



Aspirations and the Role of Social Protection: Evidence from a Natural Disaster in Rural Pakistan

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Summary. — Citizens' aspirations are increasingly recognized as an important dimension of their well-being. Those with high aspirations set ambitious goals for themselves, and those with low aspirations may fall prey to a poverty trap. Do natural disasters negatively impact aspirations? If so, can governments blunt these effects? We consider Pakistan's devastating 2010 floods—and the government's uneven relief efforts—to analyze these questions. We first show that the extreme rainfall generating this disaster significantly reduced aspirations, even when current levels of household expenditure, wealth, and education are taken into account. Individuals experiencing 2010 monsoon season rainfall that was one standard deviation higher than average had aspiration levels 1.5 years later that were 0.15 standard deviations lower than those of similar individuals experiencing just average levels of rainfall. This is the same negative shock to aspirations that one would experience as a result of a 50% reduction in household expenditures. Moreover, the negative effect of natural disasters on aspirations is especially strong among the poor, and among those who are most vulnerable to weather shocks. However, exploiting exogenous variation in flood relief access, we show that government social protection can attenuate these negative impacts. Individuals in villages that received Citizens Damage Compensation (Watan Card) Program flood relief—providing cash equivalent to 9.4% of annual household expenditures in each of the three years following the disaster—saw significantly lower declines in aspirations than did those in similarly affected villages without this relief. This offers a new understanding of social protection; it not only restores livelihoods and replaces damaged assets, but also has an enduring effect by easing mental burdens, and thus raising aspirations for the future. The negative effects of natural disasters and the efficacy of government relief programs may thus be underestimated if aspirations are ignored.

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1. INTRODUCTION

Understanding and fostering citizens' aspirations is important for governments committed to improving citizens' well-being. Citizens with high aspirations “visualize the future and engage in forward-looking behavior” (Dalton, Ghosal, & Mani, 2016, p. 2). Low aspirations have accordingly been suggested as a possible explanation for the difficulty of escaping poverty (Appadurai, 2004; Duflo, 2013; Macours & Vakis, 2014; Ray, 2006). For example, Duflo (2013) notes that low aspirations among the poor lead to few investments to bring about a more prosperous future. If the poor do not see a tomorrow in which their well-being can feasibly be much higher than what it is today, they do not take actions to improve it, and are consequently stuck in a poverty trap.

In addition to encouraging future-oriented economic behaviors, having high aspirations may similarly encourage future-oriented political behaviors such as voter turnout, participation in civic organizations, and political knowledge. A variety of individual-level characteristics are known to predict political behavior and attitudes, including crime victimization (Bateson, 2012), economic self-interest (Campbell, Converse, Miller, & Stokes, 1960), education levels (e.g., Almond & Verba, 1989; Converse, 1964), gender (e.g., Delli Carpini & Keeter, 2005; Wirls, 1986), and income (e.g., Gelman, Park, Shor, & Cortina, 2009). Aspirations are similarly theorized to have an important impact on opinion, behavior, and everyday decision-making (e.g., Appadurai, 2004; Ray, 2006).

The existence of government is commonly justified by its ability to protect and promote citizens' well-being.¹ Governments often pass laws to regulate the interactions of citizens

and hopefully improve their welfare. Further, laws devoted to social protection—or the promotion of citizens' material well-being and livelihoods—are now thought to be essential for good governance. This is especially so in developing countries, where a substantial share of the population lives in poverty and depends vitally on government support. If aspirations are important for citizen welfare, then exploring how

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government policy can influence them is essential for understanding its obligations to foster and protect that welfare.

Rural Pakistan provides a ripe environment in which to study aspirations and the role of government social protection in supporting them. First, Pakistan—a country with a population of 185 million (United Nations, 2014)—resembles many other developing country contexts. Its economy is dependent on agriculture and vulnerable to weather shocks, and its citizens have varied and low access to formal methods of coping with those shocks (such as assets, savings, and formal insurance). Governments and international organizations thus face pressure to provide emergency response and social protection in the wake of adverse weather events and other disasters. Second, Pakistan has an extremely young population; among the world's 10 largest countries, Pakistan has the largest share of its population in the 15–25 age group (21.5%) (United States Census Bureau, 2013). Understanding what leads Pakistanis to aspire or fail to aspire to a better future could provide lessons for many developing countries with growing youth populations. Third, Pakistan has a fragile security situation frequently rocked by acts of terrorism. Understanding how government can foster aspirations in this environment will provide lessons for maintaining peace and stability in many fragile and failed state contexts. Fourth, Pakistan's 2010 floods mirror the natural disasters and effects of climate change impacting much of the world. The floods affected almost one-fifth of the country's land mass and were described as the highest rainfall experienced in more than 80 years; they affected 20 million people, destroying an estimated crop value of US \$1 billion (IFRC, 2011). Climate change only promises to increase the likelihood of natural disasters worldwide, making understanding their impacts especially critical. Fifth, Pakistan's 2010 floods constitute a natural disaster that is exogenous to factors determining citizens' aspirations, allowing us to circumvent the typical endogeneity of having experienced a negative shock. Finally, after the 2010 floods, the Government of Pakistan provided flood relief, but only to a subset of flood-affected citizens. As such, Pakistan is an interesting laboratory in which to study the relationship between natural disasters and aspirations, as well as the potential impacts of government social protection.

Employing an original dataset we collected in rural Pakistan, our study makes two causal claims. First, we leverage Pakistan's 2010 floods to identify the effects of a natural disaster on aspirations. We examine their medium-term impacts, assessing outcomes a year and a half later, in order to ensure that we are measuring enduring impacts rather than immediate and temporary ones.² We find that this disaster dramatically affected individuals' aspirations for the future—even after taking into account the expenditures, wealth, and education levels of their households. Individuals experiencing 2010 monsoon season rainfall that was one standard deviation higher than average had aspiration levels 1.5 years later that were 0.15 standard deviations lower than those of similar individuals experiencing just average rainfall. This is the same negative shock to aspirations that one would experience as a result of a 50% reduction in their household expenditures, a meaningful proxy for income. Moreover, these negative impacts were not evenly felt, but instead fell almost entirely on the poor (specifically, those in the bottom three quintiles of per capita expenditures). Similarly, the aspirations of individuals most exposed to risk (e.g., those heavily dependent on agriculture, and those without relatives in other districts and provinces) were the most harmed.

Second, exploiting exogenous variation in households' access to government social protection following the disaster, we show that government social protection programs can suc-

cessfully blunt the negative effects of natural disasters on aspirations. While one may theorize that such programs lower aspirations by “rewarding” idleness, we instead find that they raise aspirations. We do so by examining the Government of Pakistan's 2010 launch of the Citizens Damage Compensation, or Watan Card program, which is one of the largest post-disaster social protection programs ever implemented (World Bank, 2013). During September 2010–June 2011, the program provided flood relief to 1.62 million families among the estimated 20 million affected by the 2010 floods; beneficiary families received 20,000 Pakistan Rupees (Rs.), or about USD 213 in 2010. This support continued for the three years following the disaster (World Bank, 2013). District governments were allocated flood relief funds according to the number of district flood victims living in “heavily affected villages,” defined as those with at least 50% of houses or crops having been affected. We exploit exogenous variation in access to social protection due to the share of a district's total flood victims residing in heavily affected villages to causally identify the extent to which social protection mitigates the deleterious effects of natural disasters on aspirations. We find that flood-affected individuals from villages that received disaster relief through the Watan Card program experienced no reduction in aspirations, while aspirations of those from similarly affected villages without the program were severely lowered.³ These results suggest an important and thus far largely ignored role for government social protection: not only to restore livelihoods and replace damaged assets today, but also to ease mental burdens and thus raise aspirations for the future.

In advancing our causal claims, we make two important contributions. First, we advance the study of aspirations, social protection, and the relationship between them through the creation of an original, publicly available household survey dataset covering 2,090 households. Its timing—following a natural disaster and a state response—uniquely allows us to causally examine the impact of natural disasters on aspirations, and to examine how government social protection responses can blunt these impacts. Second, we contribute to extant research on the politics of natural disasters and government response. Natural disasters are “deeply and inherently political occasions” (Drury & Olson, 1998, p. 153). Citizens may blame them on “nature, fate or God,” (Jennings, 1999, p. 5) but often hold government responsible for reducing their effects (e.g., Arceneaux & Stein, 2006; Carlin, Love, & Zechmeister, 2014a; Cole, Healy, & Werker, 2012; Drury & Olson, 1998; Jennings, 1999). Our finding that disaster relief programs can lessen their negative effects on aspirations establishes another dimension on which politics interacts with the consequences of natural disasters.

The rest of the paper is organized as follows. We first present our conceptual framework and hypotheses. We then explain our focus on rural Pakistan and describe our empirical strategy and data. The next section empirically demonstrates that Pakistan's catastrophic 2010 monsoon rainfall shocks significantly lowered aspiration levels. The following section explores how social protection policies adopted by the Government of Pakistan impacted the aspirations of individual citizens. We conclude with a discussion of the implications of our results for understanding the role of government social protection in the wake of a natural disaster.

2. CONCEPTUAL FRAMEWORK AND HYPOTHESES

Aspirations are the degree or quality of performance which an individual desires to attain (Locke & Latham, 2002). In

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