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Theme 1
Cities and Infrastructure

The energy efficiency price premium of residential buildings in three Italian regions

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Abstract

The aim of this paper is to investigate whether a higher energy efficiency of residential buildings translates into higher house prices in Italy. We employ novel, and almost unexploited, data on Energy Performance Certificates of three Italian regions (Emilia-Romagna, Lombardy and Piedmont) and merge them with house prices and socio-economic variables at various aggregation levels. The relationship between house prices and energy efficiency is estimated by means of hedonic regression models, quantile regressions and fixed effects panel data models. Our results reveal the existence of an energy-efficiency price premium in the three regions, with significant differences among them. Heterogeneity is also detected along the price distribution, at least for Lombardy and Piedmont. Finally, relevant variables showing a positive association with price are more recent construction years, higher mobility in the housing market and higher income within municipalities.

JEL Classification: Q40; C31; C33.

Keywords: Energy Performance Certificates, Energy Performance of Buildings Directive, House prices, Hedonic regression, Quantile regression

Does Improving Infrastructural Facilities at Schools Increases Participation Rate of Differently Abled Children? Evidence from Pakistan

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Abstract

Globally, differently abled children (DAC) are facing multiple and often compounding challenges in accessing schools. Compared with children without disabilities, DAC are 49 percent more likely to have never attended school. While there is sufficient literature on the impact of demand side factors on the enrolment of DAC at school, there is very limited research exploring the effects of the supply side determinants, such as school infrastructural facilities available for DAC, on the participation rate of DAC. Using the case study of Pakistan, where 96 percent of DAC do not attend school, school-level data from over 10,000 schools for the years 2019 and 2021 is used to examine the relationship between the availability of school infrastructural facilities available for DAC and the probability of DAC being enrolled at school. Since the outcome response measure is a binary variable representing the probability of DAC being enrolled at school, a multivariate probit model is estimated with multiple robustness checks. The results provide conclusive evidence for the positive correlations between the presence of a ramp and a toilet facility available for DAC and the enrolment of DAC at school. For policymakers, this highlights an immediate need for initiatives towards upgrading school infrastructure, especially at a time when global progress on the Sustainable Development Goal (SDG) pertaining to inclusive and equitable education is slow. Furthermore, future research should focus on mapping school infrastructural facilities on specific forms of learning, physical and invisible disabilities, as literature quantifying the magnitude of such mechanisms is an emerging area of interest.

JEL: I20; I21; I24

Keywords: Differently abled children, enrolment, infrastructure, SDG

Role of Greenfield Investment, Institutional Quality, and Economic Activities on Environmental Performance in Belt & Road Initiative Countries

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Abstract

Researchers have produced varying conclusions on the matter of coexistence of economic activities with the protection or improvement of environmental performance. This study investigates the association between greenfield investments, economic activity, institutional quality, and environmental performance in Belt & Road Initiative (BRI) countries from 2003 to 2022. Yale University's Environmental Performance Index (EPI) assesses environmental performance. Advanced second-generation econometrics estimation approaches address concerns like cross-sectional dependence, potential endogeneity, and heterogeneity. Further analysis is employed across four income-level sub-panels: low-income (LI), lower-middle-income (LMI), upper-middle-income (UMI), and high-income (HI) countries, covering the years 2003 to 2021 to validate reliability and consistency. This study applies innovative estimation methods such as causality tests, co-integration analysis, and Driscoll-Kraay standard errors to analyze datasets from the same timeframe. The results underscore the significant and positive impact of greenfield investment, economic activity, and institutional quality on environmental performance across all BRI countries. Greenfield investment positively affects countries within all sub-panels, while economic activity has a negative impact on UMI, LMI, and LI countries. Furthermore, institutional quality negatively affects environmental performance in HI and UMI countries but positively influences LMI and LI countries. These findings highlight bidirectional causality between economic activity and environmental performance, whereas greenfield investment and institutional quality exhibit unidirectional causality in BRI countries.

Keywords: Economic activity, environmental performance, institutional quality, BRI countries.



Theme 2

**Digital Transformation:
Insights from Complex
Economic Data**

Assessing Pakistan's Textile Exports under Trade Agreements

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Abstract

Textiles serve as the export engine of Pakistan's economy, constituting 60 percent of its total exports. Despite this prominence, Pakistan's global share in textile exports has consistently declined. Considering this, this study explores the potential impact of Free Trade Agreements (FTAs) on fostering textile exports. The study applied a structural gravity model with the Poisson pseudo-maximum likelihood (PPML) estimator to analyze annual exports for the period 2002–2021. Findings exhibit a positive and statistically significant effect of FTAs on textile exports, with varied impacts compared to major competitors. Moreover, we categorized textile products at the HS 4-digit level based on their value addition. Pakistan's FTAs facilitate the export of low and medium-value-added textile products to Malaysia and South Asian countries, while exports of high-value-added products benefit from FTAs with China and Sri Lanka. The Pakistan-China FTA stands out as highly effective. Regarding the European Union's Generalized System of Preferences (EU-GSP +) designed to leverage trade benefits, findings reveal a significant impact on textile exports, though this impact is limited across various value-addition categories. Overall, the lack of policy support for high-value-added exports contributes to the sector being mired in a low-value-added export trap.

JEL Classification: F10; F13; F14; F15

Keywords: FTA's, Exports, Textile, Structural Gravity, PPML

Customer Data and The Digital Age

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Abstract

Data is widely regarded as the most valuable resource in today's economy, yet its value often eludes precise quantification. This paper examines customer data as an intangible capital asset and addresses the challenge of measuring its impact. A novel database was created by merging Compustat with online clickstream data capturing the activity of approximately 200 million users, providing proxies for data inflow based on visit metrics. The analysis documents that the distribution of firms' customer data stocks follows a right-skewed log-normal pattern with a fat tail. Additionally, a positive relationship emerges between sales and data inflow, data stock, profit, and productivity. Drawing on these findings, a theory of customer data is developed in which monopolistic firms operate three interconnected departments: a Dixit-Stiglitz production department, a sales department that collects customer data as a byproduct, and a data department that invests in software to extract taste predictions from data. The model demonstrates that firms with substantial data stocks tend to exhibit lower labor shares and face inequitable antitrust scrutiny. The COVID-19 pandemic lockdown serves as a natural experiment to identify the model, revealing that, in the retail sector, slightly more than one-third of a firm's profit can be attributed to its stock of customer data.

JEL Classifications: E22; E23; E25; K21; M20

Keywords: Customer Data, Intangible Capital, Clickstream Data, E-commerce, Labor Share, Antitrust

Digital bodyguards: Experimental evidence on the role of personal safety on mobility and empowerment

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Abstract

This research paper examines the impact of the Women Safety App (WSA) on female mobility in urban Lahore, Pakistan. Through a randomized field experiment targeting lower middle-income households, we evaluate the effectiveness of the WSA in reshaping gender safety perceptions and increasing female presence in public spaces. The intervention includes comprehensive training and awareness sessions, followed by the download and registration of the app on participants' smartphones. Data collected from 319 working-age women reveal significant improvements in mobility patterns and safety perceptions post-intervention. Our preliminary findings indicate the intervention significantly impacts extensive margin, increasing the time spent travelling. Further it improves their travel agency, and the number of unaccompanied trips increases by 9 percentage points while number of walking trips increases by 14 percentage points. These findings underscore the potential of technology-driven interventions to address gender-based constraints and promote inclusive urban environments. Mechanisms for improving mobility and empowerment are discussed.

JEL Classifications: B54; Z1

Keywords: women's safety, female mobility, urban Lahore, gender empowerment, technology intervention, randomized field experiment

Unlocking the Power of Data: Enhancing Public Policy through Advanced Data Infrastructure and Language Model Analysis

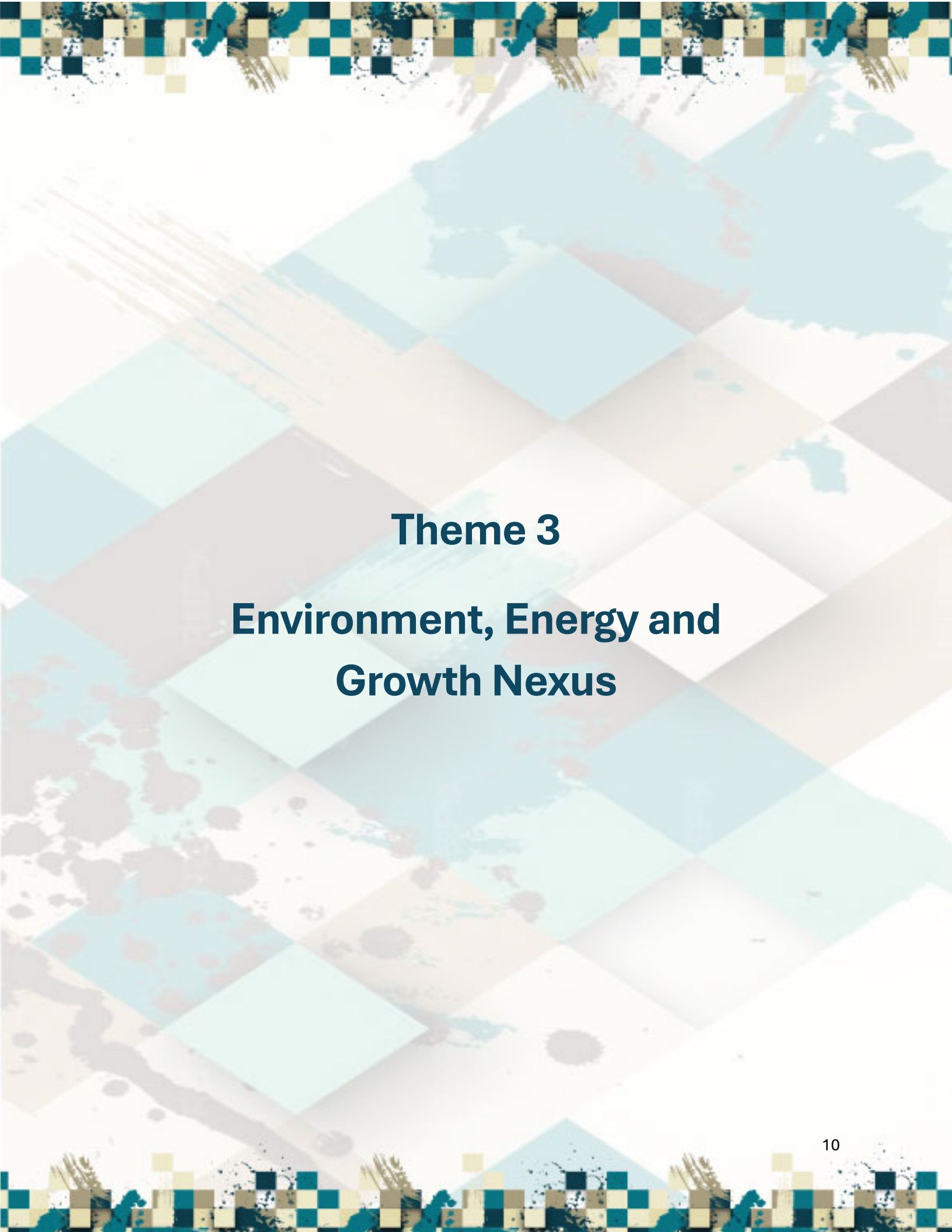

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Abstract

Data is the fundamental building block for advancements in artificial intelligence (AI), general AI (GAI), machine learning (ML), and large language models (LLMs). This study emphasizes the critical need for robust data infrastructure, arguing that without it, countries cannot fully benefit from technological advancements in various economic sectors. Governments possess vast repositories of both structured and unstructured data across multiple domains such as the judiciary, parliaments, and civil bureaucracy. However, these potential goldmines remain untapped due to inadequate data management capabilities and a lack of appreciation for the necessity of high-quality data. The research identifies key issues in public data management, including the non-uniform representation of key data sets and the prevalence of non-machine-readable formats, which further complicates data utilization. By analyzing examples of inconsistencies in standard data conventions within public datasets, this study underscores the challenges posed by messy data, which requires specific skills to be transformed into a tidy format where each feature is clearly delineated and consistently formatted. The objectives of this research are twofold: to explore effective utilization of public policy data and to harness natural language processing (NLP) and LLMs to analyze critical policy documents, such as monetary policy statements issued by the State Bank of Pakistan. This study aims to demonstrate how enormous amounts of unstructured policy document data can be leveraged to analyze policy objectives, enhance public policy formulation and implementation, thereby realizing the potential of data as a strategic asset in governance.

Keywords: Public policy, Natural-language processing (NLP), Large Language Models (LLMs), Machine Learning, Artificial Intelligence (AI), General AI (GAI)



Theme 3
Environment, Energy and
Growth Nexus

Impact of Pathogenic E. Coli in Drinking Water on the Well-being of Children

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Abstract

Despite global advancements, unsafe drinking water is a major cause of illness, ranked as the eighth highest worldwide (Forouzanfar et al., 2015). Studies indicate that even improved water sources, can harbour faecal contamination (Shaheed et al., 2014; Bain et al., 2014b). Globally, 1.8 billion people rely on drinking water contaminated with faecal matter (Bain et al., 2014a), with pathogenic E. coli being a primary concern. In Pakistan, the situation is dire. About 25 million people, particularly children, suffer due to open defecation, leading to 53,000 child deaths annually from diarrhoea (UNICEF, 2021). Pathogenic E. coli is a significant contributor to waterborne diseases such as diarrhoea, which is linked to stunted growth, impaired cognitive development, and increased mortality. Diarrheal diseases contribute to about 13.5% of global stunting cases (Danaei et al., 2016). In Pakistan, over 700 children under the age of five die daily from diarrheal diseases related to poor water, sanitation, and hygiene (UN, 2023). In Pakistan, the situation is particularly severe, with the country ranking third globally in water and sanitation challenges, affecting 2.1 million people (IMF, 2022). The statistics highlight the urgent need to address the waterborne disease burden, especially in vulnerable populations such as children under five, who are more susceptible to these illnesses due to their immature immune systems (CDC, 2010; Mondal et al., 2009). This study is motivated by the critical health challenges posed by unsafe drinking water, aiming to investigate the impact of household exposure to pathogenic E. coli on the physical health of children under five in Pakistan including (Stunting and Underweight) and mortality (Infant and Neonatal).

Keywords: Unsafe drinking water, Pathogenic E. coli, Diarrheal diseases, Child mortality, Physical Health

Environmental Concerns: Thinking Beyond the Traditional Elections

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Abstract

A sustainable future is intricately tied to maintaining a sustainable environment, both on a global scale and within individual countries. In 2023, recorded temperatures reached unprecedented highs, signaling a concerning trend toward global warming and prompting widespread alarm. These circumstances have spurred increased global attention and a shift away from intensive emission practices towards more environmentally friendly approaches. This research provides empirical evidence on the monetary value of lost environmental benefits due to the production of massive ballot papers for the elections. Focusing on the environmental impact of the 2024 General Election, the study also considers the environmental implications beyond ballot paper production, including the use of campaign materials. The research showed that the environmental impact of traditional electoral procedure has escalated significantly in Pakistan. Compared to 2018, the 2024 election saw an increase in ballots, requiring a lot more tons of paper. Consequently, tree loss soared from 19,200 to 52,080. If felled trees weren't mature, demand would be even greater, signaling a greater depletion of forests. Following the Das tree valuation formula, the benefits of a mature tree covering oxygen provision, soil erosion reduction, pollution mitigation, and habitat for animals. The lost trees for ballot paper production would equate to approximately PKR 2.8 trillion (USD 10 billion), around 3.32% of annual GDP. Considering campaign materials' environmental impact, akin to ballot paper, this figure would rise to about 6.64% of annual GDP.

Keywords: Sustainable Environment, Traditional Elections, Lost Trees, Environmental Impact

Analyzing Food Security Trends Amidst Environmental Challenges: A Convergence Perspective

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Abstract

This study aims to test the existence of convergence in global food security from 2012 to 2022. It contributes to the existing literature by connecting two empirical findings: first, income per capita is a significant determinant of countries' state of food security, and second, the neoclassical growth model predicts income per capita to converge over time. These findings suggest the possibility of convergence in global food security. This study employs Phillips and Sul's (2007) club convergence methodology on the Global Food Security Index (GFSI) 2022 model, developed by Economist Impact for 113 countries. Results indicate an absence of global convergence in overall food security and its four dimensions (affordability, availability, quality and safety, sustainability, and adaptation). Instead, countries are converging in clubs, suggesting local basins of attraction. For overall food security and the affordability dimension, countries are forming clubs based on income levels, with high-income countries of Europe and North America converging in separate clubs, and low-income countries of South Asia, Africa, and Latin America forming other clubs. This finding highlights the need for differentiated policies for different clubs and dimensions and encourages enhanced cooperation among countries within the same club to ensure global food security. Additionally, it underscores the importance of innovative policies and green technologies to harmonize economic development and environmental sustainability in addressing global food security challenges.

Key Words: Climate Change, Convergence, Food Security, Sustainable Development Goals (SDGs)

Does Tourists' Perception of Social Responsibility Awareness Shape Tourists' Environmental Behavior: A Case Study in a High Mountain Region

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Abstract

Tourism has emerged as a crucial source of livelihood for high mountain communities in Pakistan, leading to a notable increase in tourist influx over the past few years (Ali and Shedayi, 2023). This growth has created numerous income-generating opportunities for local communities, particularly in the hotel and transport sectors, offering substantial employment to the local population. However, tourism has significant adverse environmental impacts on destinations, especially fragile mountain areas (Ali, 2021). Irresponsible tourist behavior exacerbates these adverse effects (Juvan & Dolnicar, 2017; Lee et al., 2013). Therefore, understanding tourist behavior is crucial for effective destination management and policymaking. Developing and fostering environmentally responsible behavior among tourists is essential for sustainable tourism development. Sensitizing tourists about the features of destinations can significantly improve environmental conditions, potentially increasing revenue by up to 32.23% (Fenitra et al., 2022). Nurturing a sense of environmental responsibility among tourists is key to establishing a sustainable environment for tourist destinations. Encouraging environmentally friendly consumption practices and transportation options among tourists can mitigate tourism's negative impacts on the environment and biodiversity.

The government of Gilgit-Baltistan has introduced a policy banning single-use plastic in key tourist destinations, facing immense environmental challenges due to tourism development. However, responsible tourist behavior is greatly influenced by internal psychological drivers (Juvan & Dolnicar, 2017; Lee et al., 2013). Socially responsible behavior has gained attention for its positive impact on tourists' environmentally responsible behavior. This study examines how tourists' socially responsible awareness, comprising self-responsible awareness (SA) and public responsible awareness (PA), influences their environmentally responsible behavior in Gilgit-Baltistan, Pakistan.

Keywords: Tourist environmental behavior, socially responsible behavior, high mountain region

Virtual Water Trade: Theory and an Empirical Application

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Abstract

Throughout human history, water has been a determining factor in all human actions. In fact, it is seen that the oldest civilizations were established near rivers. There have been mutual effects between civilizations and water, and lifestyles have changed due to these effects. Today, access to usable water is becoming increasingly difficult. The water problem that arises due to some qualitative and quantitative negativities in a country is spreading to other countries with a butterfly effect under the influence of increasing globalization. This situation removes the water problem from being a local problem and turns it into a global problem. Numerous studies have been conducted from the past to the present regarding the use, access and security of potable water. The studies conducted show that if the situation of the resources cannot be improved in terms of quality and quantity, a significant part of the world may face a water problem very soon.

There are many studies in the literature that defend the view that savings can be achieved by using water more effectively and efficiently on a global and regional scale. Among these, it is seen that studies on the concept of virtual water have been increasing in recent years. This concept essentially states that product flows between countries and regions because the liberalization of trade policies around the world also lead to the transfer of water resources as “buried” between the regions or countries. If the product flows in question occur from countries that are rich in water resources to countries with limited resources or relatively lower productivity rates, on the one hand, the pressure on limited resources is relieved and on the other hand, a significant amount of water can be saved. In this context, the analysis of products where water is used as an input also comes to the fore. The concept of virtual water forms the basis of this study.

Keyword: Virtual water

The Economic Contribution of Cherry to the Household Economy in Pakistan. A case study from Lower-Hunza, Gilgit Baltistan, Pakistan

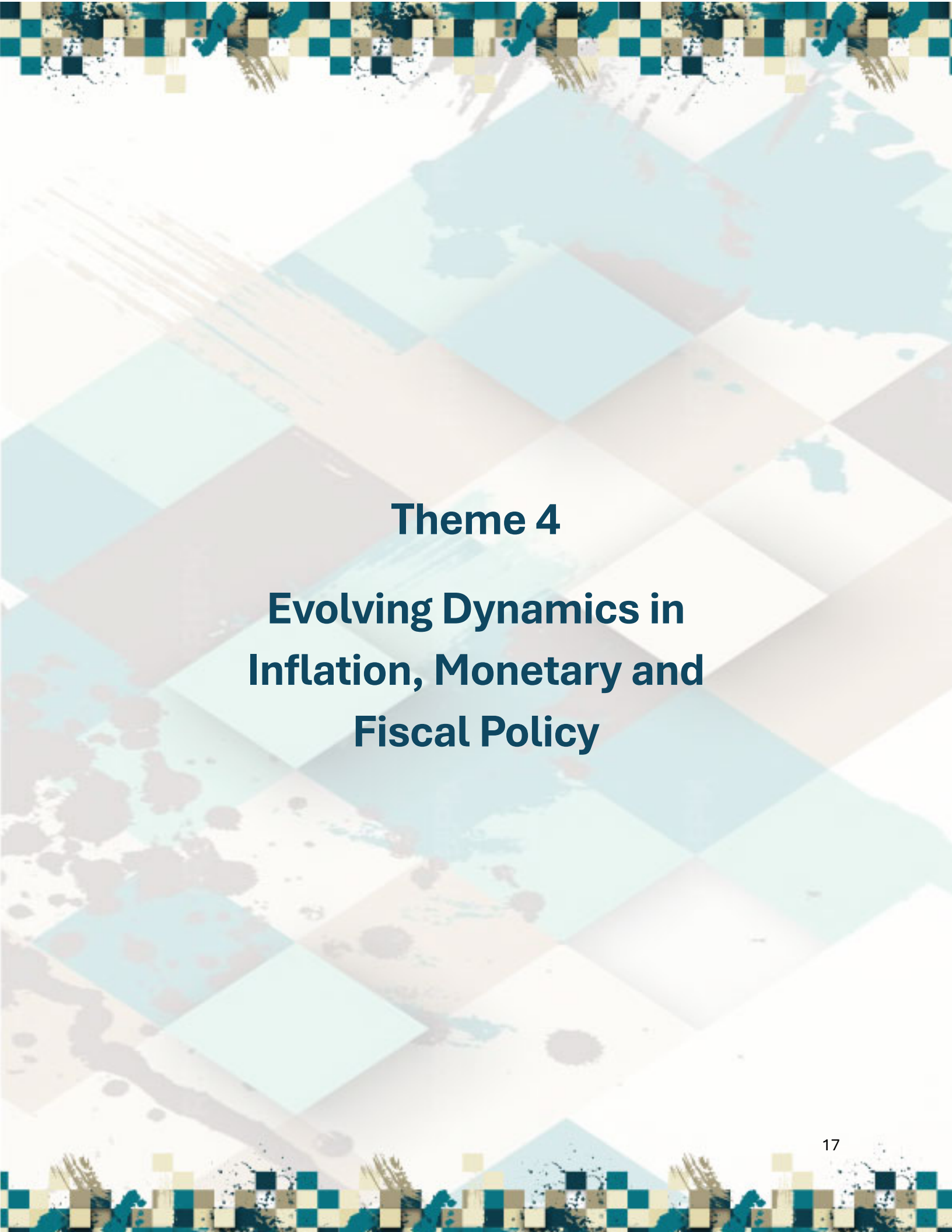
Rizwan Akhtar^a

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Abstract

The cherry, one of the most recognized fruit crops, has become a significant source of income for rural farmers in Pakistan. However, limited research has been conducted on the economic impact of cherry farming. Consequently, there is a growing demand for a deeper understanding of cherries' economic contribution to the domestic economy. This study used socio-economic data from 315 cherry-producing households in Lower Hunza, Gilgit-Baltistan, to examine the role of cherries in community income. Data was collected through direct face-to-face interviews and semi-structured questionnaires with cherry producers, emphasizing group family discussions and interactions with local cherry traders. The findings indicate that cherry farming contributes 12.7% to total household income, making it the fourth-largest source of livelihood for the Lower Hunza community. The highest income source is off-farm activities (54.3%), followed by agricultural production (18.8%) and livestock (14.03%). Regression analysis showed that the age, household size, and education level of family heads positively correlated with income from cherry production. In contrast, the impact on male and female cherry producers' income was negative. Additionally, the study found that income from agriculture, off-farm work, and livestock significantly influences cherry income. Farmers in the study area face challenges such as water scarcity, lack of knowledge about cherry production techniques, financial constraints, price fluctuations, and inadequate cold storage facilities. The study recommends that the government address these issues by focusing on the agricultural system, offering workshops, and implementing training programs for farmers to enhance agricultural productivity.

Keywords: Cherry, agriculture income, livelihoods, household income, lower-Hunza, income accounting model.



Theme 4

**Evolving Dynamics in
Inflation, Monetary and
Fiscal Policy**

Monetary Policy in Good Times and in Bad: Empirical Evidence from Pakistan

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Abstract

A significant body of literature explores and establishes the impact of monetary policy on output and prices, at least in the short run. However, the subsequent question is whether this effect is symmetric concerning the various states of the economy (see, Tenreyro and Thwaites, 2016; Bernstein, 2021; Eichenbaum et al., 2022; among others). This study contributes to the literature on state-dependent (non-linear) effects of unanticipated monetary policy shocks according to two important features of the economy. The amount of slack in the economy and the amount of the public-sector footprint in the market. Evaluating state-dependent effects is crucial because assuming symmetric effects under a different economic state for any policy action might not yield the expected results for policymakers. While substantial literature exists on this topic primarily focusing on the United States and other developed countries. However, this area remains largely unexplored in Pakistan. This study aims to address this gap by examining the asymmetric response of output to changes in monetary policy in Pakistan.

Keywords: Monetary policy, Asymmetry, Non-linearity

A Review on Fiscal and Debt Policies in Pakistan

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Abstract

Pakistan has been pursuing an active albeit expansionary fiscal policy since 1970s. In the mid-1970s to early-1980s, such policy choice was manifested in externally financed development spending, primarily in the form of investment in public enterprises. Despite excessive deficit financing, Pakistan's economic performance never took off; rather, it remained on a path of truncated growth which, in turn, created structural hurdles like low productivity, poor investment climate, and higher unemployment. Likewise, deficit financing has been threatening the sustainability of fiscal framework as excessive public spending is not accompanied by corresponding enhances in domestic revenues. Consequently, these policies have caused persistence in fiscal deficit and the accumulation of public debt over time. These woes are added further by persistent deficit in external accounts and, the resultant depreciation of Pakistani Rupee, which has hocked the cost of debt-servicing over the same period. Given the history of incessant macroeconomic imbalances; currently, Pakistani economy has been trapped into a vicious circle of stagflation and low growth prospects amid unfunded losses of the State Owned Enterprises (SOEs), government guarantees to the Independent Power Producers (IPPs), unsustainable debt and huge cost of debt-servicing, sky-rocketing prices of the essential items, frequent though unsuccessful bail-outs of the IMF, low credit worthiness and negligible level of investment among others. This review is focusing on a detailed analysis of Pakistan's fiscal and debt policies, with a view to provide a framework for resolving the structural economic woes that the country has currently been faced with.

JEL Classifications: E62, H11, H50, H62, H63

Keywords: Fiscal Policy; Debt, Fiscal Deficit; Truncated Growth, Structural Economic Woes, Pakistan

Does Central Bank Transparency Curb Foreign Exchange Vulnerability?

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Abstract

This study examines the relationship between central bank transparency (CBT) and foreign exchange market vulnerability, focusing on exchange market pressure (EMP) to provide a comprehensive understanding. Using panel bounds testing approach to cointegration based analysis, the study covers both developed and emerging markets, incorporating the global financial crisis (GFC) and various control variables. External policy uncertainty and FX regimes are also considered to elucidate the nuanced relationship between CBT and EMP. Findings reveal that improved CBT reduces EMP, with financial development moderating this effect, suggesting well-developed financial systems lead to more stable exchange markets. CBT consistently relieves EMP during both crisis and non-crisis periods, emphasizing the importance of information disclosure. However, CBT's impact varies with FX regimes and is conditional on financial integration, which enhances CBT's effectiveness in emerging markets but nullifies it and increases EMP in advanced markets, indicating that US investors' behavior differs between market types.

Keywords: Central Bank Transparency, Foreign Exchange Market, Exchange Market Pressure, Global Financial Crisis, Exchange Rate Regimes

From Boom to Bust: The Perils of Pro-Cyclicality in Fiscal Policy

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Abstract

This paper delves into the intricate dynamics of fiscal policy, particularly in the context of developing economies, exemplified by Pakistan. While fiscal stimuli are commonly deployed to counter economic crises and foster growth, their implementation often results in increased public debt, inflation, and a host of macroeconomic challenges. Our study examines Pakistan as a case study, analyzes a) if the fiscal policy is procyclical, acyclical or counter cycle, b) how shocks in GDP and fiscal policy are received by key macroeconomic indicators including public debt, CPI, exchange rate, and money market rate etc. and c) what are the political economic and institutional determinants of the behavior of fiscal policy identified in (a). Using quarterly data from 2003Q3 to 2023Q2, we have worked on (a) and (b) while our work on (c) is in progress and we aim to complete it by the end of September, well before the conference

Keywords: Fiscal Policy, Public Debt, Economic Growth, Cyclicity

Bayesian Estimation of a Pragmatic Model for Monetary Policy Analysis: The Case of Pakistan

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^b Professor, School of Economics and Social Sciences, IBA, Karachi

Abstract

In this study, Bayesian maximum likelihood estimation of quarterly projections model for Pakistan as presented, as documented in Ahmad & Pasha (2015). Estimation results based on quarterly data from 2001 to 2023 show substantial differences in values of estimated versus calibrated parameters related to aggregate demand, aggregate supply, monetary policy rule and exogenous shock processes. The aim of this study is to compare forecasting performance for key macro variables. It shows that the estimated model provides more precise forecasts in case of headline inflation, real GDP growth, interest rate and exchange rate over 8-quarters forecast horizon. An estimated model for gap analysis and scenario analysis was used. Gap analysis, based on March 2023 data, shows that Pakistan is passing through a recession with overshoot exchange rate. In scenario analysis, implications of political instability, climate risks, commodity prices and global financial conditions for next three years' forecasts of domestic variables under baseline and alternate scenarios were incorporated. The scenario analysis shows that simultaneous realization of assumed risk factors may lead to substantial deterioration of macroeconomic outlook and under current circumstances, using an expansionary monetary policy may lead to substantial rise in inflation and macroeconomic volatility without offering sustainable gains in GDP growth.

JEL Certifications: C11; D58; E37

Keywords: Bayesian Analysis, Applied General Equilibrium Models, Forecasting and Simulation

Pros and Cons of Debt Financing: An Objective Analysis

Anwar Shah^a

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Abstract

Debt financing plays an important role in the modern financial system. It is claimed that the interest rate equilibrates demand and supply in the loanable funds markets and helps in the efficient allocation of financial capital. It is also claimed that interest rates simply break up investment risk to suit the requirements of lenders and users of funds. However, the occurrence of the Global Recession in 2008 due to excessive debt financing in real estate (mortgage loans) and the resemblance of interest rate with usury requires investigation of the other side of debt financing. This paper aims to fill this gap. The four possible demerits of debt financing have been explained. First, the equilibrating role of nominal interest rate becomes doubtful in the presence of other rates such as internal rate of return (IRR) and effective interest rate. Second, there are three parties in a debt contract: lender, borrower and actual payer of debt. Nonetheless, the consent of actual payers of debt is rarely obtained, which is against the free choice theory of market economy. Third, while apportioning risk and return profile of given investment for lenders and borrowers, debt financing adds on the risk side and generates additional risk for the project, called financial risk. Fourth, debt financing induces a firm manager to select large-size projects as compared to small size projects. The reason is that a large size project generates more profit in terms of quantity, even if its internal rate of return is less than that of competing smaller-size projects. Taking the supply of financial capital in a country as fixed, this approach of firm's managers slows down the actual economic growth relative to its potential. The paper suggests that in view of these demerits, equity financing should be encouraged for the larger interest of the people and growth of an economy.

Keywords: Debt financing, nominal interest rate, internal rate of return, net present value, odious debts, financial risk, project evaluation



Theme 5
**Human Development and
Inclusion**

The Power of Assets: A Catalyst for Multidimensional Well-being

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Abstract

Asset transfer program, known as the "Big Push" intervention, emerges as a powerful tool to promote multidimensional well-being among the poor. However, its effectiveness in settings with decade-long state-provided consumption support remains unclear. This study investigates the impact of asset transfers under the National Poverty Graduation Program (NPGP) in Pakistan, amid an established framework of unconditional cash transfers. Using a quasi-experimental approach, we observe significant enhancements in overall well-being, food consumption, ownership of assets, and social integration among beneficiaries. Furthermore, the NPGP encourages savings behavior among beneficiaries, contributing to their long-term financial resilience. Our findings exhibit substantial differences in the magnitude of impacts from prior studies, suggesting that the program's design, characterized by sustained unconditional cash transfers, magnifies the incremental impact of asset transfers. While no impact on women's empowerment was observed, suggesting prior engagement through cash transfers facilitated their participation in decision-making. This research offers valuable insights for optimizing poverty reduction strategies in similar contexts worldwide.

Keywords: Asset transfers, National Poverty Graduation Program (NPGP), Unconditional cash transfers

Impact of Multilateral Aid on Female Access to Education and Employment: A Spatiotemporal Analysis of World Bank (WB) Aid Projects in Pakistan

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Abstract

Since becoming a member in 1950, Pakistan has received around \$40 Billion in development assistance from the World Bank (World Bank, 2023). The current portfolio under the ongoing assistance program includes 58 projects, amounting to about \$15 Billion across different provinces and districts (World Bank, 2023). A number of these projects, especially pertaining to economic inclusion, are centered around fostering women's empowerment for sustainable and inclusive economic growth and ending extreme poverty in developing countries. According to WB's "Gender Strategy 2030", in line with Sustainable Development Goal 5, one key feature of its assistance is to help overcome "resource" and "agency" constraints that impede women's and girls' ability to determine and realize their potential in Global South states (World Bank, 2023). Its Operational Approach to Women's and Girls' Empowerment (WGE) provides a systemic framework through which assistance programs and projects can be designed to feature specific goals of women's empowerment in recipient countries and regions (Wendy et al., 2023). In this context, the WB has also sponsored various such projects in Pakistan. However, the true impact of these projects, especially in regard to gendered human development and labour market access, remain largely elusive. Thus, to fill this evident gap, this study conducts a comprehensive empirical analysis of WB projects that have been established in Pakistan in the past decades (2005 to 2018) at a sub-national (district) level. To the best of my knowledge, this shall be the first empirical study to use quasi-experimental techniques to identify the association and impact of WB aid/assistance on female education and labour market access in Pakistan. We use publicly available georeferenced information on WB projects by the AidData Center at the College of William and Mary to undertake this project (AidData, 2017).

Keywords: World Bank, Women Empowerment, Gender Strategy, Operational Approach to Women's and Girls' Empowerment (WGE), Empirical Study, Labour Market, Female Education

An Empirical Assessment of the Determinants of Radicalization: Evidence from North-Western Pakistan

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Abstract

Radicalization is a formidable challenge to the security of several nations. While radicalization continues to grow, empirical evidence on its determinants remains scant. Drawing on the surge in radicalization in Pakistan, this study jointly tests a set of salient micro, macro, and meso factors to identify the influential determinants of radicalization. This is accomplished using survey data collected in the Khyber Pakhtunkhwa province of Pakistan. The study constructs a multi-dimensional index of radicalization, taking into account the support for militant groups, violent behavioral intentions, and the endorsement of persecution/violence against Ahmadis and the alleged blasphemers of Islam. Results show that radicalization is predicted by the individual-level experience of adverse life events, macro-level economic and political marginalization, meso-level group/community influences such as Salafism, and sociodemographic characteristics, especially gender. This indicates that radicalization is driven by an interplay of micro-level psychological vulnerabilities, macro-level socio-political grievances, and meso-level process-oriented factors.

Keywords: Radicalization, Extremism, Blasphemy, Pakistan

Effect of Violent Conflict on Female Decision-Making Power within the Household

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Abstract

Women decision-making power within the household is an important component of women empowerment. In recent studies, the effect of violent conflict on women's decision-making power has become an evolving topic in literature. The current study is an attempt to unleash the effect of terrorist attacks on women's decision-making within the household in the case of Pakistan. The study examined the impact of terrorist attacks on women's decision making power during the surge and after the surge in the violent conflict. The study selected the three rounds of data from the Household Integrated Economic Survey (HIES) 2005-06, 2013-14 and 2018-19. The record of terrorist attacks taken from the Global Terrorism Database (GTD), which records every terrorist attack. So, we have exploited the temporal and spatial variation in the terrorist attacks data because in KPK and Balochistan, the intensity of the attacks was very high compared to Sindh and Punjab. The results indicate an average increase of approximately 25% in women's participation in decision-making, which is notably higher than previously reported magnitudes in the literature. This underscores the unique and potent effect of high-intensity violence such as terrorism on women's empowerment within households. Further analysis using a stricter measure of empowerment, namely the dichotomous variable of women's decision-making, also confirms these findings, showing an increase in the probability of women's participation in household decisions by approximately 12 percentage points compared to unexposed women.

Key Words: Conflict, Decision-Making, DID, Women Empowerment

Reform Impacts: The Long-Term Outcomes of an Equal Opportunity Admissions Reform

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Abstract

The effects of a Pakistani medical school reform that increased the share of female doctors are studied. Data is collected from a survey of over 600 Pakistani doctors to identify the reform's effects. Female doctors in fields affected by the reform experienced lower pay and spent less time on each out-patient, which is consistent with their becoming more likely to work in public hospitals relative to the control. Male doctors experienced few changes, or changes in the opposite direction over the same time period. The results suggest that the medical labor market became segregated by gender for initial cohorts, with the implication that patients could consult with high-quality female doctors more easily in public hospitals.

JEL Classifications: O10; J16

Keywords: development, economics of gender



Theme 6
Teaching of Economics

Teaching of Economics

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Abstract

The research paper aims to analyze the trends in economics education, and its importance in developing knowledgeable citizens, good policymakers, and proficient professionals to meet the challenges of the contemporary economy. The introduction highlights the significance of economics education within society as it is aimed at preparing people for the conditions of globalization, modern technologies, and the transition to knowledge-based economies. It also meets the problem of educators implementing the transition from theoretical to applied economics and in considering differentiated learning needs. This entails assessing certain teaching delivery approaches applied in higher learning institutions and deciding the level of student performance as influenced by these methods. The research method used in the study includes qualitative data collected through interviews with economics educators and classroom observations, and quantitative data from students' questionnaires. Findings show students have positive attitudes towards teaching methodologies. Overall, positive perceptions are detected, especially towards curriculum relevance, diversity, and inclusion, but there is still potential for further improvement in terms of the teaching methods that are used and how they correspond to employers' needs. The study concludes that current practices across the universities are effective, but improving the technological solutions and the course content to fit the current job market requirements can improve the quality of economics education. This paper offers important lessons teaching economics at the tertiary level, especially due to increasing economic dynamism. It supports the constant change of curriculum and the use of research findings in practice to address the emerging needs of the global economy.

Keywords: Pedagogy, Curriculum, Globalization, Technology, Engagement, Inclusivity

Corruption and Education: A Cross-Analysis Using Panel Data

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Abstract

Education is the foundational pillar of every country to find pathways of prosperity, present and future. The question that academicians and legislators are trying to answer circles around whether education planting is corruption or not. On the one hand, a first strand of studies supports the role of education in negatively affecting corruption via, inter alia, channels of legal behavior, social responsibility, improved social cohesion and creation of a shackled society (Asongu & Nwachukwu, 2015; Uslaner & Rothstein 2016, Merloni 2018,; Beets, 2005; Oreopoulos and Salvanes, 2009; Acemoglu and Robinsen 2020). On the other hand, a second stream of studies suggests that education increases participation in corrupt activities (Kaffenberger, 2012; Mocan, 2008; Truex, 2011, Dirwan, 2019). On a general note, exploratory studies are consistent on the subject of the high economic cost of corruption (Ramisha et al., 2022; Heyneman et al., 2007). Hence, this study aims to examine the interplay between corruption and education inequality as well as provide some insights into a major question in development economics: why some developing countries are growing at a faster rate while others are not. It is assumed that the relationship between educational inequality and corruption is not simple. Furthermore, the interplay of education attainment and corruption almost follows the path of the three stages of the production function. Such as, at first stage the decrease of education inequality, the corruption may increase at an increasing rate. In the second stage with the decrease in the education inequality, corruption may increase at a decreasing rate and eventually in the third stage, further decrease in education inequality, corruption may start to decline.

Keywords: Education inequality, corruption, awareness, deep-rooted corruption

Assessing University Students' Behavior Toward Environmental Sustainability in Pakistan: A Case Study of Islamabad and Rawalpindi

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Abstract

The rising temperature and unsustainable environmental conditions are worldwide issues, posing critical threats to the ecosystem and human well-being. According to the Environmental Performance Index (EPI) 2022, Pakistan ranks second last among 180 countries, highlighting severe environmental challenges. This study aims to understand the current state of students' behavior toward the environment using the theory of planned behavior. By understanding these behaviors, the research seeks to determine whether students' actions align with sustainable practices. Additionally, the study will review environmental policies in Pakistan and internationally, focusing on the extent to which these policies incorporate behavioral aspects. This research intends to provide insights into the role of student behavior in shaping Pakistan's environmental future and suggest pathways for enhancing sustainability through informed behavioral changes. The objectives are determined through the theory of planned behavior, environmental knowledge, and environmental concerns. The theory of planned behavior is the most popular psychological model (Ajzen, 1991) introduced by Ajzen in 1991, influencing the intention of individuals through its factors including attitude, subjective norms, and perceived behavior control. Among other psychological theories, the Theory of Planned Behavior (TPB) has been particularly influential, as it comprehensively grasps and addresses the challenges of fostering sustainable practices among humans (Li et al., 2019)

Keywords: Environmental sustainability, Theory of Planned Behavior (TPB), Environmental policies, Student behavior, Environmental future.

Integrating Human Development in Teacher Training: The Role of Mentored Blended Learning and MOOCs

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Abstract

MOOCs (Massive Online Open Online Course), a recent concept in online education, are built to boost the use of open educational resources. MOOCs are believed to be a potential game-changer in educational technology, seamlessly combining with traditional teaching and learning resources demanded by the 21st century and the fourth industrial revolution (Virani et al., 2020). The pandemic forced universities worldwide to adopt online teaching through numerous internet-supported teaching tools and online learning resources, including MOOCs (Chakraborty et al., 2021; Al Kaabi, 2021). MOOCs offer free, high-quality resources from top universities globally, significantly making higher education accessible to learners of all ages, backgrounds, and regions (Deng et al., 2019). However, leveraging MOOCs presents challenges related to technology, social dynamics, and financial constraints that require thoughtful consideration. Self-efficacy among students, which pertains to their belief in their ability to perform specific tasks, plays a crucial role in the effectiveness of MOOCs. Higher education institutions have meticulously crafted and put into practice diverse strategies and initiatives aimed at providing comprehensive support and guidance. These multifaceted approaches encompass a wide spectrum of resources, programs, and interventions, all dedicated to fostering and enhancing students' self-belief in their capabilities and competence. The results of research conducted by Armellini and Rodriguez (2017) revealed notable statistical improvements in overall self-efficacy after the completion of the MOOC. Additionally, there were marked increases in perceived self-efficacy related to five out of six study skills. Shao and Chen (2021) found that MOOC-based blended learning designs were helpful for providing help and resolving problems. Applying MOOC to blended learning is conducive to promoting qualified learning resources sharing and educational equity, deepening classroom reforms, and improving learning efficiency.

Keywords: MOOC, Mentored Blended Learning, Teacher's skill, Self-Efficacy, MOOC model, Effects of the mentored blended learning

Gender Segregation in Caring Labor: The Impact of Social Norms on Career Choices

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Abstract

Women engage in work stereotypically seen as "women's work," or work based on the perceived "natural" female tendency towards caring and relational thinking (Tung 2000). In pre-reform China, Shu (2005) found that women were more concentrated in the lower-paying collective sector compared to men in the state-owned sector, contributing to the gender wage gap. China's horizontal occupational segregation by gender has significant implications for gender pay gaps, workforce attachment, and the perceived value of caring labor in society. Feminist scholars argue that gendered norms around caring originate that conflate womanhood with nurturing (England 2005; Litt & Zimmerman 2003). The main barrier preventing men from entering female-dominated jobs: exposure to gender stereotypes from an early age (Fagan & Norman 2013). To reveal the complexity of why women choose caring professions, this article investigates social norms as one of the explanations behind the job segregation. China is a great case study that explores the determinants of women's career decisions. Thus, to figure out the mechanism behind this condition, we use the panel data from China Family Panel Studies (CFPS). Our paper is concerned with the impact of unfriendly or discriminatory treatment because of traditional social norms on women's career decisions. Women adhering to traditional gender- or mother-role ideology will be expected to engage in jobs that conform to stereotyped characteristics. Based on the idea of identity in economics (Akerlof and Kranton 2000), we apply the theory of identity and propose an economic model to describe individual decision-making processes related to social context. Women who decided to go against the caring nature, deviating from the social norm, will have an identity loss. However, previous studies were based on sociology and feminist theory, which lack empirical work with clear causal identification. Our work supplements how social norms influence women's career decisions regarding caring labor using instrumental variables, the communication paths. Societal expectations about appropriate work for men and women get reinforced through numerous channels, including media representations. Using instrumental variable regression increases our confidence that our findings are not artifacts of problems with confounding and measurement error. We show that social norms affect women choosing

whether to do caring work. The aim of this paper is to examine the complex role that social norms and gender attitudes play in driving horizontal segregation into caring professions. It explores how norms get established and reinforced through socialization processes. The influence of evolving norms is analyzed across media. Insights are provided into promising policy approaches that can update obsolete norms and promote greater integration of caring labor across genders. Reducing occupational segregation is crucial for achieving gender equality, improving job quality in caring occupations, and meeting intensifying care needs. Our work sheds light on the powerful role of social norms in shaping segregation patterns and identifies potential levers for positive change.

Keywords: Gender Pay Gaps, China, Caring-Nature Job, Social Norms, Feminism, Gender Stereotypes



Theme 7
**Innovation, Productivity and
Competitiveness**

Analyzing the Role of Innovation and Digitalization in Accelerating Productivity: A Comparative Analysis of Four Asian Countries

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Abstract

Productivity growth has remained slow in the Asian countries. The feasible option to accelerate productivity growth for a country is not only tangible capital (labor and capital) but also intangible capital such as innovation and digitalization. The study examines the role of innovation and digitalization on output productivity for four Asian countries: Bangladesh, China, India, and Pakistan using data from 1990-2022. Based on the findings of the unit root test, the study used the Autoregressive Distributed Lag (ARDL) technique and Kao test to explore the long-run relationship among the variables. The long-run results show that innovation and digitalization have a positive and significant impact on productivity in the selected countries. Productivity is also significantly impacted by human capital, foreign direct investment, and trade openness. The panel ARDL result also shows that innovation, digitalization, human capital, trade openness, and foreign direct investment, effects productivity in the long run significantly. It is recommended that investments should be encouraged in digital infrastructure, inventions, and innovations in different sectors of the economy, such as R&D activities, fostering collaboration between industries and academia, and technological advancements. These countries should also invest in education and technical and vocational training to improve labor productivity and efficiency.

Keywords: Productivity, Innovation, Digitalization, Human capital, Panel ARDL

Infrastructure and Innovation: Unveiling the Impact of City Size on Individual Innovation Perceptions from a Global Dataset

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Abstract

Cities are hubs of diverse capital resources, fostering knowledge-driven environments conducive to creativity, entrepreneurship, and technological awareness. This study explores the role of socioeconomic, cultural, and demographic factors in shaping the innovation intentions of individuals, analyzing individual perceptions of science and technology's value using a multi-wave global dataset. The three latest waves of the World Values Survey (2005-2009, 2010-2014, and 2017-2020) are used to analyze the relationship between individual intentions to innovate and the town size. The findings suggest that residents in big cities tend to see science and technology as making their lives easier, healthier, and more comfortable, and they anticipate these advancements will offer opportunities for future generations. Contrary to common perceptions, large cities' residents do not feel that rapid technological changes disrupt their way of life or challenge moral values. They show a greater interest in understanding scientific principles behind everyday occurrences and do not believe they depend too heavily on science at the expense of faith. Individuals in individualistic countries also tend to exhibit greater enthusiasm for science and technology, potentially driving innovative behavior. Policy implications are efficiently allocating resources in cities and developing smaller towns into innovation-driven regions rich in skilled human capital, promoting continuous innovation dynamics. This study contributes to understanding how socioeconomic factors influence attitudes towards science and technology, informing strategies to foster innovation and prosperity in urban settings.

Keywords: Cities, Creativity, Human Capital, Innovation, Innovation intentions

If You Can't Beat Them Join Them: Empirical Assessment into How Integrating Conventional Taxis on the Uber App Impacts Conventional Taxi Ridership

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Abstract

Since the emergence of ride-hailing platforms like Uber, conventional taxi ridership has taken a severe hit. Taxi-hailing apps like Curb and Arro have allowed conventional taxis to jump on the platform economy bandwagon and offer a similar service to ride-hailing platforms. Despite the emergence of these taxi-hailing apps, strong lock-in effects and high switching costs of popular ride-hailing platforms (Uber, Lyft, etc.) restrict the ridership volumes of conventional taxis. Recently, the ride-hailing platform, Uber has started to add conventional taxis on its app under increasing pressure from Cities and conventional taxi associations. Such integrations have the potential of increasing conventional taxi ridership by providing Uber users with information about an additional travel option. In this paper, I investigate the impacts of conventional taxi integration on the Uber app in New York City and Chicago using a differences-in-differences approach. Results show that the integration of conventional taxis to the Uber app leads to a statistically significant increase in conventional taxi ridership in both cities. The paper provides insights into how Cities can regulate ride-hailing platforms by tackling their strong lock-in effects and hence enable conventional taxis to compete with these platforms more efficiently.

JEL Classification: L91; L86

Keywords: ride-hailing platforms, conventional taxi integration, lock-in effects, differences-in-differences analysis, urban mobility regulation, taxi ridership trends

Human Capital Skills and Industrial Output Growth in Sub-Saharan Africa. An Implication for Human Capital Migration: A Dynamic System GMM Approach

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Abstract

The extant endogenous theory posits that human capital skill influences industrial output growth. However, evidence from sub-regional blocs in sub-Saharan Africa (SSA) suggests otherwise due to diverse human capital skills and output growth patterns across the sub-region. This study intends to unravel patterns of migration and human capital skills across ECA ECCAS ECOWAS SADC sub-regions in SSA. What are the interactive effects of migration and human capital skills on industrial output in SSA? Consequently, this study fills vacuums in the literature via a sub-sample analysis to systematically compare the patterns of migration and human capital skills across the SSA's sub-regions. The short-run and long-run system Generalized Methods of Moments (sys-GMM) techniques were adopted to investigate the diverse interactive effects of migration and human capital skills on industrial growth in SSA. Notably, the conventional sys-GMM technique was disaggregated into short-run and long-run to reveal the aggregate effect of migration and human capital skill development on industrial output growth. Therefore, the study systemically disclosed diverse sub-region-specific effects across EAC ECASS ECOWAS, and SADC. Subsequently, the study recommended that countries in SSA should draft more robust sub-regional policy support toward redesigning and improving educational systems across EAC ECASS and ECOWAS blocs. By extension, the government should create a conducive learning and working environment for skilled human capital to expedite modern skill acquisition and moderate brain-drain that can attract industrial output growth. This would eventually promote knowledge-deepening toward a knowledge base economy in SSA to escalate modern human capital skills for improved general growth.

JEL CODES: J6; J24; L11; O55

Keywords: Human Capital Skill Development, Migration, Output Growth, System GMM



Theme 8
Law, Institutions and
Economics

Authoritarian Legality of SIFC: An Inquiry into the Dual State and Economic Decision-Making in Pakistan

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Abstract

Pakistan is no stranger to the union of authoritarianism with its economic decision-making. From the grand designs of Ayub Khan's industrialization to Bhutto's nationalization to Zia's privatization, the country has been practically a laboratory of authoritarian experimentation over nature and the processes of the national economy. However, certain ideas have been coherent throughout time and space when it comes to the fusion of authoritarian law, arbitrary power, and economic decisions. These ideas have historically shaped the fusion of authoritarian power with economic decisions in the country. Resultantly, the authoritarian legality approach establishes a *Dual-State* in Pakistan by undermining normative processes of law and economic decision-making and empowering prerogative socio-legalist approaches in governing methodology about economics. The present research draws upon this history to inquire how the formation of the Special Investment Facilitation Council (SIFC) builds upon the legacy of using law as a wielding instrument to fuse authoritarian power in shaping and imposing economic decisions that are devoid of democratic political legitimacy and cross-societal parliamentary and civil representation, and founded on the elements of arbitrary power, executive authority, and coercive violence. These elements serve as the foundation for the ideas that structure the relationship between authoritarian legalism, arbitrary power, and economic decisions.

Keywords: Authoritarian Legalism, Dual State, SIFC, Arbitrary Power, Economic Decision-making, Executive Authority

Criminal Justice System Initiation: Criminal Justice System Reusable

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Abstract

The criminal justice system has been established for 54 years since the 1980s. The research states that the constitution edicts that all current laws must dispose with the precepts of Islam as stated in the Holy Quran and Sunnah. Studies show that the process of law enforcement organization initiates the criminal justice system. It fences in a collection of laws and doctrines depiction to safeguard the lives and possessions of citizens, thereby upholding amusing order. Article-37(d) of the constitution further mandates that the state guarantees low-end and induces justice to advance social justice and banish communicable vices. The contrivance for delivering justice utilizing assumption of criminal law typically involves three stages; inquiry carried out by law enforcement, the trial overseen by the judiciary, and the enforcement of court judgments by punitory jurisdiction.

This research centers on every slant of criminal justice scaffolding concerning their nexus. While it incorporates materials pertaining to felony and the distinct components of the criminal justice system, the predominant focus of the research is to link the potency of these elements and demonstrate the ramifications of their coactions.

Keywords: Pillaging, Exhaustive Criminal Justice, Crime and Delinquency, halt Plummet, amercement, Police permissibility, Criminal Justice reincarnate, and felonies

The Role of Sufi Shrines in Local Politics: A Case Study of Mitthan Kot Rajanpur, Pakistan

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Abstract

This study investigates the role of Sufi shrines in the local community and in local politics. This study follows a qualitative research strategy and employs in-depth interviews to collect data from different stakeholders such as visitors of the Shrine, local politicians and Sajjada Nasheen. Thematic analysis has been used to analyze data. The findings of this study showed that the Koreja family in Mitthan Kot uses the shrine for their benefit as they are only the caretakers of the Shrine. They are not functioning for the shrine's development or for spreading the teachings of Khwaja Ghulam Farid. The results found that Sajjada Nasheen and his family changed their behavior after gaining power, not only with the local people but also with visitors to the shrine. This is also quoted in the results, as one of the reasons that the number of visitors to the shrine is decreasing. Koreja's family is involved in politics by using the shrine with the help of local politicians. Hence, the nexus between Sajjada Nasheen and local politicians defines the local political landscape in Mitthan Kor, Rajanpur.

Keywords: Local politics, Mitthan Kot, Pakistan, Rajanpur, Sufi Shrines, Sajjada Nasheen.

Fiscal Decentralization and Education Index: Evidence from Punjab, Pakistan

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Abstract

Disparities in the distribution of public services have persisted throughout Pakistan's history. Current research on regional development has stressed the need of evaluating human development phenomena using spatial models such as density, locality, and distance. The study investigates how fiscal decentralization influences the education index at the district level in Pakistan's Punjab province. The research is based on the education index, which has five components. The Principal Component Analysis (PCA) integrates these variables to provide a final education index. The study's findings revealed that the significant positive effects of fiscal decentralization on the education index at the district level depend on the distance of districts from the capital city—the beneficial effects of fiscal decentralization increase as the "distance from the city" decreases. Because geography effects public service delivery, it is recommended that disparities across districts be addressed by upgrading social and economic institutions and infrastructure in the country's underdeveloped parts.

Key Words: Fiscal Decentralization, Education Index, Geography, Spatial Disparity

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