

Second International Conference on Globalization and Development

International Workshop on Reducing Poverty Risk in Developing Countries



Conference Program and Book of Abstracts

03. May – 04. May 2018
Göttingen, Germany



Niedersächsisches Ministerium
für Wissenschaft und Kultur

Funding from the German Research Foundation via Research Training Group 1723 Globalization and Development and from the Lower Saxony Ministry of Science and Culture via the project 'Reducing poverty risk in developing countries' is gratefully acknowledged.

Organizing Committee:

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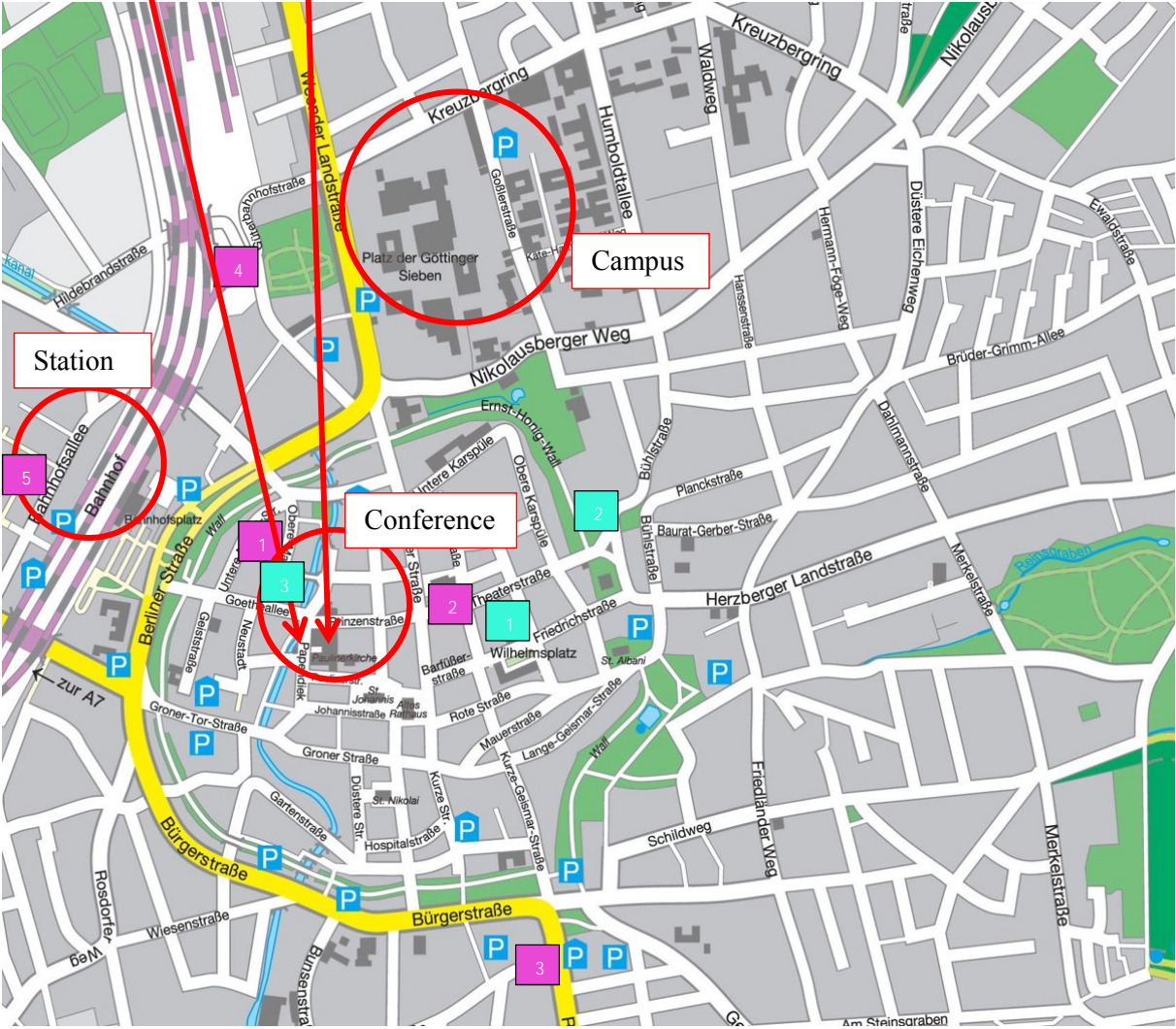
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VENUES

- HEYNE HAUS**
Papendiek 16
Buettner Raum 1
Buettner Raum 2
- HISTORICAL BUILDING**
Papendiek 14
1st floor:
Paulinerkirche
Alfred-Hessel-Saal
Vortragsraum



The registration desk can be found on the first floor of the Historical Building.

In case of problems, the registration desk can be reached at +49 (0) 551 39-12415.

Hotels:

1	Hotel Stadt Hannover	Goethe-Allee 21, 37073 Göttingen
2	Hotel Central	Jüdenstr. 12, 37073 Göttingen
3	Hotel Eden	Reinhäuser Landstraße 22A, 37083 Göttingen
4	B&B Hotel Göttingen City	Maschmühlenweg 19-21, 37073 Göttingen
5	InterCity Hotel	Bahnhofsallee 1A, 37081 Göttingen

Informal Get-Together: Wednesday · 02 May · 7:30 (at your own expense)

1	Apex	Burgstraße 46, 37073 Göttingen
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Conference Dinner: Thursday · 03 May · 7:30

2	Deutsches Theater Keller + Bistro	Theaterplatz 11, 37073 Göttingen
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Dinner: Friday · 04 May · 7:00 (at your own expense)

3	Kartoffelhaus	Goetheallee 8, 37073 Göttingen
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TIMETABLE

Thursday 03 May 2018		
8:30	Registration Opening	Historical Building First Floor
9:00 – 9:30	Conference Opening	Paulinerkirche
9:30 – 10:30	Keynote David McKenzie „Learning from Business Training Evaluations in the Developing World Redux”	Paulinerkirche
10:30 – 11:00	Coffee Break	Historical Building Ground Floor
11:00 – 12:30	Parallel Session 1	
	A1: Small-scale Business and Trading	Buettner Raum 1
	B1: Fertility and Mortality at the Macro Level	Buettner Raum 2
	C1: Poverty Traps and Poverty Transitions	Vortragsraum
	D1: Education	Alfred-Hessel-Saal
12:30 – 1:30	Lunch	Historical Building Ground Floor
1:30 – 3:30	Parallel Session 2	
	A2: Experiments on Labor and Taxes	Buettner Raum 1
	B2: Estimation Methods	Buettner Raum 2
	C2: Growth and Inequality across Countries	Vortragsraum
	D2: Childhood Development	Alfred-Hessel-Saal
3:30 – 5:00	Poster Session with Coffee	In and in front of the Alfred-Hessel-Saal
5:00 – 6:00	Keynote Michèle Tertilt "Female Empowerment and Economic Development"	Paulinerkirche

TIMETABLE

Friday 04 May 2018		
9:00 – 10:30	Parallel Session 3	
	A3: Long Term Economic Effects	Buettner Raum 1
	B3: Exchange Arrangements and Networks	Buettner Raum 2
	C3: Conflict and Crime	Vortragsraum
10:30 – 11:00	Coffee Break	Historical Building Ground Floor
11:00 – 12:30	Parallel Session 4	
	A4: Conflict and Politics	Buettner Raum 1
	B4: Financial Decision Making: Microcredit and Repayment	Buettner Raum 2
	C4: Long Term Impact on Education and Human Capital Development	Vortragsraum
12:30 – 1:15	Lunch	Historical Building Ground Floor
1:15 – 1:30	Poster Award	Paulinerkirche
1:30 – 2:30	Keynote Eliana La Ferrara "Interaction, Stereotypes and Performance. Evidence from South Africa"	Paulinerkirche
2:30 – 4:00	Parallel Session 5	
	A5: Gender and Bargaining Power	Buettner Raum 1
	B5: Financial Decision Making: Uncertainty and Expectations	Buettner Raum 2
	C5: Aid and Ethnicity	Vortragsraum
4:00 – 4.30	Coffee Break	Historical Building Ground Floor
4:30 – 6:00	Parallel Session 6	
	A6: Trade	Buettner Raum 1
	B6: Financial Decision Making: Transfers, Contributions and Investments	Buettner Raum 2
	C6: Rural Development in Southeast Asia: Evidence from the Thailand Vietnam Socio Economic Panel	Vortragsraum

KEYNOTES

David McKenzie



Thursday · 03 May · 9:30 – 10:30
(Paulinerkirche)

“Learning from Business Training Evaluations
in the Developing World Redux”

David McKenzie is a Lead Economist in the Development Research Group, Finance and Private Sector Development Unit at the World Bank. He received his B.Com.(Hons)/B.A. from the University of Auckland, New Zealand and his Ph.D. in Economics from Yale University. Prior to joining the World Bank, he spent four years as an assistant professor of economics at Stanford University. He is currently on the editorial boards of the Journal of Development Economics, the World Bank Economic Review, and Migration Studies. He is also a co-founder and regular contributor to the Development Impact blog. He has published more than 100 articles in journals such as the Quarterly Journal of Economics, Science, Review of Economics and Statistics, Journal of the European Economic Association, Economic Journal, American Economic Journal: Applied Micro, Journal of Econometrics, and all leading development journals. His main research is on migration, enterprise development, and methodology for use with developing country data.

Michèle Tertilt



Thursday · 03 May · 5:00 – 6:00
(Paulinerkirche)

"Female Empowerment and Economic Development"

Michèle Tertilt is a Professor of Economics at the University of Mannheim. She studied economics at Bielefeld University and obtained her PhD from the University of Minnesota. She is currently a Managing Editor at the Review of Economic Studies. Furthermore, she is an Associate Editor of the Journal of Development Economics. She is also a Research Affiliate at BREAD and the European Development Research Network (EUDN) and a Research Fellow at CEPR. In 2017 she was awarded the Yrjö Jahnsson Award - a biennial award by the European Economic Association and the Yrjö Jahnsson Foundation, given to a European economist no older than 45 years old who has made a contribution in theoretical and applied research that is significant to economics in Europe. In September 2013 she was awarded the Gossenpreis - an annual award by the Verein für Socialpolitik which recognizes the best published economist under 45 working in the German speaking area. She is the first woman to win this prestigious prize. Her research concentrates on macroeconomics with a special focus on development and intra-family interactions. She has also worked on consumer credit and bankruptcies.

Eliana la Ferrara



Friday · 04 May · 1:30 – 2:30
(Paulinerkirche)

"Interaction, Stereotypes and Performance.
Evidence from South Africa" (with J. Burns and L. Corno)

Eliana La Ferrara is the Invernizzi Chair in Development Economics at Bocconi University, Milan. She is President of the European Economic Association and of the Bureau for Research and Economic Analysis of Development (BREAD). She directs the Laboratory for Effective Anti-poverty Policies (LEAP) at Bocconi. She is a Fellow of the Econometric Society and of CEPR, EUDN and IGER. She received a PhD in Economics from Harvard University in 1999. Her research fields are Development Economics and Political Economics. Her research focuses on the role of social factors in economic development. She has studied ethnic diversity, kin structure and inheritance norms; and the effects of television on social outcomes. She has also investigated political constraints to development, with particular focus on violent conflict in Africa. Her work has been published in the *American Economic Review*, *Quarterly Journal of Economics*, *Journal of Development Economics*, *American Economic Journal: Applied Economics* and the *Journal of the European Economic Association*.

PARALLEL SESSIONS

Parallel Session 1: Thursday · 03 May · 11:00 – 12:30

A1: Small-scale Business and Trading

(Buettner Raum 1)

Andreas Eberhard-Ruiz (University of Sussex, United Kingdom): “The Impact of Armed Conflict on Local Cross-Border Trade: Evidence from the Border between Uganda and the Democratic Republic of Congo”

Jan Willem Gunning (VU University Amsterdam, Netherlands), Pramila Kirshnan, Andualem T. Mengistu: “Fading Choice: Transport Costs and Variety in Consumer Goods”

Wouter Zant (VU University Amsterdam, Netherlands): “Mobile Phones and Maize Prices in Mozambique: Improved Arbitrage or Increased Rent Extraction?” **(Chair)**

B1: Fertility and Mortality at the Macro Level

(Buettner Raum 2)

Kenneth Hartgen (ETH, Zürich, Switzerland), Stefan Lang, Johannes Seiler: “Selective Mortality and Undernutrition in Low and Middle-Income Countries”

Erasmus Papagni (University of Campania L. Vanvitelli, Italy): “Fertility Transitions in Developing Countries: Convergence, Timing, and Causes”

Viacheslav Yakubenko (University of Goettingen, Germany): “Burnt by the Sun: Explaining Suicide in Developing Countries” **(Chair)**

C1: Poverty Traps and Poverty Transitions

(Vortragsraum)

Katharina Lehmann-Uchner (ETH Zürich, Switzerland), Kati Kraehnert: “Asset Dynamics in the Presence of Extreme Weather Events”

Tabea Lakemann (GIGA Institute of African Affairs and University of Goettingen, Germany): “Vulnerability to Poverty among the Self-Employed: Evidence from Uganda”

Simone Schotte (GIGA German Institute of Global and Area Studies, Germany), Rocco Zizzamia, Murray Leibbrandt: “Poverty Transitions and Life Trajectories in Urban South Africa: A Mixed Method Investigation” **(Chair)**

D1: Education

(Alfred-Hessel-Saal)

Lee Crawford (University of Sussex, United Kingdom): “Contracting Out Schools at Scale: Evidence from Pakistan”

Sanna Ericsson (Lund University, Sweden), Jan Bietenbeck, Fredrick Wamalwa: „Preschool Attendance, School Progression, and Cognitive Skills in East Africa”

Emma Riley (University of Oxford, United Kingdom): “Increasing Students' Aspirations: The Impact of Queen of Katwe on Students' Educational Attainment” **(Chair)**

Parallel Session 2: Thursday · 03 May · 1:30 – 3:30

A2: Experiments on Labor and Taxes

(Buettner Raum 1)

Stefanos A. Tsikas (Leibniz University of Hanover, Germany), Andreas Wagener: “Bringing Tax Avoiders to Light: Moral Framing and Shaming in a Public Goods Experiment”

Isis Gaddis (World Bank, United States), Gbemisola Oseni, Amparo Palacios-Lopez, Janneke Pieters: “Measuring Farm Labor: Survey Experimental Evidence from Ghana”

Ghida Karbala (University of Goettingen, Germany), Pooja Balasubramanian: “Social Comparison at the Workplace: Evidence from a Field Experiment in Kolkata, India” **(Chair)**

B2: Estimation Methods

(Buettner Raum 2)

Maike Hohberg (University of Goettingen, Germany), Peter Pütz, Thomas Kneib: “Treatment Effects Beyond the Mean: A Practical Guide Using Distributional Regression”

Jisu Yoon (Pharmerit International, Germany), Atika Pasha: “An Alternative Strategy to Identify Deprivations in Multidimensional Poverty: A Partial Least Squares Approach”

David Garcés-Urzaínqui (VU University Amsterdam, Netherlands): “Poverty Transitions without Panel Data? An Appraisal of Synthetic Panel Methods”

Tatyana Krivobokova (University of Goettingen, Germany), Fabian Dunker, Stephan Klasen: “Asymptotic Distribution and Simultaneous Confidence Bands for Ratios of Quantile Functions” **(Chair)**

C2: Growth and Inequality Across Countries

(Vortragsraum)

Samuel Kofi Tetteh-Baah (ETH Zürich, Switzerland), Isabel Guenther, Kenneth Harttgen: “Inequality of opportunities in Africa”

Tim Lueger (Technical University of Darmstadt, Germany): “A VAR Evaluation of Classical Growth Theory”

Nathalie Scholl (Center for Demographic Studies, Universidad Autònoma de Barcelona, Spain): “Adding Insult to Injury: Health Inequality, Income Inequality, and Economic Growth”

Maria C. Lo Bue (University of Goettingen, Germany), Stephan Klasen, Vincenzo Prete: “The Role of Shocks on Pro-poor growth: Measurement and Inference Issues” **(Chair)**

PARALLEL SESSIONS

D2: Childhood Development

(Alfred-Hessel-Saal)

Cara Ebert (University of Goettingen, Germany), Esther Heesemann, Sebastian Vollmer: “Picture Book Reading and Early Childhood Development in India.”

Emmanuel Rukundo (University of Bonn, Germany), Nicolas Gerber, Essa Mussa, Joachim von Braun: “Impact of Community-Based Health Insurance on Child Health Outcomes: Evidence on Stunting from Rural Uganda”

Lara Cockx (KU Leuven, Belgium): “Moving Towards a Better Future for your Children? The Impact of Maternal Migration on Child-wellbeing in Tanzania”

Marcello Perez-Alvarez (University of Goettingen, Germany), Marta Favara: “Maternal Age and Offspring Development” (**Chair**)

Parallel Session 3: Friday · 04 May · 9:00 – 10:30

A3: Long Term Economic Effects

(Buettner Raum 1)

Manuel Santos-Silva (University of Goettingen, Germany), Amy Alexander, Stephan Klasen, Christian Welzel: “The Roots of Female Emancipation”

Dierk Herzer (Helmut-Schmidt-University, Germany), Korbinian Nagel: “The Effects of Adult and Non-adult Mortality on Long-run Economic Development: Evidence from a Heterogeneous Dynamic and Cross-sectionally Dependent Panel of Countries between 1800 and 2010”

Sebastian Vollmer (University of Goettingen, Germany), Juditha Wojcik: “The Long-term Consequences of the Global 1918 Influenza Pandemic: A Systematic Analysis of 117 IPUMS International Census Data Sets” **(Chair)**

B3: Exchange Arrangements and Networks

(Buettner Raum 2)

Marc Witte (University of Oxford, United Kingdom): “Job Referrals and Strategic Network Formation - Experimental Evidence from Urban Neighbourhoods in Ethiopia”

Arun Advani (University of Warwick, United Kingdom): “Insurance Networks and Poverty Traps”

Susan Steiner (Leibniz University of Hanover, Germany), Friederike Lenel: “Accountability and Informal Exchange” **(Chair)**

C3: Conflict and Crime

(Vortragsraum)

Christian Ambrosius (FU Berlin and Universidad Nacional Autonoma de Mexico, Mexico): “Deportations and the Roots of Gang Violence in Central America”

Jorge Garcia Hombrados (London School of Economics, United Kingdom): “The Lasting Effects of Natural Disasters on Property Crime: Evidence from the 2010 Chilean Earthquake”

Kai Gehring (University of Zurich, Switzerland), Sarah Langlotz, Stefan Kienberger: “Stimulant or Depressant - Opium and Conflict in Afghanistan” **(Chair)**

PARALLEL SESSIONS

Parallel Session 4: Friday · 04 May · 11:00 – 12:30

A4: Conflict and Politics

(Buettner Raum 1)

Maiting Zhuang (Paris School of Economics, France): “Intragovernmental Conflict and Media Censorship – Evidence from Newspaper Reports on Corruption Scandals in China”

Anna Minasyan (University of Groningen, Netherlands), Astghik Mavisakalyan: “The Role of Conflict in Sex Discrimination: Evidence from the South Caucasus”

Paul Schaudt (Leibniz University of Hanover, Germany), Richard Bluhm, Christian Leßmann: “Political Borders” **(Chair)**

B4: Financial Decision Making: Microcredit and Repayment

(Buettner Raum 2)

Antonia Grohmann (DIW Berlin, Germany), Lukas Menkhoff: “The Effect of Information Disclosure and Financial Literacy on Loan Choices: Experimental Evidence”

Kristina Czura (University of Munich (LMU), Germany), Anett John, Lisa Spantig: “Maintaining Repayment Discipline While Reducing Peer Pressure in Microfinance: Repayment Flexibility vs Mutual Insurance”

Friederike Lenel (University of Goettingen, Germany), Antonia Grohmann, Steffen Herbold: “Repayment Behavior under Flexible Loan Contracts” **(Chair)**

C4: Long Term Impact on Education and Human Capital Development

(Vortragsraum)

Jing Lou (National University of Singapore, Singapore), Jie Li: “Export Expansion and Intergenerational Education Mobility: Evidence from China”

Stephan Maurer (University of Konstanz, Germany): “Oil Discoveries and Education Spending in the Postbellum South”

Bruno Gabriel Witzel de Souza (University of Goettingen, Germany): “The Rationale of Sharecropping: Brazilian Coffee Planters and German-speaking Contract Laborers in the Transition from Slavery (1830-1890)” **(Chair)**

Parallel Session 5: Friday · 04 May · 2:30 – 4:00

A5: Gender and Bargaining Power

(Buettner Raum 1)

Wendy Janssens (VU University Amsterdam, Netherlands), Rachel Cassidy, Marije Groot Bruinderink, Karlijn Morsink: “The Power to Protect: Household Bargaining and Female Condom Use”

Atika Pasha (University of Mannheim, Germany), Chloé Van Biljon, Dieter von Fintel: “Bargaining to Work: the Effect of Female Autonomy on Female Labour Supply”

Inmaculada Martinez-Zarzoso (University of Goettingen, Germany): “Gender Gap and Firm Performance in Developing Countries” **(Chair)**

B5: Financial Decision Making:

(Buettner Raum 2)

Uncertainty and Expectations

Dietmar Fehr (University of Heidelberg, Germany), Günther Fink, Kelsey Jack: “Scarcity and Exchange Asymmetries: Evidence from Small-Scale Farmers in Rural Zambia”

Wiebke Stein (Leibniz University of Hanover, Germany), Theres Klühs, Melanie Koch: “Be Positive and See Yourself Burdened with Debt? On the Effect of Biased Expectations on Over-Borrowing”

Sebastian O. Schneider (Max Planck Institute for Research on Collective Goods, Germany), Marcela Ibanez, Gerhard Riener: “Higher Order Risk: An Application To Savings of the Poor in Bogota” **(Chair)**

C5: Aid and Ethnicity

(Vortragsraum)

Andreas Fuchs (University of Heidelberg, Germany), Axel Dreher, Sarah Langlotz: “The Effects of Foreign Aid on Refugee Flows”

Christian Bommer (University of Goettingen, Germany), Axel Dreher, Marcello Perez-Alvarez: “Regional and Ethnic Favoritism in the Allocation of Humanitarian Aid”

Lennart Kaplan (University of Goettingen, Germany), Jana Kuhnt, Katharina Richert, Sebastian Vollmer: “What Makes a Successful Development Intervention? The Theory of Planned Behaviour – An Application to Implementation Research” **(Chair)**

PARALLEL SESSIONS

Parallel Session 6: Friday · 04 May · 4:30 – 6:00

A6: Trade

(Buettner Raum 1)

Feicheng Wang (University of Goettingen, Germany), Chris Milner, Juliane Scheffel: “Export Destinations and Skill Premium: Evidence from Chinese Manufacturing Industries”

Matteo Fiorini (European University Institute, Italy), Marco Sanfilippo, Asha Sundaram: “Trade Liberalization, Infrastructure and Firm Performance”

Hendrik Kruse (University of Goettingen, Germany), Inmaculada Martinez-Zarzoso, Leila Baghdadi: “Standards and Market Power: Evidence from Tunisia” **(Chair)**

B6: Financial Decision Making:

(Buettner Raum 2)

Transfers, Contributions and Investments

Ana Garcia Hernandez (NOVA University Lissabon and Wissenschaftszentrum Berlin für Sozialforschung WZB, Germany): “Political Voice and Public Goods Provision: Evidence from a Lab-in-the-Field Experiment in Uganda”

Cristina Cirillo (University of Florence and University of Trento, Italy), Giorgia Giovannetti: “Do Cash Transfers Trigger Investments? Evidence for Peru”

Ann-Kristin Reitmann (University of Passau, Germany), Fadima Yaya Bocoum, Michael Grimm, Renate Hartwig: “Transfers within the Extended Family: Evidence from Burkina Faso” **(Chair)**

C6: Rural Development in Southeast Asia:

(Vortragsraum)

Evidence from the Thailand Vietnam

Socio Economic Panel

Dorothee Bühler (Leibniz University of Hanover, Germany), Ulrike Grote: “Mother's Money, Child's Opportunity: Evidence from Intra-household Allocation in Vietnam”

Katharina Grabrucker (University of Passau, Germany), Michael Grimm: “Is there a Rainbow after the Rain? The (indirect) Effects of Rainfall Shocks on Non-farm Enterprises in Thailand”

Sabine Liebenehm (Leibniz University of Hanover, Germany), Nele Degener, Eric Strobl: “Rainfall Shocks and Risk Aversion: Evidence from Southeast Asia” **(Chair)**

POSTER SESSION: Thursday · 03 May · 3:30 – 5:00

(In and in front of the
Alfred-Hessel-Saal)

Lena Gerling (University of Münster, Germany): “Riots and the Window of Opportunity for Coup Plotters: Evidence on the Link Between Urban Protests and Coups d’État”

Esther Heesemann (University of Goettingen, Germany), Cara Ebert, Sebastian Vollmer: “Fostering Early Childhood Development in Rural India - Evaluation of a Randomized Controlled Trial”

Carolin Hulke (University of Cologne, Germany), Javier Revilla Diez: “Building Adaptive Capacity to External Risks through Collective Action – Social Learning Mechanisms of Smallholders in Rural Vietnam”

Jana Lenze (University of Goettingen, Germany), Jana Kuhnt: “The Impact of Congolese Refugees on Social Cohesion and Women's Employment in Uganda”

Marcello Perez-Alvarez (University of Goettingen, Germany), Holger Strulik: “Nepotism, Schooling Outcomes and Economic Development”

Huong Dien Pham (Leibniz University of Hanover, Germany): “Do Cultural Factors Alter the Relationship between Risk Attitudes and Economic Welfare?”

Nayanara Sarma (Institut De Hautes Etudes Internationales et du Développement, Switzerland): “Queuing to Leave: A New Approach to Immigration”

Simone Schotte (GIGA German Institute of Global and Area Studies, Germany), Cobus Burger: “A Structural Approach to Modelling Employment Transitioning in South Africa”

Helke Seitz (DIW Berlin, Germany), Tabea Lakemann: “Financial Profiles of Micro and Small Enterprises in Uganda”

Tobias Stöhr (Kiel Institute for the World Economy, Germany), Marcus Böhme, André Gröger: “Searching for a Better Life: Predicting International Migration with Online Search Keywords”

Marlene Waske (Leibniz University of Hanover, Germany), Sebastian Vollmer: “Obesity, Environment, and Culture in the Island of Trinidad”

Reinhard Weisser (Queen Mary University of London, United Kingdom), Wiebke Stein: “The Impact of Local Shocks on Well-Being: Only a Matter of Perception?”

Martin Wiegand (VU University Amsterdam, Netherlands): “Closing the Tap: How School Enrollment is Affected when Conditional Cash Transfer Payments Break Off”

BOOK OF ABSTRACTS

Parallel Session 1: Thursday · 03 May · 11:00 – 12:30

A1: Small-scale Business and Trading

(Buettner Raum 1)

Andreas Eberhard-Ruiz (University of Sussex, United Kingdom): “The Impact of Armed Conflict on Local Cross-Border Trade: Evidence from the Border between Uganda and the Democratic Republic of Congo”

This study examines the nexus between conflict and informal cross-border trade (ICBT), a type of trade that has been largely ignored in the economics literature. The focus lies on the internal armed conflict that has ravaged the eastern parts of the DRC for over two decades and on how this has affected Ugandan informal cross-border exports to the DRC. Specifically, I investigate whether changes over time in the relative exposure to the conflict by separate Ugandan regions along the Uganda-DRC border, explain differences in these regions’ ICB exports to the DRC. Combining a unique dataset on monthly ICBT flows between Ugandan and the DRC with geo-referenced data on conflict events, I find that conflict shocks affecting a border region’s entire market potential, reduce its exports by close to a third.

Jan Willem Gunning (VU University Amsterdam, Netherlands), Pramila Kirshnan, Anduaem T. Mengistu: “Fading Choice: Transport Costs and Variety in Consumer Goods”

The lack of market development in remote areas is usually measured by spatial variation in prices for a given set of consumer goods. We focus instead on the way distance constrains the choices consumers can make. We construct a model of monopolistic competition between traders moving goods from market towns to rural areas. We test the model using data from a purpose-designed survey of shops and consumers in rural villages in Ethiopia. Falling transport costs, larger market size and higher inequality dramatically raise variety of items and brands available locally while the differences in prices suggest a price wedge of between 10 -15 percent on average between town and village. We use these estimates to calibrate the welfare costs of falling variety at between 5-7 percent of expenditures on manufactured consumer goods. Our results suggest that the level of poverty and the rate at which poverty declines are underestimated.

Wouter Zant (VU University Amsterdam, Netherlands): “Mobile Phones and Maize Prices in Mozambique: Improved Arbitrage or Increased Rent Extraction?”

I exploit the quasi experimental nature of the roll-out of the mobile phone network from 1997 to 2009 in Mozambique, to estimate impact of search costs on the dispersion of maize prices and transport costs. The rollout explains a 4.5-11 percent reduction in maize price dispersion, and a larger reduction in per ton km transport costs. Evidence suggests that traders benefit by capturing more rent income. Increased efficiency is mainly associated with lower prices for consumers. Various sources of heterogeneity are identified: reductions are larger for markets that are far apart, for source markets with higher mobile phone coverage and during droughts.

B1: Fertility and Mortality at the Macro Level

(Buettner Raum 2)

Kenneth Harttgen (ETH, Zürich, Switzerland), Stefan Lang, Johannes Seiler: “Selective Mortality and Undernutrition in Low and Middle-Income Countries”

Anthropometric indicators are found to be lowest in (South) Asia compared to other geopolitical regions. Nevertheless, despite a close relationship between undernutrition and mortality rates, the highest mortality rates are concentrated in sub-Saharan Africa. Accounting for this survival bias, the discrepancy between the undernutrition rates between Asia and sub-Saharan Africa should be expected to decrease. Counterfactually, one can also ask whether undernutrition rates would differ without selective mortality. Using data from six waves of Demographic and Health Surveys, we assess the impact of selective mortality on the anthropometric indicator for the children’s height for age (stunting) for a global sample of low and lower-middle income countries between 1991 and 2015. Selective mortality, even though present, is found to be of only negligible magnitude. Even when the analysis is restricted to a specific geopolitical region, and also at a country level, selective mortality has only a small effect on stunting.

Erasmus Papagni (University of Campania L. Vanvitelli, Italy): “Fertility Transitions in Developing Countries: Convergence, Timing, and Causes”

This paper studies the dynamics of fertility in 181 countries in the period 1950--2008 and investigates the determinants of the onset of fertility transitions. The application of Phillips and Sul's (2007) test to fertility rates provides evidence of convergence in four groups of countries. This information is used to distinguish the transitioning countries from those not transitioning. The estimation of the year of onset of the fertility transition is followed by an econometric analysis of the causes of this event. Instrumental-variable estimates show that increasing female education and reduced infant mortality are important determinants of fertility decline, while per-capita GDP has probably worked in the opposite direction. These results are confirmed by the application of Lewbel's (2012) methods where identification is based on heteroskedasticity.

Viacheslav Yakubenko (University of Goettingen, Germany): “Burnt by the Sun: Explaining Suicide in Developing Countries”

In this paper I am planning to consider socio-economic determinants of suicide. More than 800.000 people commit suicide every year around one person every 40 seconds. Despite the popular stereotypes, around 75% of suicides occur in low- and middle-income countries. Suicide is the second leading cause of death in 15-29 year-olds globally. Identifying potential drivers of suicide might help to design the policy that will mitigate or remove the effects of particular factors.

BOOK OF ABSTRACTS

C1: Poverty Traps and Poverty Transitions

(Vortragsraum)

Katharina Lehmann-USchner (ETH Zürich, Switzerland), Kati Kraehnert: “Asset Dynamics in the Presence of Extreme Weather Events”

This study analyzes to what extent a one-off shock can have persistent effects on household-level asset dynamics. Our focus is on the effect of a once-in-50-year winter disaster on subsequent livestock accumulation among pastoralists in Mongolia. Building on a unique household panel data set that we link to secondary weather and livestock census data, we investigate post-shock livestock dynamics 3-5 years after the shock occurred using a Hausman-Taylor estimator. Results show that the extreme event has a persistent and large negative effect on asset growth rates. This negative growth effect prevails even though households reduce their livestock offtake in response to the shock to preserve their asset level. Neither coping strategies employed nor emergency aid received by the household significantly mitigate this shock effect. Findings are robust to using different measures of shock intensity. The shock thus has an effect on household-level asset dynamics that goes beyond immediate livestock losses.

Tabea Lakemann (GIGA Institute of African Affairs and University of Goettingen, Germany): “Vulnerability to Poverty among the Self-Employed: Evidence from Uganda”

Due to small firm sizes and inter-linkages between household and business finances, small-scale entrepreneurs in developing countries are inherently vulnerable to transient and chronic poverty. This paper builds on the idea that self-employment may be associated with chronic poverty if enterprise profits are permanently below wages paid in the informal sector, meaning that some entrepreneurs would be better off working for someone else. Using a unique panel dataset covering 430-500 small-scale enterprises over a period of five years, I calculate an informal-sector poverty line from wage data and present the incidence of transient and chronic poverty. As a next step, I present innovative vulnerability to poverty estimates based on inter-temporal rather than cross-sectional variance in incomes, as well as a vulnerability threshold rather than an arbitrary cut-off value and analyse the determinants of vulnerability.

Simone Schotte (GIGA German Institute of Global and Area Studies, Germany), Rocco Zizzamia, Murray Leibbrandt: “Poverty Transitions and Life Trajectories in Urban South Africa: A Mixed Method Investigation”

This paper aims to provide a nuanced understanding of the complex social realities and key factors that drive, facilitate and undermine upward and downward mobility among the socio-economically disadvantaged, urban, black population in South Africa. For this purpose, we combine quantitative findings obtained from the dynamic analysis of panel data, with findings from a qualitative case study integrating focus groups discussions and life history interviews that were conducted between July and September 2017 in the township of Khayelitsha, Cape Town. We find that even within the urban context, the importance of extended family networks and dependency relationships remains vital and often plays a dual role – both enabling and constraining upward mobility. Higher education and access to stable labour market play a crucial role to achieve economic stability. Credit instruments can present an enabling factor, which though must be treated with caution, as accumulated debt can turn into a curse.

D1: Education

(Alfred-Hessel-Saal)

Lee Crawford (University of Sussex, United Kingdom): “Contracting Out Schools at Scale: Evidence from Pakistan”

Can governments in developing countries contract out the management of public schools to private operators at scale? More governments are turning to engagement with non-state providers as a way to increase access to school at lower cost and improve school quality. However, little is known about whether ‘Charter schools’ might work in countries with low capacity governments. This paper estimates the effect of a school reform in Punjab, Pakistan, in which 4,276 poorly performing public primary schools (around 10% of the total) were contracted out to private operators in a single school year. These schools remain free to students, and the private operator receives a per student subsidy equivalent to less than half of spending in government schools. Using a difference-in-difference estimator, we find that converted schools increased their enrolment by over 60%, and a slight decline in test scores, driven by the entry of marginal candidates.

Sanna Ericsson (Lund University, Sweden), Jan Bietenbeck, Fredrick Wamalwa: „Preschool Attendance, School Progression, and Cognitive Skills in East Africa”

We study the effects of preschool attendance on children’s school progression and cognitive skills in Kenya and Tanzania. Our analysis uses novel data from large-scale household surveys of children’s literacy and numeracy skills, which also collect retrospective information on preschool attendance. Against the backdrop of a large expansion of pre-primary education, our regressions identify the impacts from within-household differences, controlling for a variety of child-specific covariates. In both countries, children who go to preschool tend to enroll in primary school late, and thus fall behind in terms of grades completed at early ages. However, once in school, they progress through grades faster and at ages 13-16 have completed about 1.5 more months of schooling than their same-aged peers who did not attend preschool. They also score around 0.10 standard deviations higher on standardized cognitive tests, showing that there are important long-term benefits from preschool in Kenya and Tanzania.

Emma Riley (University of Oxford, United Kingdom): “Increasing Students' Aspirations: The Impact of Queen of Katwe on Students' Educational Attainment”

This paper presents experimental evidence on the impact of a role model on secondary school student exam performance in Uganda. Students preparing to take their national exams (classes S4 and S6) were individually randomised to see either an aspirational movie featuring a potential role model, Queen of Katwe, or to see a placebo movie. I find that treatment with the aspirational movie leads to a 0.11 standard deviation increase in maths performance for S4 students, with the effect coming from students being 11 percentage points less likely to fail the exam. This effect is being driven by the lowest ability and students at lower ranked schools. For S6 students, their total score on their exams increase by 0.13 standard deviations. This study highlights the power of a role model as a cost-effective way to improve secondary school students' educational attainment, particularly of the worst performing students.

BOOK OF ABSTRACTS

Parallel Session 2: Thursday · 03 May · 1:30 – 3:30

A2: Experiments on Labor and Taxes

(Buettner Raum 1)

Stefanos A. Tsikas (Leibniz University of Hanover, Germany), Andreas Wagener: “Bringing Tax Avoiders to Light: Moral Framing and Shaming in a Public Goods Experiment”

With a series of public goods games in a 2 x 2-design, we analyze two channels that might moderate social dilemmas and increase cooperation without using pecuniary incentives: moral framing and shaming. Framing non-contributing to a public good as morally dubious and socially harmful tax avoidance, cooperation increases. However, cooperation is only durable when free-riders are "shamed" by disclosing their misdemeanor. We find shaming effects to be strong enough to make appeals to morality redundant for participants' decisions.

Isis Gaddis (World Bank, United States), Gbemisola Oseni, Amparo Palacios-Lopez, Janneke Pieters: “Measuring Farm Labor: Survey Experimental Evidence from Ghana”

This study examines recall bias in farm labor by conducting a randomized survey experiment in Ghana. Estimates of farm labor obtained from a recall survey conducted at the end of the season are compared against data collected weekly throughout the season. We find that the recall method overestimates farm labor per person per plot by 15 percent, controlling for observable differences at baseline. Recall bias in farm labor is accounted for by the fact that households in the recall group report fewer marginal plots and farm workers, what we call listing bias. This (negative) listing bias runs counter to (positive) recall bias in farm labor at the person-plot level and dominates at higher levels of aggregation. Consistent with the notion that recall bias in farm labor is linked to the cognitive burden of reporting on past events, we find that recall bias has a strong educational gradient.

Ghida Karbala (University of Goettingen, Germany), Pooja Balasubramanian: “Social Comparison at the Workplace: Evidence from a Field Experiment in Kolkata, India”

Unfair treatment at the workplace encourages workers to adjust their behavior in order to restore fairness and align monetary returns to costs. This adjustment of behavior as explained by the Equity Theory may differ depending on the reference group used to evaluate equity. In this aspect two main questions are to be considered: How do workers respond to unfair treatment at the work place, and how does this response change depending on the identity of the reference group. To answer the above research questions, this paper utilizes data from a randomized field experiment conducted in Kolkata, India where student assistants were hired to help in a data entry task. Results show a significant decrease in the quantity and quality of work following a wage cut. This decrease however was not evident for female women unfairly treated relative to a male colleague.

B2: Estimation Methods

(Buettner Raum 2)

Maike Hohberg (University of Goettingen, Germany), Peter Pütz, Thomas Kneib: “Treatment Effects Beyond the Mean: A Practical Guide Using Distributional Regression”

This paper introduces distributional regression as a modeling framework for analyzing treatment effects beyond the mean. In contrast to mean regression models, distributional regression models relate each parameter of the response distribution to explanatory variables. Therefore, they can be used to model the treatment effect not only on the mean but on the whole conditional distribution opening an array for potential applications. This includes the flexible modeling of any nonnormal outcome and mixed discrete-continuous distributions. Additionally, nonlinear effects of explanatory variables can easily be incorporated. This paper provides a practical guide to the usage of distributional regression and demonstrates its benefits compared to mean regression by reanalyzing data gathered in the Progres program. Contrary to expectations, no significant effects of Progres on the conditional inequality level between treatment and control group are found.

Jisu Yoon (Pharmerit International, Germany), Atika Pasha: “An Alternative Strategy to Identify Deprivations in Multidimensional Poverty: A Partial Least Squares Approach”

This study determines the weights of the poverty indicators in the multidimensional poverty index (MPI) based on partial least squares (PLS) using income as the outcome variable. The resulting MPI is particularly useful to income related policy and research questions. An innovative data driven procedure is proposed to determine the first cut-offs of the MPI inside of the PLS algorithm. Another adjustment to the PLS procedure enables the weights to respect the existing practice in the MPI literature, that health, education and standard of living dimension are equally important. The new MPI considers also heterogeneous observations by means of interaction terms. This is used to model the additional deprivation of the black population in South Africa compared to other racial groups. The new MPI shows different weighting (e.g., assets, electricity) and first cut-offs (e.g., education) than the old MPI. The black population show for all considered poverty indicators additional deprivation.

David Garcés-Urzainqui (VU University Amsterdam, Netherlands): “Poverty Transitions without Panel Data? An Appraisal of Synthetic Panel Methods”

Recently developed synthetic panel methods in Dang and Lanjouw (2013) and Bourguignon and Moreno (2015) claim to provide consistent point estimates of intra-generational mobility on the basis of two rounds of a cross-section survey. I evaluate and compare the performance of both approaches in the measurement of transitions in and out of poverty against the benchmark of panel data from Thailand for 2006 and 2007. The clear result is that only methods using cohort means, as opposed to cohort variances, can reliably estimate the autocorrelation of income residuals ρ , although this requires strong assumptions on the comparability of the persistence of unobservable drivers of income at the cohort and the individual level. Given a good estimate of ρ , parsimonious models, a flexible residual calibration procedure and, fundamentally, an appropriate definition of cohorts, contribute to improve the quality of the estimates, which are then very close to those in the panel.

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Tatyana Krivobokova (University of Goettingen, Germany), Fabian Dunker, Stephan Klasen:
“Asymptotic Distribution and Simultaneous Confidence Bands for Ratios of Quantile Functions”

Ratio of medians or other suitable quantiles of two distributions is widely used in medical research to compare treatment and control groups or in economics to compare various economic variables when repeated cross-sectional data are available. Inspired by the so-called growth incidence curves introduced in poverty research, we argue that the ratio of quantile functions is a more appropriate and informative tool to compare two distributions. We present an estimator for the ratio of quantile functions and develop corresponding simultaneous confidence bands, which allow to assess significance of certain features of the quantile functions ratio. Derived simultaneous confidence bands rely on the asymptotic distribution of the quantile functions ratio and do not require re-sampling techniques. The performance of the simultaneous confidence bands is demonstrated in simulations. Analysis of the expenditure data from Uganda in years 1999, 2002 and 2005 illustrates the relevance of our approach.

C2: Growth and Inequality Across Countries

(Vortragsraum)

Samuel Kofi Tetteh-Baah (ETH Zürich, Switzerland), Isabel Guenther, Kenneth Harttgen:
“Inequality of opportunities in Africa”

The paper focuses on the measurement of unequal opportunities in Africa based on identity cleavages, such as geographical location (sub-national region), gender, religion and ethnicity, otherwise referred to as horizontal inequality. Compared to previous work, this paper takes a more comprehensive approach that allows for standardized comparisons across developing countries over time. Using data from the Demographic and Health Survey (DHS) database, this paper mainly provides estimates of inequality of opportunity [Iop] across 36 African countries between 1990 and 2015 with respect to four indicators of well-being, namely educational attainment, wealth, child height (stunting) and child survival (mortality). In general, the results show spatial inequality ranks highest, followed by ethnic inequality, gender inequality, and, lastly, religious inequality. Iop has generally been falling between 1990 and 2015. The notable growth in living standards in Africa in recent years seems to have been equalizing, yet spatial and ethnic inequalities remain persistently high.

Tim Lueger (Technical University of Darmstadt, Germany): “A VAR Evaluation of Classical Growth Theory”

Over the past two decades, there have been numerous attempts in economic theory to model the historical regime of a Malthusian trap as well as the transition to growth in one coherent framework, or in other words, a unified growth theory. However, in most of these models, an important effect suggested by Malthus has been frequently omitted. By including what he had called "the great preventive check" in the traditional Malthusian model which is based on the principle of population, the principle of diminishing returns and the principle of labor division, the transition can be modelled in a very simple dynamic macroeconomic framework. The aim of this paper is to first construct and calibrate the suggested classical model and to eventually employ a conventional VAR-Method to provide evidence of the above principles using country-specific annual historical data on crude birth rate, crude death rate and GDP per capita growth rate.

BOOK OF ABSTRACTS

Nathalie Scholl (Center for Demographic Studies, Universidad Autònoma de Barcelona, Spain):
“Adding Insult to Injury: Health Inequality, Income Inequality, and Economic Growth”

In this paper, I revisit the inequality-growth relationship taking into account the multidimensional nature of inequality in human well-being. Specifically, I add health to the vector of dimensions when considering the relationship between inequality and economic growth, which is typically estimated with income inequality only. I exploit a new panel data set on mortality distributions around the world to measure of adult length-of-life inequality, and combine it with income inequality data from the SWIID. I find that employing the two measures together leads to a much clearer picture on the impact of both types of inequality: a large, negative impact on growth occurs only when both income and health inequality are high, suggesting that income inequality only has adverse growth effects when it carries over into other, more substantive dimensions of well-being. This result holds when the endogeneity of inequality is addressed with an instrumental variable (IV) approach, which for the first time allows the estimation of the effect of length-of-life inequality on growth in a large cross-country panel data set-up.

Maria C. Lo Bue (University of Goettingen, Germany), Stephan Klasen, Vincenzo Prete: “The Role of Shocks on Pro-poor growth: Measurement and Inference Issues”

This paper considers how shocks can affect the distributional pattern of growth and thus poverty reduction. By relying on the non-anonymous axiom, we compare actual growth episodes at each centile of the initial and final personalized distribution with two counterfactuals. The first one is given by predicted growth trajectories based on individual and household characteristics and on past income. The latter is based on an estimation of income net of the losses declared by the households in the aftermath of a negative shock. Using longitudinal survey data from Indonesia, Vietnam, Thailand and South Africa we show that the different magnitudes of the difference between actual growth and growth in each of the two counterfactuals represent an upper and lower bound of the real impact of shocks. Moreover, the distance in the ranking of the actual, predicted and estimated growth episodes informs on the degree of vulnerability existing at each centile.

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D2: Childhood Development

(Alfred-Hessel-Saal)

Cara Ebert (University of Goettingen, Germany), Esther Heesemann, Sebastian Vollmer:
“Picture Book Reading and Early Childhood Development in India.”

Lack of cognitive stimulation is a primary risk factor of early childhood development and highly correlated with poverty. Particular children growing up in resource scarce environments often fail to reach their developmental potential, which adversely affects socio-economic outcomes later in life. This randomized controlled trial tests dialogic reading as a potentially cost-effective tool to improve cognitive, language, socioemotional, and motor development among 2000 10 to 22 months old children in rural Bihar, India. Dialogic reading refers to a method of looking at picture books which emphasizes strategic questioning and feedback in order to encourage children to speak and learn. We conducted four home visits during which dialogic reading was trained and practiced with the primary caregivers and the child. For daily practice of dialogic reading three picture books were given to the caregivers and the child. Adding on this intervention, we randomly distributed dialogic reading calendars which serves as a reminder and encouragement for daily dialogic reading. We expect the dialogic reading intervention to show positive effects on the child’s expressive and receptive vocabulary, cognitive and socioemotional development. Further we expect these effects to be reinforced among the dialogic reading calendar group.

Emmanuel Rukundo (University of Bonn, Germany), Nicolas Gerber, Essa Mussa, Joachim von Braun: “Impact of Community-Based Health Insurance on Child Health Outcomes: Evidence on Stunting from Rural Uganda”

Community-based health insurance has increasingly been integrated into health systems in developing countries. However, there remains limited research on its probable health outcome impacts beyond the conventional health financing and facilitating services access functions. Using a cross-sectional survey, we apply a two- stage residual inclusion instrumental variables method to study the impact of community health insurance on under-five stunting in rural Uganda. Results indicate that each year a household was enrolled in insurance was casually associated with a reduction in probability of stunting of 4.7 percentage points. We find that households in CBHI were more likely to attend more free antenatal and post-natal care visits and hence report less illnesses. We recommend that developing countries should facilitate the expansion of community health insurance scheme not only for their contribution to health financing but even more for mortality and morbidity aversion

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Lara Cockx (KU Leuven, Belgium): “Moving Towards a Better Future for your Children? The Impact of Maternal Migration on Child-wellbeing in Tanzania”

Research on internal migration has mostly focused on outcomes for the migrants themselves. Yet, migrant parents may be able to not only improve their own welfare, but enhance the human capital of their children as well. The question of how parental migration affects child well-being, however, remains largely unanswered with existing studies based upon cross-sectional designs that do not allow us to disentangle the impact of migration from selection. Using data from the KHDS, which tracked out-migrating respondents between 1991 and 2010, this paper studies how maternal migration affects child growth, immunisation levels and education. The panel nature of the data and the tracking of individuals allow us to restrict the comparison to children of mothers originating from the same family. This identification strategy therefore addresses concerns that heterogeneity across migrant and non-migrant families may distort the results. In addition, we can control for several observable pre-migration characteristics.

Marcello Perez-Alvarez (University of Goettingen, Germany), Marta Favara: “Maternal Age and Offspring Development”

Early motherhood remains a widespread phenomenon in low- and middle-income countries. Somewhat unexpectedly, consequences for the offspring have not received much attention in the development economics literature. This paper quantifies the effect of maternal age on the health and education of the offspring by using Young Lives data from India and Peru. We exploit the panel dimension and siblings data to further ease endogeneity concerns. Overall, results suggest that early motherhood has a detrimental effect on offspring development. Accordingly, preventive policies aiming at reducing early motherhood as well as restorative policies focusing on assisting children born to teenage mothers have the potential to disrupt intergenerational poverty traps.

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Parallel Session 3: Friday · 04 May · 9:00 – 10:30

A3: Long Term Economic Effects

(Buettner Raum 1)

Manuel Santos-Silva (University of Goettingen, Germany), Amy Alexander, Stephan Klasen, Christian Welzel: “The Roots of Female Emancipation”

Reviewing the literature on the deep historic roots of gender inequality, we theorize and provide evidence for an overlooked trajectory that (1) originates in a climatic configuration called the “Cool Water” (CW-) condition, from where the trajectory leads to (2) late female marriages in pre-industrial times, which eventually pave the way towards (3) various gender-egalitarian outcomes today. The CW-condition is a specific climatic configuration that combines periodically frosty winters with mildly warm summers under the ubiquitous accessibility of fresh water. The CW-condition embodies opportunity endowments that significantly reduce fertility pressures on women, which favored late female marriages already in the pre-industrial era. This placed women into a better position to struggle for more gender equality during the subsequent transitions toward the industrial and post-industrial stages of development. Hence, enduring territorial differences in the CW-condition predict differences in pre-industrial female marriage ages, which in turn explain differences in gender equality today.

Dierk Herzer (Helmut-Schmidt-University, Germany), Korbinian Nagel: “The Effects of Adult and Non-adult Mortality on Long-run Economic Development: Evidence from a Heterogeneous Dynamic and Cross-sectionally Dependent Panel of Countries between 1800 and 2010”

This study examines the effects of adult and non-adult mortality on the long-run level of income in a heterogeneous dynamic and cross-sectionally dependent panel. Employing data for 20 countries between 1800 and 2010, it is found that (i) while non-adult mortality has no long-run effect on GDP per capita, reductions in adult mortality lead to statistically and economically significant increases in the long-run level of per capita income; (ii) there are no significant differences in the long-run effects of adult mortality and non-adult mortality on GDP per capita before and after the onset of the demographic transition; and (iii) mortality in middle adulthood has the greatest impact on economic development, whereas early adulthood mortality and mortality in later adulthood have little to no impact on the long-run level of per capita income.

Sebastian Vollmer (University of Goettingen, Germany), Juditha Wojcik: “The Long-term Consequences of the Global 1918 Influenza Pandemic: A Systematic Analysis of 117 IPUMS International Census Data Sets”

Several country-level studies, including a prominent one for the United States, have identified long-term effects of in-utero exposure to the 1918 influenza pandemic (also known as the Spanish Flu) on economic outcomes in adulthood. Historical exposure to the Spanish Flu provides a natural experiment to test this hypothesis. Although the Spanish Flu was a global phenomenon, with around 500 million people infected worldwide, there exists no comprehensive global study on its long-term economic effects. We attempt to close this gap by systematically analyzing 117 Census data sets provided by IPUMS International. We do not find consistent global long-term effects of influenza exposure on education, employment and disability outcomes. A series of robustness checks does not alter this conclusion. Our findings indicate that the existing evidence on long-term economic effects of the Spanish Flu is likely a consequence of publication bias.

B3: Exchange Arrangements and Networks

(Buettner Raum 2)

Marc Witte (University of Oxford, United Kingdom): “Job Referrals and Strategic Network Formation - Experimental Evidence from Urban Neighbourhoods in Ethiopia”

This paper tests social network formation ‘in the field’ through job referrals. I randomly generate real job opportunities for young workers from urban neighbourhoods in Addis Ababa, Ethiopia. Some workers are enabled to refer individuals from their own neighbourhood to the same day job, under exogenously varying conditions of the referral “treatment”. I find that individuals use the job referrals strategically within their local networks: On average, more central individuals are invited to jobs, suggesting strategic referral behaviour following canonical models of network formation. Repeated rounds of the experiment demonstrate a strong degree of reciprocal job referring, leading to both significant productivity losses and persistence in the exclusion of peripheral nodes. However, when peripheral workers are randomly given the job and referral opportunity, they establish new links and expand their network. These findings suggest that informal job hiring through social networks can reinforce labourmarket inequalities and prevent less socially connected individuals from getting access to jobs. However, when given the opportunity, individuals can manage to escape exclusion.

Arun Advani (University of Warwick, United Kingdom): “Insurance Networks and Poverty Traps”

Poor households regularly borrow and lend to smooth consumption, yet we see much less borrowing for investment. This paper provides a novel explanation for this puzzle: investment reduces the investor's need for informal risk sharing, weakening risk-sharing ties, thus limiting the amount of borrowing that can be sustained. I formalise this by extending the canonical model of limited commitment risk-sharing to allow for lumpy investment. The key model prediction is a non-linear relationship between total income and investment at the network level: a network-level poverty trap. I test this using an asset transfer programme in Bangladesh, using data from 27,000 households across 1,400 villages. I exploit variation in the number of program recipients in a network to identify the location of the poverty trap. My results highlight how capital transfer programs can be made more cost-effective by targeting communities at the threshold of the aggregate poverty trap.

Susan Steiner (Leibniz University of Hanover, Germany), Friederike Lenel: “Accountability and Informal Exchange”

In countries with incomplete functioning credit and insurance markets, informal insurance networks play an important role for people to deal with income fluctuations. We argue that informal insurance between two partners functions under two conditions: 1) as long as they make reciprocal payments, and 2) as long as they assume responsibility for the evolution of their own income. If one of the partners inflicts her own neediness (for example, by seeking risky investments, playing the lottery, or not working hard), the other partner will hold her accountable and terminate the informal insurance relationship with her. Using survey and experimental data from Cambodia, we show that individuals who are more engaged in informal insurance have a stronger notion of accountability. This indicates that those who tend to hold others accountable are those who can sustain informal insurance.

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C3: Conflict and Crime

(Vortragsraum)

Christian Ambrosius (FU Berlin and Universidad Nacional Autonoma de Mexico, Mexico):
“Deportations and the Roots of Gang Violence in Central America”

Central America counts among today’s most violent region of the world. Using a novel identification strategy, this paper traces the roots of gang-related violence in El Salvador to US deportations policies. Regarding the dependent variable, the policy experiment of a truce between rivaling gangs in 2012 allows to single out gang-related killings from overall homicide rates. The explanatory variable exploits variation in destination choices of Salvadoran migrants and the fact that the exposure of migrant communities to exogenous conditions in the host country differs between different migration corridors that emerged at a sub-national level. Violence spilled over to migrants’ municipalities of origin when migrant corridors developed around US destinations with large pre-existing levels of violent crime. This finding is in line with qualitative evidence on the origin of Salvadoran gangs in the US and deported convicts’ return to their places of birth.

Jorge Garcia Hombrados (London School of Economics, United Kingdom): “The Lasting Effects of Natural Disasters on Property Crime: Evidence from the 2010 Chilean Earthquake”

Natural disasters cause human losses, destroy economic assets and are often followed by widespread looting and increases in altruistic behaviour; affecting ambiguously the long-term benefits and costs of crime. This study investigates whether the multiple consequences of natural disasters lead to lasting changes in property crime rates through assessing the effect on property crime dynamics of the 8.8 Richter Magnitude earthquake that struck Chile in February 2010. Using household data from victimization surveys and a difference in difference strategy, the analysis shows that exposure to a very strong earthquake intensity decreased by 1.1-2.2 percentage points the probability of home burglary the year of the earthquake. The effect remained stable over the 4 post-earthquake years studied. Similar effects of the earthquake are found for other property crimes including larceny and non-home burglary.

Kai Gehring (University of Zurich, Switzerland), Sarah Langlotz, Stefan Kienberger: “Stimulant or Depressant - Opium and Conflict in Afghanistan”

To better understand the micro-foundations of the resource-conflict-nexus, we examine the relationship between opium, an illegal renewable resource, and conflict in Afghanistan. Our identification strategy combines temporal variation in international drug prices with a new data set measuring spatial variation in opium suitability. The district-level results show that opium cultivation has a de-escalating effect on conflict over the 2002-2014 period both in a reduced-form setting and with two different instrumental variables. Our finding emphasizes the importance of differences in labor intensity, as a shift away from opium towards alternatives like wheat decreases labor demand and average household incomes. A second novel explanation is that market structure and the type of supplier competition is crucial. We use geo-referenced data on trafficking routes, laboratories and markets to show that the conflict-reducing effect is stronger in districts that account for a higher share of value-added along the production chain.

Parallel Session 4: Friday · 04 May · 11:00 – 12:30

A4: Conflict and Politics

(Buettner Raum 1)

Maiting Zhuang (Paris School of Economics, France): “Intragovernmental Conflict and Media Censorship – Evidence from Newspaper Reports on Corruption Scandals in China”

How does intragovernmental conflict affect media censorship? This paper illustrates empirically how local governments in China control the content of newspapers in their jurisdiction when it is in their, but not the central government’s, best interest. I construct a dataset of 48,000 newspaper articles about over 400 officials who were investigated during the ongoing anti-corruption campaign. Comparing the likelihood of an article being published about a disgraced official by newspapers from the same province to newspapers from different provinces, I find significant underreporting of corruption scandals involving local high-level officials, but not low-level officials. Differential underreporting is driven by newspapers that are directly owned by local governments, for fear of implicating officials still in power. Local government censorship also affect the characteristics of published articles: articles about corruption in a newspaper’s home province are shorter, placed further back in the paper and feature less interesting headlines.

Anna Minasyan (University of Groningen, Netherlands), Astghik Mavisakalyan: “The Role of Conflict in Sex Discrimination: Evidence from the South Caucasus”

The role of conflict has been largely overlooked in the “missing girls” literature. Evidence from an ethnic and territorial conflict between Armenia and Azerbaijan, as a consequence of Nagorno Karabakh War (1991-1994), shows that growing threats to ethnic and national security lead to increased son preference in the society expressed by highly skewed sex ratios at birth once fertility decline and access to sex-determination technology are at play. An individual-level population survey from Armenia shows that those with primary concerns of national security and territorial integrity are more likely to have a son bias. Moreover, findings from a panel fixed effects data analysis for 76 Armenian communities over 1987-2011 period reveal that communities closer to the capital of Nagorno Karabakh, the conflict zone, experience higher sex ratios at birth after the increase of ceasefire breaches.

Paul Schaudt (Leibniz University of Hanover, Germany), Richard Bluhm, Christian Leßmann: “Political Borders”

In this paper we provide new insights on the mechanism by which local homogeneity in ethnically fractionalized countries leads to changing local and national outcomes. Our contributions are threefold. First we establish a novel measure that captures the degree to which subnational borders in artificial states are political. Second using our new measure we show that more homogeneous districts perform better in terms of public goods provision (measured as deforestation) and exhibit greater economic growth (measured in night time luminosity growth). Third we highlight that the national outcomes in turn suffer, due to increased externalities. While local deforestation decreases and local luminosity growth increases, national deforestation and growth decrease.

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B4: Financial Decision Making: Microcredit and Repayment

(Buettner Raum 2)

Antonia Grohmann (DIW Berlin, Germany), Lukas Menkhoff: “The Effect of Information Disclosure and Financial Literacy on Loan Choices: Experimental Evidence”

We perform a lab-in-field experiment in rural Thailand where individuals have to choose repeatedly between two hypothetical loans. Participants are randomly either shown the total cost of the loan, the annual interest rate or both. We find that more information, especially information total cost of the loan increases the likelihood that participants choose the “better” loan, but only when loan duration varies between the two loans. Financial literacy on, the other hand, improves loan choices only when the interest rate, but not duration varies between the two loans

Kristina Czura (University of Munich (LMU), Germany), Anett John, Lisa Spantig: “Maintaining Repayment Discipline While Reducing Peer Pressure in Microfinance: Repayment Flexibility vs Mutual Insurance”

Joint-liability groups and rigid repayment schedules have long been considered essential for guaranteeing high repayment rates in microcredit lending, since they offer mutual insurance and keep repayment discipline high. Yet both features have been criticized lately: rigid repayment schedules interfere with fluctuating incomes, and joint liability induces excessive peer pressure. We study whether the interaction of both flexible repayment features and joint-liability allows reaping the benefits of joint liability and flexibility - high repayment and shock coping capacity - while keeping their downsides - low repayment morale and excessive peer pressure - at bay. Using data from lab-in-the-field experiments with microcredit borrowers in the Philippines, we find that interacting joint liability with repayment flexibility increases repayment discipline, enhances the responsible use of flexibility, and reduces anti-social punishment.

Friederike Lenel (University of Goettingen, Germany), Antonia Grohmann, Steffen Herbold: “Repayment Behavior under Flexible Loan Contracts”

We study one of the few existing flexible loan products that target the low-income population and provide financing for large investments. In particular, we analyze the repayment behavior of 60,000 borrowers in Tanzania, mostly farmers and small-business owners, using high-frequency data of their daily repayments and system shutdown information. Classifying repayment patterns using an unsupervised learning algorithm, we show that the derived repayment types based on the repayment behavior in the first year significantly predict repayment states later on in the repayment cycle. Furthermore, we find that a considerable part of the observed variation in repayment seems to be driven by psychological factors, in particular inattention is a major cause for delayed payments.

C4: Long Term Impact on Education and Human Capital Development

(Vortragsraum)

Jing Lou (National University of Singapore, Singapore), Jie Li: “Export Expansion and Intergenerational Education Mobility: Evidence from China”

This paper investigates the impact of China's export expansion during 2000-2007 on regional intergenerational education mobility. Regions of China are exposed to the export expansion to different degrees, due to unbalanced export shocks across industries and variation in industry composition across regions. We find that, in regions more exposed to the export shocks, children's educational attainment is less dependent on their parents' educational attainment, although export shocks could not nullify the dependence. Besides, the mobility-promoting effect of the export shocks is stronger in regions with low initial labor education levels. Our mechanism tests suggest that export shocks influence intergenerational education mobility through income effect and substitution effect. Lastly, the impact of export shocks on intergenerational education mobility is more significant for children on the margins to drop out of primary schools or high schools than middle schools or colleges.

Stephan Maurer (University of Konstanz, Germany): “Oil Discoveries and Education Spending in the Postbellum South”

This paper studies the effect of oil wealth on the provision of education in the early 20th century United States. Using information on the location and discovery of major oil fields, I find that oil wealth increases local education spending by 9-15%. The quality of white teachers increases, and oil-rich counties are more likely to participate in the Rosenwald school building program for blacks. In addition, student-teacher ratios for black school children decline substantially. However, I do not find increased school enrollment rates for either race.

Bruno Gabriel Witzel de Souza (University of Goettingen, Germany): “The Rationale of Sharecropping: Brazilian Coffee Planters and German-speaking Contract Laborers in the Transition from Slavery (1830-1890)”

This paper studies the history of contract labor in the coffee plantations of São Paulo, Brazil, in the context of the transition from slavery in the mid-nineteenth century. It analyzes the immigration of German-speakers, who stood at the bulk of the Brazilian immigration policy until the 1870s. Focused on this ethno-linguistic group, it traces the dynamics of the immigration flows and how the Brazilian immigration policy dealt with institutional change in the prelude of the age of mass migration. In recovering a classical debate of the historiography, we add to the literature on contract labor, especially on the economic rationale of sharecropping. With new historical evidence from a systematic review of the “Brazilian Digital Newspapers’ Repository”, the paper rejects theories of a linear transition from slavery to free labor, passing through labor-tenancy contracts increasingly more efficient. Rather, it proposes a framework of persistence in which the main theoretical element was the interlinkage between credit and labor. Brazilian coffee planters were initially indifferent to the specific type of contract proposed to immigrants, as long as the credit dimension was present. This strategy allowed the rural elite to compete for the poorest immigrants, instead of promoting institutional reforms to make the country more competitive to spontaneous immigrants. To the Brazilian historiography, the paper adds some new episodes, such as a benchmark for the hiring of immigrants in 1835, a petition of workers in farm Ibicaba in 1851, and diplomatic tensions between Brazil, Switzerland, and the German States caused by debates about immigrants.

BOOK OF ABSTRACTS

Parallel Session 5: Friday · 04 May · 2:30 – 4:00

A5: Gender and Bargaining Power

(Buettner Raum 1)

Wendy Janssens (VU University Amsterdam, Netherlands), Rachel Cassidy, Marije Groot Bruinderink, Karlijn Morsink: “The Power to Protect: Household Bargaining and Female Condom Use”

Women may be more willing than men to adopt certain household technologies. If both partners must agree using the technology, women with low bargaining power may not convince their husband. Introducing a version of the technology that is more acceptable to men, even if second-best from a social planner perspective, may improve adoption and welfare. We conduct a field experiment in Maputo, Mozambique, where 30% of women have HIV and male condom use is low. The intervention offers free access to and information about female condoms, which offer marginally lower protection and higher unit cost than male condoms, but lower discomfort and stigma, especially to men. We find strongest adoption among women with low bargaining power, who were previously having unprotected sex. There is no substitution away from male condoms. High-frequency sexual diary data corroborate the results. We estimate that free provision of female condoms is cost-effective under several scenarios.

Atika Pasha (University of Mannheim, Germany), Chloé Van Biljon, Dieter von Fintel: “Bargaining to Work: the Effect of Female Autonomy on Female Labour Supply”

Female labour supply is an important outcome for measuring gender equality across various economic settings, and has therefore been set up as one of the key indicators for women’s empowerment. The literature so far only examines this link between increased female autonomy as a result of increasing economic empowerment, as women’s share in the labour force increases. We argue in this paper that the relation between female labour force participation and empowerment is highly endogenous, and the previous literature that focused only on the unidirectional link between the two ignores the interdependence between the two outcomes. Using the South African child grants we thereby depict how female labour force participation is influenced by a rise in female autonomy. Our results show that becoming a primary decision maker leads to a 62% increase in female labour force participation

Inmaculada Martinez-Zarzoso (University of Goettingen, Germany): “Gender Gap and Firm Performance in Developing Countries”

This paper uses firm-level data from the World Bank Enterprise Survey to investigate productivity gaps between female and male-managed companies in developing countries and to compare the outcomes obtained for different regions in the world. We depart from the previous literature by using the gender of the top manager as target variable, which is newly available in the 2016 version of the WBES. The main results indicate that it is crucial to distinguish between female management and female ownership and also the confluence between both. We find that when the firms are managed by females and there are not female owners, they show a higher average labour productivity and TFP. However, if females are among the owners and a female is the top manager, then their productivity is lower than for other firms. Results in South Saharan Africa, East Asia and South Asia seems to be driving the general results.

B5: Financial Decision Making: Uncertainty and Expectations

(Buettner Raum 2)

Dietmar Fehr (University of Heidelberg, Germany), Günther Fink, Kelsey Jack: “Scarcity and Exchange Asymmetries: Evidence from Small-Scale Farmers in Rural Zambia”

A multitude of laboratory studies have demonstrated substantial gaps between individual willingness to pay and willingness to accept, often referred to as exchange asymmetries. In this paper, we test the universality of these exchange asymmetries in a population of small-scale farmers in rural Zambia, who we asked to make decisions over relatively high value items over a period of 18 months. Using a total of 5,408 decision experiments, we show that exchange asymmetries are almost universally present and remarkably robust to changes in procedures and item pairs. Farmers are on average about 15 percentage points more likely to end up with an initially assigned item relative to the free choice condition. However, we demonstrate that the magnitude of the effect depends on the relative value of item pairs, with both seasonal resource scarcity and higher value items pairs increasing trading probabilities.

Wiebke Stein (Leibniz University of Hanover, Germany), Theres Klühs, Melanie Koch: “Be Positive and See Yourself Burdened with Debt? On the Effect of Biased Expectations on Over-Borrowing”

As an emerging market economy, Thailand experiences increasing borrowing opportunities for households. Borrowing decisions require the formation of return expectations, meaning that biased expectations could bear severe consequences. In the worst case, over-borrowing can push households from above to below the poverty line. We conducted a field experiment in rural Thailand to assess how biased return expectations, induced by over-confidence, influence consumption behavior. In the experiment, returns directly depend on relative performance in a real-effort task. Participants get the opportunity to buy products for a strongly discounted price with their earned money. However, they have to indicate their buying decision before returns are realized which assigns individual return expectations and self-confidence a crucial role. By exploiting the so-called hard-easy gap, we exogenously vary participants’ level of self-confidence for the task, which especially worked for female participants. Preliminary results suggest that over-confidence raises the probability of buying more products than future earnings from the experiment allow for. Thus, participants over-borrow.

Sebastian O. Schneider (Max Planck Institute for Research on Collective Goods, Germany), Marcela Ibanez, Gerhard Riener: “Higher Order Risk: An Application To Savings of the Poor in Bogota”

Higher order risk preferences play an important role in economics, most prominently in the theory of saving under uncertainty. Leland (1968) suggests that under uncertain income prudent individuals increase savings as a precautionary measure. To test this proposition we present a new experimental method to elicit higher order risk preferences. The method we propose uses a non-parametric estimation of the utility function building on P-splines. Using this method we can compute well-known theoretically derived measures of the intensities of prudence and risk aversion. We find comparable results to earlier studies with respect to classification of individuals as prudent or imprudent among a sample of poor households in Bogota. In addition, the results strongly support the theoretical prediction that uncertainty leads to increases in savings for prudent individuals. This suggests that this population group lacks alternative options to smooth consumption.

BOOK OF ABSTRACTS

C5: Aid and Ethnicity

(Vortragsraum)

Andreas Fuchs (University of Heidelberg, Germany), Axel Dreher, Sarah Langlotz: “The Effects of Foreign Aid on Refugee Flows”

This article analyzes whether foreign aid affects the net flows of refugees from recipient countries. Combining refugee data on 141 origin countries over the 1976-2014 period with bilateral Official Development Assistance data, we estimate the causal effects of a country’s aid receipts on both total refugee flows to the world and flows to donor countries. The interaction of donor-government fractionalization and a recipient country’s probability of receiving aid provides a powerful and excludable instrumental variable, when we control for country- and time-fixed effects that capture the levels of the interacted variables. Although our results suggest that aid induces recipient governments to encourage the return of their citizens, we find no evidence that aid reduces worldwide refugee outflows or flows to donor countries in the short term. However, we observe long-run effects after four three-year periods, which appear to be driven by lagged positive effects of aid on growth.

Christian Bommer (University of Goettingen, Germany), Axel Dreher, Marcello Perez-Alvarez: “Regional and Ethnic Favoritism in the Allocation of Humanitarian Aid”

International humanitarian aid is pivotal in the response to natural disasters. While its allocation has been shown to be influenced by foreign policy considerations, subnational determinants have not been systematically addressed. This paper is the first to investigate the role of ethnic favoritism for humanitarian aid flows. For this purpose, we construct a novel dataset containing the geographic distribution of ethnic groups within recipient countries stemming from census and survey data. We further link our dataset to humanitarian aid flows from the Office of U.S. Foreign Disaster Assistance, data on the largest available collection of natural disasters and to the Ethnic Power Relations dataset. Preliminary results show that, while the decision to grant aid is devoid of ethnic favoritism, aid amounts are strongly predicted by the ethnic power status of victims. This analysis implies that humanitarian aid is not exclusively humanitarian, but also serves as an instrument to ethnic favoritism.

Lennart Kaplan (University of Goettingen, Germany), Jana Kuhnt, Katharina Richert, Sebastian Vollmer: “What Makes a Successful Development Intervention? The Theory of Planned Behaviour – An Application to Implementation Research”

Reductions of maternal and child mortality are remaining high on the global development policy agenda and they are part of the newly formulated Sustainable Development Goals. While in the past decade there has been progress this has been insufficient to reach the goals set in the MDGs. Integration of checklists into clinical practice has been shown to reduce deaths and complications in intensive care medicine and surgery. Based on these success stories the WHO developed the Safe Childbirth Checklist – a tool that targets the major causes of maternal and newborn mortality while being cost-effective at the same time and hence easily adaptable in low-resource settings. We introduced and evaluated the instrument in 16 randomly chosen health institutions in Aceh province from a total sample of 32 facilities and covered approximately 5000 deliveries over the study period of six months.

Parallel Session 6: Friday · 04 May · 4:30 – 6:00

A6: Trade

(Buettner Raum 1)

Feicheng Wang (University of Goettingen, Germany), Chris Milner, Juliane Scheffel: “Export Destinations and Skill Premium: Evidence from Chinese Manufacturing Industries”

This paper examines the relationship between average income of export destinations and skill premium using Chinese data from 1995 to 2008. To do so, we construct weighted average GDP per capita across destinations employing within-industry export share to each destination as the weight, and then link it with industry-level wages and skill premium. We find that industries that export more to high-income destinations tend to pay a higher skill premium, suggesting that skilled workers benefit more from high-income exports than unskilled workers on average. IV estimates confirm causality and the positive relationship identified is robust to the inclusion of additional control variables. Our paper contributes to the understanding of the role of export destinations in the uneven distribution effects of globalisation for workers with different skill levels in developing countries.

Matteo Fiorini (European University Institute, Italy), Marco Sanfilippo, Asha Sundaram: “Trade Liberalization, Infrastructure and Firm Performance”

This paper investigates the role of road infrastructure in shaping the effects of trade liberalization on firm performance. We conceive of a framework where intermediaries transport goods to local markets. Better infrastructure decreases intra-national transport costs, improves competition among intermediaries and increases demand in local markets. Depending on the relative strengths of these channels, improving infrastructure can either amplify or attenuate the positive effects of tariff reductions on firm productivity. We aim to resolve this ambiguity by exploiting census data on Ethiopian manufacturing firms combined with information on tariff reform and improvements in road infrastructure at the town level to empirically explore the complementarity between trade liberalization effects and road infrastructure. We show that a reduction in the output and input tariff has a strong positive effect on productivity for firms located in towns with better road infrastructure.

Hendrik Kruse (University of Goettingen, Germany), Inma Martinez-Zarzoso, Leila Baghdadi: “Standards and Market Power: Evidence from Tunisia”

We develop a theoretical model for standard setting in developing countries inspired by Grossman and Helpman (1993). In our setting, politically connected firms importing differentiated goods face lower bureaucratic costs of compliance with more stringent standards than their competitors. Politically connected firms thus prefer higher standards in order to increase their market share. We derive conditions under which these preferences will be realized in political equilibrium. In equilibrium it is more likely that standards will be introduced if the connected firm has a high market share. The intensity of the increase, however, depends negatively on the market share. We test our hypothesis using Tunisian data for the years 2002-2010 with import shares of firms owned by the family of then president Zine Ben Ali. For standards classified as Technical Barriers to Trade we find the predicted pattern.

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B6: Financial Decision Making: Transfers, Contributions and Investments

(Buettner Raum 2)

Ana Garcia Hernandez (NOVA University Lissabon and Wissenschaftszentrum Berlin für Sozialforschung WZB, Germany): “Political Voice and Public Goods Provision: Evidence from a Lab-in-the-Field Experiment in Uganda”

In recent years, many policies have been implemented to increase the presence of certain underrepresented groups in decision-making bodies. The effects of the increase in political voice of those groups in the context of informal institutions remains unclear. This paper aims to understand the relationship between political voice and contributions to community, using a modified version of a Public Goods game (PGG) in rural Uganda. The proposed PGG, examines the effect of increasing political voice on public good provision through an exogenous empowerment manipulation. Results suggest that empowered people contribute significantly more than individuals that do not have voting power in a decision that affects the community. Furthermore, this effect is only present when the participants experience the change on status in the group, suggesting that they are sensitive to changes in the social position.

Cristina Cirillo (University of Florence and University of Trento, Italy), Giorgia Giovannetti: “Do Cash Transfers Trigger Investments? Evidence for Peru”

This paper provides an impact evaluation of the Peruvian Juntos programme on households decisions to invest in livestock and in agricultural and non-agricultural assets used for income generating activities. Using Propensity Score Matching and Difference in Difference techniques we show that beneficiaries households are significantly more likely to invest in productive assets and activities with respect to non-beneficiaries. We also argue that Juntos is more likely to relax liquidity constraints rather than to be used as an insurance for risky investments. As for the programme design and implementation features, we show that duration and transfers regularity do not produce significant differences between groups of beneficiaries. However, results show a sustained impact of the programme over time. We also show that the programme has a productive role only for beneficiaries with higher levels of wealth index.

Ann-Kristin Reitmann (University of Passau, Germany), Fadima Yaya Bocoum, Michael Grimm, Renate Hartwig: “Transfers within the Extended Family: Evidence from Burkina Faso”

This paper contributes to the literature on transfers within the (extended) family with novel data from Burkina Faso. Prior studies often only observed the recipient, whereas our data also contains information on the sending household. Thus, the paper aims to map out the transfer structure and motives and consequently investigates the economic consequences of family transfers in Burkina Faso. With respect to the former, we find evidence of a non-linear relation between recipient income and the transfer response. Transfers to low-income recipients are motivated by altruism. At higher income levels the exchange motive dominates. Moreover, our results suggest a positive omitted variable bias among the poor and a negative bias for the richest when there is no control for sender income in the transfer function. While statistically relevant, the bias is economically small. Further analysis aims to identify how transfer motives vary with relatedness, age and sex of the recipient.

C6: Rural Development in Southeast Asia: Evidence from the Thailand Vietnam Socio Economic Panel

(Vortragsraum)

Dorothee Bühler (Leibniz University of Hanover, Germany), Ulrike Grote: “Mother's Money, Child's Opportunity: Evidence from Intra-household Allocation in Vietnam”

Women are expected to behave more altruistic towards children compared to men. With increasing female income women's bargaining power is expected to increase and as a result household's internal resource-allocation is likely to change. To date, most of the existing literature focusses on permanent changes in unearned income, especially transfers, to identify a causal effect. However, female bargaining power is also be influenced by fluctuations in earned income. In this paper, we use an instrumental variables approach combined with panel data from Vietnam to address the endogeneity issue of female bargaining power and labor income. Our findings suggest that a one standard deviation increase in relative female labor income increases education spending by 62 PPP USD per year. Women with more power over financials are even able to devote more money towards education. Overall, our results show that households adjust their education expenditures to fluctuations in female labor income.

Katharina Grabrucker (University of Passau, Germany), Michael Grimm: “Is there a Rainbow after the Rain? The (indirect) Effects of Rainfall Shocks on Non-farm Enterprises in Thailand”

Weather volatility poses a significant threat to the livelihood of rural households in developing countries. While there is a direct impact of rainfall shocks on farm households, also the non-farm sector might be indirectly affected. Combining panel data on household level with grid-level precipitation data, we analyze how rainfall shocks indirectly affect non-farm enterprises in rural Thailand. We examine the effects of rainfall shocks on labor supply to self-employment and the indirect effects of rainfall shocks on non-farm enterprises – through forward linkages (agricultural inputs of non-farm enterprises), backward linkages (sales of agriculture-related non-farm enterprises) and consumption of farm households. We find that farm households increase their labor supply in self-employment in response to rainfall shocks. We also find that rainfall shocks lead to increasing input costs of non-farm enterprises, higher input costs of farms, larger sales of agriculture-related non-farm enterprises and lower expenditure for food consumption by farm households

Sabine Liebenehm (Leibniz University of Hanover, Germany), Nele Degener, Eric Strobl: “Rainfall Shocks and Risk Aversion: Evidence from Southeast Asia”

Empirical studies advocating the temporal variability of risk attitudes suggest that adverse covariate shocks significantly alter risk attitudes over time, but there is no consensus on the direction. In this paper, we investigate whether risk aversion is increased or decreased by shocks. To do so, we combine individual-level panel data with historical rainfall data for rural Thailand and Vietnam. Our econometric analysis shows that temporal variability in risk attitudes is driven by rainfall shocks. Both severe shortages and excesses appear to increase individuals' risk aversion. Contrary to expectations, we find that this impact is lower for farmers than for non-farmers. We can explain this result by the heterogeneous composition of non-farmers and by farmers' ability to mitigate rainfall shocks. Our findings have potentially important implications especially for developing countries in that adverse shocks can increase poor people's risk aversion and may lead to decisions that perpetuate their lives in poverty.

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POSTER SESSION: Thursday · 03 May · 3:30 – 5:00 (around Alfred-Hessel-Saal)

Lena Gerling (University of Münster, Germany): “Riots and the Window of Opportunity for Coup Plotters: Evidence on the Link Between Urban Protests and Coups d’État”

This paper investigates the impact of protests on coup attempts in a sample of 39 SSA countries for the period 1990 to 2007. Widespread public discontent, especially when occurring in urban centers, can act as a trigger of coups d’état in autocratic regimes by opening a window of opportunity for leadership removals by the ruling elite. Yet, it is less clear how elites respond to protests in terms of post-coup institutional change. The main difficulty in testing this relationship is that public revolts are rarely exogenous to coup risk. Therefore, variation in rainfall is used to create an instrument for urban protests. The results show that rainfall-related protests in urban areas increase the likelihood of a coup is staged, but have no effect on subsequent democratization. Rather, our results suggest that regime elites exploit public uprisings for their own means and restore autocratic stability in the aftermath of a coup.

Esther Heesemann (University of Goettingen, Germany), Cara Ebert, Sebastian Vollmer: “Fostering Early Childhood Development in Rural India - Evaluation of a Randomized Controlled Trial”

We evaluate the impact of two potentially cost-effective early childhood development interventions on two- to three-year old toddlers in rural Bihar, India, targeting the iron deficiency and lack of stimulation in the study area. The interventions were implemented as a randomized controlled trial with three treatment arms: only iron supplementation using an iron ingot for cooking, only psychosocial stimulation with picture books, and a combination of both.

Carolin Hulke (University of Cologne, Germany), Javier Revilla Diez: “Building Adaptive Capacity to External Risks through Collective Action – Social Learning Mechanisms of Smallholders in Rural Vietnam”

Adapting to climate change impacts and various socio-economic risks is an increasing challenge for the agrarian population in the Global South. Rural households mitigate these risks not only individually but collectively, a strategy proven to be viable for establishing long-term adaptive capacities. However, while the importance of social interactions has been acknowledged, little in-depth empirical research exists on the influence of those structures on vulnerable livelihoods. This paper fills this gap by exploring how social capital in informal collective action is influencing adaptive capacity in comparison to formal collective organisations of smallholders in rural Vietnam. We apply a mixed-methods approach combining the rich TVSEP survey data from three rural provinces and qualitative interviews with farmers in four villages. The results reveal the mutual emergence of informal and ‘semi-formalised’ collective action supplementing dense existing formal structures and institutions as a synergistic result of internally initiated transformations in farming practices.

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Jana Lenze (University of Goettingen, Germany), Jana Kuhnt: “The Impact of Congolese Refugees on Social Cohesion and Women's Employment in Uganda”

This study explores the effect of both the long-term presence and additional influxes of refugees on social cohesion and women’s employment outcomes in Uganda. Since Uganda has a unique progressive legal framework regarding the economic and social integration of refugees, it is an interesting setting to study. Refugees are entitled to work, are allowed to move freely and have free access to education and health services. The aim of this study is to investigate the impact of these influxes on the perception of the host population, as well as female employment status and occupational choice. A difference-in difference estimation is implemented to exploit the natural experiment of two sudden inflows, controlling at the same time for long-term refugee levels. The data are drawn from three different surveys covering the years 2001-2011. This is the first quantitative study that focuses on social cohesion and gender outcomes in Uganda.

Marcello Perez-Alvarez (University of Goettingen, Germany), Holger Strulik: “Nepotism, Schooling Outcomes and Economic Development”

Schooling outcomes matter for economic development. At the same time, educational policies around the globe often fail to effectively improve them. This paper suggests perceived nepotism as an important barrier to the development of cognitive skills as schooling outcomes. We argue that students in countries that perceive labor markets to be nepotistic experience a weaker economic motive to invest in human capital. To formally motivate this relationship, we develop a dynamic general equilibrium model in which nepotism is explained as an evolving cultural norm. We test the central prediction of the model by relating the PISA scores to an indicator for perceived nepotism at the country level. The findings show that, on average, an increase in one standard deviation of the perceived nepotism indicator decreases the PISA reading scores by 0.21 standard deviations, conditioning for overall corruption perception. Several robustness checks corroborate the stability of our estimate. The analysis implies that recruitment practices in labor markets strongly shape individual's efforts to accumulate human capital. Accordingly, the consideration thereof may enhance educational policy efforts.

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Huong Dien Pham (Leibniz University of Hanover, Germany): “Do cultural factors alter the relationship between risk attitudes and economic welfare?”

This paper analyzes how cultural factors shape risk attitudes and subsequently alter its relationship with economic welfare. The research sample is comprised by three wave balanced panel data set of 588 ethnically diverse households collected between 2008 and 2013 in the Central Vietnam. Different approaches are used to examine complex patterns of the relationship between risk attitudes and economic welfare in the presence of the cultural diversity. First, a single-equation estimation method is employed using a fixed effects model and a Hausman Taylor model to test a non-linear shape of this relationship. Second, a simultaneous equation estimation method using the Three Stage Least Squares model is applied to explore a mutual relationship between risk attitudes and economic welfare. The results indicate a non-linear shape of this relationship when considering the ethnic minorities. In contrast, a mutual relationship between risk attitudes and economic welfare is found when analyzing the ethnic majority. Furthermore, the ethnic majority is economically better-off than their minority counterparts are, whereas the minorities are economically rather homogenous but strongly diverse in risk attitudes and other social factors. This study sheds light on the cultural heterogeneity in the individual risk attitudes as well as in shaping its relationship with economic welfare. That implies a need to take into account the cultural and social factors in policy interventions via risk-taking channels that target ethnically and culturally diverse populations.

Nayanara Sarma (Institut De Hautes Etudes Internationales et du Développement, Switzerland): “Queuing to Leave: A New Approach to Immigration”

This paper proposes an alternative theoretical framework to study the linkages between legal and illegal immigration by using queuing theory. The queuing systems framework is particularly appropriate for periods of mass migration and allows for analysis of how the magnitude of people trying to migrate will affect the choice between legal and illegal channels. A reduced-form empirical illustration of this baseline model is provided by applying the generalised method of moments (GMM) to look at how origin-country violent conflict and lagged migration differently affect current legal and illegal migration flows to the Schengen region.

Simone Schotte (GIGA German Institute of Global and Area Studies, Germany), Cobus Burger: “A Structural Approach to Modelling Employment Transitioning in South Africa”

The paper employs a discrete choice model to analyse the determinants of high unemployment in South Africa with a focus on the slow labour market absorption of young black males. Unlike previous studies that rely on self-reported reservation wages, a structural approach is used to recover reservation wages, job arrival rates, and job refusal rates that are consistent with observed labour market behaviour. Our results reveal a high rate of involuntary job exits that affects particularly the young and unskilled African population. Furthermore, we find that most job offers are being accepted. Accordingly, we argue that the main constraint to employment is not reservation wages, but rather a shortage of job offers and a prevalence of casual or short-term employment relations. We additionally introduce a finite mixture approach that allows individuals to differ on unobservable traits. Differentiating two types of workers, we inter alia show that the probability of being of the more favourable type – making up 12 per cent of the male black population – is positively associated with measures of educational quality.

Helke Seitz (DIW Berlin, Germany), Tabea Lakemann: “Financial Profiles of Micro and Small Enterprises in Uganda”

Previous research on micro-enterprises and financial management has often focused on specific aspects such as micro-credit, book-keeping, or saving. Our approach is to assume a more holistic perspective and combine these dimensions in analysing the capital accumulation process. We first build financial profiles of 500 micro and small enterprises (MSEs) in Kampala, Uganda, combining information on formal and informal loans, credit constraints, saving behaviour, and management practices, and present them in a stylised fashion. We then analyse the relationship between these financial profiles as well as their components and capital accumulation paths.

Tobias Stöhr (Kiel Institute for the World Economy, Germany), Marcus Böhme, André Gröger: “Searching for a Better Life: Predicting International Migration with Online Search Keywords”

Migration data remains scarce, largely inconsistent across countries, and often outdated, particularly in the context of developing countries. Rapidly growing internet usage around the world provides geo-referenced online search data that can be exploited to measure migration intentions in origin countries in order to predict subsequent outflows. Based on fixed effects panel models of migration as well as machine learning and prediction techniques, we show that our approach yields substantial predictive power for international migration flows. We provide evidence based on survey data that our measures indeed reflect genuine emigration intentions. Our findings contribute to different literature by providing a: 1) novel way for the measurement of migration intentions, 2) approach to generate close to real-time predictions of current migration ahead of official statistics, and 3) improvement in the performance of conventional migration models that involve prediction tasks, such as in the first stage of an instrumental variable regression.

Marlene Waske (Leibniz University of Hanover, Germany), Sebastian Vollmer: “Obesity, Environment, and Culture in the Island of Trinidad”

We use survey data of 510 individuals of African, Indian and Mixed descent collected in 2017 in the island of Trinidad, Republic of Trinidad and Tobago, to analyze if body ideals, body perception, and stigmatization of obesity differ across the main ethnic groups. As a proxy for culture we use the individual’s self-ascription to an ethnic group and add a measurement for the strength of ethnic identity and outgroup orientation. We then use decisions in a trust game of 67 individuals sampled from the survey participants to analyze if there is an ethnic and/or body shape bias in investments. While controlling for environmental factors, we find that body perception and body ideals differ between Indo- and Afro-Trinis, while the evidence on differences in stigmatization and trust towards overweight individuals remains inconclusive.

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Martin Wiegand (VU University Amsterdam, Netherlands): “Closing the Tap: How School Enrollment is Affected when Conditional Cash Transfer Payments Break Off”

This paper explores how conditional cash transfer programs influence students’ schooling decisions when program payments stop in the middle of their school career. To that end, I examine Mexico’s Progresa, which only covered students until the end of middle school (at age 15) in its early years. The experimental setup permits to study the program’s impact on the probability to continue with high school after middle school. However, despite initial randomization, the program itself has likely rendered the respective samples of middle school graduates in the treatment and the control group incomparable. To account for this, I employ a newly developed semiparametric technique that uses a combination of machine learning methods in conjunction with doubly-robust estimation. I find that exposure to Progresa during middle school reduced the probability to transfer to high school by 7.5 to 12.5 percentage points. Possible explanations for this effect include parents’ loss aversion, motivation crowding, anchoring, and classroom peer effects.

Reinhard Weisser (Queen Mary University of London, United Kingdom), Wiebke Stein: “The Impact of Local Shocks on Well-Being: Only a Matter of Perception?”

This paper’s premise is the divergence between fundamental and subjectively perceived levels of well-being. In order to investigate the origin of such a divergence, we link GIS data on local environmental shocks to a panel of households in Southeast Asia. We then illustrate that the mere presence of a potentially adverse environmental shock can be sufficient to change subjectively perceived levels of well-being, although a household did not incur any actual loss. Moreover, using MODIS satellite and OSM data on floods and local (environmental) conditions it is possible to show that this distortion is further influenced by moderating factors, such as a socio-economic position and geographic connectedness

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