This series provides a reading list of the most recent research in the area of inequality and poverty reduction. The purpose of this note is to globally disseminate relevant work among academics, practitioners and civil society. Subscribe at nip.bulletin@gmail.com.

**Do Women Prefer a Cooperative Work Environment?**

*By Peter J. Kuhn, Marie Claire Villeval*

Read document

Are women disproportionately attracted to work environments where cooperation rather than competition is rewarded? This paper reports the results of a real-effort experiment in which participants choose between an individual compensation scheme and a team-based payment scheme. We find that women are more likely than men to select team-based compensation in our baseline treatment, but women and men join teams with equal frequency when we add an efficiency advantage to team production. Using a simple structural discrete choice framework to reconcile these facts, we show that three elements can explain the observed patterns in the team-entry gender gap: (1) a gender gap in confidence in others (i.e. women are less pessimistic about their prospective teammates' relative ability), (2) a greater responsiveness among men to instrumental reasons for joining teams, and (3) a greater "pure" preference for working in a team environment among women.

**Anemia and Child Education: The Case of Colombia**

*By Gaviria, Alejandro; Hoyos, Alejandro*

Read paper

Welfare programs in Colombia have focused on both reducing malnutrition and hunger, and on increasing school attendance. But there is not much evidence on the hypothesized relationship between nutrition status and schooling outcomes. Using the National Survey of Nutritional Status in Colombia (2005) and the Demographic and Health Survey (2005), this paper estimates the impact of nutrition on schooling outcomes. The results suggest that anemic children have a higher probability of being overage in school. Malnutrition, defined by anthropometric measures, does not have an impact on the probability of being overage. School attendance seems to be unrelated to nutrition measures. The results are consistent under different specifications.
**Women's Empowerment and Economic Development**
*By Duflo, Esther*

Read paper

Women’s empowerment and economic development are closely related: On one hand, development alone can play a major role in driving down inequality between men and women; on the other hand, empowering women may benefit development. Does this imply that pushing just one of these two levers would set a virtuous circle in motion? This paper reviews the literature on both sides of the empowerment-development nexus, and argues that the inter-relationships are probably too weak to be self-sustaining, and that continuous policy commitment to equality for its own sake may be needed to bring about equality between men and women.

**A New Way of Monitoring the Quality of Urban Life**
*By Eduardo Lora and Andrew Powell*

Read paper

A growing number of cities around the world have established systems of monitoring the quality of urban life. Many of those systems combine objective and subjective information while attempting to cover a wide variety of topics. This paper introduces a simple method that takes advantage of both types of information and provides criteria to identify and rank the issues of potential importance for urban dwellers. The method combines the so-called ‘hedonic price’ and ‘life satisfaction’ approaches to value public goods. Pilot case results for six Latin American cities are summarized and policy applications are discussed.

**Envy, Guilt, and the Phillips Curve**
*By Ahrens, Steffen and Snower, Dennis J.*

Read paper

We incorporate inequity aversion into an otherwise standard New Keynesian dynamic equilibrium model with Calvo wage contracts and positive inflation. Workers with relatively low incomes experience envy, whereas those with relatively high incomes experience guilt. The former seek to raise their income, and latter seek to reduce it. The greater the inflation rate, the greater the degree of wage dispersion under Calvo wage contracts, and thus the greater the degree of envy and guilt experienced by the workers. Since the envy effect is stronger than the guilt effect, according to the available empirical evidence, a rise in the inflation rate leads workers to supply more labor over the contract period, generating a significant positive long-run relation between inflation and output (and employment), for low inflation rates. This Phillips curve relation, together with an inefficient zero-inflation steady state, provides a rationale for a positive long-run inflation rate. Given standard calibrations, optimal monetary policy is associated with a long-run inflation rate around 2 percent.

**Occupational Segregation Measures: A Role for Status**
This paper defines local segregation measures which are sensible to status differences among organizational units. So far as we know, this is the first time that status-sensitive segregation measures are offered in a multi-group context by invoking a cardinal measure of status. These measures allow aggregating employment gaps of a target group penalizing its concentration in low-status occupations. They are intended to complement, rather than substitute, previous local segregation measures. The usefulness of these tools is illustrated in the case of occupational segregation by race and ethnicity in the United States.

The Gandhi National Rural Employment Guarantee Scheme offers up to 100 days of unskilled manual labor per year on public works projects for any rural household member who wants such work at the stipulated minimum wage rate. The aim is to dramatically reduce poverty by providing extra earnings for poor families, as well as empowerment and insurance. If the program worked in practice the way it is designed, then anyone who wanted work on the scheme would get it. However, analysis of data from India’s National Sample Survey for 2009-2010 reveals a considerable unmet demand for work in all states. The authors confirm expectations that poorer families tend to have more demand for work on the scheme, and that (despite the unmet demand) the self-targeting mechanism allows it to reach relatively poor families and backward castes. The extent of the unmet demand is greater in the poorest states where, ironically, the scheme is needed most. Labor-market responses to the scheme are likely to be weak. The scheme is attracting poor women into the workforce, although the local-level rationing processes favor men.

The aim of this paper is to explain why poverty and material deprivation in South Africa are significantly higher among those of African descent than among whites. To do so, we estimate the conditional levels of poverty and deprivation Africans would experience had they the same characteristics as whites. By comparing the actual and counterfactual distributions, we show that the racial gap in poverty and deprivation can be attributed to the cumulative disadvantaged characteristics of Africans, such as their current level of educational attainment, demographic structure, and area of residence, as well as to the inertia of past racial inequalities. Progress made in the educational and labor market outcomes of Africans after apartheid explains the reduction in the racial poverty differential.

Gender inequality in the labor market in Serbia
This paper presents a broad overview of labor market indicators for men and women in Serbia with a focus on employment patterns, entrepreneurship and career advancement as well as earnings differentials. The analysis relies primarily on the results of the Labor Force Surveys conducted in Serbia in April 2008 and October 2009. The findings show that although the overall labor market situation in Serbia is difficult, women are in a much more disadvantageous position than men. Women are much less likely to be employed, start a business or advance in the political arena. Furthermore, there is a significant wage gap between men and women in a number of sectors and occupational groups with low educated women being particularly disadvantaged. The results of the Oaxaca-Blinder decomposition demonstrate that the wage gap is indicative of discrimination of women in the labor market as earnings differentials cannot be explained by differences in observed characteristics of male and female employees. Based on the obtained results, the paper outlines four broad areas that require the attention of policy-makers: employment generation; enhancement of education outcomes; improvement of the regulatory environment and support to women's business and political careers; and promotion of transparent performance setting mechanisms.

Are women disproportionately attracted to work environments where cooperation rather than competition is rewarded? This paper reports the results of a real-effort experiment in which participants choose between an individual compensation scheme and a team-based payment scheme. We find that women are more likely than men to select team-based compensation in our baseline treatment, but women and men join teams with equal frequency when we add an efficiency advantage to team production. Using a simple structural discrete choice framework to reconcile these facts, we show that three elements can explain the observed patterns in the team-entry gender gap: (1) a gender gap in confidence in others (i.e. women are less pessimistic about their prospective teammates' relative ability), (2) a greater responsiveness among men to instrumental reasons for joining teams, and (3) a greater "pure" preference for working in a team environment among women.
Daron Acemoglu of MIT and author (with James Robinson) of Why Nations Fail talks with EconTalk host Russ Roberts about the ideas in his book: why some nations fail and others succeed, why some nations grow over time and sustain that growth, while others grow and then stagnate.

Acemoglu draws on an exceptionally rich set of examples over space and time to argue that differences in institutions--political governance and the inclusiveness of the political and economic system--explain the differences in economics success across nations and over time. He also discusses how institutions evolve and the critical role institutional change plays in economic success or failure.

Along the way, Acemoglu explains why previous theories for national economic success are inadequate. The conversation closes with a discussion of the implications of the arguments for foreign aid and attempts by the wealthy nations to help nations that are poor.

Readings and Links related to this podcast

- Daron Acemoglu's Home page

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Books:


Articles:


Podcasts and Blogs:

- Ravitch on Education, EconTalk podcast.
- Weingast on Violence, Power, and a Theory of Nearly Everything, EconTalk podcast.
- Easterly on Growth, Poverty, and Aid, EconTalk podcast.
- Collier on the Bottom Billion, EconTalk podcast.

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- Population Studies Center (PSC) of the University of Pennsylvania (Penn)
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NEWS

Call for papers

Deadline for paper submission: 15 February 2012.

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