

Discussion: Worker Absences and Demand for Flexible Contracts

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Important Paper That:

- Provides first field-experimental evidence linking social obligations to labor supply
- Documents substantial WTP for flexibility (8% of offered wages)
- Shows how social institutions (caste) interact with labor markets
- Uses creative design:
 - Incentive-compatible BDM mechanism
 - Variation in geographical distance from networks
 - Rich qualitative evidence on social mechanisms

Current Framework:

- Implicit trade-off between wages and social obligations
- Reduced-form evidence on flexibility demand

Suggested Model Components:

- Dynamic optimization problem
 - Current wages vs future network benefits
 - Stochastic social obligations
- Heterogeneous agents
 - Different network sizes/qualities
 - Varying outside options
- Role of uncertainty in both labor demand and social obligations

Sample Selection & External Validity

Current Sample:

- Male household heads (18-55)
- During agricultural lean season
- Two hamlets per village
- Within 10km of worksites

Key Extensions:

- Include female workers
 - Different social obligations
 - Possibly higher WTP for flexibility
- Sample peak season workers
 - Different opportunity costs
 - Agricultural obligations
- Urban informal workers
 - Different network structures
 - More formal sector options

Measurement of Social Networks

Current Measures:

- Self-reported attendance at events
- Qualitative importance of networks
- Broad caste categories

Suggested Enrichments:

- Detailed network mapping
 - Within-hamlet connections
 - Cross-hamlet ties
 - Strength of relationships
- Event-level data
 - Actual attendance records
 - Reciprocal obligations
 - Financial commitments

Alternative Mechanisms

Labor Market Discrimination:

- Document actual job offers
- Measure wage discrimination
- Types of tasks assigned

Infrastructure & Health:

- Healthcare access
- Transportation options
- Basic amenities

Economic Differences:

- Asset ownership
- Access to credit
- Insurance mechanisms

Current Approach:

- Hamlet-based variation in caste
- Distance variation from social networks
- Controls for observable differences

Suggested Tests:

- Within-caste analysis
 - By wealth quartiles
 - By network size
 - By migration history
- Cross-village variation
 - Different caste compositions
 - Varying economic conditions
 - Infrastructure quality

Contract Design:

- Optimal flexibility-commitment mix
 - Advance notice requirements
 - Bonus structure
 - Leave banking
- Different contracts for different workers

Social Protection:

- Interface with formal insurance
- Design of workfare programs
- Role for conditional transfers

Village-Level Effects:

- Labor market equilibrium
- Network formation
- Migration patterns

Long-term Implications:

- Human capital investment
 - Education choices
 - Skill acquisition
- Occupational choice
 - Selection into formal sector
 - Entrepreneurship
- Intergenerational mobility

Concluding Thoughts

Major Contributions:

- Novel evidence on flexibility-social obligations link
- Creative experimental design
- Important policy implications

Key Next Steps:

- Theoretical framework
- Broader sample
- Additional mechanisms
- Long-run implications