

Research Statement

Brian Feld

I am an applied microeconomist who specializes in development and labor economics. The main objective of my work is to understand the reasons behind the frictions and failures that pervade labor markets in developing countries. In particular, I am interested in studying phenomena such as the existence of dual labor markets and the persistence of mismatched expectations between job seekers and firms. Methodologically, my research relies on both secondary data analyses and the use of field experiments, and I employ both reduced form and structural estimation methods, with the goal of addressing questions that are policy-relevant. In what follows, I will describe in more detail my current and future research agenda.

In my job market paper entitled “Direct and Spillover Effects of Enforcing Labor Standards: Evidence from Argentina”, I study of how labor standards and their enforcement affects workers and their families. Governments enforce labor standards to improve the protections and living standards of workers, increase its tax base and to better determine who should benefit from welfare spending. Yet, strict regulations could harm workers if firms react to them by reducing employment or passing their cost to their employees. The analysis becomes more complex when one considers that impacts to workers can have spillover effects on other household members in terms of their labor supply, consumption and investment decisions, as predicted by collective household models.

To study this question, I take advantage of a policy introduced in Argentina in 2013 that increased the labor standards of domestic workers, setting them on par with those of workers in other occupations. Domestic workers obtained more rights and employers faced higher sanctions if they did not comply with the new regulations. Using a national household survey fielded before and after the reform, I compare the labor market outcomes of female domestic workers with those of similar female wage workers who were not affected by the reform in difference-in-differences framework. I find that after the reform, formality rates of domestic workers increase by 36% and monthly earnings increase by 4% on average. Hours of work per week decrease by 3.4%, but I do not observe significant changes in unemployment, suggesting that higher enforcement increases compliance with regulations and that labor demand in this market is quite inelastic.

I then analyze how the policy affected other members of domestic worker's households. I first look at labor market impacts among male spouses and young adult children of domestic workers. I compare their labor market outcomes with those of male spouses and children of the women used as the comparison group, respectively. I find that after the reform spouses of domestic workers reduce their hours of work and monthly earnings. In addition, children of domestic workers (especially girls) are less likely to work. Finally, I look at effects on educational outcomes of children. I find that the reform reduced the gender educational gap: boys increase their secondary school attendance and completion, and they have a quarter of a year of education more than before. These results are consistent with the predictions of the collective household model and suggest that higher labor standards and its enforcement can have sizable impacts among low-skilled workers as well as their families.

In the paper “Comparing Methods to Estimate Valuations of Job Attributes” joint with AbdelRahman Nagy and Adam Osman, we partner with an NGO in Egypt to estimate how job seeker value different job attributes using a series of elicitation methods. Individuals are randomly assigned to either an open-ended, payment card or double-bound dichotomous choice format and a discrete choice experiment to study their willingness to pay for commute time, health insurance, in-site provision of meals and daycare, and shift flexibility. We find that willingness to pay estimates vary substantially across elicitation methods, both in nominal terms as well as with respect to a baseline salary. Moreover, for some widely used elicitation methods, estimates are inconsistent with theoretical predictions, casting doubt over their reliability. Finally, we find heterogeneous willingness to pay estimates within elicitation methods by gender, level of education and spell of job search.

Besides topics directly related to the labor market, I am also interested in other issues that affect developing countries and have been overlooked by researchers. In “The Effect of Internal Migration on Crime and Violence: Evidence from Indonesia” joint with Marieke Kleemans, we study how internal migration affects crime at the destination in a low-income country. Existing studies have focused on the effect of foreign migration on crime in developed countries, even though foreign migration accounts for a quarter of total migration. Moreover, the impact of migration in developing countries is expected to be different because law enforcement is weaker and internal migrants have different characteristics than foreign ones. We answer this question combining detailed migration data with crime reports from over 2 million local newspapers and individual victimization reports in a nationally representative survey. We use rainfall shocks at the migrant origin location as an instrument to address endogeneity in the choice to migrate. While using data from media report suggest that internal migration produces an increase in economically motivated crimes, the analysis using data on individual victimization from household surveys shows that an increase in the share of migrants reduces the probability that a person is a crime victim at the destination, especially among migrants and women. We hypothesize that differences in coverage (both in terms of type of victim and geographic scope) can explain these contrasting results.

My near-term research agenda will largely continue to focus on topics in Development and Labor Economics. Following up on the findings of my Job Market Paper, the next step involves studying the mechanisms through which the spillover effects operate. In the short-term data from a national expenditure survey should become available. Together with the last expenditure survey that was fielded prior to the reform, it will allow me to study how the consumption patterns of affected and unaffected households varied over time. Additionally, with Professor Adam Osman we are planning on validating the results from the discrete choice experiment regarding the valuation of non-wage job attributes with real choices made by job seekers at the time of applying for jobs.

