



----- Contents -----

An article from the journals: “Leaders in Unions: Whether and How They Matter for the Myanmar Labor Movement” by Mari Tanaka	1
An article from the field: “Tips for Surveying Social Networks in a Field Survey” by Daichi Shimamoto	4

Leaders in Unions: Whether and How They Matter for the Myanmar Labor Movement

Mari Tanaka

Assistant Professor, Hitotsubashi University

Social movements have been critical drivers of institutional changes, as we have seen in our history; for example, the suffragettes in the early 1900s and civil rights movements in the 1950s (Della Porta and Diani, 2020). To succeed, social movements must form a consensus around common goals and mobilize members to participate in activities with high private costs in uncertain environments (Ganz, 2010). However, unlike other organizations, social movements cannot rely on formal hierarchies and contracts to align objectives and mobilize members. In the absence of these organizational tools, leaders may play a critical role. Indeed, according to Hermalin (2012), “...one of the essences of leadership is the ability to induce others to follow absent the power to compel or to provide formal contractual incentives... A leader is someone with followers, who follow voluntarily.”

A large corpus of theoretical literature has formalized several channels through which leaders might influence members’ behavior, such as via signaling (e.g., Hermalin, 1998; Loeper et al., 2014), coordination (Acemoglu and Jackson, 2015; Akerlof and Holden, 2016), and various forms of social pressure (Kosfeld and Rustagi, 2015). The empirical literature on leadership mostly consists of lab experiments to test certain theoretical mechanisms of leadership (e.g., Potters et al., 2007; Komai et al., 2010; Sahin et al., 2015). However, only a few field experiments engage with leaders in the real world on, for example, signaling and reciprocity (Jack and Recalde, 2015) and sanction enforcement (Grossman and Baldassarri, 2012). In general, testing for the importance of real leaders in a field setting is challenging because typically it is difficult to distinguish whether prominent individuals are in fact leaders (i.e., have influence over others) or simply representing

underlying social change and the members' will; this is a version of the well-known "reflection problem" (Manski, 1993). Moreover, as a more practical issue for empirical analysis, we can usually observe only a small number of leaders who are trying to solve the same collective action problems, limiting the sample size of analysis.

To fill this gap, the author, along with Laura Boudreau, Rocco Macchiavello, and Virginia Minni, conducted field experiments in the Myanmar garment sector on the roles of union leaders in a burgeoning labor movement. To do so, we collaborated with a confederation of labor unions that represents workers' interests in the national minimum wage-setting process. In the run-up to the negotiations, the confederation organized weekend sessions with workers to discuss minimum wage and gather systematic information on skills and cost of living. While helping the confederation to organize the discussions and conduct the surveys, we embedded multiple experiments to examine 1) whether and how union leaders matter in the process of consensus formation in respect of the minimum wage, and 2) how they mobilize workers to participate in privately costly activities for the common good. As the member unions are organized at factory level, we were able to conduct multiple experiments to study the behavior of many union leaders across numerous garment factories, thereby overcoming the empirical challenges highlighted above.

There were three sets of empirical findings. First, based on the survey data, we found that union leaders are distinct from union members and non-members in several demographic and psychological traits that organizational sociologists and psychologists associate with the ability to influence collective outcomes (e.g., Zaccaro et al., 2004; Duckworth et al., 2009). In each factory, union leadership is structured around an elected union president and executive committee that negotiates with factory management and coordinates activities with the confederation. Below these formal roles, several (typically) non-elected line leaders organize and voice the concerns of other union members. We found that relative to other workers, presidents and line leaders are more educated, more experienced, and have higher Raven scores.¹ They also have greater grit, altruism, locus of control, and lower neuroticism.

We conducted two sets of field experiments, focusing on understanding how line leaders influence workers' behavior. In the first, we tested whether and how leaders shape consensus about the objectives of the movement. To do so, we randomly inserted leaders into group discussions about workers' preferred and expected minimum wage levels and found that the leaders improved group engagement and increased workers' consensus around their unions' preferred minimum wage levels. By experimentally varying whether a leader is assigned to a group with workers from their own factory or to a group with workers from another factory, we show that it is the leader's own attributes, including their resemblance to union presidents rather than social connections or formal role in the organization, that drove the increase in consensus.

In the second experiment, we tested whether and how leaders were able to mobilize workers to undertake a privately costly action for the common good. We invited workers to participate in an unannounced survey, which is a costly activity that features strategic complementarity in turnout. Specifically, we varied whether workers: (i) were invited to the survey by the leader ("motivation by the leader"); (ii) were informed about how many

¹ Raven's score is the score based on the Raven's Progressive Matrices, which is a set of nonverbal tests used to measure general intelligence and abstract reasoning.

other members are motivated by the leader (“coordination by the leader”); and (iii) knew that the leader would observe their decision to participate (“social pressure/signaling”). Coordination by the leader influenced workers’ take-up of the offer; conversely, motivation by the leader alone did not. Finally, the observation of the workers’ choice by the leader also increased take-up through a signaling channel. Overall, these findings suggest that leaders matter in labor movements, in particular for forming consensus and mobilizing members through coordination and signaling incentives. The working paper on this project will soon be available on the authors’ website.

Reference

- Acemoglu, Daron, and Matthew O. Jackson. (2015). History, Expectations, and Leadership in the Evolution of Social Norms. *The Review of Economic Studies*, 82(2), 423-456.
- Akerlof, Robert and Richard Holden. (2016). Movers and Shakers. *The Quarterly Journal of Economics*, 131(4), 1849-1874.
- Duckworth, Angela Lee, and Patrick D Quinn. (2009). Development and Validation of the Short Grit Scale (GRIT-S). *Journal of Personality Assessment*, 91(2), 166-174.
- Ganz, Marshall. (2010). Leading Change: Leadership, Organization, and Social Movements. in Nitin Nohria and Rakesh Khurana, eds., *Handbook of Leadership Theory and Practice: A Harvard Business School Centennial Colloquium*. Chapter 19.
- Grossman, Guy and Baldassarri, Delia. (2012). The Impact of Elections on Cooperation: Evidence from a Lab-in-the-field Experiment in Uganda. *American Journal of Political Science*, 56(4), 964-985.
- Hermalin, Benjamin E. (1998). Toward an Economic Theory of Leadership: Leading by Example. *The American Economic Review*, 88(5), 1188-1206.
- Hermalin, Benjamin E. (2012). Leadership and Corporate Culture. *Handbook of Organizational economics*, 432-78, Princeton University Press.
- Hermalin, Benjamin E. (1998). Toward an Economic Theory of Leadership: Leading by Example. *The American Economic Review*, 88(5), 1188-1206.
- Jack, Kelsey B. and Maria P. Recalde. (2015). Leadership and the Voluntary Provision of Public Goods: Field Evidence from Bolivia. *Journal of Public Economics*, 122, 80-93.
- Komai, Mana, Philip J. Grossman, and Trevis Deters. (2010). Leadership and Information in a Single Shot Collective Action Game: An Experimental Study. *Managerial and Decision Economics*, 32(2), 119-134.
- Kosfeld, Michael and Devesh Rustagi. (2015). Leader Punishment and Cooperation in Groups: Experimental Field Evidence from Commons Management in Ethiopia. *American Economic Review*, 105(2), 747-83.
- Loeper, Antoine and Jakub Steiner and Colin Stewart. (2014). Influential Opinion Leaders. *The Economic Journal*, 124(581), 1147-1167.
- Manski, Charles F. (1993). Identification of Endogenous Social Effects: The Reflection Problem. *The Review of Economic Studies*, 60(3), 531-542.
- Potters, Jan, Martin Sefton, and Lise Vesterlund. (2007). Leading-by-example and Signaling in Voluntary Contribution Games: An Experimental Study. *Economic Theory*, 33(1), 169-182.

- Porta, Donatella Della and Mario Diani. (2020). *Social Movements: An Introduction (3rd ed.)*. Oxford: Blackwell.
- Sahin, Selhan Garip, Catherine Eckel, and Mana Komai. (2015). An Experimental Study of Leadership Institutions in Collective Action Games. *Journal of the Economic Science Association*, 1(1), 100-113. .
- Zaccaro, Stephen J., Cary Kemp, and Paige Bader. (2004). Leader Traits and Attributes. *The Nature of Leadership*, 101, 124.

Tips for Surveying Social Networks in a Field Survey

Daichi Shimamoto
Lecturer, Kindai University

Over the past two decades, it has become increasingly evident that social interactions play an important role in a variety of economic activities and their outcomes such as education (Calvó-Armengol, Patacchini, and Zenou, 2009), firm's importing (Bisztray, Koren, and Szeidl, 2018), diffusion of microfinance (Banerjee et al., 2013), technological adoption (Bandiera and Rasul, 2006; BenYishay and Mobarak, 2019), risk-sharing (Fafchamps and Lund, 2003), and financial decisions (Beaman and Dillon, 2018; Bursztyn et al., 2014).² In addition, some economic development policies promoting new technologies utilize social networks for effective diffusion (Beaman and Dillon, 2018; BenYishay and Mobarak, 2019; Wakano, Yamada, and Shimamoto, 2017; Yamada, Shimamoto, and Wakano, 2015). In this column, I briefly share my own survey experience of measuring the social network of firms and provide some tips for a social network survey.

Prof. Yasuyuki Todo's research team (including the author) at Waseda University surveyed registered small- and medium-size enterprises (SMEs) in village-based apparel and textile industry clusters in the Red River Delta surrounding Hanoi, the capital city of Vietnam, from 2014 to 2017.³ In the survey, we first approached the municipal government to obtain a list of registered firms in each village. Our survey team conducted face-to-face interviews with the owners, managing directors, and top-level managers of all firms on the list. The questionnaire consisted of questions on standard firm characteristics, such as sales, number of workers, main products, and ownership. In addition, showing the list of registered firms in the village,⁴ we asked for their business

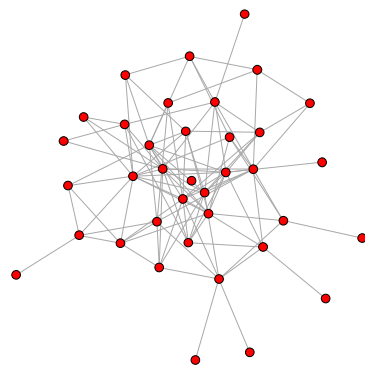


Figure 1. Network structure of information-sharing partners (red dot represents firms and line represents information-sharing partners)

² Breza et al. (2019) surveyed the implications of studies in network economics for economic development.

³ For those interested in a social network survey of household in a rural area, refer to how Banerjee et al. (2013) surveyed the social network of households in rural villages in India.

⁴ List of firms should include name of owners and firm name because it is likely that respondents may not recognize the names of connected firms.

information-sharing partners, suppliers, and buyers.⁵

We were able to construct the network structure of agents within a list. Figure 1 indicates the network structure of information-sharing partners in the surveyed village. One advantage of analyzing such a network is that we can explore the peer, social interaction, and spillover effects among surveyed agents, focusing on agent-level idiosyncratic shocks in the network.⁶ For example, Barrot and Sauvagnat (2016) investigated how idiosyncratic shocks from the occurrence of natural disasters propagate in production networks and find that suppliers facing a natural disaster impose significant output losses on their customers.

I provide some hints for surveying social networks. First, based on their research questions it is preferable to determine the boundary of a network on which researchers focus and to consider in advance whether connections of agents beyond the boundary of the network may contaminate estimations for research questions. If it is possible that the connection beyond the boundary of the network might contaminate the estimations, researchers should incorporate questions asking the connection out of the boundary of the network into their questionnaire and control the connection out of the boundary of the network in the estimations. Second, it is better to check whether the agents identified as connected agents depend on the respondent. In our case, we asked the information-sharing partner of the surveyed firms. If a respondent is an owner's spouse, he/she may not necessarily know who the owner informally consults in business matters. To check this possibility, we separately interviewed one firm owner and his spouse, who is a top manager, and their responses were identical. Third, I encourage those who are interested in social interaction/spillover effects to specify the mechanism behind such effects in advance and incorporate questions querying the mechanisms (e.g., what kind of information agents exchange with connected agents) into their questionnaire. These questions may help interpret the results of the analysis.

In this column, I share how we surveyed the network of firms in village-based apparel and textile industry clusters in Vietnam and provide some hints related to the network survey. Due to a lack of space, I do not discuss identification issues and how previous empirical studies solve these issues. However, I hope the column is helpful for those who are interested in network surveys in the future.



The author (second from the left) and my colleague (second from the right) in the towel industrial cluster in Hanoi

Reference

- Bandiera, Oriana, and Imran Rasul. (2006). Social networks and technology adoption in northern Mozambique. *The Economic Journal*, 116(5), 869-902.
- Banerjee, Abhijit, Arun G Chandrasekhar, Esther Duflo, and Matthew O Jackson. (2013). The Diffusion of

⁵ For example, we asked information-sharing partners using the following question:

"We now ask about your information-sharing partners within this cluster. Please indicate names of firms within this list with which your firm regularly exchanges business information.

Please pick 5 partners with whom information exchange is most valuable to your firm."

⁶ Section IV Empirics and Experiments in the *Oxford Handbook of the Economics of Networks* and Blume et al. (2011) are helpful for those interested in the estimation of social interactions.

Microfinance. *Science*, 341(6144), 1236498.

Barrot, Jean-Noël, and Julien Sauvagnat. (2016). Input specificity and the propagation of idiosyncratic shocks in production networks. *The Quarterly Journal of Economics*, 131(3), 1543-92.

Beaman, Lori, and Andrew Dillon. (2018). Diffusion of agricultural information within social networks: Evidence on gender inequalities from Mali. *Journal of Development Economics*, 133, 147-61.

BenYishay, Ariel, and A Mushfiq Mobarak. (2019). Social learning and incentives for experimentation and communication. *The Review of Economic Studies*, 86(3), 976-1009.

Bisztray, Márta, Miklós Koren, and Adam Szeidl. (2018). Learning to import from your peers. *Journal of International Economics*, 115, 242-58.

Blume, Lawrence E, William A Brock, Steven N Durlauf, and Yannis M Ioannides. (2011). Identification of Social Interactions. In *Handbook of Social Economics*, ed. A. B. Jess Benhabib, Matthew O. Jackson, Elsevier.

Breza, Emily, Arun Chandrasekhar, Benjamin Golub, and Aneesha Parvathaneni. (2019). Networks in economic development. *Oxford Review of Economic Policy*, 35(4), 678-721.

Bursztyn, Leonardo, Florian Ederer, Bruno Ferman, and Noam Yuchtman. (2014). Understanding mechanisms underlying peer effects: Evidence from a field experiment on financial decisions. *Econometrica*, 82(4), 1273-301.

Calvó-Armengol, Antoni, Eleonora Patacchini, and Yves Zenou. (2009). Peer Effects and Social Networks in Education. *The Review of Economic Studies*, 76(4), 1239-67.

Fafchamps, Marcel, and Susan Lund. (2003). Risk-sharing networks in rural Philippines. *Journal of development Economics*, 71(2), 261-87.

Wakano, Ayako, Hiroyuki Yamada, and Daichi Shimamoto. (2017). Does the Heterogeneity of Project Implementers Affect the Programme Participation of Beneficiaries?: Evidence from Rural Cambodia. *The Journal of Development Studies*, 53(1), 49-67.

Yamada, Hiroyuki, Daichi Shimamoto, and Ayako Wakano. (2015). Importance of informal training for the spread of agricultural technologies: farmers as in-residence extension workers and their motivation for sustainable development. *Sustainable Development*, 23(2), 124-34.



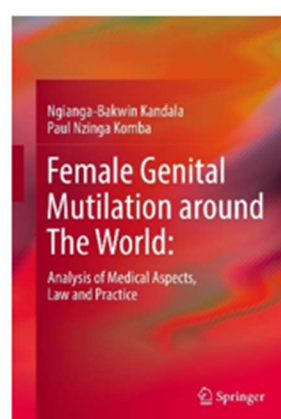
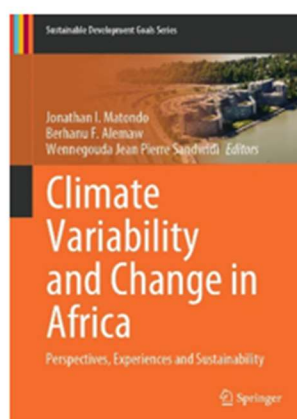
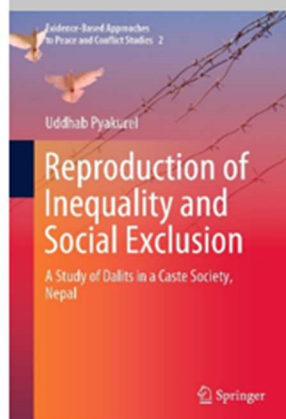
公正で自由で豊かな社会を 次の世代に

株式会社メトリクスワークコンサルタンツは、社会的課題の解決に向けた望ましい事業を推進することを目的に設立されました。設立以来、国際開発分野を中心にRCT等の信頼性の高いインパクト評価デザインを用いた効果検証、エビデンスを活用した意思決定を実践するための組織の制度設計・体制整備、研修・人材育成、研究者と実務家のマッチングなどを行っています。

株式会社メトリクスワークコンサルタンツ
〒160-0004 東京都新宿区四谷2-11-8 オフィスコート四谷 4F
Email: info@metricswork.co.jp Tel: 03-6260-9926
<https://metricswork.co.jp/>



Read our latest books on SDGs! ↩



Should you have a book proposal, don't hesitate to contact juno.kawakami@springer.com ↩

----- Announcement -----

The Third JADE Conference will be held online on April 17 and 18, 2021. The program and registration link are available at our conference web site (<http://www.jade.gr.jp/conference.html>)

----- From the Editorial Office -----

This is the third issue of the JADE Letter. We are very grateful to the authors for their distinctive articles, and glad to be able to continue active academic communication through the JADE Letter despite the fact that traveling and physical get-togethers have been restricted due to the COVID-19 pandemic. (TO and KK)

Editors: Kei Kajisa (Aoyama Gakuin University) and Tsunehiro Otsuki (Osaka University)