

Public Policies for Peace:

Labor Market Programs & Education

Virtual Course on Key Concepts for Economies in Conflict & Fragile Settings — Part 2

1 June 2025 | 3:00 PM (London / GMT)

The Questions

Are there policies that governments or local authorities can adopt to successfully and consistently promote peace?

Can public policies influence incentives for violence?

Esposito & Wright (2025)

Esposito & Wright (2025) review six policy areas where public action can reduce violence:

Labor market policies

Education policies

Welfare policies

Foreign aid and cash transfers

Natural resources and illicit economies

Enforcement and deterrence

Esposito & Wright (2025)

Today's focus — the first two areas:

Labor market policies

Education policies

Welfare policies

Foreign aid and cash transfers

Natural resources and illicit economies

Enforcement and deterrence

Questions for Today

Can governments, local administrations, NGOs, and international organizations implement labor market and educational policies that promote peace by reducing the incentives for violence?

And, if so, what do these policies look like?

Why Does Employment Matter for Peace?

Labor Market Policies

Classical Active Labor Market Policies (ALMPs)

Job placement and job-search assistance
Vocational training and hard skill development

Employment Creation Programs

Subsidized employment
Public employment or public works programs
Summer jobs and temporary work opportunities
Self-employment support and business start-up grants
Training combined with capital, cash, or productive inputs

Other Policies

Fiscal policies to increase legal income, cash transfers, etc.

Why Does Violence Happen? Conceptual Framework

Opportunity Cost of Violence

Violence chosen when legal/peaceful income is too low

Based on Becker (1968): rational cost-benefit

Negative income shocks → lower peace returns

Dube & Vargas (2013)
McGuirk & Burke (2020)

Grievance-Based Explanations

Perceived injustice drives rebellion

Gurr (1970): 'relative deprivation'

Marginalization, ethnic exclusion, inequality

Cederman, Gleditsch & Buhaug (2013)

Non-Material Drivers

Identity, social networks and solidarity

Wood (2003): 'pleasure in agency'

Emotions, ideology

Impulsive decision-making, emotional dysregulation

From Theory to Policy Design

Labor market programs can work through MULTIPLE channels:

Income channel

Raise the opportunity cost of violence by improving legal livelihoods

Social inclusion

Change perceptions of unfairness, reduce alienation and grievance

Emotional regulation

Foster better decision-making, reduce impulsive responses (via CBT)

Network disruption

Break ties with violent groups; build alternative social connections

Labor Market Programs and Violence: The Evidence

Classical programs

Strong emphasis on hard skills (vocational training, job placement).

Evidence is very limited, and programs are costly.

Job Corps, JOBSTART (USA): reduced arrests, but only temporarily and at very high cost.

New generation programs

Greater emphasis on soft skills, behavioral-psychological change, and therapy. More promising results.

CBT-based programs (Liberia, Chicago) show large and durable reductions in crime and violence.

Classical Labor Programs: A Mixed Record

Job Corps (USA)

Target: Disadvantaged youth 16–24

Content: Education, vocational training, job placement

Result: ✓ Reduced arrests (temporarily)

Cost: \$25,000 per youth (2014 \$)

JOBSTART (USA, 1980s)

Target: High-risk out-of-school youth 17–21

Content: Basic education, job training, counselling

Result: ✓ Reduced arrests (during participation)

Cost: \$9,800 per youth (2014 \$)

Uganda ALMP — Blattman et al. (2014)

Target: Unemployed youth 16–35

Content: Group cash grants for vocational training & business start-up

Result: ✓ Business assets & earnings improved
✗ No effect on social cohesion or participation to protests

Cost: Relatively low

Soft Skills for Peace: Liberia — Blattman & Annan (2016)

Study Design

Context: Post-conflict Liberia; high-risk men in illicit/violent work

N: 1,000 high-risk men (ex-combatants, squatters, etc.)

Treatment: Action on Armed Violence (AoAV): residential agri-training + counselling + life skills + \$125 farm inputs

Design: Randomised Control Trial (RCT)

Follow-up: 14 months post-program

Key Findings

↑ Engagement in farming & higher profits

↓ Work hours in illicit activities

↓ Interest in joining mercenary efforts in nearby conflict

Training ALONE (no capital inputs) had NO effect

Strongest effects: men expecting future cash transfer → ongoing incentives matter most

One Summer Plus (OSP) Chicago — Heller (2014)

43%

reduction in violent-crime arrests
over 16 months
≈ 4 fewer arrests per 100 youth

Program Design

N = 1,634 high-school students from high-violence Chicago neighbourhoods
8-week part-time summer job + mentorship + (some) CBT-based Social-Emotional Learning
Selected via randomisation from 13 high-violence schools

Critical Insight

Most of the crime reduction occurred AFTER the program ended — suggesting lasting behavioural change, not just incapacitation.
Adding SEL made NO significant difference — job experience and mentorship alone were effective.

READI Chicago — Bhatt, Heller, Kapustin, Bertrand & Blattman (2024)

Program Design

Target: Highest-risk men for shootings/homicides in Chicago

Identification: Predictive algorithm + community outreach referrals

N: 2,456 participants (RCT)

Intervention: 18 months subsidised employment + CBT + supportive services

CBT incentive: \$25 paid per session attended

Follow-up: Multi-year tracking of arrests & victimisations

Key Findings

65% decline in shooting & homicide arrests

↓ Gun-related arrests (large, though not always statistically significant)

↓ Victimisations (smaller decreases)

Benefit-cost ratio: 4:1 to 18:1 in social savings

Underscores value of algorithmic + human targeting

Policy Lessons: Labor Market Programs

ALMPs with CBT and socio-emotional skill development show encouraging results

Active labor market programs that integrate cognitive behavioral therapy (CBT) and broader socio-emotional skill development have shown promise even among high-risk adult populations.

Creating alternatives is not enough — teach people to 'see' the alternative

Improved decision-making, perspective-taking, and the ability to evaluate long-term consequences can be effectively cultivated and may significantly reduce involvement in crime.

Changing patterns and personality traits is hard; conditional cash transfers seem to matter

Lifestyle change is challenging. Research suggests conditional cash incentives are powerful motivators for sustained participation.

Target high-risk groups

Violence is concentrated in small populations. Careful and strategic selection of participants is essential during program design.

Venues for Future Research: Labor Market Programs

External validity

The underlying determinants of criminal behavior in environments where these interventions were trialed may diverge markedly from those driving insurgents, rebel groups, and radicalized youth.

Cost-effectiveness and scalability

Can scalable interventions be extended to larger at-risk populations, particularly in settings marked by entrenched cycles of violence?

Soft skills for peace: which skills to teach?

A key open question is which types of SEL- or CBT-based programs can be most successfully adopted in fragile and conflict-ridden settings.

Education as a Policy Tool for Peace

How Education Can Reduce (or Increase) Violence

Channels Reducing Violence

- 1. Incapacitation:** Youth in school are not on the streets (short-run effect)
- 2. Human capital:** More schooling → ↑ wages → ↑ opportunity cost of crime
- 3. Socio-emotional skills:** Better decision-making, trauma processing, impulse control through CBT-enriched curricula

But: Education Can Also ↑ Violence

Grievance hypothesis: education raises expectations that go unmet → frustration → radicalisation

Wood (2003): more educated individuals may be more sensitive to injustice and form stronger political antagonisms

Evidence: Hezbollah, Palestinian suicide bombers, IRA, Baader-Meinhof — often well-educated

Gambetta and Hertog (2009)

World Bank (2016): Daesh foreign fighters averaged higher education than home-country populations

What the Evidence Says

Caveat: most of the evidence looks at crime decisions in rich countries — caution is needed when extrapolating to conflict settings.

A summary of three promising areas:

More schooling, better schooling: Causal evidence (USA, UK, Sweden) shows significant crime reductions from increased education access and quality.

Early childhood interventions: Perry Preschool Program: lasting reductions in adult crime driven by socio-emotional trait formation.

CBT-informed curricula: Key to changing impulsive reactions, emotional dysregulation, and maladaptive beliefs — at high benefit-cost ratios.

More Schooling, Better Schooling

Lochner & Moretti (2004) — USA

Staggered changes in school-leaving age across states → significant ↓ crime. Social return includes crime reduction = 14–26% of private return to schooling.

Machin, Marie & Vujčić (2011) — England

1973 reform raising compulsory leaving age 15→16 (RD design) → ↑ schooling → ↓ crime. Confirms causality across different institutional setting.

Hjalmarsson, Holmlund & Lindquist (2015) — Sweden

Quasi-experimental variation in education → consistent with USA/UK findings. Education reduces criminal convictions and incarceration.

Deming (2011) — Charlotte-Mecklenburg

School choice lottery data → Better middle/high school → 50% fewer crimes for high-risk African American males. Effects emerge after leaving school.

Early Childhood Intervention: Perry Preschool Program

The Program

Target: Disadvantaged African American children aged 3–4

Design: High-quality pre-school with active learning curriculum

Studies: Nores et al. 2005; Heckman et al. 2010; Heckman & Karapakula 2019

Follow-up: Tracked to age 40

Long-Run Impacts (to Age 40)

↓ Adult criminal behaviour (especially males)

↓ Aggression and rule-breaking (externalising behaviours)
1 SD ↑ in externalising behaviour reduction → 1.7 fewer lifetime arrests (males)

0.6 fewer felony arrests per person (males, to age 40)

Effects driven by personality traits, NOT cognitive skills — socio-emotional development is key

Cognitive Behavioural Therapy (CBT): A new Tool

"A structured form of psychotherapy aimed at helping individuals recognize and reframe negative or distorted patterns of thinking in order to respond to challenges more constructively."

— Beck (2011)

Why CBT Targets Violent Behaviour

Impulsive reactions (System 1 thinking) can drive violent responses

Emotional dysregulation → failure to consider long-term consequences

Limited awareness of non-violent alternatives

Entrenched negative beliefs about adversaries and the world

What CBT Does

- ✓ Slow down automatic, impulsive reactions
- ✓ Improve interpretation of social situations
- ✓ Build patience and self-control
- ✓ Reshape noncriminal identity
- ✓ Can be manualized & delivered by non-specialists

Becoming a Man (BAM) — Heller et al. (2017)

28–35%

Reduction in total arrests

45–50%

Fewer violent-crime arrests

12–19%

Higher HS graduation rates

The Key Mechanism

BAM works not by teaching specific skills like grit or emotional intelligence, but by helping youth SLOW DOWN automatic, impulsive reactions and better interpret social situations. Not incapacitation: crime reductions were NOT concentrated on days when BAM sessions occurred — suggesting genuine behavioural change.

Benefit-Cost Ratio: up to 30:1

Related intervention (juvenile detention): 21% reduction in readmissions

STYL Liberia — Blattman, Jamison & Sheridan (2017)

Study Design

Population: 999 young men involved in crime and drug use in Liberia (avg. age 25)

4 arms: CBT only / Cash only (\$200) / CBT + Cash / Control

The program: CBT-inspired approach to help participants change patterns of behavior, identity, and decision-making

CBT –inspired delivery: Groups of ~20 men, 3 sessions/week for 4 hours each, for 8 weeks.

Facilitators were former combatants — not clinical psychologists.

Notable: Between sessions: home/workplace visits for guidance & ongoing support

Why This Study Matters

First RCT testing CBT outside the USA in a conflict-affected, low-income setting

Targets a highly vulnerable, older high-risk population (avg. age 25)

2×2 factorial design isolates CBT effect vs. cash vs. combined

Facilitators without clinical credentials — tests scalability

Follow-ups at 1 year (Blattman et al. 2017) AND 10 years (Blattman et al. 2023)

STYL: One-Year Results — What CBT Alone Can and Cannot Do

CBT Only

- ↓ Stealing and drug selling in short run
- ✗ Effects FADED after one year
- CBT reshapes: self-control, patience, noncriminal identity
- ✗ But without reinforcement → gains erode

Cash Only (\$200)

- ↑ Modest short-term income gains
- ✗ No lasting behavioural change
- ✗ Cash alone doesn't shift identity or cognitive patterns
- ✗ Effects dissipate as funds run out

CBT + Cash

- ✓ ↓ Antisocial behaviour by ~0.25 SD — sustained at 1 year!
- Cash gives time and stability to internalise CBT
- NOT via higher opportunity costs (cash gains dissipate quickly)
- Psychological mechanism: reinforces new self-perception

10-Year Follow-Up — Blattman, Chaskel, Jamison & Sheridan (2023)

Those who received therapy (or therapy + cash) were HALF AS LIKELY to engage in robbery, drug selling & street fighting — 10 years later

Lasting impact

Far exceeding expert predictions. Long-run impacts most pronounced among highest-risk participants.

CBT + Cash strongest

The combination group had the most durable reductions — supports the psychological reinforcement mechanism.

Therapy-only also works

CBT alone (without sustained cash) still showed significant 10-year crime reductions — identity change persists.

A powerful alternative

These findings offer a compelling alternative to conventional punitive crime-reduction strategies (incarceration, policing).

Beyond CBT: Socio-Emotional Learning (SEL) and Mediation Skills

Montreal Longitudinal Experimental Study

Boisjoli et al. (2007) and Algan et al. (2022)

11% decrease in criminal involvement for SEL intervention vs. control group

Long-run experimental evidence from a school-based SEL intervention

Children randomised to SEL showed lasting reductions in crime — decades later

Complements CBT: builds empathy, conflict resolution, cooperation

Cost-effective: school curriculum integration leverages existing infrastructure

Skills for Peaceful Conflict Resolution

Blattman, Hartman & Blair (2014)

Mass ADR education in 246 Liberian rural communities (86 randomly treated):

29% ↓ unresolved land disputes

32% ↓ property destruction

Spillovers to untrained community members

↑ Extrajudicial punishments (unintended consequence)

↑ Youth-elder disputes (community tensions surfaced)

Policy Lessons: Education & CBT Programs

More schooling, better schooling, earlier schooling

Large social externalities from crime reduction — a high-return investment. Early childhood interventions (Perry) foster lasting trait changes.

Embed SEL/CBT in school curricula

CBT-based programs show strong potential for reducing violence; BAM achieves a benefit-cost ratio of up to 30:1. Embedding in curricula is cost-effective and scalable.

Promote peaceful skills in adults too

CBT and mediation training are effective for adults as well, including high-risk men with criminal histories and former combatants (STYL, Liberia ADR).

Venues for Future Research: Education & CBT

Education for conflict & extremism: highly understudied

Almost no causal evidence on educational expansion and violent extremism and fighting. Decisions to join terrorist or rebel groups are driven by fundamentally different incentives than ordinary crime.

Early childhood interventions in LMICs

Long-term effects of early childhood programs remain unstudied in low- and middle-income settings. Need sustained longitudinal RCTs.

CBT for radicalised individuals

Does CBT work for those already committed to violence? Requires willingness to engage — a key question for conflict settings.

Perspective-taking in conflict zones

Building on Alan et al. (2023), integrating perspective-taking curricula in areas of protracted violence offers a compelling avenue for future work.

Conclusion

Promising new evidence on the role of labor market and educational policies for reducing individual incentives to violence.

Two broad findings so far:

It is not enough to build alternatives to violence — programs should help individuals concretely visualize and embark on those alternatives.

Violent behaviours are stuck in patterns formed early in life; peaceful behaviours can, to some extent, be learned.

Future challenges:

Design cost-effective and scalable interventions.

Test these tools in fragile settings ridden by cycles of violence.

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