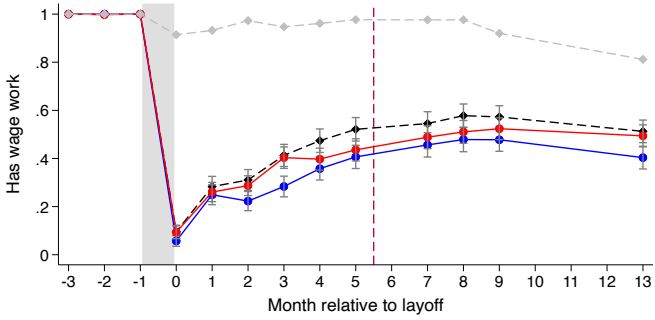
back: treat

More persistent impact of monthly payments reduces absolute poverty



back: treat

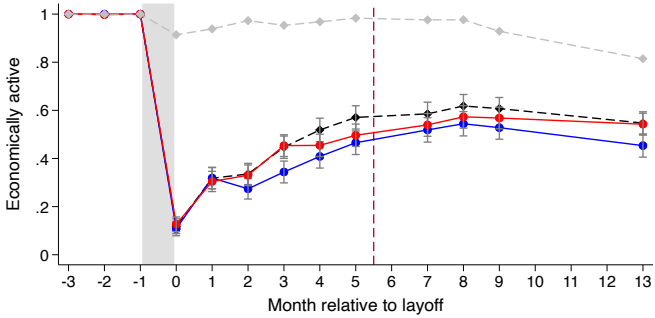
Lump-sum causes short-run and long-run reductions in wage employment



Last period gap: 0.30
Lump sum increased gap by 37%.
Monthly increased gap by 7%.

back: treat

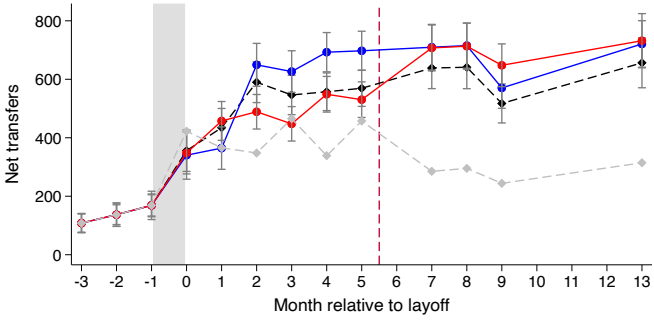
Lump-sum causes short-run and long-run reductions in economic activity



Last period gap: 0.27
Lump sum increased gap by 33%.
Monthly closed gap by 0%.

back: treat

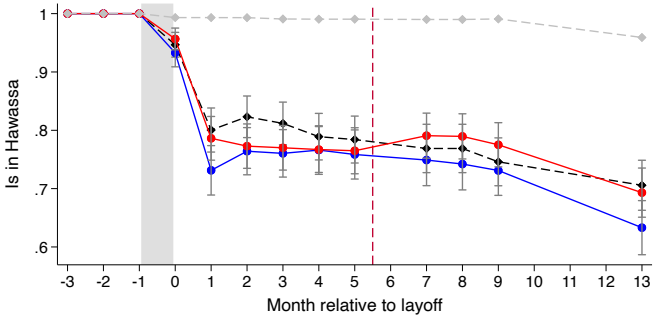
Lump-sum does not reduce informal transfers



Last period gap: -341.82
Lump sum increased gap by 19%.
Monthly increased gap by 22%.

back: treat

Lump-sum causes persistent out-migration



Last period gap: 0.25
Lump sum increased gap by 32%.
Monthly increased gap by 8%.

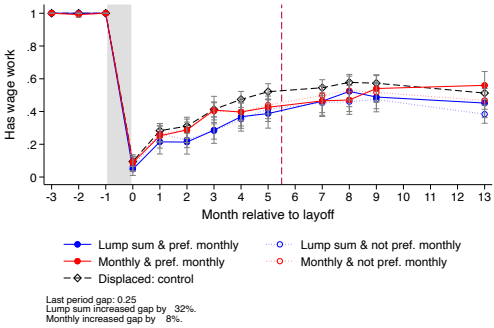
back: treat

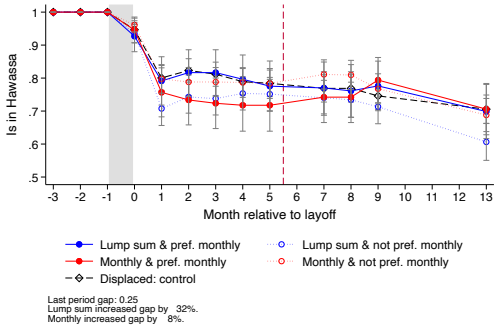
	Average treat. effect		Paid work		
	(1) Wage work	(2) Stayed	(3) Cond. stay	(4) Cond. leave	(5) Contr. stay
Lump sum	-0.099***	-0.076**	-0.069*	-0.029	-0.063**
	(0.034)	(0.032)	(0.042)	(0.047)	(0.031)
Monthly	-0.021	0.000	-0.031	0.016	-0.018
	(0.033)	(0.030)	(0.039)	(0.052)	(0.031)
Stayed					0.407***
					(0.026)
Control mean	0.513	0.706	0.638	0.211	0.513
Lump sum = monthly (p)	0.022	0.015	0.365	0.341	0.149
Observations	1312	1312	885	427	1312

back: job loss back: treat

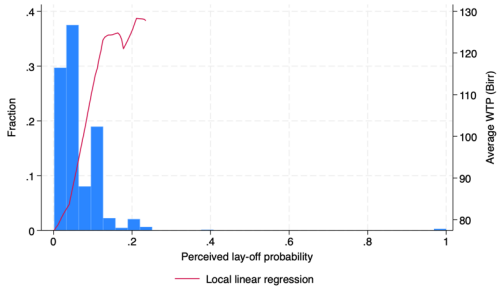
Preference for JDI and employment/migration

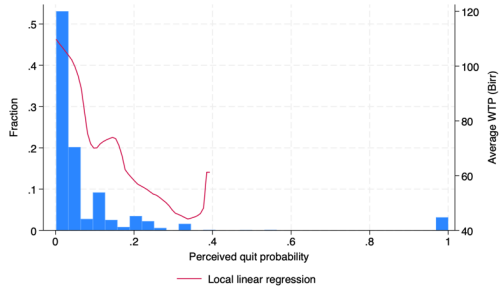
back: treat





WTP correlates strongly with quit and layoff expectations



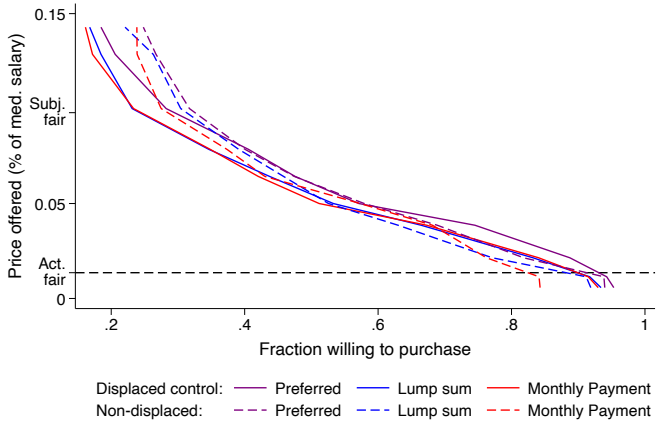


back: WTP

Direct choice between two JDI options at endline

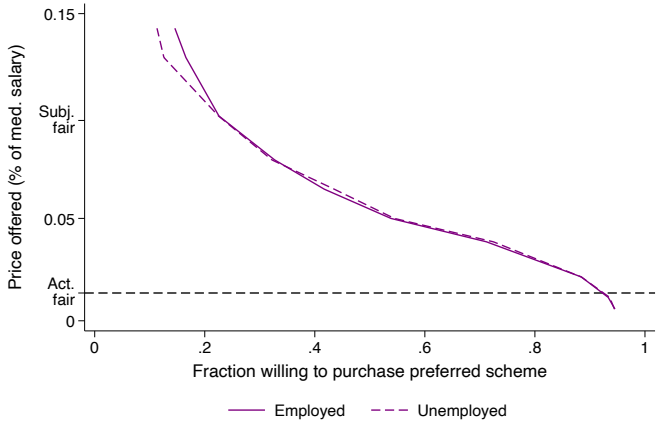
back: WTP

Elicited demand curve for JDI (non-displaced sample)



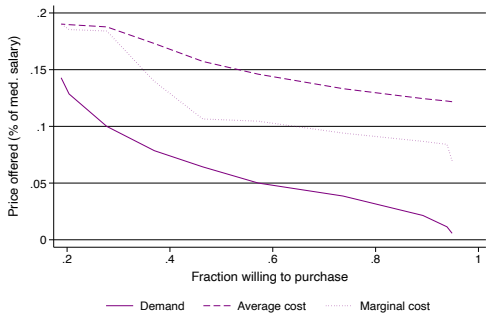
back: WTP

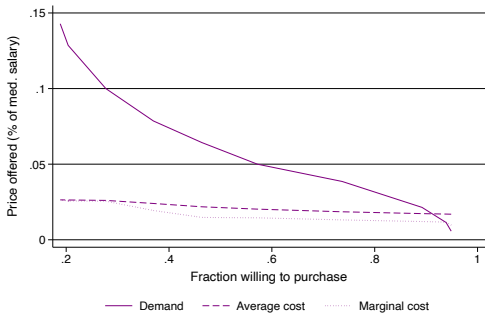
Demand for preferred JDI scheme (employed and unemployed workers)



back: WTP

Remaining question: demand for JDI vs cost of insurance provision





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Transfers as informal insurance

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	(1) Informal transfers (net)	(2) Informal transfers (net)	(3) Informal transfers (net)	(4) Informal transfers (net)	(5) Informal transfers (net)
Employed	-416.7			-245.3	-287.3
	(60.11)			(62.24)	(33.62)
Labor income		-0.245		-0.179	-0.124
		(0.0295)		(0.0284)	(0.0193)
Migrated out of Hawassa			-84.97	-197.9	-195.0
			(74.58)	(71.78)	(44.27)
Employed * lump sum					93.09
					(45.16)
Employed * monthly					-64.46
					(42.22)
Income * lump sum					-0.0365
					(0.0254)
Income * monthly					-0.000194
					(0.0269)
Migrated * lump sum					16.75
					(59.08)
Migrated * monthly					39.19
					(62.48)
Constant	755.7	769.4	638.8	868.5	792.1
	(50.08)	(49.36)	(46.87)	(60.52)	(21.48)
Observations	1928	1928	1928	1928	14068
Adjusted R^2	0.065	0.083	0.002	0.104	0.101