

3ie-IFPRI Joint Seminar: Do Peer Effects Influence Household Decision Making? Evidence from Child Food Intake in India

Eeshani Kandpal, an economist from the Development Research Group at the World Bank, presented her co-authored paper “Do Peer Effects Influence Household Decision Making? Evidence from Child Food Intake in India”¹ at the 3ie-IFPRI seminar on May 22nd 2014. Her paper evaluates the impact of peer networks on female empowerment, as captured by changes in female physical mobility, outside employment, and child food intake.

She studies the role of peer effects on female empowerment by looking at the impact of empowered peers (females who participated in the local Mahila Samakhya female empowerment program) on non-participant females within the same social network. The results are based on a survey of 487 women, across 69 villages, in the rural region of Uttarakhand in India, which was supplemented by extensive qualitative work. Kandpal’s research uses friends-of-friends instrumental variables (IVs) to identify causal peer effects. She explained that friends-of-friends, individuals listed in a female’s friends’ network but not directly in her own network, can only affect behavior through the mutual friend, controlling for reverse causality and ensuring that the directionality assumption of peer effects is met.

Kandpal’s research provides evidence of a positive impact of peer effects on female empowerment, suggesting that having more empowered peers increases female physical mobility and the likelihood of working outside the household. She also finds that children, especially girls, whose mothers are more empowered consume more food than children of non-empowered females.

Susan Godlonton, an Associate Research Fellow at IFPRI with a focus on networks and peer effects led the discussion. Her main comment was that the effects presented mixed evidence on female empowerment since female mobility increased, but registration for labor decreased. Similarly, food consumption, measured by child intake of dal and rice, presented mixed results, which Godlonton argued are not clearly an increase in intake rather than a substitution effect from rice to dal. Kandpal’s answered that she expected to see some mixed effects since peer networks do not necessarily lead to positive outcomes. Godlonton also argued that the effect might be driven by social desirability bias as opposed to networks and peer effects. Other concerns were raised regarding the identification strategy, since some differences between participants and non-participants were statistically significant and large in magnitude. The audience also commented on the reliability of self-reported data and the way the sample districts were chosen.

¹ http://3ieifpriseminarseries.files.wordpress.com/2012/05/kandpalbaylis_peernetworks.pdf