

Takahashi-san's comments:

- Substantive

1. Savings is stock, not flow. So I wonder if it make sense to use “cumulative net saving” unless it represents the total saving amount at time t . At least we may need to use set of observation timing dummies along with Survey Round dummies.
 - Admin data record flow (new deposits and withdrawal of cash) variables. Abu san can clarify this.
2. The results are interesting, but how should we expect the changing behavior of schooling investment across arms over time? Do we have enough convincing story?
 - Directed and increasing labour demand for girls, for example. Other?
3. This is not intuitive. [Referring to: Productive assets see a major decline among Large during rd 3-4 period (Table 15).]
 - ?
4. or with less entrepreneurship? [Referring to: Table 22 shows, albeit at p values around 10%, the ultra poor has a larger increase relative to the moderately poor, which is another manifestation against the popular notion that the ultra poor are riskier.]
 - It is a part of riskiness. It takes both entrepreneurship/profitability and willingness to repay, which are combined to be referred to as (low) credit risks, for the lender to get repaid.

- Editorial

1. where? all interaction terms are positive and highly significant. [Referring to: Repayment is greater for Large, LargeGrace, Cow in rd 2-3 but they become statistically the same with Traditional in rd 3-4 (Table 4)]
 - A typo, in rd 4, not “in rd 3-4.”
2. Later, use consistently either “InKind” or “NonCash” throughout.
 - I will correct it.
3. Better sort in the order of “Large” “With Grace” and “NonCash”.
 - I will.
4. What are 6M repayment and net saving?
 - Sorry I took off the information from this draft. It is a previous 6-month average of each variables. 6M repayment is mean repayment for the 6 months prior to the current period.
5. should we rely on column (4) or (5), whose results are opposite? [Referring to:Table 7]
 - Signs are reversed when one conditions on 6M (6-month lagged) variables. Repayment seems to be positively autocorrelated. Period-by-period fluctuations exist but they may not be important in terms of magnitude once we condition on lags.
6. where? [Referring to: Table 21 shows baseline trend is a large increase in rd 1-2, a small increase in rd 2-3]
 - There. Please refer to “Inference” section of the memo.

7. Why not use the baseline data? [Referring to: Consumption estimation.]]
 - Consumption is not collected at the baseline.

Kurosaki-san's comments:

- Substantive

1. Table 4 (1)(2)? Then it indicates an increase in net saving, not a decrease. [Referring to: Period of rd 2-3 saw a decline in net saving, even further for LargeGrace, but remain in positive values (Table 4).]
 - My error. Will correct.
2. Very good results. Can we say although statistically insignificant, point estimates on the ultra poor are positive, indicating they save and repay more than the moderately poor? [Referring to: The ultra poor re-paid just as much as the moderately poor (Table 6). This is evidence against the popular belief that the ultra poor are riskier.]
 - P-values are smaller than 10% so all the terms on UP are marginally significant. But (or and) the magnitude of deviation from MP is small.
 - That is also my interpretation. I think we can say so. But this has to be weighed against that GUK was running a loss so interest rates need to be raised. We do not know how heavy the repayment burden was for the UP, and how much more they can repay once the rates are raised.
3. Tables 14-15 to be put as appendix tables?
 - Not sure which of all round comparison or begin-end comparison is presented. If we are interested in highest schooling levels, rd1 - rd4 comparison is better. If we also care about progression, then we may want to use all rounds? We need to come up with a way to reveal grade progression and repetition.
4. The results in Table 16 appear important.
 - I am also worried about this table. It looks as if there is asset substitution going on: From productive assets to GUK-loan assets. If the loans are replacing the existing capital/assets, we may need to look into the asset component details. If we can assume some rationality, households may be choosing the least productive assets to be replaced with, but that is no more than an imagination.
5. Better to drop labor and farm incomes from our analysis? First, N is small, both for labor and farm incomes. Second, I cannot explain why labor income increased during rd2-3.
 - My interpretation of labour being intensified in rd 2-3 is due to repayment. I think households are doing everything they can to repay. But, then, it does not explain why labour supply in rd 3-4 went back to rd 1-2 level when the repayment burden was still high. As a possibility, labour demand could have been smaller, but we do not know anything about the demand side.
 - We need to figure out what is going on. Unless we do so, we need to drop them.
6. Why tables are prepared for all consumption and hygiene consumption? It appears a little bit strange to focus on hygiene portion only; the results appear to suggest that hygiene portion occupies a very large share of consumption and its dynamics almost replicate the dynamics of all consumption. What underlies this unexpected pattern?
 - Sorry, I do not have anything to respond. I wanted to use food consumption but it came with too many NAs. Hygiene consumption was large and did not suffer from

NAs. I presented them purely for data availability reasons.

- This contrast hints that consumption information needs to be dealt with a grain of salt.

- Editorial

1. Because all coefficient estimates on intervention arms or attributes are on increments, it is better to show more explicitly what intercept estimates mean. In some tables that follow, intercepts are for rd1-2 change; in some, for rd2-3 change; in others, for rd1-4 change. Shall we write something like “(Intercept [rd1-2 change])” instead of just “(Intercept)” in all tables?
 - I will correct the statement.
2. Better to state that no full cancel out. “Initially increased for two years then decreased in the last year, but with a net increase between rd1-4.” [Referring to: Initially increased then decreased in assets.]
 - I will correct the statement.
3. If not the main results, better to delete Tables 7-9?
 - Probably, we should. I threw them in at the last minutes just to share what the flow variables may look like.
4. Is this “cow” a typo error for “livestock”? I cannot see any estimates for cow ownership. Or the livestock assets are mainly cow? If so, we need to explain this somewhere.
 - This refers to Figures, not Tables. Figure 5 shows stagnant cow ownership among traditional arm members. This is one of the main findings of the paper in my eyes.