

The Second Fuwa Award Comments

Recipient: Masahiro Shoji (Professor, the University of Tokyo)

Prof. Masahiro Shoji made a significant contribution to the economic literature on women's empowerment in the developing world by making unique empirical microstudies. There are three sets of major contributions as described below. First, Shoji (2010, 2012) investigates the role of Bangladeshi microcredit programs in enhancing the resilience of women during natural disasters such as floods by introducing a contingent repayment system. While previous studies suggest that the introduction of such a system allows microcredit borrowers to have their payments rescheduled, the unavailability of a suitable dataset makes it difficult to examine rigorously how it would actually work. Shoji (2010) is one of the first to evaluate the impact of this repayment system on women's empowerment and household livelihood improvement.

Second, Shoji and Tsubota (2022) is one of the first rigorous micro-empirical studies of the working conditions of child sex workers. They tackled the vexing humanitarian problem of human trafficking in Bangladesh using a nationally representative survey of child sex workers. In examining the working conditions of trafficked child sex workers and how they differ from those of non-trafficked child sex workers, they found that the victims traded sex with substantially more clients at significantly lower wages and were more exposed to violence, leading to sickness, such as fever and headache. Their study makes not only an academic contribution to the literature on child labor and commercial sex workers but also to policy discussions. For example, since they found that the risk of trafficking increased for disaster-affected individuals attempting to find job and marriage opportunities, it would be imperative for the government and civil society to raise children's awareness of the risk of trafficking and to provide effective disaster relief and rehabilitation programs for the disaster-affected children.

Third, in his latest study, Shoji (2022) examines a more fundamental question, "to what extent do socioeconomic conditions in early life shape individuals' noncognitive skills?" He consolidated micro datasets from 28 agricultural countries and examined the impact of childhood shocks on adult locus of control by exploiting exogenous variation in the timing of weather shocks. The empirical results revealed that experiencing rainfall shortages before age five causes individuals to believe that they cannot control their life outcomes, especially for women. While this paper makes a unique contribution to the economics and psychology literature, it also generates important policy implications,

highlighting the critical role of children’s noncognitive skills, mental support for disaster-affected children, and enhancing climate-change adaptation capacities and resilience of women.

In conclusion, Prof. Masahiro Shoji surely deserves to be the recipient of the 2023 Fuwa Award.

References:

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Shoji, Masahiro (2010). “Does Contingent Repayment in Microfinance Help the Poor During Natural Disasters?” [Lead Article] *Journal of Development Studies*, 46(2), 191-210.

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