Discussion:
Insurance and Propagation in Village Networks

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October 6, 2019

Comments: Overview

- A pleasure to read and discuss this paper!
  - revisits a timely topic (network propagation) with unique data
  - clear identification
  - complete, w/ battery of robustness checks
  - throughout, paper is organized and well-written

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- Discussion:
  - How I Understand the Paper
  - Major Comments
    1. Constructing Shocks
    2. Identifying Direct Effects
    3. Identifying Spillovers
  - Minor Comments (not in slides)

Motivation:

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- **Implication**: optimal private insurance schemes do not internalize spillovers $\rightarrow$ stronger case for expanding public schemes

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2. Estimate effect on expenditures by comparing w/ constructed placebo group (Fadlon & Nielsen, 2019)

3. Estimate network propagation using timing and exposure to shocked households

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- Largest health shock may not be representative (see also next slide) - interpretation?

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- Unclear whether usual s.e.'s are appropriate here. Bootstrap?

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- **Comparison w/ 'shrimp shock':** Health shocks are transitory and idiosyncratic whereas shrimp shock was permanent and regional/sectoral in nature. Valid comparison?

Conclusion

- An interesting, complete, and well-written piece of research

- Overall, enjoyed reading/discussing this paper