

Discussion:

Bjorvatn, et. al. (2022) “Childcare, labor supply, and  
business development: Experimental evidence from  
Uganda”

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# Summary

## ▶ **Research Questions:**

- ▶ What are the effects of providing full time childcare on labor participation and earnings?
  - ▶ Benchmark these effects against the provision of a similar value business grant
- ▶ Are there complementarities between the provision of childcare and business grants?
- ▶ Very important question, first evidence from a developing country. The nature of work in a development setting is fundamentally different, no reason to expect similar results as in the developed world

# Summary

## ▶ Main Results:

- ▶ Full time childcare increases household income by 44%
  - ▶ For women, there are no effects on time spent self employment or waged work → increase in income comes from productivity gains
  - ▶ Fathers increase the amount of time spent in waged work → higher earnings
- ▶ Business grants increase revenues in self employment, the number of hours worked in own business, and more business assets
- ▶ No complementarities between childcare and business grant. Combined treatment has similar effects as cash only

## Comments (I)

- ▶ Enrollment in full time childcare is 34% for the control, and in any type of childcare is 82%
  - ▶ Take-up of full time childcare increases by 48 percentage points
  - ▶ Treatment: increase in the number of hours in childcare + freeing up resources otherwise used for part-time childcare
- ▶ Where are the effects on earnings coming from?
  - ▶ No change in hrs worked or change of occupation → Increased efficiency at work
  - ▶ Add evidence on this:
    - ▶ Heterogeneity by type of businesses where most of the business happens in the afternoon (e.g. wouldn't expect effects for work in the market)
    - ▶ Occupations in which work requires longer and continuous time to complete a task vs where tasks are separable, e.g. sewing vs selling at a shop

## Comments (II)

- ▶ Effects are concentrated on women who already owned a business & those without a partner
  - ▶ Do you have data on households who sent their kid to any type of childcare the previous year?
  - ▶ 35% of women are self employed at baseline. Massive effects for them + Increase in hours worked (~30%) → not all coming from increased efficiency
- ▶ Interesting result: Fathers are more likely to increase the time in waged work, but not women. Why?
  - ▶ Heterogeneity by time fathers invest in taking care of the kids
  - ▶ Heterogeneity by mother's education/likelihood of participating in waged work
- ▶ Cost benefit: Does the increased income make up for the cost of the program?

## Comments (II)

- ▶ Cash treatment increases the number of business created → there is on the job learning, complementarities in the longer term?
- ▶ The cash treatment is framed as a business grant, the lack of investment in childcare in this treatment arm due to the framing of the treatment
- ▶ For fathers, cash&childcare increase revenues from self employment, while only cash doesn't. Why?

## Smaller Comments

- ▶ In the heterogeneity analysis by the presence of a younger child and whether the father is present, control by correlates and their interactions with the treatments.
- ▶ The test for complementarities should be  $\text{Childcare\&Cash} > \text{childcare} + \text{cash}$
- ▶ 4% attrition, but not differential. Why not use Lee bounds instead of Kling et al?
- ▶ Some results require more details:
  - ▶ Why does cash impact child development?
  - ▶ There seems to be complementarities between childcare and cash for fathers. Why?
  - ▶ Why does violence increase?