Research Summary

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My research involves empirical testing of economic theory, focusing on the areas of labor, health, and welfare. Some of my work focuses on developed countries (i.e., the U.S.), but my main interests lie in the people and economies of developing countries. This interest stems from a profound belief that my marginal contribution to the welfare of society is the highest where needs are the greatest. Regardless of the context, my research is unified by the use of rigorous econometric methodology – a methodology that stresses the identification of causal effects. Below, I describe a selection of my papers in more detail. An exhaustive list of working and published papers and reports can be found on my website.

One strand of my research investigates issues surrounding the choice of whether to make transfers in-kind or in-cash. Transfers are made in-kind for many reasons; chief amongst them is that they potentially allow a paternalistic government to force the consumption of a good that would not have been chosen under a cash transfer. Importantly, such binding in-kind transfers impose a welfare cost on constrained recipients, and in-kind transfers are often more costly to administer than cash. In my paper “Testing Paternalism: Cash vs. In-kind Transfers,” I explore whether there is justification for paternalistically motivated government food transfers, as opposed to cash, in rural Mexico. Specifically, I estimate the extent to which these in-kind transfers distort consumption relative to cash transfers, and whether the distorted consumption improves child health - the ultimate goal of the program. These effects are identified using the random assignment of transfer type; I find little justification in terms of child health for paternalistically motivated in-kind transfers in this context.

Regardless of the motivation behind in-kind transfers, economic theory predicts that cash and in-kind transfers will have different general equilibrium effects on prices. Specifically, while both cash and in-kind transfer increase demand due to an income effect, only in-kind transfers also increase supply; thus, the market price of transferred goods will tend to fall under in-kind transfers relative to cash transfers. My paper “The Price Effects of Cash vs. In-kind Transfers” uses the same data and experiment as in “Testing Paternalism” and shows that this price differential does exist and is statistically and economically significant.

Ongoing work uses this in-kind/cash dataset once again, estimating price and income elasticities of demand from detailed household food consumption surveys in order to both test intra-household allocative efficiency and understand how demand for micro-nutrients and high-caloric foods change with rising incomes.

A second strand of my research focuses on human capital acquisition: what motivates people to seek (or not seek) education, and how to measure the impacts of the educational process. Two papers use unique administrative data from the state of Texas that tracks the universe of high school students through college and into the workforce. The first
paper, “Information and College Decisions: Evidence from the Texas GO Center Project,” studies the effect of providing high-school students with information about the college going process, helping them fill out college and financial aid applications, and generally instilling a positive attitude about college. Information provision is important from a social point of view if students are foregoing beneficial life decisions simply due to asymmetric information. Using the semi-exogenous rollout of the information program, I find large effects on college applications and subsequent enrollments amongst exposed students, at a relatively low per-student cost. However, the ultimate social goal is not enrollment in college, but rather in graduation and labor market success. I am currently tracking the students exposed to this program in order to measure the long-term effects and say more about the social benefit of this type of information.

The second paper that uses the Texas administrative data asks to what extent we are able to measure the value-added of individual college on their students. Such value-added measures are crucial for policy makers in order to incentivize public school educators to produce better outcomes. However, measuring value-added in higher education is difficult for many reasons, the most important being (i) students select into colleges for reasons unobservable to the researcher, (ii) the outcome of college is inherently multi-dimensional, and (ii) yearly standardized test scores are unavailable. Nevertheless, in “Measuring Value-added in Higher Education: Possibilities and Limitations” I explore how far we can go towards isolating the causal effect of colleges on their students, and what the consequences would be of using imprecise value-added measures to incentivize educators.

Finally, an on-going project combines my interests in education and developing countries. Mounting evidence suggests that credit-constraints are not a significant barrier to small business growth amongst the poor. An alternative hypothesis that I explore in this project is that entrepreneurs lack basic business skills, such as the ability to measure costs, set prices optimally, and market their products. In order to test this hypothesis empirically, I exogenously offered, through a Randomized Controlled Trial, some women micro-entrepreneurs in rural Mexican villages a free course in basic business skills. While preliminary evidence suggests that the courses had significant impacts on business activity and profits, an in-depth analysis must wait for more data to be collected.