Informal Redistribution Through Work

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Abstract

We investigate work as informal redistribution and the drivers underlying these preferences. In a field experiment in Kampala, Uganda, we find that employers and workers consistently choose work redistribution over cash transfers, both revealing a willingness to pay for work. By randomizing work tasks—including busywork—we show that work production value does not explain work redistribution choices: employers pay for zero marginal product work. Choices are also not explained by relational benefits such as signaling or networking; instead, motivations are normative. Experimental evidence suggests a norm for work redistribution rooted in incentive arguments on the demand side—as employers stop requiring work when recipients have verifiable emergencies—and a combination of reciprocity and dignity from earning on the supply side. This norm impacts the organization of production: firms appear larger and less productive. Effective firm size is 6.4% smaller, and revenues per hour are 9.3% higher when accounting for symbolic work.

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1 Introduction

> "In over-populated countries [...] it becomes good form for each person to offer as much employment as he can. The line between employees and dependents is very thinly drawn."
>
> — A. Lewis, 1954

In poor countries, labor markets often do not clear, and wages appear to exceed the marginal product of labor.[1] Drawing from Lewis (1954)'s canonical model, in this paper we show that work serves as a channel for informal redistribution, with norms promoting redistribution via work leading employers to pay for non-productive labor and workers preferring work over cash transfers.

While employment is anecdotally thought of as redistribution in these countries,[2] we lack rigorous evidence on whether work arrangements are actively used to share earnings and the motivations behind this behavior. Observational tests are challenging because the organization of production is endogenous to the level of redistribution, and employers in a frictional labor market may have many reasons for hiring more workers than necessary (Schultz, 1964).

Our empirical strategy leverages field experiments and firm-level survey data from over 400 small and medium enterprises in Kampala's grain-processing sector.[3] We begin by examining employers' and workers' preferences for work versus cash redistribution through our main experiment—work versus cash. Our design remains neutral on the motives, allowing us to test for strategic behavior or generosity driving choices.

The main experiment elicits incentivized redistribution choices between work and cash at various wage and transfer combinations, using a simple iterative multiple-price list. We measure the binary choice and the willingness to pay for giving/receiving work versus cash. Work in the experiment is a common 30-minute task performed by the worker at the employer's firm. All decisions are private and the identity of givers and

[1] Recently, Breza et al. (2021) experimentally measure excess labor supply in equilibrium in local Indian labor markets. Kaur (2019), which provides evidence of upward nominal wage rigidies, discusses the literature on labor market distortions in poor countries.

[2] Employment is the most salient channel of informal redistribution for over 90% of respondents in our sample, as shown in Figure 1. The relationship between employment and redistribution resonates with the descriptive work from Alby et al. (2020), the theory of Ferguson (2020), and the concept of white elephants in Robinson and Torvik (2005).

[3] This sector is economically relevant, ranking among the largest in terms of labor demand (Uganda Bureau of Statistics, 2011), and features a clear employer-employee relationship.

receivers is anonymous.[4] The experiment resembles a single-shot game, allowing us to draw a payoff-maximizing benchmark, but also reflect standard practices where short-term hiring is common and employers often hire/give to people outside their network.[5]

We find that across all combinations of wage and transfer, employers choose to give work instead of cash 86.5% of the time, and workers choose to receive work over cash in 87.8% of cases. Both groups are willing to pay to give/receive via work: 79.7% of employers hire at UGX 10,000, over three times the market wage, while 57.0% of workers choose to work for UGX 500, nearly for free, instead of a UGX 3,000 cash transfer.[6] Decisions exhibit a minimal elasticity to the offered wage and transfer, which is inconsistent with both payoff-maximizing behavior and generosity or inequality aversion (most employers choose to hire when the wage is lower than the transfer).

Employers' willingness to pay for work, on average over twice the market wage, suggests they may be paying above the marginal product of labor, though this wedge may be also explained by market frictions. To test whether the production value of work explains work redistribution choices, we leverage task randomization in the main experiment. Given that tasks are multidimensional and their value is firm-specific, we introduce two tasks—busywork and sweeping—designed to have zero or minimal value to the firm, enabling us to identify the comparative static.[7] If productivity considerations drove redistribution, we would expect less giving via work for low-value tasks and no willingness to pay for zero-value work.

We find that the production value of work does not explain work redistribution choices in the experiment. Whether the task has zero marginal product or minimal screening and training value, both the propensity to give/receive work over cash and the willingness to pay for work redistribution remain unaffected. On the demand side, this is a key finding: employers hire for tasks with no production value and are willing to pay for zero value work, implying they pay above the marginal product of labor.

We next rule out relational or image benefits as drivers of work redistribution. Our

[4]Participants are also matched from far-away parts of town, limiting the possibility of post-experimental encounters.

[5]Employers state that they often cannot refuse requests, and therefore investigating the channel of giving is meaningful in this context.

[6]The supply-side evidence may appear surprising given that many interventions in poor countries find that job seekers often reject job offers (McKenzie, 2017). However, a key difference in our study is that tasks are familiar to workers and can be scheduled flexibly. This highlights the importance of job amenities for labor supply decisions, a factor often overlooked in low-income settings.

[7]"Busywork" describes work that keeps a person busy but has little value in itself (Oxford English Dictionary, 2023). The busywork task involves loading three sacks onto a truck and immediately offloading them, while in the sweeping task, the worker must sweep the firm's floor for 30 minutes.

work versus cash design purposefully limits these concerns—for example, the networking value of work is low due to distance across employers/workers clusters, and anonymity reduces image concerns from taking/giving cash. Yet, recognizing that these concerns are not fully eliminated (for instance, work is observable), we implement a multi-scenario replication of the main experiment to target three major issues: (1) eliminating positive signaling by making work unobservable on the employer side, (2) keeping networking opportunities consistent by having cash delivered in person, and (3) emphasizing privacy and anonymity to address potential inattention or default choices. Our findings are robust: employers (and workers) do not meaningfully change their work redistribution choices in any of these scenarios.[8]

When asked to explain their choices, both employers and workers emphasize the belief that people must work for their pay and should not receive "free money." Motivations were consistent whether decisions were made for their own benefit or on behalf of others, indicating a standard of behavior or a norm. Leveraging Bicchieri's 2016 diagnostic framework, we establish that work redistribution is beyond a habit or custom, as choices remain unchanged even when work redistribution is costly and un-influenced by social expectations. Instead, the lack of elasticity of choices to price and the moral flavor of the motivations suggest the presence of a norm for informal work redistribution.[9]

Next, we examine the motivations that sustain this norm. Recognizing that informal redistribution functions more like public assistance than charity, we hypothesize that work requirements become the norm—i.e., a coordination equilibrium—because of their incentive value. In the theory of workfare, work requirements can enhance target efficiency in settings with private information and encourage poverty-reducing investments when need is not solely driven by luck (Nichols and Zeckhauser, 1982; Besley and Coate, 1992). We test the informal workfare hypothesis by examining whether employers stop imposing work requirements when provided with information about recipients' emergency financial needs.[10] We also test for alternative determinants, such as norms of

[8]When we strongly highlight anonymity and privacy, workers reduce their preferences for work by about 5%, in line with fear of differential taxation on cash transfers or future demands from employers.

[9]Given our results, the underlying norm may be moral or social. This distinction depends on whether compliance is driven by internal convictions or by beliefs about others' expectations. For a comprehensive discussion, see Bicchieri (2016), who highlights that the boundary between moral and social norms can be fuzzy. While distinguishing between moral and social norms is beyond the scope of this study, the normative component we identify aligns with Lewis (1954)'s concept of a "code of ethical behavior" and, as reformulated by Ranis and Fei (1961), the notion of "institutional or nonmarket forces" driving work redistribution.

[10]We leverage the multi-scenario replication of the main experiment, designing one scenario in which the worker is pre-screened to have a verifiable emergency (but is capable of working).

reciprocity, moral deservingness, and self-image concerns on the worker side.

The results indicate that employers' norm for work redistribution is rooted in workfare-type incentives, while workers appear motivated by reciprocity and dignity considerations. The preference for giving via work disappears only when employers are informed of workers' emergency needs, with less than a third choosing work when the wage equals the transfer. Thus, employers' perspective appears analogous to the government in Besley and Coate (1992). In contrast, workers with verifiable and luck-based emergencies are not significantly more likely to choose cash, indicating that they value work beyond these incentives. Reciprocity accounts for roughly 10% of workers' willingness to pay for work. Furthermore, when workers are given "moral wiggle room" (Dana et al., 2007) to reinterpret cash as work, work choices decline by 6.1% (p-value 0.000). This pattern suggests dignity from earning, consistent with views in anthropology and sociology (Morse and Weiss, 1955; Jahoda, 1981; Ferguson, 2020).

Last, we investigate the extent and impact of work redistribution beyond our experiment. First, conditional on generosity, firms that give relatively more *via work* in the experiment actually hire more workers. Since these firms have similar output, output per worker—a common measure of productivity—is significantly lower. Second, our analysis of self-reported giving patterns indicates that firms engaging in work redistribution appear larger and similarly productive, especially those giving unproductive or "symbolic" work. Third, work redistribution is substantial, accounting for 10.8% of work hours (4.7% if only symbolic) and 11.9% of firm profits (4.9% if only symbolic).

We leverage these data to model how work redistribution shapes our perception of firm size and productivity. Employing a bounding exercise where total redistribution work is the upper bound and symbolic work is the lower bound, accounting for work redistribution reduces measured firm size by 6.4%–13%. In turn, accounting for redistribution hours raises effective revenues per hour by 9.3%–25.8%. In a back-of-the-envelope calculation, work redistribution accounts for about one-fifth to over half of the firm size gap between firms that give work and those that do not.

This paper contributes to three main literatures. First, it advances the literature on labor markets in poor countries. We show that employers and workers value work beyond its production and consumption value, with normative preferences for redistribution through work driving both labor demand and labor supply.[11] On the demand side,

[11] We also connect to research on redistribution preferences in political economy and behavioral economics, which predominantly focuses on high-income countries and the perspective of givers (see Alesina and Giuliano, 2011 and Fehr and Charness, Forthcoming for reviews).

these novel results complement existing work on social preferences shaping labor supply (Bandiera et al., 2005; Breza et al., 2018). Giving via work is rooted in a norm for workfare-type incentives, which can maximize social welfare, echoing Breza et al. (2019)'s evidence that norms can enforce coordination in the absence of formal institutions. On the supply side, our results on the demand for work extend those of Hussam et al. (2022), which document a demand for unpaid labor among Rohingya refugees, to a context where receivers have outside options and are not displaced.

Furthermore, recent research has empirically investigated labor market slack and its implications for economic development (Breza et al., 2021; Walker et al., 2024). We offer insights into the behavioral foundations of slack by showing that work redistribution preferences lead to extra hiring, independent of productivity, or other relational benefits. Our finding that employers are willing to pay for zero-value work offers an empirical test for Lewis (1954)'s zero marginal product assumption.

Second, we contribute to the literature on informal redistribution in poor countries by identifying the role of (and the preference for) work as a channel of informal redistribution. While the ubiquitous nature of sharing networks in poor countries is well-established, the role of work is understudied. Existing research tests for the welfare implications of sharing arrangements without focusing on the channel (among others: Fafchamps, 1992; Townsend, 1994; Foster and Rosenzweig, 2001; De Weerdt and Dercon, 2006)[12], or they investigate the distortionary effects of sharing pressures, implicitly assuming a cash transfer channel (Jakiela and Ozier, 2016; Squires, 2018; Carranza et al., 2022). Swanson (2024) identifies sharing pressures to offer jobs to family members. Current measurement likely underestimates the prevalence of informal redistribution and its effects on businesses by failing to account for work redistribution.

Finally, our results connect the literature on firm productivity in developing countries (e.g., Hsieh and Klenow, 2009; McKenzie and Woodruff, 2017) with the nascent literature on behavioral firms (DellaVigna and Gentzkow, 2019; Kremer et al., 2019). We show that employers internalize prevailing social norms in their hiring decisions, leading them to hire more workers independent of their production needs. Thus, we provide a behavioral perspective on why firms in poor countries may appear labor-intensive and inefficiently organized, beyond the previously studied constraints related to search or contracting frictions, credit or capital constraints, access to export market, and information (De Mel et al., 2008; Atkin et al., 2017a,b; Bassi et al., 2022; Hardy and McCasland, 2023).

[12] An exception is Udry (1994), who examines the risk-pooling value of credit.

2 Setting and Informal Redistribution Patterns

Since we are interested in individuals who regularly have the option to give, our study focuses on employers. We also interview workers, recognizing that employment is an equilibrium outcome. Our setting is the grain-processing sector in Kampala, Uganda, which employs a large share of workers and is characterized by highly heterogeneous firms, both in terms of size and main activity, from larger grain-milling firms that produce human food to simpler animal feed resellers (Bassi et al., 2022). We focus on this industry due to its relevance and because it features a clear employer-employee relationship, with workers receiving either wages or salaries from their employers.

2.1 Sampling and Data

Given that most grain-processing firms are informal, in September 2022 we conducted a listing exercise to identify them in the Greater Kampala area, resulting in 491 firms within a 30-km radius of the city center.[13] Our sample includes only firms where the owner consents to participate in the study and self-reports employing at least two workers, totaling 427 firms.

During that time, we also interviewed an employer and up to two workers for each firm, totaling 427 employers (205 owners and 222 managers) and 451 workers.[14] A person qualifies as an employer if they have hiring discretion, typically as either the manager or the owner. Due to a programming error in our main experiment, our sample is restricted to 399 firms/employers and 449 workers.[15] In March 2023, we conducted follow-up phone interviews with a random subset of 99 employers. In July 2024, we carried out a final round of in-person follow-up data collection with the entire employer sample, interviewing 405 employers, and a sample of 652 workers currently employed at these firms. Of the employers, 77.3% were perfect follow-ups, meaning they were the same employer from the same firm and geographic location.

In September 2022, we primarily collected data on firm characteristics, employer and worker demographics, and task characteristics. In March 2023, our focus shifted to

[13] As shown in Online Appendix Figure B1, grain-processing firms are clustered geographically. Therefore, in the listing, we identified major clusters in the city center through focus groups and then moved outward from these clusters along the main roads leading to the countryside.

[14] We were only able to interview workers from 412 firms because some employers declined to provide worker referrals.

[15] The task assigned to the work arrangement came up as blank. We test that the respondents and firms excluded by the programming error are not statistically different from those included. Our results remain unchanged if we include them.

measured patterns of informal redistribution, including the number and types of requests made and the amount of work and cash provided by employers. In July 2024, we elicited firm characteristics, general views on giving and requests, and both the extensive and intensive margin of work redistribution. Specifically, we asked employers to separate between work given to help out, which may include productive tasks, and work given to help out that they explicitly considered unproductive (symbolic work). The survey also included a worker-task roster section on work redistribution, which allowed us to estimate the extent of work redistribution at the task level.

2.2 Descriptives

Table 1 summarizes firm, employer, and worker characteristics. As previously mentioned, the grain-processing sector is highly heterogeneous. Based on their main production activity, firms can be classified into three groups: those dealing in grain milling for human food, those using maize milling by-products to produce animal feed, and those focusing on animal feed processing and/or trading with non-maize products. About 31.1% of firms belong to the first group, mostly producing maize flour. Of the remaining 68.9%, most deal in maize grain processing. Firms in our sample employ an average of five to six workers during the peak season (September 2022) and about three to four workers during the moderate/lean season (July 2024).

Among the surveyed employers, 47.6% are owners and 52.4% are managers. Of the managers, 31.1% are the owners' family members (16.3% of employers). Most employers (70.4%) are men, and all but two are Ugandans. In terms of educational attainment, employers, on average, have 8.9 years of schooling, and 15.3% hold a bachelor's degree. The worker sample primarily comprises men (95.6%). All respondents report being employed full time, with a roughly equal representation of permanent and casual workers. The average worker works 6 days per week for 10.4 hours per day. Around 20%–30% of this work time is spent idle, depending on the season and whether this question is asked of the employer or the worker.

Employers are richer than both the workers in our sample and the average Ugandan, as shown in Online Appendix Figure B2. The average firm profit, an estimate of the owners' household income, is 5.3 times the median household income in Kampala (UGX 667,000), as reported in the 2019/2020 Uganda National Household Survey (Uganda Bureau of Statistics, 2021). The self-reported average monthly wage for workers is USD 77.16 per month, in line with the median monthly wage income in urban Uganda.

	Summary statistics				Covariate balance									
	September 2022		July 2024		Individual tasks					Average	Value t. vs. busywork		Value t. vs. sweeping	
	Mean	Median	Mean	Median	Loading	Sealing	Weighing	Sweeping	Busywork	Value tasks	Difference	*p*-value	Difference	*p*-value
Panel A: Firms														
Number of workers (on day of interview)	5.94	3	3.9	3	7.17	5.8	6.69	4.13	3.5	6.1	1.85	0.003	0.01	0.990
Number of workers (on standard day)	5.4	3	3.7	2.50	6.39	5.73	5.76	3.83	3.16	5.65	1.7	0.005	0.51	0.499
Revenue (monthly, USD)	8,479.8	2631.58	2,332.27	1315.79	10,369.61	8,490.92	7,629.28	9,761.47	3,250.38	9,588.11	2,543.47	0.037	3,860.24	0.138
Profit (monthly, USD)	931.89	394.74	594.7	263.16	1,036.59	1,097.08	851.49	873.48	533.28	1,026.91	236.82	0.092	347.86	0.047
Establishment (years)	6.14	5	7.93	6	6.57	6.22	5.67	5.94	5.89	6.33	0.74	0.507	0.63	0.351
Main product (share)	0.69	0.70	0.69	0.70	0.71	0.67	0.68	0.69	0.66	0.69	0.03	0.166	0.02	0.266
Revenue from 65 USD input (USD)	75.84	73.68	75.5	73.68	75.63	78.94	77.26	70.2	73.66	75.72	-1.09	0.486	0.4	0.804
Profit from 65 USD input (USD)	10.84	8.68	10.5	8.68	10.63	13.94	12.26	5.2	8.66	10.72	-1.09	0.486	0.4	0.804
Sales (monthly, tons)	21.53	5	22.98	6	28.54	27.81	17.68	12.98	7.38	25.1	12.17	0.007	11.53	0.051
Management score (0-17)	9.74	10	9.91	10	9.88	10.49	9.48	8.93	9.24	9.9	0.49	0.625	0.65	0.359
Idle time (hours, of 10h)			2.13	1.82										
Panel B: Employers														
Gender: male	70.43%		68.4%		0.74	0.72	0.7	0.63	0.66	0.71	0.03	0.698	0.04	0.457
Age (years)	33.22	32	35.3	34	33.34	32.47	32.86	34.67	33.35	33.31	-0.92	0.540	0.8	0.518
Education (years)	8.85	6	6.77	4	8.94	7.99	8.73	9.81	9.43	8.8	0.01	0.994	-0.4	0.570
Role: Owner	47.62%		41.05%		0.46	0.42	0.49	0.56	0.52	0.46	-0.05	0.566	-0.04	0.550
Panel C: Workers														
Gender: Male	95.55%		91.85%		0.94	0.96	0.96	0.96	0.98	0.95	-0.01	0.660	-0.02	0.433
Age (years)	26.02	25	27.62	26	26.68	26.74	25.44	25.89	24.91	26.47	1.27	0.056	1.33	0.196
Is permanent worker	49.22%		57.3%		0.51	0.69	0.61	0.35	0.34	0.51	0.16	0.005	-0.09	0.169
Education (years)	7.33	6			7.1	8.36	6.9	6.85	7.73	7.31	-0.69	0.291	0.78	0.239
Tenure firm (years)	1.93	1	3.89	3	2.04	2.49	2	1.76	1.37	2.06	0.7	0.005	0.08	0.738
Hours worked (on standard day)	10.43	11	8.14	8	10.64	10.56	10.72	10.4	9.76	10.55	0.8	0.046	-0.19	0.669
Days worked (in standard week)	6	6	5.88	6	5.88	6.13	6.19	5.96	5.99	5.96	-0.05	0.774	-0.24	0.139
Income (monthly, USD)	77.16	69.92	114.8	84.21	81.02	85.76	78.34	67.88	72.27	78.28	4.2	0.521	3.17	0.659
Has written contract	10.96%				0.1	0.04	0.05	0.23	0.21	0.11	-0.12	0.220	0.05	0.241
Has emergency			23.57%											
Panel D: Task characteristics														
Tenure (days)					8.87	4.53	0.76	3.94	n/a	6.90	n/a	n/a	6.13	0.000
Effort (1-4)					3.80	2.16	1.14	2.00	n/a	2.84	n/a	n/a	1.70	0.000
Piece rate (employers, USD)					0.20	0.13	0.22	0.05	n/a	0.14	n/a	n/a	-0.08	0.033
Piece rate (workers, USD)					0.22	0.15	0.17	0.05	n/a	0.17	n/a	n/a	0.00	0.871

Table 1: Summary statistics and covariate balance. *Note:* The table summarizes characteristics of firms, employers, workers, and tasks in our sample and checks covariate balance across tasks. Data for the summary statistics were collected in September 2022 (N employers = 399; N workers = 449) and July 2024 (N employers = 405; N workers = 652). The "Difference" columns show the differences in means, whereas the "*p*-value" columns denote the corresponding *p*-values. Firm characteristics are self-reported by employers. Figures reported in US dollars were converted from UGX to USD using an exchange rate of 3,800 UGX/USD. *Number of workers*, *Revenue*, *Profit*, *Profit per worker*, *Sales*, and *Age* are trimmed at the 99th percentile. *Management Score* is based on McKenzie and Woodruff (2017); see Online Appendix F for more details. The task characteristics are elicited from employers who state that the task is performed at their firm.

2.3 Patterns of Informal Redistribution

Employers in our sample are embedded in an informal redistribution network, with 96% reporting that they have shared earnings to help someone out in the past month. On average, employers who engage in giving report donating around 28.9% of the average monthly income, consistent with self-reported estimates in Carranza et al. (2022). Against the common belief that sharing arrangements are purely kin-based, and potentially due to our urban setting, the data show that employers are as likely to give to friends and family (81.8%) as to strangers or acquaintances (83.8%).

Motivating our focus, work is the most salient channel of redistribution for most respondents, as shown in Figure 1, Panel A.[16] Beyond general redistribution preferences, about one in two employers have given work "to help out" workers in the past month. Panel B shows that 46.4% of employers have given work to help out in September 2022 (the peak season), 46.5% in March 2023 (the moderate/lean season), and 46.2% in July 2024 (the moderate/lean season). This consistent pattern of giving work across seasons suggests that work redistribution is a sustained practice, not merely a pretext, as employers continue to give via work even during lean periods, when they could credibly claim not to have work. According to the self-reports, the work given is not always necessary for the firm's operations. Many employers report giving work to help out "even if they did not need the work[er]," that is, unproductive work (often labeled as symbolic). Interestingly, the number of employers who give without need is larger in the peak season (38.4%) than in the moderate/lean season (28.4%). This is consistent with employers giving more when firms have more surplus.

In our July 2024 survey, we ask additional questions on the extensive margin and the distribution of work redistribution, with a focus on separating productive and unproductive work redistribution. As shown in Figure 2, Panel C, most tasks assigned to redistribution workers would be observationally indistinguishable from normal tasks. For instance, the three most common tasks are loading, milling, and mixing. However, when asked to evaluate the value of these tasks, employers label 38% of them as symbolic. Some workers appear entirely surplus as, conditional on doing symbolic work, 84% of the hours worked are spent on symbolic tasks.

These descriptives exemplify some of the challenges of differentiating real work from redistribution/symbolic work with observational data. For instance, even our classification of symbolic work likely understates the true extent of unproductive redistribution,

[16] This question employed pre-coded options during the pilot phase. In the March 2023 phone survey, we confirm that the responses are consistent when the same question is asked in an open-ended format.

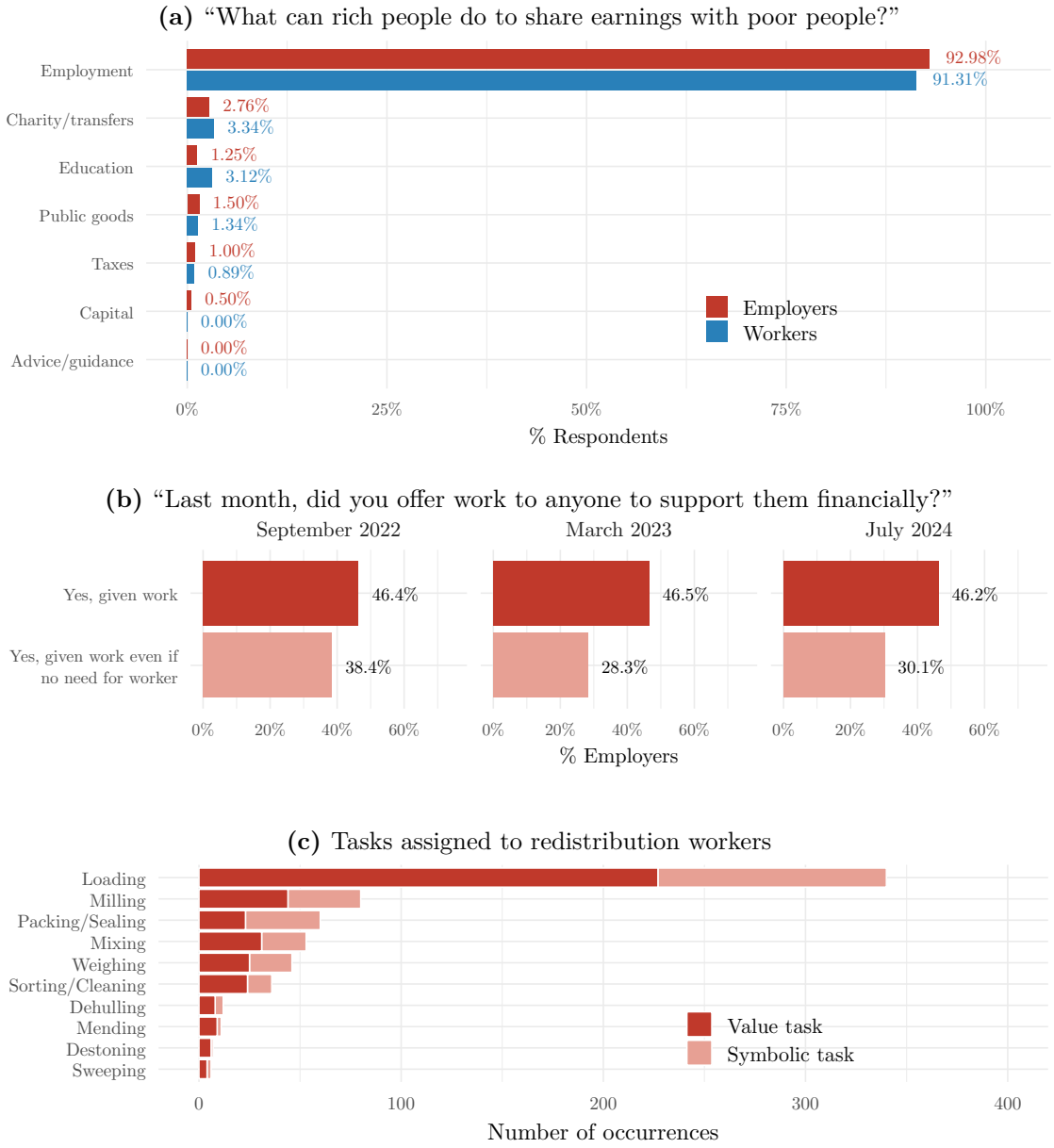


Figure 1: Patterns of informal redistribution via work. *Note:* Panel A shows responses from 399 employers and 449 workers regarding redistribution practices. Panel B shows employers' responses across three survey waves: September 2022 (N = 138), March 2023 (N = 99), and July 2024 (N = 405). Panel C shows tasks performed by workers hired by employers to "support them financially." Employers who reported giving a positive amount via work were asked which tasks the workers performed. This was an open-ended question, and only the first task mentioned is used for this figure. We excluded tasks with fewer than six mentions.

as it excludes tasks that, while considered productive, could have been performed by existing regular workers. Additionally, 66.4% of employers in our sample report that

they could have completed more tasks without hiring additional workers.

3 Work versus Cash Experiment

Given the difficulties in accurately measuring work redistribution with observational data, our study addresses this issue experimentally. We conduct a field experiment designed to simulate real-world conditions in a controlled environment, which is necessary to limit identification challenges.

3.1 Design and Outcomes

Because the prevalence of informal transfers and sharing pressures in low-income settings is well-established (Jakiela and Ozier, 2016; Squires, 2018; Carranza et al., 2022), we focus on identifying preferences for the channel of giving. In a survey, respondents choose between redistributing their payoff via an unconditional cash transfer or working at various prices within an incentive-compatible framework. Given that employment is an equilibrium outcome, we elicit choices from givers (employers) and receivers (workers) to understand preferences on both sides of the labor market.

We anonymously match employers and workers from different firm clusters in the city. As part of their compensation from participating in the survey, each pair enters a lottery and can receive a payoff of UGX 16,000 (USD 4.21). However, this payoff is split unevenly within each pair. Person A (the employer) receives UGX 15,000, while person B (the worker) receives UGX 1,000. Participants are informed that the initial payoffs are not final, as one person will have to decide how to redistribute a portion of the earnings to determine the final payouts. The choice is between an unconditional cash transfer or paying for work.

Work in the experiment involves a task that person B carries out at person A's firm. The task is based on activities commonly performed at grain-processing firms: sealing, loading, weighing, and mending.[17] Each task is calibrated to last about 30 minutes, ensuring a UGX 3,000 market wage. For example, in the case of sealing, the task is "sealing 10 sacks," or for loading, "loading 3 sacks." Short-term hiring is very common in our setting: 56% of the workers we interview are hired temporarily, and 70.6% of

[17] We select common activities that do not require machines, making them accessible to all firms in our sample. Additionally, all firms in our sample own a scale. See Section 4.2 and Table 1 for a summary of the activity characteristics, including their piece rate, tenure requirements, and perceived effort levels.

employers reported hiring workers for less than an hour in the past month. Before eliciting redistribution decisions, employers and workers are presented with a randomly selected task, which person B will have to perform if work redistribution is selected.

We use an iterative multiple-price list to elicit decisions, presenting up to 22 questions with varying wage and transfer amounts. Employers are asked, "Do you want to hire person B to perform task i at your firm for wage w, or do you want to give a cash transfer t?" As shown in Online Appendix Figure B3, we begin with both a wage and transfer set at UGX 3,000 (the market wage for a 30-minute task in September 2022). In later blocks, either the wage or the transfer is adjusted:

- Block 1—High wage: The wage varies from UGX 3,500 to UGX 10,000, and the transfer is fixed at UGX 3,000.
- Block 2—Low wage: The wage varies from UGX 500 to UGX 2,500, and the transfer is fixed at UGX 3,000.
- Block 3—Low transfer: The wage is fixed at UGX 3,000, and the transfer varies from UGX 500 to UGX 2,500.
- Block 4—High transfer: The wage is fixed at UGX 3,000, and the transfer varies from UGX 3,500 to UGX 6,500.

The multiple-price list is iterative because if a respondent switches preference from work to cash (or vice versa), we assume they would make similar choices for all higher amounts. We employ a binary search method, starting with extreme values and narrowing down to the point where preference switches occur.[18]

The amount of sharing involved in the experiment is meaningful. The maximum wage employers can offer is similar to the amount employers give on an average day (UGX 6,241) and is about 83.2% of the daily wage of a permanent worker.

We conduct the same experiment with workers to capture their redistribution preferences. Workers are presented with the same setup, explained the work tasks, and asked to implement some redistribution from person A to themselves, by choosing between receiving an unconditional cash transfer or performing the pre-specified task at person A's firm for a wage. This mirrors the choices given to employers and allows us to compare the preferences of both parties in the employment relationship.

[18] As in other studies using this method (e.g., Bursztyn and Coffman, 2012), the question order in the experiment is not randomized. We chose the current question ordering because starting from a reasonable wage and transfer proved to be the most intuitive for respondents. In our piloting, changing the order of the questions never qualitatively affected the results.

We focus on two experimental outcomes: the respondent's work redistribution choices and their maximum willingness to pay for work redistribution. The former is equal to the binary work redistribution choices made by each respondent at each choice point in the experiment. The latter is equal to the largest difference in the amount shared, given that the respondent chooses work redistribution as opposed to a cash transfer.

3.2 Incentives

Respondents have real stakes in the experiment. At the outset, they are informed that 5% of the pairs will be selected through a lottery to receive the experimental endowments. In each selected pair, one decision maker will be randomly chosen, and one of their redistribution choices will be implemented. Employers and workers make their choices anonymously and privately before the lottery results are announced. We communicate to employers (and workers) that if they choose work redistribution, they must hire the worker (or be hired) for the pre-specified task or else they will forfeit their lottery winnings.[19] For the subset of winners, we implement the choice by paying for workers' transport to employers' firms, observing the work task, and providing payments. Since we are implementing the payments, it is unlikely that employers choose work redistribution with the intent of evading wage payments.

3.3 Model and Benchmarks

We derive a simple theoretical framework to establish the payoff-maximizing benchmark for respondents in the experiment.

We model the interaction between an employer and a worker as a two-player game, indexed by $i \in \{A, B\}$, where player A represents the employer and player B the worker. Each player begins with an initial endowment denoted by l_i and derives a value from work, represented by v_i. The function $h_i(w, t)$ represents respondent i's decision to engage in work redistribution at a given wage and transfer combination, where

$$h_i(w,t) = \begin{cases} 1 & \text{if respondent } i \text{ chooses work redistribution,} \\ 0 & \text{if respondent } i \text{ chooses a cash transfer.} \end{cases}$$

[19] The experimental script is available in Supplemental Appendix A.

The players' payoff functions from the experiment are defined as

$$\text{Employer's payoff} = p_A = \begin{cases} l_A + v_A - w & \text{if } h_A(w,t) = 1, \\ l_A - t & \text{if } h_A(w,t) = 0. \end{cases}$$

$$\text{Worker's payoff} = p_B = \begin{cases} l_B + v_B + w & \text{if } h_B(w,t) = 1, \\ l_B + t & \text{if } h_B(w,t) = 0. \end{cases}$$

For simplicity, we assume that employers value work uniformly at the market wage across all tasks and work imposes a negative monetary value on workers equal to the opportunity cost of their time. Thus, $v_A = 3{,}000$ and $v_B = -3{,}000$. The initial endowments are set at $l_A = 15{,}000$ and $l_B = 1{,}000$. When the wage or transfer varies, the corresponding wage and transfer is fixed at $\bar{w} = \bar{t} = 3{,}000$. Hence, the set of (w, t) combinations is defined as $(w, t) \in [500,\ 10{,}000] \times [3{,}000] \cup [3{,}000] \times [500,\ 6{,}500]$. All values are in Ugandan shillings.

The objective is to identify the decision rule $h_i^*(w, t)$, which specifies respondent i's choice between work or cash based on wage w and transfer t under various optimization criteria. We are particularly interested in how respondents should behave to maximize their payoffs and, in particular, when choosing work instead of cash is payoff-maximizing.

A payoff-maximizing employer aims to minimize giving, while a worker aims to maximize receiving. Solving the model under the given assumptions, we find that a weakly payoff-maximizing employer should hire at any wage $w \leq 6{,}000$ and set any transfer $t \in [500, 6{,}500]$. Conversely, work is the payoff-maximizing choice for the worker at any wage $w \geq 6{,}000$. For all transfers $t > 0$ cash is the payoff-maximizing choice for the worker, given an outside option of $w = 3{,}000$.[20]

We note that this simple model does not account for hassle and monitoring costs associated with work, which may be particularly large because the worker is unknown. Omitting these costs is a conservative choice, as including them would lower the payoff-maximizing wage threshold. Additionally, modeling the interaction as a single-shot game may seem overly restrictive. We adopt this framework because it aligns with our experimental design, whose implications we discuss in more detail below, and this choice is further supported by our mechanism analysis. If one were to incorporate these non-pecuniary costs and benefits, this may adjust the value of work, though the direction

[20]The solution of the model, as well as visual representations of the benchmarks, is provided in Online Appendix A.

of the effect is not clear. Therefore, we calibrate the experiment with sufficient price variation to detect any sharp changes in choices at wages above and below over twice the market rate.

We can also use the model to derive alternative benchmarks that could explain employers' and workers' choices. For instance, under a generosity benchmark, employers who aim to maximize the worker's payoff would hire at any wage $w \geq 6{,}000$ and at any transfer $t \leq 6{,}000$. Generous workers would choose work at any wage $w \leq 6{,}000$ and for all $t \in [500, 6{,}500]$. Under an inequality aversion benchmark, where both parties aim for the allocation that is closest to a 50-50 split of the total payoff, an employer would hire at any wage $w \geq 6{,}000$ and at any $t \in [500, 6{,}500]$, and a worker would choose work at any $w \geq 6{,}000$ and $t \in [500, 6{,}500]$.[21]

3.4 Design Discussion

The multiple-price list used in the experiment implies that redistribution cannot be zero. However, it can be very low: a minimum of UGX 500, less than USD 0.2. The design reflects common expectations of giving in low-income settings, where declining assistance is often frowned upon. Within our sample, 68.2% of employers state that requests for money or jobs affect the growth of their business (see Online Appendix Figure B4) and they feel compelled to give. Importantly, our setup measures the redistribution preferences of all employers, not just those who would voluntarily select a specific method under experimental conditions. Moreover, it allows us to identify employers who behave strategically (attempt to avoid giving more than they would want to provide) by comparing their choices to the payoff-maximizing benchmark that we derived above. As an additional robustness check, in our July 2024 replication of the experiment, we allow the amount given to be zero, enabling us to directly test employers' preferences between not redistributing at all and hiring at the market wage.

Due to the luck component in the payoff to redistribute, we consider how this might influence preferences for work redistribution. While windfall gains may lead to greater generosity, especially on the employer side, our primary concern is whether this factor differentially affects the preferences for the channel of redistribution. We hypothesize that receiving money through luck should make respondents less inclined to choose work redistribution. Employers should be less likely to ask workers to work in exchange for such unearned income, and workers should be less inclined to work to receive unearned

[21] In Online Appendix A, Benchmark 3 we also consider an alternative target allocation (65-35 split), which is closer to respondents' preferences in an unincentivized dictator game.

money. We can also test whether work redistribution choices are compatible with generosity preferences, leveraging the model we derived above.

Employers and workers are matched anonymously and from firm clusters that are, on average, 15.6 km apart. Additionally, all choices and cash transfer payments in the experiment are made privately. These features limit the concern that unobserved worker characteristics or a monitoring value of work drive decisions because employers and workers are unlikely to know each other (Heath, 2018; Chandrasekhar et al., 2020).[22] This anonymity and privacy let us isolate respondents' intrinsic preferences from social pressure (Bursztyn and Jensen, 2017). For instance, workers do not need to worry about negative signals from accepting a handout since no one observes their choices or payments, and employers should not worry about future requests. The networking value of meeting a worker or an employer is also reduced by the fact that distance limits post-experimental encounters.

3.5 Robustness Tests

While selecting work in the work versus cash experiment may indicate a genuine preference for providing work (our interpretation), it could also reflect an aversion to giving cash. To test for cash aversion, we conduct a version of the main experiment in March 2023 with a subsample of 99 employers. We refer to this as the food versus cash variation. The setup was identical to the main experiment except employers were asked to choose between giving food (a meal or snack) or an unconditional cash transfer.

As previously noted, preferences for work redistribution could be just generosity. While we can derive a generosity benchmark for work redistribution choices, this may be a stronger external validity concern because our experiment was conducted in the peak season. Thus, work redistribution may be the result of abundant resources and firms being able to be generous. Therefore, we also replicate the work versus cash experiment in the follow-up in-person survey conducted in July 2024. This replication includes two additional conditions: (1) the wage has increased to UGX 15,000, allowing for a higher willingness to pay for work, and (2) the cash transfer amount can be zero, allowing employers to give nothing.

The robustness results are discussed alongside the main experimental results.

[22] In our sample, 83.8% of employers report routinely giving to acquaintances and strangers. However, bringing an unknown worker into the firm is also relatively costly for an employer, making them less likely to rely on work redistribution.

4 Preferences for Work Redistribution

In this section, we: (1) present results from the main work versus cash experiment, examining whether employers and workers prefer work over cash in giving and receiving scenarios, alongside robustness tests; (2) use task randomization in the main experiment to rule out production value as the driver of work choices; (3) report results from a multi-scenario replication of the main experiment to exclude relational benefits or default behavior; and (4) explore the motivations behind work redistribution preferences, experimentally testing for the normative motivations.

4.1 Redistribution Choices: Work versus Cash Experiment

Our main empirical strategy relies on estimating mean outcomes and making comparisons across prices or respondent groups (employers/workers). Additionally, we use regression analysis to estimate the elasticity of decisions to prices and to later test for treatment effects. We can estimate price elasticities by simply using the prices and the work redistribution choices in the experiment. We run a separate regression for whether the wage (transfer) is above or below market wage, with the binary work choice as an outcome and fixed effects for firm geographical clusters:

$$Work_{ij} = \alpha + \beta_1 log(Wage)_j + \beta_2 log(Transfer)_j + \gamma_i + e_{ij}. \quad (1)$$

We cluster standard errors at the respondent level and estimate separate regressions for employers and workers.

We find that when asked to give, employers systematically choose to give via work as opposed to cash, as shown in Figure 2, Panel A. Regardless of the wage and transfer offered, most prefer to hire the worker to work at their firm rather than giving them a cash transfer: the proportion of employers choosing work redistribution ranges from 70.7% to 97.0%. On average, employers choose to give via work in 86.5% of cases, even though it involves more hassle and higher monitoring costs, especially since they do not personally know the workers.

When the wage equals the transfer amount and the market wage (UGX 3,000), 90.2% of employers choose work redistribution. Hiring at this price is payoff-maximizing, yet most employers choose to hire even when the wage is above the payoff-maximizing threshold (UGX 6,000; see Online Appendix A, Benchmark 1 for derivations).[23] Less

[23]The payoff-maximizing benchmark only considers the value of the work performed and does not

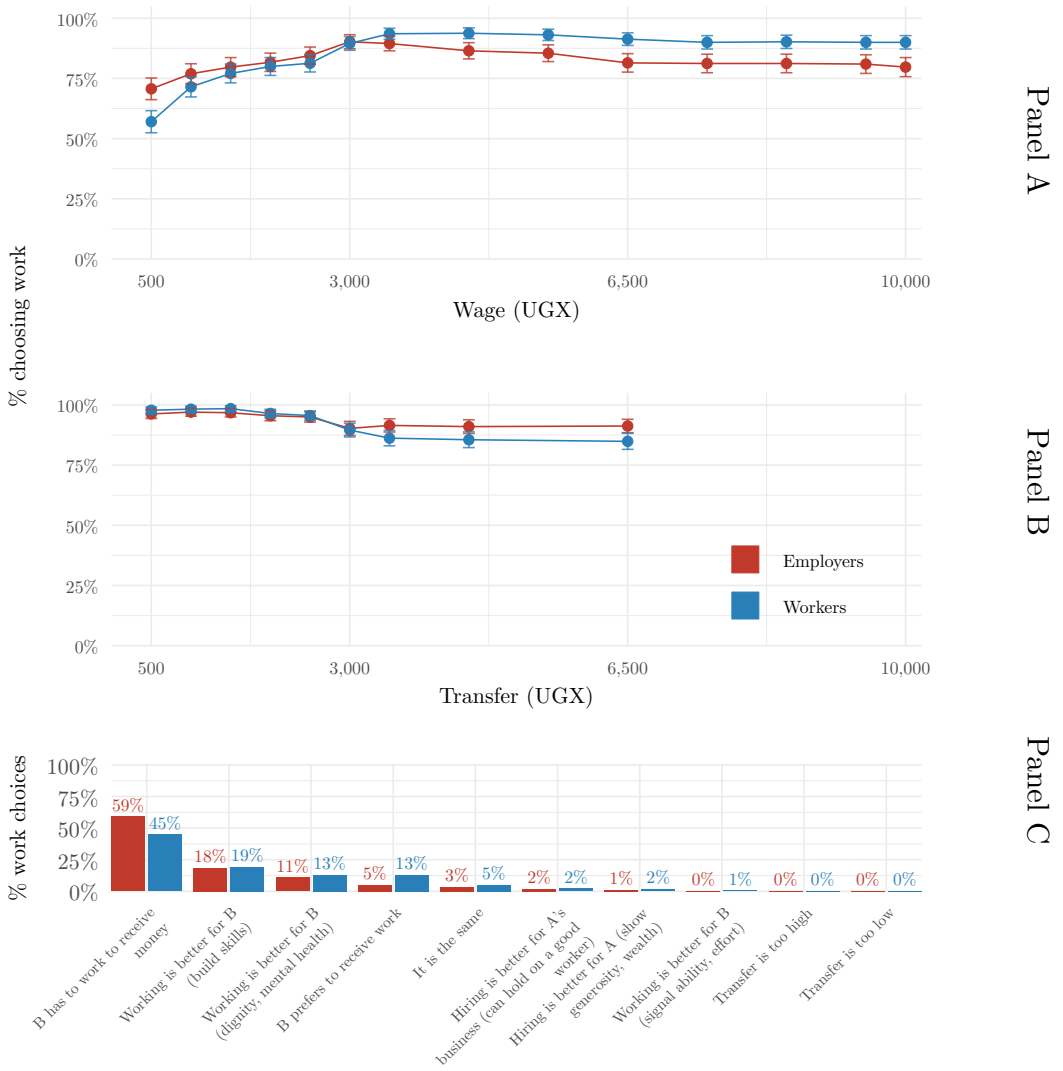


Figure 2: Work redistribution choices and motivations. *Note:* The figure summarizes respondents' work redistribution choices in the main experiment and their motivations. Panels A and B plot the choices. In Panel A, the outside option is to give a UGX 3,000 cash transfer, while in Panel B the outside option is to hire at a wage of UGX 3,000. In total, 399 employers make up to 22 decisions, each about giving, and 449 workers make up to 22 decisions, each about receiving. All confidence intervals are at the 95% level. Panel C plots the self-reported motivations as coded by field officers. We focus on reasons for work choices at the "Wage UGX 3,000 – Transfer UGX 3,000" choice. The ranking is unaffected when looking at all choices. "A" stands for the anonymous giver, and "B" stands for the anonymous receiver.

than 4.0% switch from work to cash, from UGX 5,500 to UGX 6,500. When the wage is over three times the market wage, 79.7% of employers still opt to hire instead of giving

account for hassle and monitoring costs, which may be particularly large because the worker is unknown. These additional costs would further lower the payoff-maximizing wage threshold.

a cash transfer of UGX 3,000. Employers are not just trying to escape giving. Most choose work when the cash transfer is worth less than the wage, meaning they could earn a higher immediate payout by choosing cash. In the July 2024 replication, which included the option to give nothing, 88.6% of employers chose to hire a worker at the market wage over not giving.

Employers' choices, however, cannot be explained by generosity. Accounting for the opportunity cost of workers' time, generous employers should hire only if the wage is above UGX 6,000.[24] We find that 70.7% of employers still choose to hire workers at the lowest offered wage (UGX 500) when the alternative is a cash transfer six times larger, effectively making workers pay for work.[25] The experimental choices also indicate that employers (or workers) are not motivated by inequality aversion or targeting a specific sharing ratio (see the discussion in Online Appendix A, Benchmark 3). Employers' preferences for work redistribution also cannot be explained by a broader aversion to giving cash or concerns about workers misusing it. For example, the results from the food versus cash version of the main experiment show that the same employers, when choosing between giving in-kind (food) or cash contributions of equal value, mostly prefer to give cash (79.8%; see Online Appendix Figure B5).

Workers' choices closely mirror those of employers, showing a strong preference for working over receiving unconditional cash transfers. On average, 87.8% of workers choose to work instead of receiving an unconditional cash transfer.[26] At the lowest wage, UGX 500, 57% opt to work rather than accept a UGX 3,000 cash transfer, and 84.9% prefer to work for the market wage of UGX 3,000 over receiving a cash transfer more than twice as large. Accounting for the opportunity cost of time, a worker should choose to receive work only at wages above UGX 6,000, yet, 93.1% choose work when the wage equals 5,500. Thus, for most workers, the value of work appears to outweigh the immediate monetary benefit they would receive through a cash transfer.

Overall, employers' and workers' choices show limited sensitivity to changes in wage and transfer amounts. As shown in Panel A of Table 2, a 1% increase in wages above UGX 3,000 is associated with a 0.089 percentage point reduction in the likelihood of employers choosing to give via work, while a 1% decrease in transfers below UGX 3,000

[24] More details are available in Online Appendix A, Benchmark 2.

[25] Interestingly, fewer employers choose to hire when the wage is UGX 500 compared to when it is UGX 3,000. This upward-sloping demand curve may be attributed to a reluctance to offer small amounts, an aversion to paying below the market wage, or a desire to be generous.

[26] This number is not statistically different from the employers' average (p-value 0.722) in a regression equation where we pool all respondent data and include wage, transfer, task, and firm location fixed effects, with clustered standard errors at the respondent level.

is associated with a 0.097 percentage point reduction in work redistribution. Notably, demographic variables do not predict employers' or workers' choices, as shown in Online Appendix Table C.1.

Moreover, the experimental choices imply a large and positive willingness to pay for work on both sides of the labor market, with 97.7% of employers willing to pay for work and 81.7% willing to pay above the market wage. The average willingness to pay for work is about twice the market wage (UGX 6,085) and represents 40.6% of employers' initial payoff. For workers, the average willingness to pay is UGX 3,004, about 26% of the daily earnings of a permanent worker (UGX 12,021), and nearly doubles when accounting for the opportunity cost of their time.[27]

This alignment of preferences between employers and workers suggests that employers reasonably expect the work arrangement to be fulfilled. Since both parties privately prefer work, the extent of work redistribution could be even greater when their choices are observable, especially if workers can exert pressure on employers, a dynamic similar to what is observed in Breza et al. (2019).

4.2 The Role of Production Value in Work Choices

The large average willingness for work to pay suggests that employers may be paying above the marginal product of labor. However, market frictions could also explain the choices at high wages. Because production and redistribution are jointly influenced by unobserved factors, identifying whether preferences for work redistribution choices are driven by the production value work is challenging.

To address this endogeneity issue, in the main experiment, we randomly assign work tasks to employer-worker pairs. If the production value of work drives employers' preferences for work redistribution, we would expect them to choose work less frequently (and show a lower willingness to pay) when a task has a lower value.[28] However, the fact that the task value is multidimensional and firm-specific limits the power of this test.[29]

To identify the comparative static, we design and randomize two of these tasks to have zero value. The first task, *busywork*, involves loading and offloading the same

[27] That is, assuming they would be paid the market wage of UGX 3,000.

[28] Similarly, if workers perceive work as having training value, they would be more inclined to choose work redistribution or display a higher willingness to pay when the task has higher skill requirements, viewing it as an opportunity to enhance their skills. Our results show no higher likelihood of hiring for simpler tasks, as measured by tenure requirements (Table 3, column 3).

[29] As shown in Table 1, tasks differ across many dimensions, such as piece rate, effort, and tenure requirements.

	Overall		W = [3,000, 10,000]		W = [500, 3,000]		T = [3,000, 6,500]		T = [500, 3,000]	
	Employers	Workers	Employers	Workers	Employers	Workers	Employers	Workers	Employers	Workers
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A: Main Experiment										
log(Wage)	0.017	0.099	-0.089	-0.019	0.097	0.164				
	(0.010)	(0.010)	(0.016)	(0.016)	(0.011)	(0.012)				
log(Transfer)	-0.064	-0.087					0.008	-0.051	-0.024	-0.034
	(0.008)	(0.008)					(0.016)	(0.015)	(0.007)	(0.007)
Fixed Effects										
Task	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Firm cluster	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Share work	0.865	0.878	0.865	0.878	0.865	0.878	0.865	0.878	0.865	0.878
Share work at W = min(W)	0.707	0.570	0.902	0.895	0.707	0.570				
Share work at T = min(T)	0.962	0.978					0.902	0.895	0.962	0.978
Obs.	8,778	9,878	3,591	4,041	2,394	2,694	1,596	1,796	2,394	2,694
Panel B: Replication Experiment										
log(Wage)	0.017	0.135	-0.148	0.120	0.114	0.122				
	(0.010)	(0.008)	(0.021)	(0.019)	(0.012)	(0.011)				
log(Transfer)	0.001	-0.091					0.033	-0.107	-0.025	-0.087
	(0.006)	(0.007)					(0.013)	(0.016)	(0.009)	(0.009)
Fixed Effects										
Task	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Firm cluster	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Share work	0.763	0.712	0.763	0.712	0.763	0.712	0.763	0.712	0.763	0.712
Share work at W = min(W)	0.616	0.487	0.822	0.714	0.616	0.487				
Share work at T = min(T)	0.866	0.784					0.822	0.714	0.866	0.487
Obs.	3,229	4,557	1,212	1,953	1,212	1,953	1,210	1,302	807	1,302

Table 2: Work redistribution choices by wage and transfer. *Note:* The table summarizes the price elasticity of work redistribution choices in the work versus cash experiment. Panel A shows data from the main experiment in September 2022, while Panel B summarizes data from the baseline scenario in the multi-scenario version in the July 2024 replication. The dependent variable is a dummy for the respondent choosing work redistribution. *Wage* is the wage associated with the work arrangement for a given decision and spans from UGX 500 to UGX 10,000. *Transfer* is the unconditional cash transfer for a given decision and spans from UGX 500 to UGX 6,500. The outside options are a UGX 3,000 transfer or wage, respectively, as shown in Online Appendix Figure B3. The choice at a wage equal to transfer is included in every quadrant. Regressions include firm location and task fixed effects. Standard errors are clustered at the respondent level.

three sacks onto and off of a truck. The second task, *sweeping*, involves sweeping the firm's floor for 30 minutes. Busywork has zero marginal product by design; however, it may appear unusual or have a screening or training value. Sweeping may have a small value for the firm, yet it is a natural task, has a significantly lower market wage than other tasks, and has no screening or training value. It also ranks lowest in skill/tenure requirements (requiring less than one day of tenure to be performed unsupervised) and effort (see Online Appendix Table C.2).

Figure 3 shows work redistribution patterns by task for employers and workers. We find that employers' work redistribution decisions are descriptively identical when they are randomly assigned to either the busywork or the sweeping task, as compared to those randomized to a more valuable task. Similarly, workers are as likely to choose work redistribution when randomly assigned to tasks with value or no value.

	Employers						Workers					
	Work			WTP			Work			WTP		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
No-value tasks	-0.008			-0.164			-0.020			0.005		
	(0.024)			(0.166)			(0.019)			(0.096)		
Sealing		0.030			-0.088			0.030			-0.166	
		(0.030)			(0.142)			(0.028)			(0.218)	
Weighing		0.030			0.341			0.031			0.031	
		(0.041)			(0.365)			(0.023)			(0.210)	
Busywork		0.028			0.599			0.025			0.127	
		(0.043)			(0.354)			(0.022)			(0.161)	
Sweeping		-0.001			-0.500			-0.038			-0.203	
		(0.033)			(0.144)			(0.034)			(0.165)	
Effort			-0.012			0.106			-0.046			0.123
			(0.013)			(0.076)			(0.046)			(0.354)
Piece rate			-0.012			-0.085			-0.033			-0.163
			(0.015)			(0.077)			(0.010)			(0.027)
Tenure requirement			0.011			0.025			0.066			0.027
			(0.024)			(0.175)			(0.046)			(0.354)
Fixed effects												
Firm cluster	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Choice wage and transfer	Y	Y	Y	N	N	N	Y	Y	Y	N	N	N
Mean outcome	0.865	0.865	0.865	6.085	6.085	6.085	0.878	0.878	0.878	3.004	3.004	3.004
Obs.	8,778	8,778	6,864	399	399	312	9,878	9,878	9,878	449	449	449

Table 3: Work redistribution by task value. *Note:* The table summarizes the analysis of work redistribution choices by task value. *No-value tasks* is a binary variable equal to 1 if the respondent is assigned to busywork or sweeping. *Sealing*, *Weighing*, *Busywork*, *Sweeping* are binary variables equal to 1 if the respondent was randomly assigned to that task. *Effort* is assessed by employers on a scale from 1 to 5, standardized. *Piece rate* is the piece rate of the assigned task self-reported by employers, standardized. *Tenure requirement* is the duration a worker is required to work on a task with minimal or no supervision, standardized. Task characteristics in the workers' regression are defined at the task level as the mean of the employers' answers. For regressions with dependent variable *Work*, standard errors are clustered at the respondent level; for *WTP*, standard errors are clustered at the firm cluster level. In columns (2), (5), (8), and (11), the omitted category is *Loading*.

We also find that 86.4% of employers are willing to pay as much as UGX 10,000—three times the market wage—for a worker to do busywork rather than provide a smaller unconditional cash transfer, and observe similar patterns for the sweeping task. Combining all the work-cash choices, we find that the average willingness to pay for busywork is UGX 6,386, and for sweeping UGX 5,750, almost twice the value-task market wage and over eight times the average market wage for sweeping (UGX 671).[30] These values are not statistically different from the willingness to pay for value tasks. Thus, employers in the experiment are willing to pay workers for zero marginal product work.

To rigorously test the impact of no-value tasks on work redistribution, we use a regression model that estimates the effect of being randomly assigned to a no-value task

[30]The difference in the willingness to pay for work between busywork and sweeping is statistically significant (p-value 0.015). The slightly lower willingness to pay for sweeping may be explained by the screening value of work. However, based on our fieldwork discussions, it most likely reflects the fact that it is strange to pay such a high wage for sweeping.



Figure 3: Work redistribution choices by value and no-value tasks. *Note:* The figure summarizes work redistribution choices and willingness to pay for work for value and no-value tasks, for employers and workers. The data are from the work versus cash experiment. To limit redundancies, we display only the choices when the alternative is a UGX 3,000 cash transfer. All other choices are provided in Appendix Figure A1, Panel A. "Value tasks" are the choices of respondents whose pair has been randomly assigned to loading, weighing, or sealing. "Busywork" and "Sweeping" are the choices of respondents assigned to these two tasks, respectively. All confidence intervals are at the 95% level, and p-values are adjusted for multiple hypothesis testing using the Holm method.

on the two main experimental outcomes: work choice and willingness to pay for work, measured as the largest difference in the amount shared, given that the respondent chooses work redistribution.[31] We estimate the following regression model:

$$Y_{ij} = \alpha + \beta_1 I_{novalue,i} + \gamma_i + \lambda_j + v_{ij}, \tag{2}$$

where $I_{novalue,i}$ is a dummy variable indicating assignment to a no-value task (either busywork or sweeping). We control for the experimental wage and transfer for choice j and also include geographic location fixed effects. Standard errors are clustered at the respondent level when the outcome is the binary work choice and at the task level when

[31] Table 1 shows that employer characteristics are generally balanced after controlling for geographic location, which was used to stratify task randomization. Worker age and experience exhibit slight imbalances. Additionally, firms assigned to tasks such as busywork tend to be smaller, with fewer employees and lower revenues and sales. Most of these differences disappear when controlling for firms' primary activity. The results are unaffected by including these controls.

the outcome is the willingness to pay for work.

As a robustness check, we also evaluate the impact of each specific task, leveraging a regression similar to (2) but where $I_{task,i}$ is a categorical variable for each task type. We also assess the correlation between the experimental outcomes and task characteristics, such as the standardized self-reported piece rate for the randomly assigned task measured in Ugandan shillings, the task's standardized effort rating on a 1–3 scale, and the standardized self-reported minimum amount of tenure days necessary for a worker to be allowed to perform the task unsupervised.

The regression analysis in Table 3 supports these conclusions. Being assigned to a no-value task does not affect the likelihood of choosing work redistribution (employers: p-value 0.749; workers: p-value 0.283), nor the willingness to pay for work across value (employers: p-value 0.420; workers: p-value 0.968). The patterns are robust to different regression specifications. Columns 2 and 5 show there is no statistically significant effect on work redistribution from any of the tasks, while Columns 3 and 6 show that task characteristics do not correlate with work redistribution outcomes.

In summary, employers' and workers' hiring and work choices do not depend on task value. The willingness to pay for work cannot be explained by the production value of work, in line with descriptive evidence of low hiring frictions. Our results support the hypothesis that preferences for work redistribution are driven by factors other than production or consumption needs.

4.3 The Role of Other Instrumental Benefits for Work Choices

Employers (and workers) may derive other economic benefits from work redistribution, beyond the direct production value of work. The work versus cash experiment is designed to minimize the importance of these dynamic motivations. Anonymity, the fact that workers are out of network, and the privacy of redistribution choices reduce potential negative signals of giving/receiving cash and the networking value of work. Privacy also implies that employers should not avoid cash redistribution out of fear of receiving more requests in the future.

Yet, some of these relational or signaling channels may still play a role in explaining work redistribution decisions. For example, there may be value in meeting workers outside one's network; having more workers at the firm may signal success or generosity. Finally, an additional consideration is that respondents may rely on rule-of-thumb behavior rather than fully understanding the details of the experimental setup. For ex-

ample, even though anonymity limits future requests when giving cash, employers might still act on the belief that giving cash could lead to more requests if they do not pay attention to the experimental conditions.

To target each potential channel, in July 2024 we implemented a multi-scenario replication of the main experiment, where employers and workers had to decide between providing work or giving cash under varying conditions ("scenarios"). We started with a baseline scenario that replicated the main experiment. Each additional scenario kept the baseline's structure and wording, except for one simple change to address each of our three main concerns:

- **No rule of thumb:** We emphasized anonymity and privacy, making it clear that no one would be able to ask for money or contact the employer after the experiment. This scenario targets the concern that the results are driven by inattention or default decision-making.
- **Cash in person:** Cash was delivered in person by the employer, ensuring that the networking opportunity was the same for both work and cash redistribution. This scenario targets the concern that networking benefits drive work redistribution.
- **Work unobservable (employer):** If work was selected, the worker performed the task at their location, and the completed work was transported to the firm, making the work unobservable to the employer. This scenario targets the concern that work redistribution is driven by signaling benefits.

We used the strategy method to elicit participants' decisions across scenarios before outcomes were revealed. To ensure incentive compatibility, for the subset of employer/worker pairs selected by the lottery, one scenario for each pair was selected for implementation at random, along with one of the possible action choices. Participants were informed of the procedure after being introduced to the setup but before answering the actual questions.[32] Our empirical strategy involves comparing behavior in the baseline scenario, the replication of the main experiment, with each modified scenario to test whether respondents would behave differently once specific factors were eliminated. If the modified scenario successfully addresses a driver of work redistribution preferences, we would expect to see a significant drop in work redistribution relative to the baseline

[32] As part of the multi-scenario replication, we also included three additional scenarios designed to identify the drivers behind the preference for work redistribution, which we discuss in the next section. The experimental scripts for all the scenarios are available in Appendix D.

scenario. We support this descriptive analysis with the regression analysis described in Online Appendix D, whose results are summarized in Table 4.

We find that patterns of redistribution are remarkably consistent across all three scenarios (Figure 4).[33] Despite the modifications designed to remove potential confounders explaining work choices, respondents still prefer to give/receive work redistribution in each of the three scenarios. Neither the level of work redistribution nor the willingness to pay for work is statistically different from the baseline, as shown in Figure 4. Whether signaling opportunities are removed (work unobservable scenario, p-value 0.246), networking is kept constant across cash or work redistribution (cash-in-person scenario, p-value 0.615), or the experimental anonymity and privacy are emphasized (no rule-of-thumb scenario, p-value 1.000), employers consistently choose to redistribute by providing work rather than cash.

For workers, our key finding is that networking benefits do not drive workers' work redistribution preferences. Indeed, work redistribution choices are not statistically different from the baseline in the cash-in-person scenarios. These results align with anecdotal evidence suggesting that cash transfers are commonly used to build networks and are supported by descriptive evidence showing that casual workers—who likely face a higher value from networking—make similar decisions as long-term contract workers, supporting this consistency (see Online Appendix Figure B6).

We observe a modest but precisely estimated reduction in preferences for work redistribution in the no-rule-of-thumb scenario. The effect is equivalent to a 5.3% decrease in willingness to pay, mostly concentrated when workers choose between working at the market wage and a larger transfer. This may reflect both a fear of higher taxation (workers expect cash transfers to be informally taxed at a rate that is 21.1% higher than earnings) and, as mentioned anecdotally, a fear that employers may ask for additional work in the future. Overall, the magnitude of these changes suggests that these concerns, given the experimental context, are not large enough to explain the experimental work redistribution preferences.

In summary, our multi-scenario replication shows that inattention or default behavior, as well as relational benefits from signaling or networking, cannot explain work redistribution choices.[34]

[33]The baseline scenario results successfully replicate those of the main experiment (the main results are summarized in Table 2, Panel B). The overall willingness to pay for work is slightly lower, and the wage elasticity of work redistribution choices is somewhat more pronounced in the July 2024 replication, especially among workers. July is a lean month: firms have less surplus to redistribute, and workers are more in need of money.

[34]Stating that signaling and image considerations do not influence work redistribution does not imply

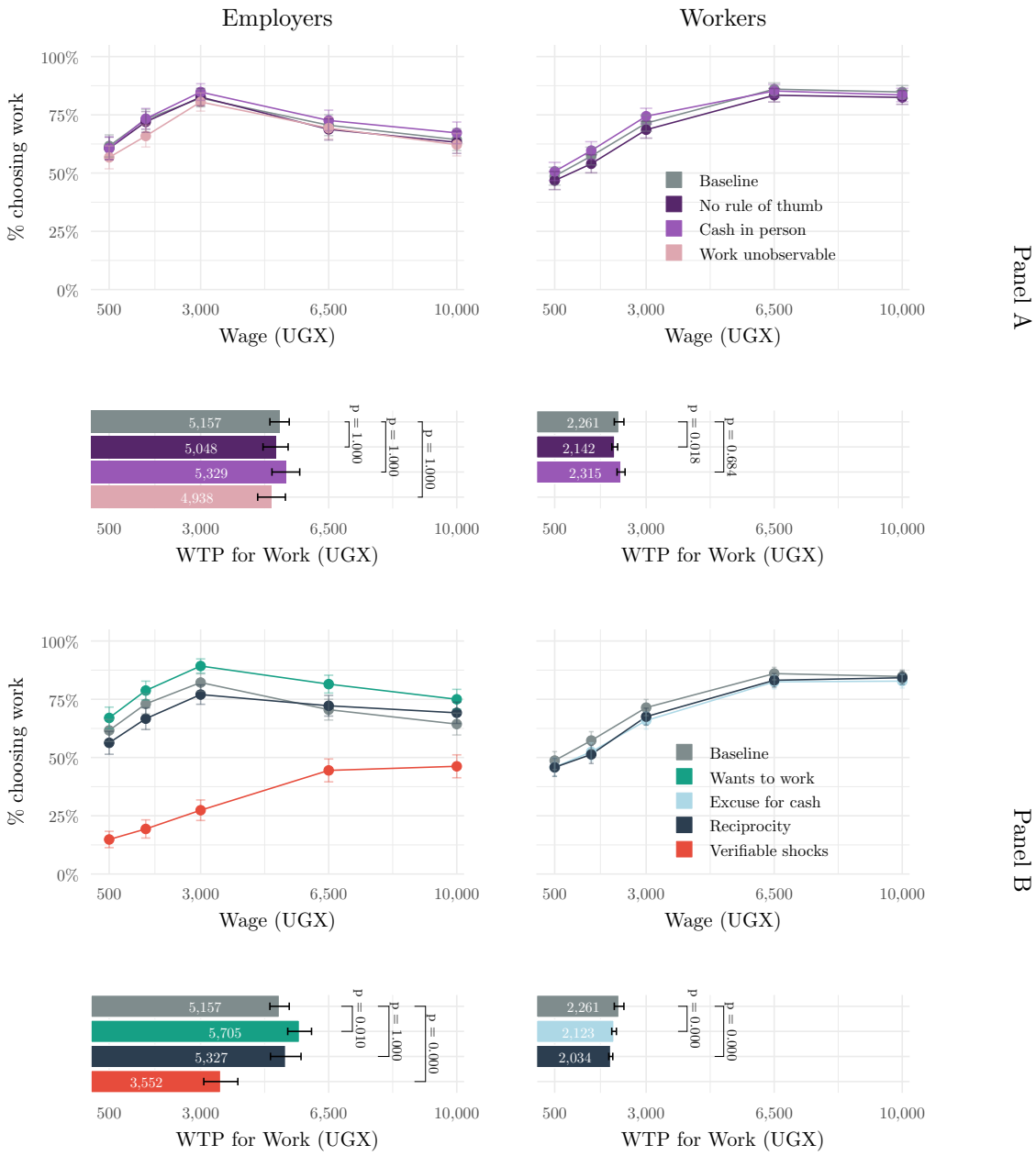


Figure 4: Work redistribution choices by scenario. *Note:* The figure displays work redistribution choices by scenario for employers and workers. The data are from the multi-scenario replication of the work versus cash experiment (July 2024). Panel A focuses on the scenarios that provide robustness to our main results, whereas Panel B show the scenarios that test for the drivers of the work redistribution norm. We display only the choices when the alternative is a UGX 3,000 unconditional cash transfer; the other choices are provided in Appendix Figure A1, Panels B and C. Online Appendix D summarizes the scripts of each scenario. All confidence intervals are at the 95% level, and p-values are adjusted for multiple hypothesis testing using the Holm method.

that these channels may not be active in more natural repeated-game-type settings. Indeed, under more complex conditions, these factors are likely to further increase the likelihood of choosing work over cash. Our main point, however, is that even if in the absence of such dynamic considerations, employers and workers exhibit a robust preference for work redistribution.

	Employers												Workers							
	Work						WTP						Work				WTP			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
No rule of thumb	-0.007						-0.110						-0.029				-0.118			
	(0.012)						(0.175)						(0.011)				(0.040)			
Cash in person		0.015						0.172						0.006				0.053		
		(0.012)						(0.193)						(0.012)				(0.056)		
Work unobservable			-0.032						-0.220											
			(0.015)						(0.193)											
Wants to work				0.054						0.549										
				(0.014)						(0.166)										
Reciprocity					-0.032						0.169					-0.039				-0.227
					(0.016)						(0.213)					(0.011)				(0.028)
Verifiable shocks						-0.406						-1.607								
						(0.021)						(0.238)								
Excuse for cash															-0.036				-0.137	
															(0.009)				(0.033)	
Fixed effects																				
Task	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Choice wage and transfer	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Y	Y	Y	Y	N	N	N	N
Mean outcome	0.700	0.700	0.700	0.700	0.700	0.700	5.009	5.009	5.009	5.009	5.009	5.009	0.712	0.712	0.712	0.712	2.175	2.175	2.175	2.175
P-value	1.000	0.615	0.246	0.001	0.322	0.000	1.000	1.000	1.000	0.010	1.000	0.000	0.057	1.000	0.000	0.002	0.018	0.684	0.000	0.000
Obs.	8,799	8,765	8,767	8,840	8,792	8,817	801	798	799	806	800	802	10,321	10,304	10,320	10,333	1,253	1,250	1,252	1,254

Table 4: Work redistribution choices by scenario. *Note:* The table summarizes the analysis of work redistribution choices by scenario. Observations across columns vary due to few respondents not passing the scenario-specific attention check. See Online Appendix D for an explanation of the scenarios. All p-values reflect comparisons against the baseline scenario and are adjusted for multiple comparisons using the Holm method. For regressions with the dependent variable *Work*, standard errors are clustered at the respondent level; for *WTP*, standard errors are clustered at the task level. *WTP* is the maximum willingness to pay for work in thousands UGX.

4.4 Drivers of Work Redistribution Preferences

When employers and workers are asked to motivate their choices in the main experiment, the most common reason for choosing work redistribution—mentioned by 59.1% of employers and 44.9% of workers—is the belief that recipients "must work in exchange for money" and should not receive "free money." The next most common reasons, cited by about a third of employers and workers, relate to work being good for the worker's personal development, dignity, and mental health. Respondents exhibit identical choices and motivations whether deciding for themselves or others, supporting the hypothesis that the preference for work redistribution reflects a norm or standard of behavior.[35]

To qualify the nature of this behavior, we apply Bicchieri (2016)'s diagnostic framework to our findings. First, while work redistribution appears to be the default choice, it goes beyond a habit, as respondents do not change their behavior when they carefully discuss the implications of each choice in the rule-of-thumb scenario and work redistribution is costly. Second, the inelasticity of choices to incentives, especially given that choices are private and switching to cash is not costly, suggests that the observed behavior does not align with a custom or descriptive norm, which is characterized by being the convenient or rational choice based on the expectations of another person's behavior or beliefs. Third, the moral flavor of the motivations for giving and receiving work suggests the existence of a norm.

This normative component aligns with both Lewis (1954)'s notion of "code of ethical behavior" that compels employers to hire more workers than needed (closer to a moral norm) and Ranis and Fei (1961)'s formalization of "institutional or nonmarket forces" that determine non-neoclassical wages (closer to a social norm). Distinguishing the type of norm is beyond the scope of this paper.[36] Instead, we focus on further understanding the functions and motivations that underpin the norm supporting work redistribution.

[35]The spectator version of the work versus cash experiment was implemented in September 2022 (details and results are available in Online Appendix E). This design, where respondents make decisions for someone else, is commonly used in behavioral economics to measure preferences for redistribution absent personal stakes (Charness and Rabin, 2002).

[36]The key distinction between moral and social norms is that the latter depends on beliefs about normative expectations. However, this distinction can be blurry. For example, Bicchieri (2016) illustrates that fairness may be a social norm for some people but a deeply held moral norm for others. In contrast, descriptive norms lack the normative component and may include, for example, a custom like open defecation, a fashion like wearing high heels, or the use of a common signaling system, like traffic lights or language, for coordination purposes.

4.4.1 Incentive Arguments for Workfare

Realizing that work redistribution is closer to public assistance than charity, we take seriously the hypothesis—derived from conversations on why people give work and cash—that the norm for work redistribution is grounded in providing the "appropriate incentives" for recipients of redistribution, as in an informal version of workfare. In Besley and Coate (1992)'s theory of workfare, work requirements can cost-effectively maximize social welfare by aligning the giver and receiver incentives with a similar logic as ordeals in Nichols and Zeckhauser (1982). In this logic, work requirements help target transfers to those in need when there is asymmetric information about types, that is, when it is hard to obtain a reliable estimate of an individual's earnings potential. This is the so-called screening argument. Additionally, Besley and Coate demonstrate that when need arises not solely from bad luck, work requirements can also encourage poverty-reducing investments, referred to as the deterrent argument.

To test this hypothesis, we leverage the multi-scenario replication of our main experiment, designing a scenario where workers are pre-screened to need money due to an emergency (e.g., funeral costs). Importantly, we describe the emergency so that it allows workers to still engage in work. In this case, both the deterrent and the screening argument fail to apply. Thus, under the workfare hypothesis, employers' preferences for work redistribution should drop compared to the baseline scenario. As is other sections of this paper, we support the descriptive analysis with a regression analysis described in Online Appendix D, whose results are summarized in Table 4.

On the employer side, our results show that incentive-based arguments fully explain work redistribution preferences. When workers' financial needs are verifiable and luck-based, employers' preferences for work redistribution disappear: only 27.4% of employers choose work when the wage equals the transfer amount and the worker is pre-screened for need—a 54.8 percentage point reduction compared to the baseline scenario (p-value 0.000). The average willingness to pay for work is now very close to the market wage for the task (UGX 3,552). The pattern of giving behavior is also systematically different: employers are now more likely to offer work when it represents the more generous option, as shown in Figure 4, Panel B.

In contrast, on the worker side, we find no significant difference in the likelihood of requesting work or cash between workers with a verifiable emergency and those without (Online Appendix Table C.1, column 7, p-value 0.964). These findings suggest that despite workers frequently citing incentive motivations for giving via work, such factors

are not the primary drivers of their choices.[37]

4.4.2 Additional Normative Drivers: Reciprocity and Dignity

We next examine whether reciprocity explains the norm for work redistribution. Using the multi-scenario replication of the main experiment, we include a scenario where recipients are allowed to reciprocate cash with cash as a token of appreciation. If work redistribution facilitates reciprocity, employers and workers would reduce their preference for work redistribution when allowed to reciprocate with cash, relative to the baseline.

We find that reciprocity explains part of workers' preferences for work redistribution but none of the employers'. On the worker side, the ability to reciprocate cash transfers significantly reduces willingness to pay for work by 10%, from UGX 2,261 to UGX 2,034. On the employer side, we find no significant decrease work redistribution choices compared to the baseline (3.3% increase, p-value 1.000).[38] We summarize these results in Figure 3, Panel B, and Table 4.

Finally, we consider the hypothesis that workers derive self-image or dignity from interpreting their income as earned, in line with the stated motivations in Figure 2, Panel C. Building on insights from the literature on self-deception and the concept of "moral wiggle room" (Dana et al., 2007), we introduce a scenario in which we frame a cash transfer as compensation for the work they did for us, by participating in the survey. We find that providing workers with this excuse, or moral wiggle room, to interpret cash as work leads to a statistically significant 5.2% reduction in the likelihood of selecting work redistribution (p-value 0.000) and a 6.1% decrease in the willingness to pay for work. We attribute this modest yet meaningful reduction in work redistribution choices to broader dignity or (self-)image considerations associated with earning money.

4.4.3 Mechanism Discussion

Employers' preferences for work redistribution reflect a norm rooted in incentive arguments for workfare. Removing these incentive-related considerations largely eliminates

[37] In the experiment, workers' motivations for work choices, as shown in Panel C of Figure 2, indicate that "acquiring skills" is the second most common answer (19% of workers).

[38] Employers' expectations of workers' reciprocation are correct, suggesting that misperceptions about the likelihood of reciprocation do not explain employers' choices. Another hypothesis is that employers use work requirements to screen for moral character, expecting recipients to prove their "worthiness" through a willingness to work. However, we find no support for this hypothesis. In a scenario where recipients who chose work over an equivalent cash transfer were pre-selected to be willing to work, employers were more likely to give work than cash compared to the baseline.

their preferences for work redistribution, while enabling reciprocity with cash or screening for moral character does not affect decisions. Notably, our data are inconsistent with the idea of employers imposing these work requirements for their own personal or firm cost reduction. In the main experiment, work requirements are not needed to shield them from future requests. Instead, employers follow a norm of work redistribution when they lack information about recipients' needs.

While our data do not allow for a rigorous assessment of whether work requirements are efficient in our context, we can offer some intuition. As discussed above, Besley and Coate (1992) show that under the screening argument, work requirements trade off incentive compatibility and the reduction in private-sector earnings of recipients (which increases the need for transfers). In our context, where firms provide both transfers and private-sector earnings, however, the trade-off is tilted against cash transfers: if employers forego work requirements, they must give more transfers and lose labor at the same time. Additionally, in contexts where need is linked to unemployment and low job search effort, the incentive argument likely plays a significant role. This aligns with other common motivations for work redistribution choices in the main experiment, such as building skills and discouraging laziness.

On the worker side, some work redistribution preferences are driven by reciprocity norms, as allowing workers to reciprocate cash for cash significantly reduces work choices. However, the persistent preference for work over cash in all our scenarios, combined with a reduction in work choices when we provide wiggle room to interpret cash as work, also underscores the role of dignity concerns as key factors in workers' preferences for work redistribution. Dignity from earning aligns with the workfare theory framework, where receiving cash implies observable low ability or need.[39]

5 Work Redistribution Outside the Experiment

We conduct three analyses to deepen our understanding of work redistribution practices beyond the experimental results, leveraging the self-reported employer giving and firm data from our September and July 2024 surveys (see Section 2).

[39]This perspective also resonates with anthropologist James Ferguson, who notes that in sub-Saharan Africa, wage labor has historically shaped individual identity beyond economic survival, particularly for able-bodied men: "[G]rants for women, disabled people, and children have been long established in South Africa and Namibia. These grants are widely accepted but they are specifically targeted at social categories conventionally recognized as legitimately "dependent" and for whom the state can be imagined as taking on the metaphorical role of husband/father. But for able-bodied men in the prime of life, the receipt of a grant may seem inappropriate, and it is still the promise of jobs that beckons."

5.1 Validation of Experimental Redistribution Preferences

We first validate our measure of work redistribution to determine whether it meaningfully reflects labor demand. Specifically, we test whether employers with stronger preferences for work redistribution in the experiment are more likely to hire workers. To disentangle preferences for redistribution via work from generosity, which is a likely correlate of firm size and productivity, we estimate the following regression model:

$$Y_i = \alpha + \beta_1 GivingViaWork_i + \beta_2 MaxAmountGiven_i + \gamma_i + e_i. \quad (3)$$

Here, Y_i represents a standardized firm-level outcome for employer i (e.g., worker headcount). $GivingViaWork$ captures the employer's total work choices in the main experiment, reflecting their preferences for work redistribution. $MaxAmountGiven$ measures the maximum amount given in the experiment, serving as a proxy for general generosity. γ_i refers to fixed effects for the geographic cluster and task. Standard errors are clustered at the respondent level. The coefficient of interest, β_1, represents the marginal effect of an employer's preference for work redistribution, holding generosity constant.

Our results show that conditional on the average amount given, one additional decision to give via work in the experiment is associated with more workers at the firm, especially permanent workers, and monthly hours worked, as shown in Table 5, Panel A. One likely confounder in estimating this relationship is that employers who prefer work redistribution may simply need more labor. However, the results are stronger and more precisely estimated when we control for measures of output, such as firm revenues: one additional work choice in the experiment is associated with 0.029 standard deviations more workers (p-value 0.030), 0.56 more permanent workers (p-value 0.067), and 0.020 more hours (p-value 0.062). These results indicate that preferences for work redistribution affect the organization of production and, in particular, are a meaningful measure of labor demand at the firm.

Focusing on firm output, as shown in Table 5, Panel B, we find no statistically significant correlation with measures of revenues, profits, or sales. Instead, experimental work redistribution negatively correlates with measures of productivity, such as revenues per hour (–0.043, p-value 0.067) and profits per hour (–0.055, p-value 0.015). These results align with our experimental evidence, indicating that the additional work driven by redistribution preferences is not necessarily productive.

(a) Firm input

	N workers		N permanent workers		Hours worked		Workers' earnings		Tools		Machines	
	(standard day, std.)		(standard day, std.)		(standard month, std.)		(std.)		(std.)		(std.)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Work	0.011	0.029	0.047	0.056	0.007	0.025	-0.007	-0.002	0.040	0.048	-0.016	-0.006
	(0.020)	(0.009)	(0.027)	(0.023)	(0.022)	(0.010)	(0.024)	(0.025)	(0.016)	(0.015)	(0.026)	(0.016)
Max amount given	0.057	0.006	-0.004	-0.032	0.061	0.008	0.013	-0.004	-0.008	-0.034	0.067	0.038
	(0.022)	(0.014)	(0.031)	(0.028)	(0.023)	(0.015)	(0.044)	(0.041)	(0.017)	(0.018)	(0.040)	(0.024)
Controls												
Firm revenues	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Fixed Effects												
Task	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dependent var. mean	5.192	5.192	1.698	1.698	1,276.935	1,276.935	284.049	284.049	2.458	2.458	1.179	1.179
Obs.	321	321	321	321	309	309	307	307	265	265	263	263

(b) Firm output

	Revenues		Profits		Sales	
	(log)	per hour (log)	(log)	per hour (log)	(log)	per hour (log)
	(1)	(2)	(3)	(4)	(5)	(6)
Work	-0.035	-0.043	-0.060	-0.055	-0.048	-0.055
	(0.034)	(0.017)	(0.025)	(0.014)	(0.040)	(0.030)
Max amount given	0.116	0.074	0.095	0.040	0.105	0.074
	(0.055)	(0.037)	(0.054)	(0.044)	(0.037)	(0.030)
Fixed Effects						
Task	Y	Y	Y	Y	Y	Y
Dependent var. mean	31,763.997	19.788	3,540.713	2.819	20.178	0.011
Obs.	321	321	290	290	366	366

Table 5: Experimental work redistribution and firm outcomes. *Note:* The table summarizes the correlation between giving via work in the work versus cash experiment and firm input (Panel A) and output (Panel B). Firm inputs include the number of workers (*N workers*) and permanent workers (*N permanent workers*) for a standard day, the total *hours worked* by all workers during a standard month, and *workers' earnings*, measured in thousand UGX per month. Firm outputs are *revenues* and *profits*, also measured in thousand UGX per month, and *sales*, measured in tonnes. *Work* is the sum of the respondent's work choices in the main experiment, trimmed at the bottom 5% to reduce the influence of outliers. *Max amount given* is the maximum amount given within the experiment.Standard errors are clustered at the task level.

5.2 Self-Reported Giving via Work and Firm Productivity

In our second analysis, we complement our experimental evidence with real-world data on giving via work from our July 2024 survey (see Section 2). We leverage two definitions of self-reported work redistribution, which we elicit both on the intensive and extensive margins. First, we ask employers whether they have provided work "to help out"; this is our total work redistribution definition. For those who answer yes, we follow up by asking the extent to which this work was symbolic (i.e., explicitly meant to be unproductive)—this is our symbolic work redistribution definition. We use these

two definitions to bound the extent of unproductive work redistribution within the firm. Total work redistribution is likely an upper bound for unproductive work redistribution, as it likely includes some productive tasks. In contrast, symbolic work redistribution is closer to a lower bound as, for example, it excludes tasks that are productive but could have been completed with fewer workers.[40] As detailed in Section 2.3, approximately half of employers engage in work redistribution, while about a third offer symbolic or unproductive work. Our intuition is that offering symbolic work indicates stronger work redistribution preferences.

We examine differences in production organization between firms that self-report giving work and those that do not, focusing on whether work-giving firms are more labor-intensive. This analysis provides an external validity test to our results as it leverages observational data on giving, rather than relying on experimentally measured preferences. However, not relying on experimental data makes this analysis more susceptible to endogeneity issues, such as selection into giving, and omitted variable bias related to worker requests, and the overall level of giving. To partly address these concerns, we leverage our ability to distinguish symbolic from potentially productive work redistribution. Employers' choice of "making work up" is likely orthogonal to some of the endogeneity factors, such as worker requests, helping to mitigate these biases. We estimate the following regression model to estimate the correlation between any work redistribution and firm characteristics:

$$Y_i = \alpha + \beta_1 GivenWork_i + \gamma_i + e_i, \tag{4}$$

while, to separate between total and symbolic work redistribution, we estimate the following regression model:

$$Y_i = \alpha + \beta_1 GivenWork_i + \beta_2 GivenSymbolicWork_i + \gamma_i + e_i, \tag{5}$$

where $GivenWork_i$ is a binary variable indicating whether employer i self-reports giving via work in the past month and $GivenSymbolicWork_i$ indicates that employer i self-reports giving via work and did not need the worker (i.e., the work was symbolic). γ_i includes fixed effects for firm geographical cluster. In both models, firms that do not give any work serve as the omitted category.

The results in Table 6 show that firms engaging in any form of work redistribution hire more workers compared to those that do not. Consistent with the notion that to-

[40] For example, 71% of employers state that they could have done more work with existing workers.

tal work redistribution serves as an upper bound for unproductive redistribution, these findings are primarily driven by firms that provide symbolic work. Such firms hire approximately 0.32 more workers than those offering only productive work (equivalent to 0.2 standard deviations higher, p-value 0.099), supporting the claim that work redistribution preferences influence labor demand. Importantly, firms offering symbolic work tend to be less productive and profitable, with lower revenues per hour and profits per hour compared to firms that redistribute work but do not offer symbolic tasks. Controlling for the number of large machines as proxy for firm size strengthens these correlations, in line with the hypothesis that firms that give are positively selected.

(a) Firm input

	N workers		Hours worked		Idle time		Workers' earnings		Tools		Machines	
	(standard day, std.)		(standard month, std.)		(std.)		(std.)		(std.)		(std.)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Giving work	0.111	-0.029	0.100	-0.069	0.035	0.037	0.168	0.282	0.299	0.424	0.231	0.245
	(0.059)	(0.067)	(0.064)	(0.075)	(0.093)	(0.133)	(0.118)	(0.264)	(0.127)	(0.070)	(0.111)	(0.119)
Giving symbolic		0.215		0.261		-0.004		-0.175		-0.189		-0.020
		(0.117)		(0.097)		(0.147)		(0.247)		(0.148)		(0.221)
Fixed Effects												
Firm cluster	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dependent var. mean	3.704	3.704	970.427	970.427	2.126	2.126	266.325	266.325	2.351	2.351	1.052	1.052
Obs.	402	402	402	402	378	378	402	402	399	399	397	397

(b) Firm output

	Revenues								Profits							
	(log)				per hour (log)				(log)				per hour (log)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Giving work	0.315	0.442	0.252	0.409	0.175	0.348	0.165	0.345	0.332	0.514	0.267	0.468	0.222	0.413	0.198	0.404
	(0.156)	(0.234)	(0.154)	(0.237)	(0.155)	(0.157)	(0.113)	(0.155)	(0.186)	(0.295)	(0.186)	(0.292)	(0.159)	(0.235)	(0.169)	(0.236)
Giving symbolic		-0.196		-0.242		-0.266		-0.277		-0.277		-0.305		-0.290		-0.312
		(0.191)		(0.178)		(0.152)		(0.140)		(0.224)		(0.231)		(0.167)		(0.161)
Controls																
Machines	N	N	Y	Y	N	N	Y	Y	N	N	Y	Y	N	N	Y	Y
Fixed Effects																
Firm cluster	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dependent var. mean	8,862.616	8,862.616	8,862.616	8,862.616	11.303	11.303	11.303	11.303	2,259.845	2,259.845	2,259.845	2,259.845	2.905	2.905	2.905	2.905
Obs.	351	351	348	348	351	351	348	348	347	347	345	345	347	347	345	345

Table 6: Self-reported giving via work and firm outcomes. *Note:* The table presents data from the work versus cash experiment, focusing on the relationship between hiring preferences and firm input (Panel A) and output (Panel B). Firm inputs include the number of workers (*N workers*) for a standard day, the total *hours worked* by all workers during a standard month, *idle time* in hours out of 10 hours, *workers' earnings*, measured in thousand UGX per month, and the number of *tools* and *machines*. Firm outputs comprise *revenues* and *profits*, both measured in thousand UGX per month and per hour. *Giving* measures whether the respondent has given work in June 2024. Standard errors are clustered at the firm cluster level. Results in Panel A are robust to controlling for proxies of firm size (e.g., firm revenues, sales).

In our third analysis, we quantify the extent of work redistribution and implications

for the firm.[41] As discussed above, we leverage the two notions of work redistribution (total work redistribution and symbolic work redistribution) to bound our estimates. Of the 187 employers (46.2%) who reported giving work hours in the month before the July 2024 interview, the average firm gave 95.4 hours of work per month, of which 42.6 hours were symbolic or unproductive work hours. The redistributed hours constitute approximately 10% of total monthly work hours. For context, the average firm employs about 4 workers who work 8 hours per day, 6 days a week, totaling 832 hours per month.

Employers estimated the total value of the work given as USD 33.4 per month, or around 12% of monthly profits; symbolic work given accounts to USD 12 per month (about 5% of monthly profits). The extent of work redistribution is also significant from the workers' standpoint. On average, each firm provides work to about three people. Each person is assigned approximately 32 hours of work per month, which is roughly 12% of a full-time month's hours. The estimated value of this work, around UGX 80,000, is about 73% of the average weekly earnings for a worker (July 2024).

One important implication of our results is that accounting for work redistribution reveals that firms are in fact smaller than they appear. If we consider total monthly work hours as a measure of firm size, the effective work hours (i.e., excluding total hours given) are 13% lower than self-reported total hours and 6.4% lower when considering only symbolic hours (Figure 5, Panel A). As mentioned above, firms whose employers give via work look larger than those who do not. Building on the results of the previous section, accounting for work redistribution explains between 21.5% and 52.9% of the difference in firm size between firms giving work and those not giving work, depending on whether we consider firms' total or purely symbolic hours given.

By adjusting output for these effective hours worked, we also obtain a more accurate measure of firm productivity. As shown in Figure 5, accounting for work redistribution, firms' revenue per effective hour worked is approximately 9.3%–25.8% higher than standard productivity measures based on self-reports, depending on whether we consider total hours given or the hours given that are explicitly labeled as symbolic. This corresponds to an increase of USD 0.71 per hour (USD 0.23 if accounting only for symbolic work), given an average stated revenue per hour worked of USD 2.6. Assuming each

[41] This analysis is based on the data summarized in Online Appendix Table C.3. The estimates are conservative and robust to outliers and misreporting. First, we exclude firms for which self-reported hours given exceed the total hours worked (14 firms). Second, we winsorize the top and bottom 5% of each relevant variable to further mitigate the effect of outliers. These adjustments reduce our estimates of the extent of work redistribution. We also note that the estimates are based on firms self-reporting giving via work in July 2024 (lean season), while firms seem to give more in the peak season.

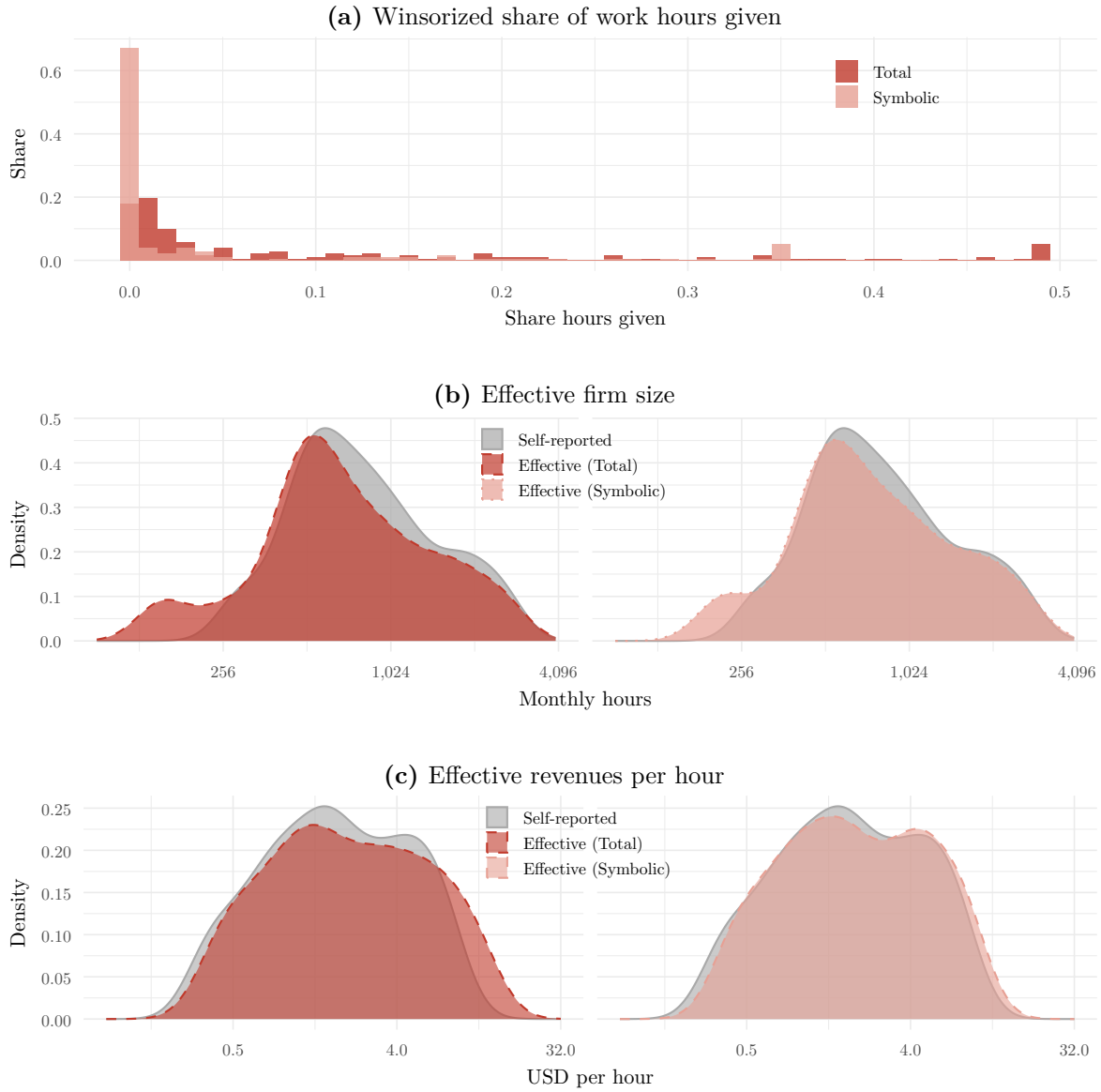


Figure 5: Hours given, effective firm size, and effective revenues per hour. *Note:* The figure summarizes the extent and implication of work redistribution. The data from the July 2024 firm survey: we exclude 14 firms whose share of hours given was above 1. Panel A plots the distribution of the self-reported share of hours given (bin width of 0.01). Panel B plots the distribution of self-reported and effective firm size (self-reported monthly hours minus self-reported monthly hours given). Panel C plots the distribution of self-reported revenues per full-time monthly worker and effective revenues (self-reported revenues divided by effective hours). All distributions are winsorized at the top and bottom 5th percentile. In Panels B and C, the x-axis is presented on a logarithmic scale.

worker works 10 hours per day and 26 days a month, this adjustment corresponds to a 9.5% increase in revenue per full-time monthly equivalent worker when considering only

symbolic work (a 25.1% increase when accounting for total work redistribution).

The results show that work redistribution is relevant beyond the experimental setting. Work redistribution inflates apparent firm size while reducing common measures of productivity, consistent with descriptive evidence from sub-Saharan Africa (e.g., Alby et al., 2020), where firms led by entrepreneurs facing higher social taxation are more overstaffed and appear less productive.

6 Conclusion

The paper has provided evidence on the role of work as informal redistribution, combining experiments and survey data. In the experiment, employers pay for zero value work, and workers prefer to work, instead of receiving cash transfers. Outside the experiment, work redistribution, including symbolic work, is widespread and constitutes a significant portion of work hours, and profits. Work redistribution preferences are sustained by normative motivations grounded in workfare-like arguments on the givers' side, and a combination of reciprocity and dignity from earning, on the receivers' side, highlighting a social value of work on both sides of the labor market.

A key implication of this paper is that output per worker underestimates firm productivity in settings where work redistribution is common. Accounting for given or symbolic work hours reveals smaller firm sizes and higher output per worker than standard measures based on self-reporting. Work redistribution may also indirectly affect the organization of production—for example, by reducing the value of labor-saving technologies. When owners and managers make decisions orthogonal to production needs, it can explain why improving firm productivity is often challenging (Atkin et al., 2019).

This paper also contributes to the discussion on anti-poverty programs in poor countries (Hanna and Olken, 2018). The preferences for work redistribution uncovered in this study, together with the psychosocial benefits of work identified by Hussam et al. (2022), introduce a new dimension for evaluating workfare — beyond the traditional efficiency/targeting trade-off (Bertrand et al., 2021). Broadening the lens to include recipients' preferences is important for designing and evaluating workfare programs.

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A Appendix Figures

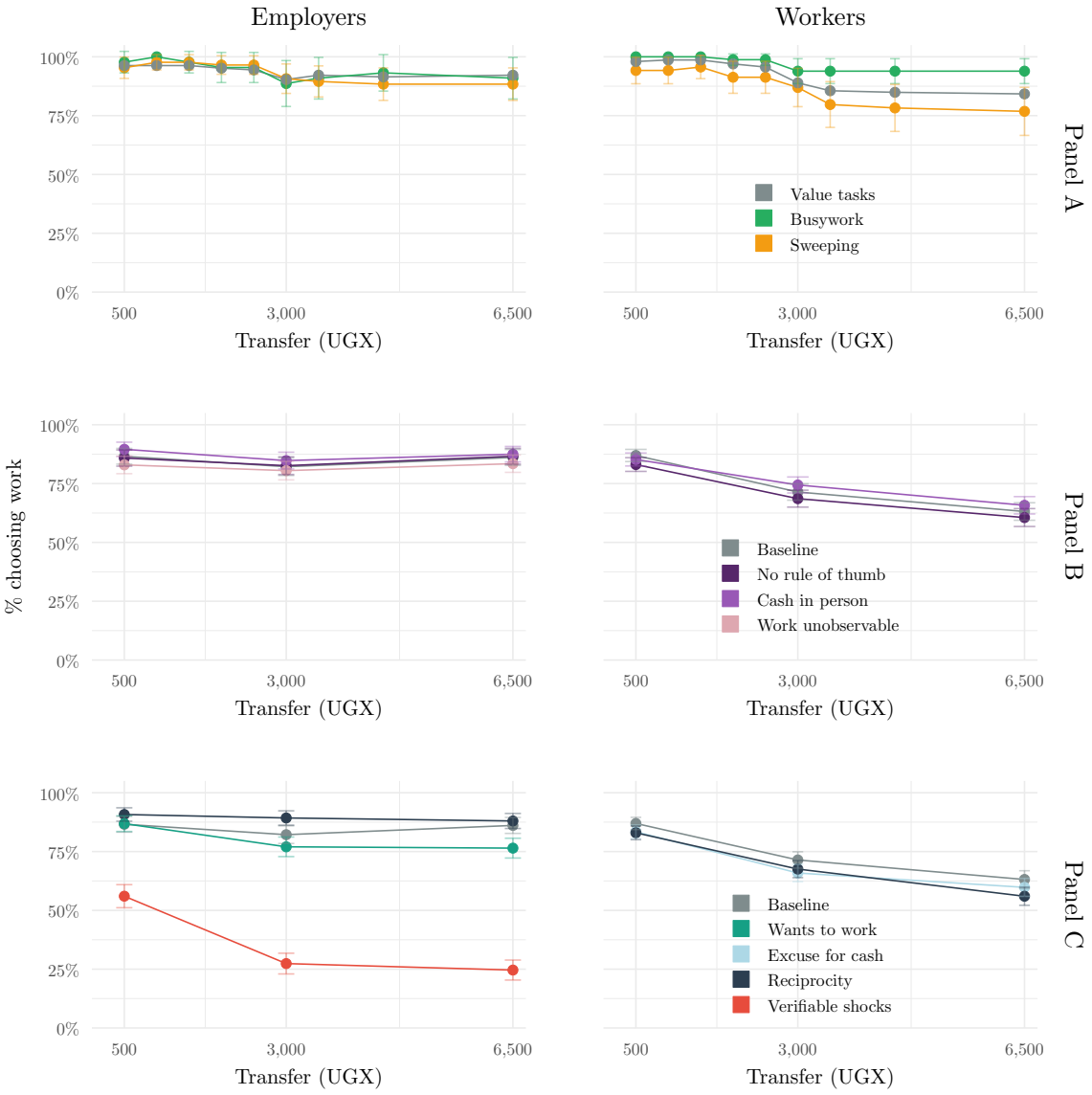


Figure A1: Work redistribution choices: Transfer varying. *Note:* The figure displays work redistribution choices for the decision nodes where the fixed outside option is hiring for a UGX 3,000 wage. The left-hand side panels summarize employers' choices, while the right-hand side panels summarize workers' choices across the various experiments. Panel A shows work redistribution choices for the value and no-value tasks in the main experiment. Panels B and C show the choices in the multi-scenario replication of the experiment, for two sets of scenarios. All confidence intervals are at the 95% level.