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Book of Abstracts

“All smoke and (religious) mirrors? Experimental evidence on motivated information selection and processing from Indonesia”

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Abstract

Despite Islamic authorities advocating against smoking through religious rulings and educating people about its adverse health impacts, Indonesia has one of the highest rates of male tobacco smoking in the world. In this study, we conducted multiple online survey experiments to examine the role of motivated beliefs in the selection and processing of information about smoking from Muslim religious sources. Our results provide evidence of confirmation bias in information selection. We find that religious affiliation strongly predicts article headline selection and that the participants' choice of article reflects their habits and prior beliefs about smoking. After randomly assigning articles, we further observe patterns consistent with confirmation bias in information processing. Participants assigned to the preferred article rated it more favorably in terms of liking, willingness to share with others, usefulness and reliability, and they paid more attention to its content. However, we find no evidence of self-confirmatory updating regarding support for anti-smoking policies. Our findings show that confirmation-seeking behavior in selecting and partly processing information is likely to amplify differences in beliefs about smoking, and ultimately smoking behavior itself. This, in turn, has implications for the design of information interventions.

“Amidst Sahel’s unrest: Malian refugees and rural households in Niger”

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Abstract

Through instability and ongoing conflict, the countries of the Sahel have experienced conflict-induced migration, leading to the displacement of populations across borders. As host countries manage the challenges posed by the influx of refugees, it becomes crucial to study the hosting zones that are indirectly impacted by the conflict. Leveraging the events of the Malian crisis in 2012 as a natural experiment, we examine the impact on rural households in Niger, focusing on labor market and welfare outcomes. We investigate the impact of hosting refugees, relying on panel data of Nigerien households in 2012 and 2012 and UNHCR data about the number of refugees and camp localization. Our findings reveal that households more exposed to refugees are more likely to engage in secondary occupations and experience shifts in labor allocation. Moreover, food security improves for these households, as evidenced by higher food consumption scores during the harvest season. These findings emphasize the positive economic interactions between refugees and host communities, likely supported by organizations like the UNHCR, which contribute to the resilience and economic well-being of the host population. This research underscores the importance of institutions supporting the establishment of refugees, ensuring that their presence strengthens rather than strains local economies, and highlights their potential to contribute to the welfare and resilience of host communities.

“Antibiotic trade and child health in Sub-Saharan Africa”

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Abstract

Do trade shocks improve health when they relax constraints on access to essential medicines? We exploit the rapid expansion of India and China in global antibiotic supply chains between 1990 and 2019 as a source of exporter-side supply shocks to antibiotic availability in Sub-Saharan Africa. We measure country exposure using a shift-share design that interacts pre-existing antibiotic import shares with product-specific export growth from India and China to non-African low- and middle-income countries and implement an alternative gravity-residual shifter to further purge common demand trends. Merging trade data with repeated Demographic and Health Surveys and with under-five mortality from the World Development Indicators, we show that greater predicted antibiotic import exposure increases antibiotic treatment among sick children and reduces under-five mortality. Our results show that a one-standard-deviation increase in predicted exposure raises antibiotic use by about 9-10 percentage points and reduces under-five mortality by about 8 deaths per 1,000 live births over DHS intervals; aggregating implied effects over 1990-2019 implies a cumulative mortality decline of roughly 29-31 deaths per 1,000 live births. These findings suggest that trade-driven diffusion of essential medicines can generate substantial welfare gains in import-dependent settings. Complementary policies are nevertheless important to ensure that expanded access translates into appropriate use.

“Assessing the impact of personal income tax reform with administrative data: Behavioral responses and distributional implications”

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Abstract

This paper leverages administrative tax data from Kenya to make several contributions to our understanding of personal income taxation in developing countries. First, we exploit recent tax reforms to credibly estimate the elasticity of income to changes in marginal tax rates from a taxpayer panel with state-of-the-art methods, a novelty in the context of Sub-Saharan Africa. We find values between 0.3 and 0.4 for our sample of ‘middle-class’ individuals, which conceal large disparities between inelastic public workers and a rather elastic private sector. Extensive margin responses account for at least half of those responses. Second, we combine administrative tax data with household survey data to properly measure income inequality and assess the success of personal income taxes in reducing it under the current structure and several potential reforms. We also combine these data sources to quantify the compliance gap at around 20% to 25% of potential revenue, mainly attributable to self-employed workers.

“Beyond subsidies: Psychological constraints and women’s adoption of nutritional seeds in Ethiopia”

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Abstract

Low adoption of welfare-enhancing agricultural technologies persists despite subsidies, suggesting economic constraints alone cannot explain investment gaps. We examine whether psychological constraints limit women’s investment in Quality Protein Maize (QPM), a biofortified crop improving child nutrition, by preventing them from translating preferences into action. Using a randomized trial with 1,200 female smallholders in Ethiopia, we test whether psychosocial training increases willingness to pay for QPM. We embed Becker-DeGroot-Marschak auctions to elicit incentive-compatible valuations and vary subsidy levels. Psychosocial training increases willingness to pay by 17.35 Birr (5.42%) in the short-run and 54.56 Birr (19.2%) one year later, raising adoption by 6.2 percentage points. Long-run demand analysis reveals training offsets the negative anchoring effects of subsidies on long-run demand, providing evidence of complementarity between empowerment and economic incentives. These findings demonstrate that addressing preference-action gaps, the disconnect between women’s preferences for nutrition-enhancing technology and their ability to act, can significantly improve technology adoption and help understand how psychological constraints interact with economic incentives.

“Breaking the gridlock: Zero-sum thinking, identity and mutually beneficial reforms”

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Abstract

Zero-sum thinking and oppositional identities pose essential threats to democracies and their ability to conduct mutually beneficial reforms. Zero-sum narratives contribute to this problem, but can aspirational narratives also be part of the solution? We test this conjecture in the context of a surprising and highly contentious political decision that forced society and politics to decide within a limited time frame on a particularly polarized issue: the future of artisanal gold mining in the Peruvian Amazon. We conducted a competition among professional filmmakers to create an aspirational narrative video treatment portraying a possible mutually beneficial future with cleaner and more formalized mining. We then use this video as a treatment, and run a pre-registered experiment with 400 participants in two major Peruvian cities. Compared to a passive control group, the narrative video significantly shifts beliefs about miners from being clear villains to possible heroes. We find that this not only shifts beliefs and expectations, but also real-stakes outcomes: Treatment participants are about 15% more likely to sign a letter supporting mutually beneficial reforms. We highlight a decrease in zero-sum thinking and a change in in- vs. out-group identity as two main mechanisms.

“Building healthy homes: The effect of housing improvement on domestic violence”

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Abstract

This article presents findings from a cluster Randomized Controlled Trial examining the impact of a housing improvement intervention on domestic violence. The intervention provided households living in poor urban neighborhoods in Colombia with physical upgrades to their kitchens, floors, or bathrooms. In addition, half of the treated participants engaged in a psychologically guided program to strengthen family relationships. The intervention led to expected positive effects on housing quality and mental health. However, it did not significantly reduce interpersonal conflict or improve family relations. Surprisingly, the family activation intervention worsened family relations relative to the sole housing improvement intervention, which is partly explained by households’ failure to implement their selected strategy.

“Bureaucracies bending the rules: State capacity in the implementation of preferential procurement in South Africa”

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Abstract

Effective policy implementation is foundational to development and depends crucially on a competent and committed bureaucracy. Bureaucratic failures can arise from both imperfect capabilities and incentive misalignment, dimensions of state capacity that often coexist and shape policy outcomes through distinct channels. Using transaction-level administrative procurement data, this paper documents two ways in which local government departments failed to implement an economy-wide policy in South Africa that granted suppliers bid preferences of up to 25 per cent, depending on their contribution to Black economic empowerment. Using bunching methods, we show that departments systematically manipulated tender values to avoid the threshold at which bid preferences became mandatory. Event study analyses reveal no differential change in unit prices or contracts awarded to targeted suppliers above the threshold, indicating that the rule was largely unenforced. While these implementation failures had little impact on overall procurement costs, they reduced spending on targeted suppliers by more than 30 per cent, undermining the policy’s redistributive intent.

“Can life skills foster child learning? Evidence from primary schools in India”

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Abstract

Despite the increasing focus on equipping adolescents with a breadth of social, financial, emotional, or psychological skills, whether these interventions are reconcilable with or beneficial to their learning remains unclear. Based on a school-level cluster randomized control trial, we examine the causal effect of a comprehensive extra-curricular life skills program on 6th-grade students in rural communities in Maharashtra, India, where many children lack foundational literacy and numeracy despite years of schooling. After 7 months of the program, students in the treatment schools exhibited significant improvement in self-efficacy, self-esteem, and financial skills, and showed overall higher aspirations. Further, the program led to a sizable improvement in students' literacy (+0.09 standard deviations) and numeracy (+0.25 standard deviations), despite no explicit focus on these outcomes in the program. Mediation analysis indicates that treatment-induced increases in self-efficacy and financial skills predict subsequent changes in aspirations, potentially optimizing the aspiration gap, which in turn predict learning gains.

“Climate shocks and entrepreneurial engagement: Evidence from rural Southeast Asia”

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Abstract

Climate shocks are a growing source of economic vulnerability in rural regions of the Global South. While their effects on agricultural production and household welfare are well documented, their consequences for rural enterprise development remain understudied. To address this gap, we examine how rural households in Thailand and Vietnam adjust their enterprise activity in response to droughts and tropical storms using household panel data linked to high-resolution climate exposure measures from six provinces over 2007–2022. Employing household fixed-effects panel models across multiple entrepreneurial margins, we find that drought exposure is associated with a higher probability of operating an enterprise, driven mainly by short-lived, low-investment merchant activities, consistent with coping rather than sustained diversification. Storm exposure shows the opposite pattern, especially in Thailand, where it is associated with reduced enterprise entry and higher exit. These contrasting patterns point to distinct exposure channels that create different incentives and constraints for entrepreneurship and underscore the importance of distinguishing income shocks from asset shocks. Overall, these shock-specific responses imply increased microenterprise turnover and limited longevity, constraining the emergence of more persistent, growth-oriented enterprises in climate-vulnerable regions in Southeast Asia.

“Climate shocks, armed conflict, and employment: Evidence from 21 African countries”

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Abstract

This paper provides evidence on the impacts of climate change and armed conflict on individual labor intensity. Based on pooled labor force survey, climate, and conflict event data from 21 African countries, we document that climate change and armed conflict can create a polycrisis: the negative impacts of extreme climate events on labor intensity in and outside of agriculture are more severe in conflict environments. This interaction effect, driven by heat waves and floods, is concentrated among young people, and it is the result of violent conflict presence before a climate event occurs, not of conflict events that occur at the same time as the climate event. In addition, our results suggest that conflict contributes to gender-specific shifts in labor allocation in response to climate events exacerbating women’s work burden. Our findings emphasize the importance of concerted, evidence-based policies to tackle climate-conflict polycrises, taking into account the specific vulnerabilities shaped by individuals’ gender and age.

“Climate-related rural-urban migration: Evidence on economic drivers from low- and middle-income countries”

Sarah Lohr, Barbora Šedová

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Abstract

Climate events can influence migration, yet the mechanisms through which they lead to migration as well as the heterogeneous effects on different population groups remain poorly understood. This study addresses these gaps by exploring two key questions: (i) Who are the rural climate migrants in low- and middle-income countries? and (ii) Why do they migrate?. We examine changes in consumption levels and inequalities as mechanisms linking climate events to migration, employing the Roy-Borjas model to explain the self-selection of climate migrants based on skills and wealth. We use drought data as measured by the Standardized Precipitation Evapotranspiration Index (SPEI-12) combined with 37,000 households from China, Indonesia, Malawi, Tanzania and South Africa observed between 1993 and 2017. Our fixed-effects models reveal that drought drives rural-urban migration by reducing rural consumption and increasing consumption inequality, which is consistent with the predictions of the Roy-Borjas model. A 1-unit increase in drought decreases rural consumption by 1.5 percent, increases rural consumption inequality and is associated with an increased likelihood of rural-urban migration from households with a primary or secondary formal education by 0.9 percentage points. These results underscore the need to develop targeted support for vulnerable populations who may become trapped by climate-related liquidity constraints.

“Coal power expansion and long-term human capital in India”

Balasurya Sivakumar

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Abstract

India and other developing countries have witnessed an unprecedented increase in coal-fired power capacity over the last two decades. This expansion in coal-based power production has led to a rise in air pollution, resulting in negative health outcomes, particularly for children living in affected areas. In this paper, I exploit variation in the expansion of coal-fired power units across India between 2005 and 2015 to identify their impact on long-term educational outcomes of children. Using a Two-Way Fixed Effects (TWFE) and Hybrid Event Study framework, I find that an increase in coal-fired power units in a district negatively affects children’s long-term educational outcomes. Furthermore, exposure to coal-fired power plants leads to lower contemporaneous test scores and enrollment in schools. I identify increased air pollution as the primary driver of these effects. These results are not driven by differential pre-trends or endogenous migration of people living in districts with coal-fired power plants. My findings contribute to the literature on the adverse consequences of coal-based energy reliance in developing countries, particularly its effects on human capital development.

“Colonial legacies and elite reproduction: The role of education in South Africa’s inequality”

Sarah Ferber

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Abstract

This study examines how historical education systems contribute to the reproduction of elites in Sub-Saharan Africa, using South Africa as a case study. We link newly digitized data from the Cape Colony Education Reports (1881-1905) with results from the 2018 Systemic Tests conducted in the Western Cape. We investigate whether the location or quality of historic schools, differentiated by whether they served the white or black population, matters for current educational outcomes. Using a grid-cell approach, we find no evidence that the mere presence of a historic school predicts present-day performance implying there are no broadly accessible benefits. However, when focusing on school quality, using inverse distance weighting to link historic and contemporary school quality, we find a robust positive relationship for historic white schools, but no consistent effect for black schools. These results hold across multiple specifications. We argue that this asymmetry reflects the legacy of systematic neglect of black education during the 20th century, in contrast to the institutional continuity afforded to white schools. Many high-performing historic white schools continue to operate and produce a disproportionate share of the country’s educational and professional elite. By tracing the enduring effects of historical schooling, this study contributes to understanding how inequality of opportunity is reproduced over time in one of the most unequal societies in the world.

“Commercial farming and gendered labor reallocation: Evidence from Senegal”

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Abstract

Large-scale commercial farming has expanded rapidly across sub-Saharan Africa, yet credible evidence on its labor market effects remains limited. We examine whether and for whom commercial farms generate employment in Senegal, a leading site of agribusiness expansion in West Africa. We combine three waves of nationally representative census data (2002, 2013, 2023) with a novel geospatial panel that tracks the annual expansion of commercial farms between 1999 and 2023. Farm boundaries are digitized from high-resolution satellite imagery and ground-truthed using local expertise and a 2024 farm survey. Exploiting staggered variation in commercial farm expansion across communes, we implement a range of estimators that accommodate heterogeneous treatment timing and intensity. We find that commercial farming reshapes local labor markets in a gender-differentiated manner, with men disproportionately moving into wage work, particularly in non-agriculture, while women are more concentrated in self-employment, often in agriculture. These results provide new causal evidence on the employment and gender implications of commercial farming expansions in Africa.

“Cool as a cucumber? Heat, labor, and productivity in smallholder farms”

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Abstract

We study the impact of same-day heat on productivity and labor responses among smallholder farmers in South India, who have been contracted to grow cucumbers for an agricultural season. Harvesting is labor-intensive and conducted outdoors, leaving workers exposed to heat stress under high temperatures. Using high-frequency administrative data matched to hourly weather records across dozens of villages, we estimate the relationship between same-day temperatures and daily yields as well as earnings, and examine the mediating role of labor. We document a drop-off pattern in the contemporaneous temperature–yield relationship: yields are flat up to 33°C but decline beyond this threshold. On average, on days hotter than 33°C, farmers have 16% lower yields and earnings. We find supportive evidence that labor constraints may underlie this heat penalty.

“Credit constraints and capital allocation in agriculture: Theory and evidence from Uganda”

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Abstract

Fertilizer adoption is persistently low among Sub-Saharan African farmers. Numerous governments have responded by introducing substantial price subsidies, but solving an allocation problem by introducing price distortions has unclear welfare implications. This paper presents results from a theory-guided experiment on fertilizer adoption among Ugandan farmers, finding that there exists a group of farmers with high returns to fertilizer, who would not adopt at the market price but can be induced to adopt with a 30% subsidy. Furthermore, consistent with adoption frictions due to liquidity constraints, the results indicate that a cash transfer is sufficient to eliminate the need for subsidies. These findings tie into broader ideas on second-best policymaking (Lipsey and Lancaster, 1956) and have important implications for fertilizer policy in Africa.

“Deforestation without development? Farms, land use, and technology investments”

Kilian Kamkar, Fernando Chertman

Abstract

Agricultural productivity growth can free labor and resources for industrialization, but raising yields requires costly investment in machinery and irrigation that farmers may forgo in favor of expanding onto new land. We study this choice in Brazil, combining confidential records on the near universe of cross-bank electronic transfers with satellite imagery to observe land use and input purchases at the farm level. Using a shift-share instrument, we find that rising exports for beef and soy shifts farm expenditures away from investment goods, as producers expand output through land conversion rather than technological upgrading. To understand the aggregate consequences for economic development, we embed a land expansion margin inside a model with endogenous technology adoption and input-output linkages. When farmers expand production by clearing land, the boom pulls labor into a sector that remains technologically stagnant and fails to lower the cost of technology adoption for the rest of the economy, diverting resources away from modernization. Our quantitative results suggest that an increase in foreign demand for agricultural goods generates a resource curse, where real consumption falls even as farm output rises.

“Depression, poverty, and cash: Experimental evidence from a refugee camp”

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Abstract

Mental health and economic outcomes are closely related, with both having the potential to impact the other. However, there is little rigorous evidence on this relationship and how to improve both dimensions of wellbeing for populations in need of humanitarian aid. These groups face exceptionally high rates of mental health conditions due to traumatic experiences, challenging living situations, and uncertainty, among many other reasons, while their access to mental health services is low. At the same time, they often face numerous hardships including a lack of economic opportunities, vulnerability to shocks, and poverty. In this study, we examine the interaction between the economic and psychological wellbeing of camp-based refugees in Kenya and evaluate how both dimensions are impacted by a program bundle, including (1) a psychoeducation and financial literacy training and (2) an unconditional cash transfer of about USD 520. We find that even a light-touch training significantly improves symptoms of common mental health conditions in an underserved population with high rates of depression. While these improvements through the training do not translate into better economic outcomes in the challenging environment of a refugee camp, the cash transfer substantially improves a range of economic wellbeing indicators. Cash transfer impacts are concentrated in outcomes related to basic needs, improving food security and access to healthcare. For those with better mental health at baseline, it further improves labor market outcomes. Finally, while the cash transfer does not impact symptoms of mental health conditions, it improves positive psychological outcomes related to resilience.

“Digital beginnings: Labor-market transformation at the onset of connectivity”

Valentin Lindlacher, Marta Bernardi

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Abstract

We study the labor market consequences of the rollout of second-generation mobile networks across 2,040 regions in thirteen developing countries between 1990 and 2015. To address endogenous network placement, we exploit exogenous variation in signal disruptions caused by lightning strikes as an instrument for regional coverage. A fifty percentage point increase in coverage raises labor force participation and employment by about one-third of baseline levels. Coverage reallocates workers from self-employment toward wage jobs and, to a lesser extent, unpaid activities, with apprenticeships accounting for most of the latter. Sectoral estimates show persistent gains in agriculture, while manufacturing and services display smaller or insignificant responses. Within agriculture, new workers are absorbed mainly through wage contracts. Connectivity also increases secondary school attainment and amplifies wage employment gains in regions specialized in tradable activities. These findings show that even basic mobile networks reshaped labor markets at the onset of digital integration, highlighting that the economic consequences of digital infrastructure depend on the technological frontier.

“Digital highways to development: Mobile internet and tax revenues”

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Abstract

Investment in critical infrastructure is essential for long-term development. However, low tax revenues in developing countries often constrain such investment. In this paper, we examine whether the expansion of high-speed mobile internet infrastructure can generate additional tax revenue. To identify the causal effect, we exploit the staggered rollout of 3G and 4G infrastructure across municipalities in Brazil. Using an event study approach, we find that the expansion of this technology leads to a lasting increase in income tax revenue, driven almost entirely by higher corporate income tax collection. We show that the additional tax revenue results from increased economic activity and formalization following the expansion of high-speed mobile internet. Our findings indicate that investment in digital infrastructure can stimulate economic growth and strengthen fiscal capacity in developing countries. This means that policymakers in developing countries with low tax revenues should expand their focus beyond tax-collection reforms and integrate growth-enhancing investments into their agenda.

“Digitizing extension services: Evidence from a two-sided randomized experiment in Indonesia”

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Abstract

Extension services are widely rolled out in low- and middle-income countries to improve agricultural production, ensure food security, and promote new agricultural practices and technologies. Digitalization offers new opportunities to provide extension services to small-scale farmers. We implement and assess the impacts of a two-sided, digital platform-based training intervention, offered in a fully digital or blended format (in-person and online), to extension workers and farmers using a clustered randomized controlled trial. The training content includes a digital literacy module to address potential barriers to platform service adoption, as well as modules that teach extension workers and farmers how to integrate platform-based information and farm management tools into their daily farming activities. Both trainings increase digital literacy among farmers. The effects are significantly more pronounced in the fully digital training, possibly because it forces farmers to engage more intensively and independently with the material. Awareness and use of platform-based information increase in both treatment groups. The results on new practices adopted are mixed. Some practices are adopted, others may need more training or time. Consequently, there are also not yet any significant impacts on agricultural productivity. We also do not find any significant effects on extension workers' performance and capabilities. Compared to conventional training programs, both interventions are relatively cheap. Hence, especially the fully online training has a good chance to be cost-effective in the medium term.

“Dirty politics? Political selection and environmental enforcement in India”

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Abstract

This paper studies how electoral selection into a rent oriented political type affects environmental outcomes. We proxy political type using detailed information on pending criminal charges of candidates in Indian state assembly elections between 2009 and 2019, constructed from original web scraped court records. Exploiting close elections between candidates with and without criminal charges, we estimate the causal effect of electing politicians with criminal exposure on local environmental quality. We find that air pollution declines significantly more slowly in constituencies represented by such politicians. The effect does not appear to operate through higher economic activity. Nighttime light intensity shows no systematic increase following their election. Instead, the evidence is consistent with weakened regulatory enforcement. Constituencies represented by politicians with criminal charges exhibit higher rates of crop residue burning, an illegal but widespread activity that is sensitive to enforcement credibility. Together, the results suggest that electoral selection into a more rent oriented political type, proxied by criminal exposure, deteriorates environmental quality primarily through distortions in enforcement rather than through expansion in output.

“Do countries really need to build absorptive capacity to benefit from FDI? Estimating policy-relevant interaction terms with panel data”

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Abstract

Foreign direct investment is often promoted as a driver of economic growth. But its benefits are thought to depend on host countries’ ‘absorptive capacities’ such as human capital, financial development, trade openness, or institutional quality. We use recent advances in panel data econometrics to revisit this conventional wisdom that has shaped decades of policy advice. Our approach is the first in this literature that disentangles the effects of policy-relevant changes in absorptive capacities from time-invariant country fundamentals that policies cannot alter. Using a sample of approximately 120 countries over five decades, we find that time-invariant country fundamentals explain most heterogeneity in the FDI-growth nexus. Among the four policy-relevant capacities examined, only greater trade openness plausibly enhances this nexus. And even in this case, fewer than 10% of countries fail to reach the threshold where FDI appears growth-enhancing. By contrast, improving human capital, financial development, and institutional quality do not robustly increase the benefits from FDI, and may even dampen them. These findings challenge the prevailing emphasis on broad absorptive capacity building as a precondition for benefiting from FDI.

“Do regularization programs attract more migrants? Evidence for OECD Countries”

Paúl Elquezabal, Inmaculada Martínez-Zarzoso

Abstract

This paper examines the effects of regularization programs on migration inflows. It makes two main contributions. First, it introduces a dataset that systematically documents regularization measures in OECD countries from 1945 to 2024. Second, it provides the first large-scale econometric assessment of the impact of these programs on bilateral migration flows. We estimate a gravity model using Poisson Pseudo Maximum Likelihood on an unbalanced panel comprising 196 origin countries and 32 OECD destination countries over 27 years. This analysis is complemented by a staggered difference-in-differences design, which allows for heterogeneous treatment effects across cohorts. The results indicate that regularization programs operate as a pull factor fostering migration, particularly from origins with established migrant networks. Initial regularization episodes increase immigration by 30 percent. A novel finding is that minimum-duration requirements for prior irregular residence significantly attenuate the pull effect. These findings provide new insights into the policy trade-offs associated with regularizations.

“Does anticipatory cash transfers help? Quasi-experimental evidence from Somalia”

Kamran Khan Niazi, Sara Burrone, Dixit Poudel, Giulio Bologna, Niccolo Lombardi, Antonio Scognamillo

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Abstract

This study evaluates the effectiveness of Early Warning-based Anticipatory Cash Transfers (EWACT) in protecting livelihoods during climate shocks in Somalia. EWACT provides unconditional cash support to vulnerable households before forecasted climatic events. Using three rounds of panel data from Baidoa district (2024-2025) and a quasi-experimental difference-in-differences design with inverse probability weighting to address non-random treatment assignment, we examine the impacts of receiving EWACT before an incoming drought on financial behaviour, agricultural outcomes, food security, and climate-induced displacement. Results show that EWACT significantly improved short-term economic resilience: treated households increased savings and crop reserves, improved debt repayment capacity, and reduced crop losses. These protective strategies translated into substantial welfare gains, a 33-percentage-point improvement in food security and a 4-percentage-point reduction in displacement risk. We further employ instrumental variables to estimate treatment effect decay over time, using quasi-random variation in transfer timing generated by program implementation processes. Findings reveal that improvements in food security and financial buffering are most pronounced immediately after transfer receipt and fade over time. However, some benefits, most notably the reduced probability of displacement, persist into the subsequent agricultural season, highlighting potential for longer-term humanitarian burden reduction. As one of the first rigorous evaluations of anticipatory action targeting slow-onset climatic shocks in Somalia, this study contributes crucial evidence to the emerging literature on forecast-based humanitarian assistance and provides actionable insights for scaling anticipatory aid in fragile, climate-vulnerable contexts.

“Does information about legal migration pathways reduce irregular migration aspirations?”

Bernd Beber¹, Tobias Heidland², Stefan Leopold³, Jens Ruhose³, Mame Mor Anta Syll⁴, Yogam Tchokni⁵

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Abstract

Many high-income countries aim to both increase immigration in line with their labor market needs and decrease irregular arrivals, and some have explicitly promoted efforts to achieve the former as part of a solution to the latter. However, empirical evidence on how information about legal pathways shapes irregular migration intentions as well as self-selection and aspirations for mobility and qualification more broadly remains scant. We contribute new insights with a randomized controlled trial in rural Senegal, providing information and basic assistance on the U.S. Diversity Visa Lottery, which offers medium- and high-skilled migrants access to permanent residence. The intervention significantly increases migration intentions and shifts preferences toward legal pathways. However, currently ineligible individuals, particularly those already contemplating irregular migration, show increased interest in migrating irregularly, suggesting an unintended consequence of efforts to broadly promote legal migration options. Education aspirations only increase weakly from a high baseline. These aspirations already mostly surpass the requirements for pursuing a legal migration path, but participants are unable to realize them. We show that some effects persist for a year after the experimental treatment.

“Droughts and women’s intra-household bargaining power in rural Ethiopia: Who decides when the rains fail?”

John Owusu

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Abstract

When the rains fail, do women work more to preserve their voice in household decisions? Collective bargaining models predict yes. This paper shows they don’t—and explains why that matters. I exploit exogenous drought shocks during Ethiopia’s main agricultural seasons to examine how climate-induced income losses reshape women’s intra-household bargaining power. Using three rounds of geo-coded household surveys matched with gridded drought indices, I find that recent droughts significantly reduce women’s decision-making authority across high-stakes domains: large household purchases (4 ppt), control of husbands’ earnings (3 ppt), and reproductive choices (2 ppt). Contrary to collective models, droughts reduce women’s labor force participation by 5 percentage points rather than increasing it. I document a “double exposure” mechanism: droughts destroy both household agricultural income and local labor market opportunities for women, simultaneously eliminating their economic contributions and outside options. This dual channel explains why standard bargaining predictions fail in agrarian settings. Effects concentrate among poorer households and those distant from relief operations, but women receiving cash wages maintain bargaining power while those paid in-kind experience severe losses—a 12 percentage point difference in decision-making authority. These findings reveal the fragility of women’s empowerment to seasonal climate shocks and demonstrate that well-timed cash transfers directly to women can protect their agency when harvests fail. As climate volatility intensifies, understanding these gendered household dynamics is essential for designing effective social protection in agrarian economies.

“Dual ascent: Chinese demand and agrarian elites”

Juliano Assunção¹, Laura Barros², Samuel Siewers³

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Abstract

This paper analyzes the causes and consequences of the rapid consolidation of political power by landed elites in Brazil. Focusing on elections for the Brazilian Congress from 2006 to 2022, it shows how shifts in international trade, induced by China’s rise, created the conditions for the Brazilian ruralist bloc to emerge as the most influential force in Brazilian politics. The analysis exploits plausibly exogenous variation in China’s pig stock and shows that higher Chinese demand for agricultural goods significantly increases the municipal vote share of politicians affiliated with Brazil’s rural caucus, a multiparty coalition representing the interests of large landowners. In the second part of the paper, we examine how this process affects legislative behavior using roll-call votes. We find that lawmakers belonging to the rural caucus are substantially more likely to vote for environmental deregulation.

“Early loss, enduring pain: Orphanhood and subjective well-being”

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Abstract

Orphanhood profoundly influences the subjective well-being of the child, shaping emotional resilience and long-term developmental outcomes. The causal impact of orphanhood on child subjective well-being remains unexplored in developing country settings. This paper examines the impact of orphanhood on child self-reported subjective well-being using longitudinal data from the Young Lives Cohort Study from Ethiopia, India, and Vietnam. Exploiting the staggered timing of parental death in a difference-in-differences framework, we estimate the effect of losing a parent on a 1 –9 subjective welfare scale. Our findings indicate that orphanhood reduces subjective well-being by an average of 0.45 points compared to non-orphaned children. The effect varies by country, with declines of 0.85 points in Vietnam and 0.58 points in India, but a smaller, statistically insignificant effect in Ethiopia. The impacts are more pronounced among rural children and those orphaned at younger ages, with no significant differences by gender or type of parental loss (maternal versus paternal).

“Equity conundrum: Unintended consequences of college-level affirmative action on the labor market”

Ritika Gupta

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Abstract

Gender-based affirmative action policies in top-ranked STEM institutions aim to enhance women's representation in both higher education and the labor force. While these policies can promote diversity, they may also increase statistical discrimination in hiring practices as colleges lower admission standards to increase female enrollment. This paper examines this trade-off and investigates how expanding seats for women in premier Indian engineering colleges affects gender discrimination in hiring. I conduct a large-scale correspondence study randomizing gender, college type, and year of entry to induce variation in policy exposure. The results indicate no significant male-female callback gap at top colleges before or after the policy; however, women from non-targeted lower-ranked colleges face disadvantages. Specifically, the policy implementation led to a 52% drop in the female callback probability, increasing the male-female callback gap by 2 percentage points. To further shed light on actual employment outcomes, I analyze data scraped from LinkedIn profiles, revealing consistent evidence that supports my findings. I incorporate affirmative action within a stylized model of statistical discrimination, which depicts that enabling entry of high-ability women in top-ranked colleges can have negative spillovers at lower-ranked colleges.

“Family planning, women's employment, and household labor supply”

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Abstract

We conduct a randomized controlled trial that provided pregnant and postpartum women with comprehensive access to family planning services. We assess the causal impact of the family planning intervention on women's work and household labor market outcomes. We find evidence of a 3.1 to 3.9 percentage point (p.p.) increase in employment and a 2.4 p.p. increase in labor supply among intervention households. These results are primarily driven by a 5.1 p.p. increase in women's employment after two years of intervention exposure. Meanwhile, men in intervention households do not increase their overall labor supply, but instead shift toward wage-earning work. Our findings are primarily driven by women who were pregnant at baseline. Following intervention exposure, these women face a lower risk of experiencing short birth intervals and also participate more in household decision-making.

“FDI, forward linkages and services inputs”

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Abstract

This paper provides evidence of spillover effects from foreign direct investment (FDI) through forward linkages. Using granular information on the universe of firm-to-firm transactions and inward FDI in Rwanda, we find substantial and persistent effects on value-added, employment, and productivity of domestic firms after beginning to source from foreign-owned enterprises. These effects are more pervasive than those associated with selling to foreign-owned firms -- the backward linkages emphasised in the literature. Suggestive evidence reveals that foreign-owned firms provide higher-quality intermediate inputs than domestic suppliers, particularly in specialized business and professional services that are difficult to import, and that these inputs complement rather than crowd out domestically sourced inputs.

“Female electoral success and the survival of girl children in India”

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Abstract

In India, a strong cultural preference for sons often leads to sex-selective abortion or neglect of girls in early childhood. We explore the possibility that female electoral successes increase girl survival. We leverage the timing and location of births to over 500,000 mothers between 1977-2004 to estimate whether the gender composition of elected district representatives affect the probability of a female birth and postnatal survival. Our research design exploits the quasi-randomness of female victories in close man-woman elections in a regression discontinuity framework. We find that an increase in elected female representatives in the district lowers the probability of a girl birth, but improves girls’ postnatal survival. We show the reduced probability of a girl birth is driven by fertility declines in the presence of son preference. In addition, we find that the effect of female electoral success reverses after political reform or policy favoring girls is introduced, suggesting the impact of individual victories depends on a broader based commitment to raise the status of women.

“Food aid, barter, and money: Evidence from Rohingya refugee camps”

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Abstract

What are the impacts of different food assistance programs on refugees’ food consumption, their trading of aid-provided goods, and market prices? To address this policy-relevant question, we use a novel dataset of 2,181 Rohingya refugee households in Cox’s Bazar, Bangladesh, and exploit a quasi-natural experiment stemming from the World Food Programme’s transition from in-kind food aid to e-vouchers in these camps. First, while food consumption and caloric intake do not differ for households across aid regimes, e-voucher recipients spend significantly more on non-food items. Second, e-voucher beneficiaries are less likely to engage in overall food aid trade but more likely to trade rice, which emerges as a medium of exchange. Third, food aid resale leads to heterogeneity in food aid resale prices and generates a deadweight loss. A model of consumption choice with homogeneous preferences explains the consumption allocations under regime-specific constraints. Extending the model to incorporate heterogeneous preferences and search frictions, we rationalize that e-vouchers improve flexibility and allocative efficiency, yet food aid trade persists as a rational response to liquidity needs.

“Foreign aid and local conflict dynamics: A monthly grid-cell-level analysis in Africa”

Jürgen Bitzer, Bernhard Dannemann, [Erkan Gören](#)

Carl von Ossietzky Universität Oldenburg, Oldenburg, Germany

Abstract

This study investigates the relationship between foreign aid and conflict incidence at the sub-national level across Africa using an innovative, high-resolution panel dataset of monthly grid-cell observations. By combining geo-referenced World Bank aid data with conflict event data from the Armed Conflict Location and Event Data (ACLED) project, we construct a dataset comprising over 12 million grid-month observations from 1995 to 2020. Using difference-in-differences (DiD) and event study methodologies, we estimate the immediate and dynamic effects of foreign aid allocation on local conflict. Our findings indicate that foreign aid significantly increases the likelihood of conflict onset within treated grid cells, with effects that emerge immediately upon aid allocation and persist for at least five years. These results are robust across multiple conflict types -- including protests, riots, battles, and violence against civilians -- and actor categories, such as military forces, militias, and protesters. The use of monthly data at a 0.25 x 0.25 decimal degrees spatial resolution enables precise temporal alignment of aid delivery and conflict, allowing us to capture both static and dynamic treatment effects. This paper contributes novel empirical evidence to the aid-conflict literature and raises important considerations for the spatial and temporal targeting of development assistance.

“Formalization is not enough: Experimental evidence on tax evasion among Ghanaian firms”

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Abstract

Tax evasion poses a major challenge to domestic revenue mobilization in developing countries, where high informality and weak enforcement make it both widespread and difficult to measure due to its concealed nature. This study employs a Double List Experiment to examine tax evasion among Ghanaian firms, focusing on heterogeneity across ownership and management, digitalization, and formalizations. Results show that one in five firms (20%) engage in tax evasion, with significantly higher incidence among male-led, female-managed, sole proprietors, informal, non-online and digitally included (E-trading, E-paying) firms. The findings show that formalization, by itself, does not guarantee improved tax compliance. Many legally registered firms continue to evade taxes, underscoring the structural and behavioural complexities of informality. To address this, the Ghana Revenue Authority (GRA) should prioritize audits targeting the identified high-risk groups while encouraging formalization through simplified registration, reduced compliance costs, and temporary tax incentives. GRA must implement complementary strategies—including intensive educational campaigns, social norm nudges, and digital invoicing system to improve compliance, strengthen revenue collection, and support broader development objectives.

“Fostering agency and inclusion in schools through recognition and reflection: evidence from India”

Prateek Bhan

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Abstract

This study evaluates whether a low-cost, non-monetary intervention combining public recognition with structured collective reflection can improve students’ psychosocial well-being, perceptions of school climate, and academic outcomes. In an RCT in 71 government secondary schools in Jaipur, Rajasthan, treated schools received public recognition of teachers, principals, and schools to activate reputational and intrinsic motivation, alongside structured student–teacher and principal–student–teacher councils facilitating guided reflection on communication and connectedness, empathy, and shared expectations. The intervention was delivered over two days and targeted collective norms rather than individual incentives. Using baseline and follow-up data from Grade 8 and 9 students collected between 2024 and 2026, I estimate treatment effects using ANCOVA and OLS specifications 1- and 3-months after the intervention. Results show statistically significant improvements in multiple pre-registered psychosocial outcomes. Treated students report higher hope and reflective capacity, lower perceived stress, and stronger feelings of belonging. Classroom behaviors and engagement also improve, and academic outcomes in Mathematics increase significantly after three months. Effects are larger for disadvantaged students, including first-generation learners. Overall, the findings demonstrate that recognition combined with collective reflection can meaningfully enhance student agency and inclusion, offering a scalable and cost-effective policy lever for public-school systems.

“Fostering climate resilience: Socio-Economic effects of improved urban drainage in Bangladesh”

Angelika Budjan, Cristina Cibin, Khalid Imran, Robin Moellerherm, Jingke Pan.

University of Stuttgart, Stuttgart, Germany

Abstract

Urban flooding is projected to intensify under climate change, yet causal evidence on the economic impacts of urban adaptation infrastructure remains scarce. We study drainage infrastructure upgrades in Barishal, Bangladesh, exploiting indirect effects that propagate through the drainage network as a natural experiment. Using high-resolution elevation data and a two-dimensional hydrodynamic flood model, we show that a large share of predicted reductions in flood duration arise through network spillovers rather than in the immediate vicinity of newly constructed drains. Combining these predictions with a spatially representative household survey of 2,649 households conducted after the 2025 rainy season, we show that reduced flood exposure lowers income losses and school absences and improves the reliability of local transport. By contrast, we find no evidence of effects on adult labor supply or overall mobility. Our findings have direct implications for climate adaptation policy in rapidly urbanizing, flood-prone cities.

“From boom to bust: The structural transformation of Chile's industrial sector after the nitrate collapse”

Alejandra Rodríguez Morales

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Abstract

How can resource dependence and its abrupt reversal generate enduring patterns of regional inequality? This paper examines the developmental consequences of a sudden and irreversible collapse in the extractive sector of a resource-dependent country: early 20th-century Chile. At its peak, nitrate extraction and trade accounted for over half of Chilean fiscal revenues and more than three-quarters of total exports. The abrupt emergence of a synthetic substitute in 1928, followed by the complete collapse of global demand for natural nitrate in 1931, brought Chile's dominance in this strategic commodity to an end. Based on archival sources, I compile the first systematic subnational panel dataset for 1909–1951. Exploiting this exogenous shock as a natural experiment, I apply Synthetic Control and Synthetic Difference-in-Differences methods to estimate the causal effects of the shock on regional industrialisation trajectories. Before the collapse, development patterns were relatively homogeneous across regions; afterwards, stark asymmetries emerged. The results reveal that Núcleo Central, home to the nitrate sector's commercial and financial coordination, experienced a significant industrial boom driven by reallocation of production inputs. In contrast, the nitrate-producing Norte Grande stagnated, with little to no industrial absorption until the copper boom years later. The findings show how the collapse of a dominant sector can catalyse lasting regional inequality by triggering uneven structural transformation, shaped by geographic asymmetries and limited input mobility. By uncovering these dynamics, the paper contributes to debates on the consequences of resource dependence and the sources of persistent spatial inequality.

“From fields to ballots: Droughts and electoral shifts in Brazil”

Lou Chiani

Abstract

Climate change is expected to intensify the frequency and severity of droughts in developing countries, where rural livelihoods remain highly dependent on rainfed agriculture. Yet the political consequences of such shocks are theoretically ambiguous: dry spells may heighten concern for environmental protection, but they may also depress rural incomes and thereby reduce support for parties advocating more stringent—and potentially costly—environmental policies. This paper examines how growing-season droughts shape voting behavior in Brazil, a large developing democracy characterized by strong climate vulnerability, deep agrarian inequalities, and polarized environmental politics. Combining high-resolution weather data with a panel of ideology- and environment-weighted vote shares for all presidential elections between 2002 and 2022, I exploit within-municipality variation in hydrological stress aligned with crop-specific growing seasons. I find that drier growing seasons systematically reduce support for green and left-leaning coalitions. Exploration of potential mechanisms reveals that these effects operate through lower agricultural revenue per hectare, with off-season droughts having little explanatory power. Heterogeneity analyses reveal stronger electoral penalties in smallholder-dominated areas and substantially weaker reactions in agribusiness regions, with social protection and rural organization mitigating these effects in smallholder areas. Taken together, the results indicate that in rural Brazil, the adverse economic impacts of drought dominate any countervailing rise in environmental concern, ultimately shifting votes away from environmental and redistributive platforms.

“From tariffs to toxins: The U.S.-China trade war and drinking water quality in Brazil”

Tarah Ramthun, Josefin Sünemann

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Abstract

This paper examines the impact of the U.S.–China trade war on drinking water quality in Brazil. As a consequence of the trade conflict, China redirected its soy imports away from the U.S. and toward Brazil, resulting in higher Brazilian soy exports and production. Given Brazil’s high use of agrottoxins in agriculture, we study whether increased Brazilian soy production translated into a surge in glyphosate application by looking at its concentration in Brazilian drinking water. We employ a single-industry shift-share approach, using municipality-level heterogeneity in soy suitability as the shares and divergence of Chinese soy imports from the U.S. from a non-trade war counterfactual as the shifter. Our results indicate that glyphosate residuals in Brazilian drinking water increased substantially in the years following the U.S.–China trade war in 2018. We find that a one-log-point increase in trade-war-induced deviation of Chinese soy imports caused an increase in glyphosate concentration of 10 microgramm per litre for municipalities that are one percentage point more suitable. Our findings underscore the substantial environmental consequences of trade disputes.

“Heritage of hostility: How anti-missionary violence and industrial capacity shaped China's quid pro quo for foreign technology”

Renliang Liu¹, Jian Xie²

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Abstract

We examine how anti-missionary violence and industrial capacity shaped the gains from China's 1983 Quid Pro Quo policy. Our difference-in-differences analysis shows that the policy substantially increased foreign technology adoption in cities with stronger industrial capacity. A subsequent triple-differences specification shows that anti-missionary violence erased around three-quarters of these gains. Mechanism analyses suggest anti-missionary violence deteriorated bilateral municipal ties and deterred foreign-invested firm entry. Firm-level matching indicates a 15.8% productivity premium for adopters, implying a notable productivity shortfall due to anti-missionary violence. These findings underscore the joint role of cultural attitudes, industrial legacies, and state policy in shaping technology adoption.

“How many children, men, and women are living in poverty globally? An approach combining structural and machine-learning models”

Samuel Tetteh-Baah, Dean Jolliffe, Christoph Lakner, Daniel Mahler

World Bank, Washington, D.C., United States

Abstract

The World Bank’s global poverty numbers have always been based on three strong assumptions: (1) household consumption is entirely private, i.e. there are no economies of scale in household consumption; (2) all household resources are distributed equally among members irrespective of age or gender composition; and (3) adults and children have identical needs. This paper leverages advances in data and modelling to address these issues, thereby providing more reliable estimates of the demographic distribution of global poverty, and improving poverty targeting and monitoring. It adopts data on household resource shares accruing to men, women, and children estimated for 45 countries from a structural model of collective household decision-making. It combines these data with prediction variables from multiple sources to train machine-learning models and predict household resource shares for the remaining countries in the world. It then estimates extreme poverty affecting men, women, and children from individual-level survey data while incorporating sharing, inequality, and different needs for adults and children in the household. From a global sample of 152 countries, more than 40 percent of the estimated 802 million people living in extreme poverty in 2024 are women, a third are men, and a quarter are children. A fifth of the extreme poor are women in Sub-Saharan Africa, and another fifth are children in Sub-Saharan Africa.

“If you build it, will they come? Incentivizing the adoption of digital financial services in Niger”

Olivia Wirth¹, Jenny Aker², Josué Awonon³, Michael Grimm¹, [Christina Petrik](#)¹

¹University of Passau, Passau, Germany. ²Cornell University, Ithaca, United States. ³Tufts University, Boston, United States

Abstract

Despite the potential impacts of digital financial services (DFS) on household welfare, adoption rates remain low in some of the world’s poorest countries. A key question is whether households face behavioral or information frictions that marginal incentives can overcome, and how these interact with uneven supply. To investigate this, we implemented a randomized controlled trial in Niger to estimate the causal effect of information provision and financial incentives on DFS adoption and subsequent welfare outcomes. We further integrate spatial data on agent networks to assess the role of supply-side constraints as barriers to market penetration. The results indicate that relaxing information asymmetries increases awareness but does not shift adoption behavior, consistent with models in which information is a necessary but not sufficient condition for technology diffusion. By contrast, a modest financial transfer acts as a salient incentive, generating a statistically significant increase in both adoption and usage, and allows households to smooth consumption in the face of shocks. This suggests that both liquidity constraints and present-biased preferences may be binding impediments to diffusion.

“Improving migration outcomes: A mentoring experiment and its network effects in Senegal”

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Abstract

Rural-to-urban migration within low-income countries is widespread, yet prospective migrants face information frictions and highly uncertain payoffs. Social networks at destinations often help overcome these frictions, but much less is known about whether networks at origin can do the same. We address this gap with a randomized field experiment that we conducted with 4,700 men aged 18–40 in 145 rural Senegalese villages. Treated participants received an intensive one-on-one migration mentoring session with a current Dakar migrant, complemented by follow-up phone calls, which supplied job search advice, referrals to public advice centers, and troubleshooting strategies. A second treatment arm added a local discussant from the same village to the mentoring meeting in order to enhance subjects’ origin-based support networks. Using two rounds of data and full village social network maps, we estimate effects on beliefs, behavior, and welfare. Mentoring alone lifted employment expectations, raised individual earnings, and – conditional on migrating – improved migration experiences along several dimensions, but left overall migration rates unchanged. Adding a local discussant altered meeting content and boosted non-migration economic outcomes, yet did not improve migration experiences. Heterogeneity analyses show benefits are concentrated among previously non-migrant men. Taken together, our findings suggest that linking prospective migrants directly to experienced urban peers can ease migration, while bolstering origin-side ties negates this effect despite its own rewards.

“Incentives for knowledge acquisition and antibiotic dispensing behaviors of pharmacists in Ghana”

Christoph Strupat, Edward Asiedu, [Maximilian Guigas](#), Jan Priebe, Matthias Rieger

Abstract

Overdispensing of antibiotics fuels antimicrobial resistance (AMR), a major global health concern. We cluster-randomized 487 pharmacies and over-the-counter (OTC) vendors across 122 microlocations in Accra, Ghana, into an AMR training program, training plus financial incentives for knowledge acquisition, or a control group. The intervention generated substantial immediate and sustained improvements in provider knowledge, particularly among incentivized OTC vendors. Despite these first-stage effects, we find no reduction in inappropriate antibiotic dispensing and no improvements in consultation quality measured through standardized patient audits. We are statistically powered to rule out even small declines in overdispensing. Financial incentives increased learning effort but did not strengthen the knowledge–behavior link; among pharmacies, incentives increased dispensing, especially among overconfident providers. Our findings provide causal evidence that informational deficits are not the primary binding constraint on antibiotic dispensing behavior in this market environment.

“Intra-household bargaining frictions and misallocation: Evidence from Malawi”

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Abstract

Standard household models predicts that a household maximizes plot-level outcomes based solely on agronomic and market factors, implying no systematic difference between female- and male-managed plots once these factors are held constant. This study investigates whether smallholders in Malawi exhibit misallocation solely driven by non-cooperative power dynamics between male and female partner within household. Using panel data from the Malawi Living Standards Measurement Study-Integrated Surveys on Agriculture (LSMS-ISA), we show that dual-managed (mixed-gender) farms exhibit significantly larger productivity gaps between actual and benchmark level relative to single-gender managed farms. In other words, households with both male- and female-managed plots tend to allocate land and labor less efficiently. We provide suggestive evidence that rationalize our findings. First, we show that women face more limited access to hired labor or face higher transaction costs in external labor markets, thereby depending strongly on family labor supply. Second, we find that women plots systematically tend to cultivate food crops, suggesting potentially female’s weaker bargaining position vis-a-vis male partners, leading to constrained decision-making authority over crop choice. The findings underscore that recognizing and addressing these gendered constraints can be vital for enhancing productivity and equity. Key Words: Intra-household, misallocation, productivity, Malawi

“Is there a business case for banks to increase lending to women and women-led firms? Cross-country evidence on financial performance”

Chris Sommer

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Abstract

Financial constraints are one of the most severe obstacles for the operation and development of small and medium-sized enterprises (SMEs), especially in low- and middle-income countries (LMICs). Yet women and women-led enterprises are disproportionately affected, which leads to a gender gap in access to finance. This paper uses panel estimation techniques, namely a correlated random effects model, for 1,655 financial institutions from 109 mostly LMICs for the years 2000 to 2019 to examine empirically whether there are purely economic incentives for financial institutions to scale up their lending activities towards women and women-led enterprises. Going beyond the microfinance sector, this study provides – to the best of my knowledge – the first empirical evidence on this question for banks and bank-like financial institutions that serve higher credit market segments. I find positive and significant effects on the quality of the loan portfolio (lower portfolio at risk), income streams (higher portfolio yield) and the overall financial performance (captured by return on assets or profit margin). Since economic incentives and profitability considerations are crucial in steering the decisions of financial institutions with regard to credit allocations, the banks’ self-interest could lead to management decisions and internal directives to favor female loan applicants, which could contribute to closing the gender gap in access to finance. Furthermore, the findings on the positive effects on banks’ financial performance give policymakers and regulators leeway to push financial institutions through more restrictive policy measures and regulative requirements to direct more loans to women and women-led firms.

“Leveraging machine learning and weather data to enhance demand prediction for bundled climate risk insurance among West African smallholders”

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Abstract

Climate change threatens smallholder farmers in West Africa through rising temperatures, erratic rainfall, and other more frequent weather extreme events. Index-insurance offers potential risk protection, but uptake remains low due to barriers like low awareness and cost. Bundling index-insurance with services such as agricultural advice and weather forecasts may boost demand, yet evidence on farmers' willingness-to-pay for such bundles is limited. This study uses machine learning techniques and a unique dataset combining household surveys with satellite-derived indicators (cropland expansion, forest loss, NDVI, NDWI, rainfall anomalies, SAPI, SAVI, temperature trends) to predict willingness-to-pay for a hypothetical bundled index-insurance product. Comparing machine learning algorithms with traditional regression techniques, which serve as a benchmark, in a double-bounded contingent valuation framework and an open-ended valuation setting, we find that predictions of willingness-to-pay based solely on environmental data outperform those based on a proxy-mean-oriented set of farmer characteristics. Our results suggest that satellite data can serve as a cost-effective proxy for identifying clients with higher willingness-to-pay, thereby improving the targeting of marketing and sales efforts. This approach offers practical insights for scaling climate risk tools and enhancing resilience among vulnerable farming communities.

“Leveraging religious leaders to increase voluntary tax compliance: Experimental evidence from Tanzania”

Jasmin Vietz, Ingrid Hoem Sjørusen

Abstract

Enhancing voluntary tax compliance is an urgent challenge in many lower- and lower-middle-income countries, where limited trust in state institutions may undermine revenue collection. Non-state actors (such as highly trusted religious leaders and institutions) may be well positioned to encourage compliance. We test this using a pre-registered, incentivized lab-in-the-field experiment with market traders in Dar es Salaam, Tanzania. Participants are randomly assigned to receive a information about how tax revenues finance public goods and services from either a tax official or a religious leader, or to a control group with no information. This information increases voluntary tax compliance, but only when it is delivered by a religious leader. The effect is strongest among participants who perceive the message as novel, consistent with a learning or belief-updating mechanism. These findings provide causal evidence that religious leaders can enhance tax compliance in contexts with weak institutional trust.

“Losing my religion (or maybe not): Religion and fertility patterns in Africa”

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Abstract

How much does religion shape fertility in Africa? We document significant differences in fertility between Christians and Muslims in Africa, with the latter group having on average larger families than the former. Focusing on religious groups affiliated with the same ethnicity and employing ancient trade routes as an instrument for the historical spread of Islam in Africa, we argue that historically determined religious affiliation has a persistent effect on contemporary fertility, as well as on additional associated traits pertaining to gender equality. We show that the effect of religion on fertility is largely explained by the position of women within households. In particular, the effect of religion tends to dissipate once we take into account women's age at first marriage and birth, and degree of empowerment, suggesting that women's socioeconomic status overruns the effect of religion. We also document that living in Muslim- majority communities increases fertility indicating the presence of spatial sorting, while the level of religiosity and ancient ethnic characteristics play a limited role.

“Menstrual stigma and girls outcomes: An RCT intervention in Nigeria”

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¹Catholic University of Eichstätt-Ingolstadt, Ingolstadt, Germany. ²CESifo, Munich, Germany. ³IZA, Luxembourg, Luxembourg

Abstract

In this study, we evaluate the short-run and medium run impact of three separate interventions designed to alleviate psychosocial constraints (underlying menstrual stigma), as well as budgetary and information constraints related to menstrual health and hygiene, among schoolgirls in Nigeria. The design allows for the disentangling effects of relaxing each constraint. Short-term results from the study show that treatment leads to an improvement in Knowledge of menstruation and information-seeking behaviour on menstruation. We also find upward revision of personal beliefs and group norms (speaking about menstruation) among the treated, and a reduction in avoidance behaviour. In addition, we find a negative but non-statistically significant effect on menstrual stigma and wellbeing. On disentangling the effects of each additive intervention, we find that most of the improvements are driven by the norm-correction intervention- an activity where girls receive stickers on which is inscribed the true number of their classmates who are willing to discuss menstruation in the open. Results have policy implications useful for tackling stigma-inducing health-related experiences

“Mentors or Messages? Experimental evidence on social support, information, and school dropout in rural Guatemala”

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¹University of Bern, Bern, Switzerland. ²Dartmouth College, Hanover, New Hampshire, United States. ³University of Zurich, Zurich, Switzerland. ⁴Instituto Tecnológico Autónomo de México, Mexico City, Mexico

Abstract

We present evidence from a randomized controlled trial that separates the role of information from that of sustained social support at a high-stakes educational transition. We randomly assign 231 public primary schools in rural Guatemala to one of three groups: (i) a mentoring intervention providing sustained guidance throughout sixth grade (ii) an information-only intervention delivering identical content without mentor accompaniment or a control group. Mentoring increases enrollment in lower secondary school by 5.2 percentage points relative to control and significantly out- performs information alone, which has no effect. Effects are not driven by changes in beliefs about returns to schooling, household support, or student well-being, but instead by increases in students' effort and commitment. We document a substantial intention-action gap between plans to enroll at the end of sixth grade and actual enrollment. Mentoring appears to narrow this gap by strengthening persistence and follow-through at a moment when small failures of execution can have large consequences for schooling trajectories.

“Minerals on the move: Mineral trade and armed conflict in Eastern Congo”

Else-Marie van den Herik

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Abstract

The Democratic Republic of Congo (DRC) is exemplary of the resource curse, as mineral wealth is not used for economic development but reportedly exploited by armed groups in order to finance conflict. Mineral extraction at artisanal mines is assumed to play a key role in this process, while other parts of the supply chain remain overlooked. In this paper, I investigate the distinct impact of mineral trade, in addition to mineral extraction, on conflict dynamics. Using novel geocoded panel data from 2015 to 2022 in the DRC's Kivu provinces, I find that an increase in world mineral prices is positively linked to conflict in grid-cells with trade routes. Moreover, I show that mineral trade appears to finance rebel activities, enabling rebel groups to instigate conflict well beyond the boundaries of their territories.

“Minimum wage and labour market dynamics in Pakistan”

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¹University of Warwick, ²University of Cambridge, ³University of Derby, ⁴London School of Economics and Political Science

Abstract

Public support for raising minimum wages as a policy response to economic inequality is increasing; however, empirical evidence from highly informal and weakly regulated labour markets remains limited. This study estimates the impact of minimum wage increases on earnings and hours worked in Pakistan, drawing on 21 waves of nationally representative Labour Force Survey data between 1992 and 2021. By leveraging national time variation in statutory minimum wages and pre-policy district exposure, proxied by the proportion of workers earning below the minimum wage prior to policy changes, we find that increases in the minimum wage are associated with statistically significant but modest gains in real hourly earnings, with stronger wage pass-through observed in local labour markets with higher initial exposure. The benefits are disproportionately greater for male workers; however, the policy has achieved only limited and uneven progress in reducing gender pay disparities. On the intensive margin, minimum wage increases are associated with reductions in hours worked, particularly among women. This pattern is consistent with adjustment through hours in segments characterised by part-time work and weaker compliance. Overall, the findings indicate that minimum wage policy can increase earnings in low-wage areas under conditions of partial compliance, yet has limited capacity to address persistent structural gender inequality in highly informal contexts. These results underscore the need for stronger enforcement and complementary, gender-sensitive labour market interventions.

“Mining the energy transition: Chinese critical mineral investment and protest in sub-Saharan Africa”

Kampui Tsang

KU Leuven and IRES/LIDAM, UCLouvain, Leuven, Belgium

Abstract

China has become a major investor in critical mineral extraction, a sector central to the global energy transition. These investments have attracted growing scrutiny for their broader political and economic implications. This paper investigates how Chinese-owned critical mineral projects influence local protest dynamics across thirteen sub-Saharan African countries. Drawing on a novel geocoded panel of Chinese mining investments and a triple-differences identification strategy, the analysis finds that the opening of Chinese-owned mines increases the likelihood of local protest by 15 percentage points and raises the number of protest events by 52% relative to comparable non-Chinese operations. The effects are significantly weaker in countries with stronger democratic institutions and higher-quality governance but show no systematic heterogeneity with respect to local acceptance of China. Additional evidence indicates that Chinese mining operations elevate air pollution and reduce vegetation cover in surrounding communities. While there is no evidence of increased corruption or deteriorating economic well-being, the results point to negative environmental externalities as a key mechanism linking Chinese investment to heightened social unrest.

“Mobility responses to wildfire pollution and unequal adaptation in Indonesia”

Tobias Hellmundt¹, Madhavi Pundit²

¹University of Göttingen, Göttingen, Germany. ²Asian Development Bank, Manila, Philippines

Abstract

The capacity to avoid air pollution is not equally distributed. We study who adjusts and who does not during acute wildfire smoke episodes in Indonesia, combining six months of anonymized mobile phone location data from over 13 million devices with atmospheric dispersion modeling to construct plausibly exogenous daily village-level PM2.5 measures. Wildfire smoke significantly reduces visits to workplaces, schools, and other destinations, but these responses exhibit a steep socioeconomic gradient. In wealthier areas, smoke triggers broad mobility declines and sharp increases in accommodation visits, consistent with temporary relocation to cleaner environments. In poorer communities, residents instead remain in place and shift activity toward home. An analysis of inter-district migration flows confirms that smoke drives temporary relocation toward cleaner, non-adjacent destinations, concentrated among flows from urban, wealthy, and high-inequality districts. Analyses of healthcare records and point-of-interest visits confirm that these behavioral differences carry health consequences: wildfire smoke increases respiratory morbidity, particularly in poorer areas, and displaces routine care, with both patterns attenuated in the districts from which wealthier residents selectively depart. Our findings reveal that temporary migration is a relevant but highly unequal margin of adaptation to pollution, implying that the health and welfare costs of environmental shocks in developing countries fall disproportionately on those least able to escape them.

“Moderate disaster exposure divides communities; severe exposure does not”

Ivo Steimanis, Maximilian Burger, Bernd Hayo, Andreas Landmann, Björn Vollan

Philipps University Marburg, Marburg, Germany

Abstract

Disasters are often assumed to unite communities, yet evidence is mixed. Using panel data from the Philippines spanning a decade (2012, 2016, 2022), we examine how Typhoon Haiyan exposure shaped prosocial behavior measured through incentivized economic games. We find a nonlinear relationship: solidarity erodes in moderately affected communities, falling below both minimally and severely damaged areas where bonds remain strong. This pattern persists nearly a decade post-disaster and is most pronounced among more vulnerable households. A lab-in-the-field experiment demonstrates that solidarity declines when multiple potential helpers exist and need is ambiguous, consistent with diffusion of responsibility. Field data show that moderately exposed communities exhibit the highest ambiguity about legitimate aid needs, and severely affected households in these zones report the lowest aid satisfaction. These findings reveal that uneven disaster impacts can erode social cohesion and highlight the need for transparent, equitable aid distribution to sustain community resilience.

“Narratives and attitudes on development cooperation”

Nathanael Schmidt-Ott, Isabel Günther

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Abstract

Recent substantial reductions in Official Development Assistance across OECD donor countries coincide with a softening of public support for international aid. This paper investigates the extent to which media narratives drive these shifts in public opinion. Focusing on Switzerland between 2010 and 2025, we employ Natural Language Processing to extract dominant narratives from a comprehensive dataset of print and online news articles. We link narrative exposure to public opinion using two-way fixed effects specifications, leveraging individual-level panel data from 2021 to 2025. We document a marked transformation in media discourse. Crucially, we identify a pronounced shift toward negative narratives on development cooperation beginning in 2020. The share of negative narratives nearly tripled, accounting for approximately 60 percent of all coverage by 2025. Our empirical results indicate that these narrative shifts have meaningful consequences for public preferences. Greater exposure to positive narratives significantly increases the probability of supporting the maintenance or expansion of ODA spending. Among individuals with medium to high media exposure, a one-standard-deviation increase in positive reporting is associated with a 2–4 percentage point increase in support for aid. Our findings suggest that the recent erosion of public support for international aid may be driven in part by shifts in media reporting on development cooperation—a channel that has received limited attention in the existing literature.

“Natural disasters, environmental values, and the importance of politics: empirical evidence from worldwide survey data”

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Abstract

This study examines how the experience of natural disasters is associated with environmental values, using the Integrated Values Surveys (IVS) which includes more than 600,000 respondents from 116 countries over the period 1981 to 2022. The study looks to expand on previous literature within this field, taking on a broad approach in examining the relationship between natural disasters and environmental values, using individual-level and country-level data from different world regions. Conducted with ordinary least squares (OLS) and probit regression models, the results suggest that the increase in the number of individuals affected by natural disasters has a statistically significant and positive association with pro-environmental values, which are measured through different IVS questions and a self-created index. The study also finds heterogeneous results for different world regions and moderating roles of income level, regime type, and cultural value orientations. Moreover, the traditional and causal mediation analysis shows that environmental values, among others, are important mediators to explain the association of natural disasters and the respondents' reported importance of politics. This added knowledge of how the experience of natural disasters is associated with environmental values, and the importance of politics not only supports previous findings in this area but also can be used for designing economic policies related to disaster awareness and preparedness, and to promote environmental values.

“Natural resources dependence and growth: New insight on the transmission channels”

Emmanuel Sukadi A Sukadi

Abstract

This paper revisits the resource curse thesis by investigating the temporal dynamics and transmission mechanisms through which natural resource dependence influences economic growth. While earlier literature has documented a negative association between resource wealth and long-run economic performance, most studies have examined transmission channels in isolation and without regard for their evolving impact over time. Addressing these gaps, this study employs a structural equation modeling framework with instrumental variables (SEM-IV) and an approach based on cumulative average growth rates (CAGR) calculated over horizons ranging from 1 to 20 years. Using a global panel dataset of 188 countries spanning 1960–2023, the analysis reveals that natural resource dependence may stimulate short-term growth but is consistently detrimental over longer horizons. This long-run decline is largely mediated by persistent erosion in institutional quality and human capital, alongside sequential effects from physical investment, real exchange rate appreciation, and declining trade competitiveness.

“Nutritional benefits of fostering: Evidence from longitudinal data in South Africa”

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Abstract

In sub-Saharan Africa, child fostering—a widespread practice in which a child moves out of the household of her biological parents—can have significant implications for a child's overall well-being. Using longitudinal data from South Africa that includes individual tracking, we employ double machine learning to estimate the impact of fostering on child nutrition while addressing selection into treatment and endogenous attrition, two common challenges in the literature. Our findings reveal that fostering reduces the probability of being stunted by 6.9 percentage points, corresponding to a 44 percent reduction compared to the mean prevalence. This improvement appears to be driven by foster children relocating to smaller rural households that often include retired adults, typically grandparents, who receive a pension. Fostering also improves the nutritional outcomes of other children remaining in sending households, suggesting that fostering can be mutually beneficial for both groups.

“Occupational variety and economic development”

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Abstract

The paper introduces, formalizes, and tests the idea of occupation-based linkages between industries. Industries are linked through their common requirement of specialised skills. Occupations capture those specific skills and allow us to measure them. We first validate this intuition by documenting that occupational variety systematically rises with economic development (and industrial variety) across countries and across regions within Brazil. We then use detailed micro-data from Brazil to show that new industries and occupations emerge jointly, forming a bi-directional network where industries hire multiple, overlapping occupations and occupations work in multiple, overlapping industries. To explain these facts, we construct a model of industrialisation with occupation-based linkages. Contrary to standard models where industries would compete over specialised workers, we show that positive externalities between industries can arise, e.g. if there are matching frictions and entry of one industry thickens the labour market for the occupations it requires. Finally, using a shift-share instrument approach, we show that occupation-based linkages are positive and of a similar magnitude as traditional input-output linkages. In line with the model, a region's position in the industry-occupation network predicts the direction of industrialisation and regional growth. The results imply that education/training and industrial policies are complements and that targeting bottleneck occupations can unlock cascades of diversification.

“Paths of empowerment: The impact of distant violence and displacement in Nigeria”

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¹Leibniz University Hannover, Hannover, Germany. ²World Bank, Washington, United States. ³RWI, Essen, Germany

Abstract

We examine the link between violent attacks of the Islamic extremist group Boko Haram, forced migration, and the empowerment of women in Nigerian host communities. We find positive effects of distant attacks on the economic well-being of women, their use of modern contraceptive methods, and rejection of traditional gender views. At the same time, however, the findings show an increase in the risk that women experience domestic violence. We then examine forced displacement as a channel and its importance relative to other possible channels for the spatial effect dispersion. The results are different for Fulani pastoralist-farmer clashes over natural resources.

“Pensions, payment delays and well-being”

Hanna Berkel, Sam Jones

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Abstract

Evidence on social protection programmes mostly evaluates average effects under the implicit assumption that transfers are delivered without constraints. Far less is known about how implementation quality—and in particular payment reliability—shapes programme impacts in practice. We study Mozambique's flagship pension programme, the Programa de Subsídio Social Básico (PSSB), and examine how payment delays moderate the pension's welfare effects for elderly beneficiaries. Using linked survey and administrative data and a fuzzy regression discontinuity design based on age eligibility, the analysis separates the causal effect of pension receipt from the role of delivery delays. The results indicate that average pension effects across well-being outcomes are generally small, but highly sensitive to payment timing: estimated impacts weaken substantially as delays increase, especially for food security and overall well-being. This delay gradient is more pronounced for women than for men. Together, the findings highlight that payment reliability is a central determinant of realised programme effects rather than a secondary administrative detail.

“Place-based policies, gendered employment and intra-household empowerment effects. Evidence from Special Economic Zones in Africa”

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Abstract

We show that Special Economic Zones (SEZs), as place-based industrial policies in Africa, can have gendered impacts that disadvantage local women in both labor market participation and intra-household empowerment. Using repeated cross-sectional surveys from nine African countries spatially matched to SEZ locations, we find no evidence of increased female employment within 10 km of a zone. In contrast, male partners and household heads experience higher employment rates. Among skilled women of reproductive age, employment declines significantly following the establishment of a nearby zone, and conditional on employment, there is a shift from wage work to self-employment. These patterns coincide with reduced household decision-making agency and no improvement in women’s justification of domestic violence. The negative female employment effect is concentrated in lower-middle income countries, supporting a U-shaped relationship between economic development and female labor force participation.

“Political border designs and the salience of ethnicity in politics”

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¹University of Stuttgart, Stuttgart, Germany. ²University of St.Gallen, St.Gallen, Switzerland. ³KU Leuven, Leuven, Belgium

Abstract

We study how the design of subnational political borders shapes the salience of ethnicity in politics. We introduce a framework for measuring how political borders align with a country’s ethnic geography at the micro level. We first leverage quasi-experimental variation from Kenya’s 2010 constitutional reform to estimate the effects of border changes on ethnic voting. We then compare the actual reform with competing proposals and the border design that would minimize ethnic voting. Our results imply that ethnofederal border designs, characterized by a high alignment between political borders and ethnic geography, would reduce the salience of ethnicity in national politics.

“Popularity and student networks: Trade-offs in resolving social isolation through deskmate assignments”

[Palaash Bhargava](#)

University of Chicago, Chicago, United States. Max Planck Institute, Bonn, Germany

Abstract

Social connections matter for educational, non-cognitive and long run labour market outcomes. Using a sample of 12,842 students from India, I first show that relatively isolated students face a host of socio-emotional and academic disadvantages. I then implement a two-tier randomized deskmate matching intervention, aimed at improving the outcomes of these isolated students. The results reveal a notable trade-off. Within the classroom, matching isolated students with each other improves their social connections with peers, interactions with teachers and social / non-cognitive skills. However, at the classroom level, this comes at the cost of broader classroom level negative externalities. Specifically, deskmate plans which pair a majority of isolated students with the most popular deskmates improve the overall social integration and academic performance of isolated students, but have no impact on their social and non-cognitive skills. To explain these patterns, I build a model of network formation in which returns to social effort are shaped by both endogenously determined peer interactions and independent sociological mechanisms such as negative social comparisons and proximity effects. Consistent with the empirical findings, the model shows that outcomes for isolated students, in equilibrium, depend on both their immediate deskmate and the overall composition of matches—where the negative externalities of matching more isolated students with each other emerge after a particular threshold. Optimal matching strategies must therefore weigh direct versus group-level impacts, which may move in opposite directions, giving rise to equity-efficiency trade-offs.

“Reducing racial bias in hiring: A field experiment with Colombian firms”

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Abstract

In this paper, we examine whether providing firms with information about their implicit bias against Afro-descendants can help reduce racial disparities in hiring. We invited 788 firms that use Colombia’s public employment services to complete a Race Implicit Association Test (IAT) and randomly disclosed the test results to half of them. Using data on real job seekers, real job vacancies, and actual hiring decisions, we assess whether receiving information about implicit bias affects the hiring prospects of Afro-descendant applicants. We find that four months after the intervention, treated firms are 39% more likely to fill a vacancy with an Afro-descendant candidate, and the probability that a treated firm hires at least one Afro-descendant worker increases by 36%.

“Religious backlash to sexual education: Evidence from Zambia”

Alejandro De Luque, Daniela Solá

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Abstract

Sexual and reproductive health policies often confront deeply rooted religious opposition that can limit their effectiveness. This paper examines how Zambia’s 2014 Comprehensive Sexuality Education (CSE) reform interacted with the rapid expansion of non-traditional Christian churches that strongly opposed the policy. Using a difference-in-differences strategy that exploits plausibly pre-determined variation in individuals’ exposure to these churches, we show that local religious environments critically conditioned the reform’s impact. Individuals more exposed to non-traditional churches experienced post-reform behavioral changes that ran counter to policy objectives, including lower use of modern contraceptives and higher rates of teen pregnancy. We examine two potential mechanisms: direct influence through religious messaging and indirect effects operating through the delivery of the curriculum in schools or students’ receptiveness to it.

“Risk protection and gendered patterns of child labor: Evidence from a large-Scale insurance introduction”

Dorothea Drees¹, Arndt Reichert^{1,2}, Alina Sowa^{3,4}, Christoph Strupat³

¹Institute of Health Economics, Leibniz University Hannover, Hannover, Germany. ²The World Bank, Washington DC, United States. ³German Institute of Development and Sustainability (IDOS), Bonn, Germany. ⁴Bonn Graduate School of Economics, University of Bonn, Bonn, Germany

Abstract

This paper studies how the introduction of a large-scale social insurance reshapes gendered patterns of child labor. We exploit the staggered rollout of Ghana’s National Health Insurance Scheme between 2003 and 2006 to estimate the causal effect of formal health insurance on children’s as well as adolescents’ labor in economic and domestic activities. Using repeated cross-sectional household surveys and a difference-in-differences design, we show that access to health insurance reduces adolescent girls’ child labor and domestic hours worked, while there are no significant effects on boys. The results are concentrated among households experiencing health shocks, and partly reflect a reallocation of adult labor away from economic work resulting in girls being relieved of some domestic tasks. Significant gender differences in the effect arise in domestic hours worked — implying that a social insurance can help to narrow pre-existing gender gaps in this dimension of child labor and thus contribute to the progress toward gender equality.

“Rural internet and collective action”

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Abstract

Collective action underpins the allocation of common-pool resources such as canal water, where compliance is often sustained by local monitoring, reputations, and social sanctions rather than formal contracts. This paper studies how Internet availability reshapes these private-order institutions in a directional upstream–downstream irrigation network in rural Uttar Pradesh (India). We focus on the rabi (winter) season of 2020/21, when scarcity makes restraint and enforcement particularly salient. We assemble a new dataset linking georeferenced parcel geometries and official land-right records for 3.75 million parcels in 4,413 villages across 7 districts, and measure season-specific irrigation using 10m × 10m satellite imagery. For identification, we exploit plausibly exogenous spatial variation in broadband availability generated by the staggered rollout of BharatNet, comparing villages within 2.5km of the administrative rollout boundaries in a spatial regression discontinuity design. Broadband availability reduces the share of actively irrigated cropland by about 2.7 percentage points on average. The effect is near zero in villages with low Muslim landownership, but large and negative in more religiously fragmented villages. These findings highlight that connectivity can shift the effective scope of reputation and sanctioning—potentially destabilizing fragile cooperative equilibria and altering resource allocation in common-pool settings.

“Safe Paths to School: Evidence from Bogota’s Walking to School Caravans”

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Abstract

In many low- and middle-income countries, most children walk to school through dense and often unsafe neighborhoods. These commutes create daily coordination costs and safety concerns for parents, which undermine attendance. Despite its importance, school commuting remains an overlooked dimension of education policy. This paper evaluates walking to school caravans (WSC), in which trained monitors accompany groups of children along safe routes. We study Bogotá’s Ciempiés program, launched in 2019 and rolled out across public primary schools. Using administrative data from 2016–2024 and a differences-in-differences design that exploits the staggered adoption of the program, we estimate causal effects on educational outcomes and road safety. Overall, WSC reduce school switching by 6.8 percentage points and branch switching by 10.9 points (over 40% declines from pre-treatment rates for the control group). We also find suggestive reductions in grade repetition and dropout, though no effects on traffic accidents. At USD 285 per child annually (between 24% and 51% cheaper than busing), WSC are a cost-effective, scalable intervention that eases family coordination burdens and improves student permanence, a model that can be replicated in other dense urban settings worldwide.

“Scaling information access: Evidence from a nationwide digital policy in China”

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¹Huazhong Agricultural University, Wuhan, China. ²University of Göttingen, Göttingen, Germany. ³Renmin University of China, Beijing, China

Abstract

Access to information, particularly in digital form, is increasingly recognized as a key driver of economic development, with numerous small-scale studies documenting positive effects of (digital) information provision. Yet, the scalability of these findings often remains unknown, and there is limited evidence on the impacts of large-scale policy interventions aimed at enhancing information access. This study addresses this gap by leveraging an exogenous policy shock: the staggered rollout of the Information Access to Villages and Households (IAVH) program across Chinese counties. Constructing a unique panel of 17,706 county-year observations from 2009 to 2021, we implement a staggered difference-in-differences strategy to estimate the effect of IAVH on economic growth, intra-regional disparities, and related county-level outcomes. Employing nighttime light intensity as a proxy for local economic activity, we find that IAVH led to a 6.1% increase in average county economic growth, a result that remains robust across various specifications and robustness checks. Further evidence from high-resolution grid-cell data on road networks and measures of administrative and cultural fragmentation indicates that this effect was more pronounced in counties with greater regional information barriers and greater spatial disparities in resource endowments, suggesting that IAVH contributed to structural transformation and balanced regional development, with broader economic benefits.

“Sensitivity of farm resilience to alternative drought thresholds: The case of smallholder farming in Malawi”

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¹Chair of Agricultural Production and Resource Economics, Technical University of Munich, Freising, Germany. ²Department of Agricultural Economics, Stellenbosch University, Stellenbosch, South Africa

Abstract

Studies examining the effects of droughts on farm performance often use standardized climatic indexes and arbitrary shock thresholds to separate affected from non-affected farms without testing for the significance of these thresholds. Using two-year panel data on Malawian farmers, we show that widely used thresholds differ substantially from actual breakpoints in farm performance outcomes' response to shock severity. We then use the empirically determined alternative thresholds to assess the sensitivity of farm resilience under drought conditions to the choice of threshold. Results of a continuous Difference-in-Difference framework, which combines binary drought separation between affected and non-affected farms, and drought severity as treatment dose, suggest that marginal effects of increased dosage are sensitive to the choice of drought threshold. Furthermore, characterizing resilient farms based on land productivity relative to both baseline performance and other farms, shows that the largest differences to non-resilient farms relate to fertilizer use and production value. However, characterization is sensitive to changes in the composition of the sample of resilient farms arising from the application of alternative thresholds. These findings imply that estimates of climatic shock impacts should rely on more careful selection of thresholds, and consider spatial heterogeneity of shock severity. The same considerations apply to the design of policies seeking to improve farm resilience, which may otherwise be misinformed by an arbitrary definition of drought-affectedness.

“Signaling trustworthiness in agricultural input markets: Experimental evidence from Nigeria”

Michael Grimm, Stellamaris Aju, Emily ter Steg, Bulte Erwin, Marrit van den Berg

Abstract

Agricultural input markets in low-income countries suffer from information asymmetries, causing "market for lemons" situations with poor-quality inputs dominating the market. To reduce information asymmetries, agrodealers may wish to signal their trustworthiness to buyers. We study signaling in input markets in Nigeria, and ask whether (i) farmers use agrodealer observables to infer information about unobservable traits, (ii) signals affect farmer willingness-to-pay (WTP) for inputs, and (iii) farmers' interpretation of trader signals is correct. We find that farmers use agrodealer observables to distinguish between trustworthy and not-so trustworthy sellers, and that perceived trustworthiness correlates with actual agrodealer trustworthiness as measured in a mystery shopper experiment. Agrodealer perceived trustworthiness does not affect farmer WTP for seed, which is consistent with the outcomes of germination and vigor tests showing that seed is of high quality across agrodealer types.

“Social norms and migration: Evidence from Ethiopia and Nigeria”

Ralitza Dimova, Hanna Fromell

Abstract

Using large vignette-based survey with young people aged 18-25 and one of their parents, we examine the association of social and personal norms related to migration with migration aspirations and the self-assessed migration probability of young adults in Ethiopia and Nigeria. In both settings, we document pronounced gender patterns, with male migration generally preferred to female migration, especially when the migrant networks are weak, and the young individual is under pressure to get married. There appears to be greater tendency to see men as providers and hence less pressure on women to migrate in order to help the family as opposed to realizing their dreams, but for migrant women, there is relative preference for external as opposed to internal migration. Both personal and social norms influence migration aspirations and the self-reported probability of migrating and personal norms continue to be relevant, even after accounting for social norms and parental influence. This highlights real, though limited ability of individuals to make independent choices within normative structures that shape and constrain people's opportunities and freedoms.

“Sovereign default and international trade: The mitigating effects of export credit insurance”

Thilo Kroeger

DIW Berlin, Berlin, Germany

Abstract

This paper provides evidence that export credit insurance can significantly mitigate the decline in imports that a country typically experiences after defaulting on its sovereign debt. In fact, my findings suggest that extensive use of export credit insurance could be so effective that it completely counteracts trade declines, even when default rates are high. I show that it is in particular insurance provided by public export credit agencies (ECAs) that leads to the observed mitigating effects. Moreover, as nonpayment of trade credit increases during periods of sovereign default, ECAs are more effective in recovering claims than private insurance companies and thus do not distort markets, but are an overall efficient mechanism of risk (re-)allocation.

“Systematic risk profiling: Assessing compounding economic risks in developing countries”

Askar Mukashov

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Abstract

This paper presents a systematic risk profiling (SRP) framework to identify the most critical economic risks facing developing countries. Integrating computable general equilibrium (CGE) models with historical shock data and machine-learning tools, we examine how compound shocks affect development outcomes. We apply this method to Kenya, Rwanda, and Malawi, simulating thousands of plausible combinations of world price, capital flow, and productivity exogenous shocks and their impacts on countries' GDP, household consumption, poverty, and undernourishment. The results reveal distinct risk profiles driven by structural differences: Kenya's primary vulnerability is the volatility in global beverage crop prices, whereas Rwanda and Malawi face the highest risks from domestic root crop and cereal yields, respectively. These findings underscore that vulnerability is not just a function of shock magnitude, but of the specific structure of each economy. Specifically, the high economic volatility in Malawi and Rwanda is driven by the larger role of subsistence agriculture and more volatile domestic yields, whereas Kenya's agricultural sector is more export-oriented. Unlike standard ad hoc scenario analysis, SRP quantifies both the likelihood of compound events and the relative importance of their drivers. This transparent, scalable framework provides policymakers a new tool to move beyond reactive measures and design targeted, country-specific resilience strategies for an increasingly volatile world.

“Team production, free riding and tournament incentives: Experimental evidence from a development intervention in Ethiopia”

Erwin Bulte¹, Bedaso Taye¹, Zewdu Abro², Workneh Ayalew², Menale Kassie²

¹Wageningen University, Wageningen, Netherlands. ²ICIPE, Addis Ababa, Ethiopia

Abstract

We use a randomized controlled trial in rural Ethiopia to study free riding in a team-based development intervention and explore whether between-team tournament incentives reduce free riding. More than 1000 groups of rural youths receive training and assets to start an apiculture enterprise. We experimentally vary whether bee hives are managed individually or collectively, and whether groups compete in a tournament setting. Without tournament competition, group-based production results in extensive free riding. However, within-group sharing externalities are attenuated by between-group externalities in a tournament where groups compete for a fixed prize, reducing free riding. We also find that voluntary informal insurance arrangements (sharing) emerge spontaneously if individuals receive hives, which re-introduces free riding incentives and attenuates efficiency gains from individual management when groups are “large”.

“Tequila shots cause crime”

Christine Holder, Günther Schulze
University of Freiburg, Freiburg, Germany

Abstract

We show how the surge in the demand for Tequila in the US starting 2016 has caused crime to increase in the producing regions in Mexico. Using a shift-share instrument we can identify the causal effect of this persistent demand shock on property crimes and extortion, but neither homicides nor cartel presence increased significantly. Our findings are consistent with cartels diversifying their activities in response to increased rents, but not with increased turf wars.

“The cost of bureaucratic fragmentation: Business tax evasion and revenue mobilization in a low-income country”

Yannick Markhof¹, Stephan Dietrich², Rose Camille Vincent³

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Abstract

We provide novel evidence on bureaucratic fragmentation and weak tax administrations as central enablers of low revenue mobilization in low-income countries. In collaboration with the municipal and national tax authorities in Kampala, Uganda, we cross-link previously siloed tax records for 138,000 firms and conduct a large-scale experiment with 60,000 firms. We document pervasive and selective tax evasion: only 16% of verifiably active firms comply with both government tiers. Cross-record linkage more than doubles detectable non-compliance and reveals a large coordination dividend. Commonly facing near-zero enforcement probability, firms exploit loopholes through partial informality, re-registering under new identities, and strategic late payments. Deterrence nudges, including messages signaling inter-authority coordination, fail to offer a light-touch alternative to addressing fragmentation directly. Our findings demonstrate the cost of weak coordination in tax systems and its importance for the effectiveness of downstream revenue mobilization policies.

“The effect of air pollution on mortality: Evidence from wildfire smoke in Mexico”

Maximilian Nohr

Universität Hohenheim, Stuttgart, Germany

Abstract

Wildfires produce large amounts of air pollution via smoke, which can travel far beyond the original fire location. This paper studies the causal effect of wildfire smoke exposure on mortality in Mexico. I merge satellite image data on wildfire smoke plumes with administrative death records and leverage high-frequency variation in smoke exposure within municipalities over time. Using data from air pollution monitors, I show that wildfire smoke over a municipality increases PM2.5 air pollution by 11%. At the same time, mortality increases by 1.87 deaths per million on the day of smoke, and by an additional 1.69 deaths per million over the next three days. The mortality effects are concentrated among individuals over 60 years old, with the largest effects for those over 80 and no effects for those below 60. The main effect on short-term mortality in Mexico is high compared to prior studies in developed countries. Within Mexico, the effects are also larger for individuals in poorer municipalities. Overall, this paper provides new evidence on short-term mortality effects of wildfire smoke across all age groups in Mexico, and suggests key heterogeneity in the harms of air pollution by income.

“The effectiveness of a community-driven development program: Empirical evidence from Indonesia’s Village Fund”

Ika Anindya Putri

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Abstract

The Village Fund is an intergovernmental transfer program from the central government to all villages in Indonesia that adopts the community-driven development approach. Using a regression discontinuity design with multiple population cutoffs and multi-year analysis, this study examines the effect of additional funding on village development (measured using a composite development index) over the period 2021–2023. The findings indicate that while additional funding leads to increased spending on infrastructure (particularly roads) and cash transfers in certain periods, it has a statistically undetectable effect on the development index. Although corruption is often cited as a potential explanation for such ineffectiveness, qualitative evidence from field observations and interviews suggests that the non-significant effect might have been driven by several factors including: misalignment between the development index indicators and the Village Fund utilization, spending restrictions imposed by central government priorities, and the limited authority of villages in the provision of public services.

“The heterogeneous effects of foreign aid on local economic development”

Jürgen Bitzer¹, Bernhard Dannemann², Erkan Gören¹

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Abstract

We investigate the heterogeneity of the impact of World Bank foreign aid projects on local economic development across countries, sectors and time. Using a grid-cell dataset of geo-referenced aid data, satellite night-time light imagery, and climatic and socio-economic controls, we employ a difference-in-differences approach and an event-study design to estimate causal effects. Based on our grid-cell-level dataset, which includes 60,677 grid-cells in 133 countries and covers the period from 1992 to 2020, resulting in about 1.76 million grid-by-year observations, we find substantial heterogeneity in the effects of foreign aid on local economic development across countries, sectors, and time. These results suggest that the sample composition in terms of countries and sectors included explains in part the observed heterogeneity in the results on the impact of foreign aid on economic development.

“The impact of coral bleaching on fisheries, nutrition, and stunting in East Africa”

Roman Eric Sieler

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Abstract

A potential avenue for climate change impacts is damage to ecosystems relevant to human well-being. A prime example for such an ecosystem is the coral reef, which is both vulnerable to coral bleaching driven by climate change and provides resources for fisheries. Based on a novel large-scale coral bleaching dataset created using satellite imagery and relying on long-term sea surface temperatures as instruments, this paper analyzes whether coral bleaching impacts fish catch, household consumption and adaptation as well as child malnutrition in East Africa. Results confirm the hypothesized chain of consequences; coral bleaching significantly reduces fish catch, leads to a reduction in protein consumption and forces households to reduce assets. It furthermore causes exposed children to be too short for their age, which is an indicator for early childhood malnutrition. These results show that climate-induced coral bleaching presents a considerable threat to the economic well-being of coastal communities.

“The impact of gendered climate policies on women’s work: Evidence from India”

Anna Minasyan, [Deepakshi Singh](#)

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Abstract

Climate change can adversely affect employment, especially in the agricultural sector. In India, a sizable share of women are engaged in agricultural activities, which makes them disproportionately vulnerable to climate shocks. This study examines whether subnational gender-sensitive climate policies can mitigate potential negative consequences for women by exploiting the differential sensitivity to gender issues in the 2015 subnational climate policies. Using India’s labor market survey data and text analysis for the state-level climate policies, we investigate whether women living in states with more gender-sensitive climate policies are better off in terms of employment and educational outcomes after the policies were adopted. We find a statistically significant, positive link between women’s overall, and specifically agricultural, employment and education in states with a higher degree of gender-sensitive policies. Pre-policy patterns show that this finding is not driven by more gender-egalitarian states adopting more gender-sensitive climate policies. However, we also find a significant increase in low-skilled work and a substantial decrease in participation in the national employment guarantee program. Our results suggest that gender-sensitive climate policies may have positive effects on women’s employment relative to the counterfactual. But such policies also entail trade-offs in terms of quality employment, likely due to supply constraints.

“The impacts of restrictions to individual rights on indigenous lands”

[Dany Jaimovich](#)¹, [Felipe Jordán](#)², [Robert Heilmayr](#)³

¹U. de Talca, Talca, Chile. ²PUC, Santiago, Chile. ³UC Santa Barbara, Santa Barbara, United States

Abstract

Many countries in the Americas impose restrictions on Indigenous land transactions to preserve Indigenous ownership, but these policies may inhibit economic growth. This paper evaluates the impact of Chile’s 1993 Indigenous Law, which restricts the transfer, lease, and mortgaging of land in Mapuche territories. Using property records, we find that the law has slowed Mapuche territorial loss. However, its effectiveness has declined over time, coinciding with a reduction in properties registered in the Public Registry of Indigenous Territories (PRIT), a key enforcement tool. Analysis of property sales following owner deaths underscores the PRIT’s critical role, with listed properties experiencing lower sales rates and smaller reductions in Indigenous ownership compared to unlisted properties. Using remotely sensed data and two complementary identification strategies, we reject meaningfully large impacts of PRIT on land use. The results highlight that transfer restrictions on individual property rights can serve as an effective tool to protect Indigenous ownership without imposing significant economic burdens, although special attention should be given to the design of enforcement mechanisms to ensure their effective implementation.

“The local fiscal returns of decentralization: Evidence from Ukraine”

[Oleksii Hamaniuk](#)¹, [Benedikt Herrmann](#)², [Felix Rösel](#)³

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Abstract

We analyze the staggered decentralization of tax revenues to individual local governments in Ukraine between 2015 and 2020. After decentralization, local governments retain 60% of the personal income tax collected within their jurisdiction. Our results show that local governments collect more tax revenues after decentralization. Two mechanisms are at work. First, decentralization stimulates economic growth and increases the tax base. Second, local tax elasticities rise after decentralization, suggesting that tax compliance increases when taxes are used locally. These findings underscore the importance of embedding incentives of cultivating own fiscal resources within systems of fiscal federalism.

“The local impact of global assistance: Sub-national evidence linking aid and FDI”

Laura Wedemeyer¹, Lennart Kaplan^{1,2}, Jochen Kluge^{3,4,5}, Lennart Reiners⁶

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Abstract

This study analyzes the empirical link between development finance projects and Foreign Direct Investment (FDI) at the sub-national (ADM2) level. We construct a unique dataset by merging geo-referenced development aid projects with FDI project data. Using these data, we investigate three research hypotheses, and find that: (i) development finance activity is positively and significantly associated with subsequent FDI inflows; (ii) this association is stronger for infrastructure sectors; and (iii) the positive link is similarly pronounced in both less- and more- developed countries. Our findings suggest that FDI may be an important channel through which development aid simultaneously benefits both recipient country— by providing capital and technology—and donor countries, by creating investment opportunities for its enterprises.

“The loyalty paradox: Ethnic alignment and the allocation of aid in Sub-Saharan Africa”

Cäcilia Stapper¹, Tilmann Waffenschmidt²

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Abstract

We introduce a new concept and measure of ethnic alignment, capturing how strongly members of an ethnic group coordinate their electoral support behind the same political party across regions and over time. In many African settings, political incentives depend not only on where coethnics live, but on how they actually vote. Existing approaches often rely on static ethnic demography or assumed ethnic--party linkages, which overlook variation in political mobilization across elections. By focusing on voting behaviour rather than fixed ethnic identities, ethnic alignment provides a dynamic measure of politically relevant support that links ethnic politics directly to theories of distributive targeting. Combining Afrobarometer survey data on ethnicity and vote intentions with geocoded development aid projects, we examine how ethnic alignment with the winning party shapes subnational aid allocation across African regions. Contrary to a reward logic, regions with stronger ethnic alignment to the incumbent do not receive more aid. Instead, aid flows decline in more strongly aligned regions in the years following elections, consistent with a vote-maximizing strategy in which governments redirect resources toward areas where ethnic support is less secure while treating loyal constituencies as comparatively safe. These patterns are most visible for bilateral aid channels that governments can more easily influence, whereas multilateral finance appears comparatively insulated from domestic electoral incentives. More broadly, our findings highlight the importance of conceptualizing ethnic politics as a dynamic electoral relationship rather than a fixed demographic attribute and provide new evidence on the political economy of aid allocation.

“The Malengo program: Moving to opportunity abroad”

Marcello Perez¹, Toman Barsbai², Merve Demirel³, Philipp Moskopp^{4,5}, Matthias Sutter^{4,5,6}

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Abstract

This project evaluates the impacts of international educational migration. We partner with Malengo, an NGO that supports Ugandan students in pursuing a bachelor’s degree in Germany. Admission to the Malengo program combines the returns to higher education with the returns to international migration to a high-income country, offering students and their families transformative opportunity to increase their incomes. We conduct a randomized controlled trial that exploits Malengo’s randomized admission among shortlisted applicants. In addition, we implement a randomized school-based campaign that informs secondary school students in Uganda about the Malengo program. Here, we present preliminary evidence on the short-term effects. Admission to the Malengo program raises applicants’ monthly income by more than \$800 already within their first years as students in Germany. Despite the challenges of adapting to a markedly different environment, admission to the program considerably improves the subjective wellbeing of applicants and their parents in Uganda. It also leads to higher aspirations among applicants’ siblings and friends in Uganda. The school-based information campaign raises migration intentions and aspirations, but has no measurable impact on human capital investments. While the effects on aspirations fade over time, students exposed to the campaign appear to transition into the labor market more quickly.

“The marriage squeeze: Measuring and explaining marriage market dynamics in Sub-Saharan Africa”

Christiaan De Swardt, Renate Hartwig

RWI / Ruhr University Bochum, Essen, Germany

Abstract

Marriage market imbalances have been linked to social instability, crime, and reduced welfare in both developing and developed countries. We revisit this issue in the context of Sub-Saharan Africa, where high population growth and the prevalence of polygyny shape partner availability in structurally significant ways. Building on a dynamic model of the marriage market, we introduce a novel measure that accounts explicitly for the intensity of polygyny and apply it to Demographic and Health Survey data from 1991 to 2023. We show that conventional marriage ratios, which ignore polygyny, understate the extent of male-biased competition in the marriage market. When polygyny is incorporated, we find that marriage imbalances have persisted at structurally high levels since 2006, especially in rural areas and among Muslim populations. These patterns are driven by demographic transitions—declining population growth and narrowing partner age gaps—that amplify the impact of persistent polygyny on male surplus. Our findings highlight the importance of accounting for marriage market dynamics in the design of policies related to demographic change, family formation, and social stability in low-income settings.

“The political economy of environmental regulation: Evidence from sand mining in India”

Stefania Lovo

University of Reading, Reading, United Kingdom

Abstract

This paper studies the unintended effect of regulation on the control of bureaucrats by politicians. In 2016 a reform of the mining sector in India extended the requirement of environmental clearance to small sand mines, entrusting high-ranking bureaucrats (District Collectors) with the decision power of granting environmental permits for sand mining. We analyse the impact of the reform on the behaviours of politicians and bureaucrats, and their interaction. We find that in districts more suitable to mining, the reform reduced district collectors’ tenure while increasing their turnover, a tool used by politicians to control bureaucrats. We show that a reduction in tenure is associated with worse district performance in terms of rural development outcomes.

“The price of a clean slate: Debt reporting relief and repayment incentives”

Natalia Seimel

Tilburg University, Tilburg, Netherlands

Abstract

This paper studies whether credit bureau penalties affect repayment behavior among microfinance clients in Colombia. The 2021 credit amnesty reduced penalties for delinquent borrowers without reducing their debt. Using a difference-in-differences design, I find that borrowers who stood to gain more from the policy were more likely to clear their arrears. But the effect peaks around seven to eight months of delinquency and fades beyond. The most delinquent borrowers appear unable to respond despite facing the largest incentive gains.

“The price of devotion: Collective rituals, pollution, and child mortality.”

Cristina Cibin, Stefan Klöner, Disha Tiwari

Heidelberg University, Heidelberg, Germany

Abstract

This paper studies the health effects of the Kumbh Mela, one of the largest recurrent mass gatherings in the world taking place in India. During each event, tens of millions of pilgrims congregate along Indian rivers, generating sharp increases in biological water contamination. At the same time, host cities experience substantial public investment in sanitation, infrastructure, and health services. Exploiting the rotating timing and location of 18 Kumbh events between 1986 and 2021, we combine event-level data with geocoded birth histories from the Demographic and Health Surveys to estimate the effects of exposure during gestation and infancy on child mortality. We find a pronounced temporal asymmetry. In-utero exposure within 10 km of an event reduces under-five mortality, while exposure during the first year of life increases infant and under-five mortality at intermediate distances. The results highlight the importance of exposure timing in understanding the public health consequences of short-lived environmental shocks.

“The productive and psychological impacts of a cash plus health insurance intervention: Evidence from Ghana”

Martin Paul Jr Tabe-Ojong¹, Emmanuel Rukundo^{2,3}

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Abstract

We examine the effect of LEAP 1000, an integrated cash transfer and health insurance intervention on livestock, productive investments and behavioural outcomes in Ghana. Using a two-wave panel data set and leveraging a proxy means test targeting, difference-in-differences regressions show that assignment into intervention increased livestock ownership, savings and financial inclusion. intention to treat effects also show improvements in several psychosocial wellbeing outcomes. Leveraging differential treatment uptake, we reveal that treatment effects are mainly driven by individuals (households) which benefited from cash transfers combined with health insurance. Mediation analysis shows that intermediate psychosocial outcomes mediated the effect of the interventions on household investment decisions.

“The productivity effects of agricultural development aid: Evidence from border-region difference-in-differences in Sub-Saharan Africa”

Nicole Karhaus

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Abstract

This paper evaluates the microlevel effectiveness of irrigation-focused development aid in Sub-Saharan Africa between 2005 and 2020 using georeferenced project data and high-resolution remote sensing. Employing a localized difference-in-differences strategy near country borders, the study finds that irrigation significantly increases cash crop yields while staple crops remain unresponsive, identifying agricultural intensification as the primary driver. These productivity gains are most pronounced in remote rural areas and prove particularly resilient during drought conditions. The study further contributes to the literature on foreign aid and agricultural development by providing new evidence on the effectiveness of irrigation interventions and by showcasing a methodological approach that combines high-resolution spatial data with a border-based identification strategy as an alternative to conventional instrumental-variable designs.

“The redistribution paradox: Tax reforms and inequality in Kenya’s dual labor market”

Malaki Mandela

EBS University, Oestrich-Winkel, Germany

Abstract

We exploit two Kenyan PAYE reforms -- a broad-based rate cut in April 2020 and a top-rate increase in January 2021 -- that generated opposite shocks to the income distribution, providing a clean test of how progressive taxation shapes inequality through occupational sorting. The rate cut compressed inequality by 14.6 Gini points; the top-rate increase widened it by 7.0. Decomposing the 2021 effect, only 2.5 points reflect within-occupation changes in take-home pay. The dominant channel is sorting: conditional logit estimates show exposed workers systematically shifted toward public sector employment under both reforms, while reversing from entering to exiting industrial jobs between the two reforms -- a sign reversal inconsistent with secular trends. We further document that self-employment inequality fell sharply following the top-rate increase, consistent with labor reallocation into the informal sector. These results show that progressive taxation shapes inequality structurally through occupational reallocation, with net distributional effects that depend critically on the absorptive capacity of the informal sector.

“The relevant third”

Sourav Bhattacharya¹, Somdeep Chatterjee¹, Pushkar Maitra², Manhar Manchanda¹

¹Indian Institute of Management Calcutta, Kolkata, India. ²Monash University, Melbourne, Australia

Abstract

Using a new measure of political competition (threat of coalition), we examine the impact of political competition on economic development in a multi-party setting with a first-past-the-post voting rule. We define a constituency as competitive when the third-ranked candidate is relevant, i.e., the vote share of the third-ranked candidate exceeds the winning margin. Using data from Indian Legislative Assembly elections and a regression discontinuity (RD) design, we show that constituencies with a barely 'relevant' third witness a 1.6-3.9 percentage points increase in nightlights (our measure of economic development), which corresponds to an overall 2.9--7.1% growth premium. The main mechanisms are increased availability of public goods and a reduction in reported crime. Our results are consistent with a theoretical model that shows that the existence of a relevant third is a necessary condition for the incumbent to invest in public goods. We rule out other channels by showing that there is no effect when the threat of coalition is not credible.

“The state of maintenance: Can government and citizens cooperate for improved water access?”

Aidan Coville¹, Daniel Rogger², Jerome Sansonetti³, [Luca Stanus-Ghib](#)^{2,4}

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Abstract

Under-investment in maintenance erodes the capital stock, reducing the availability of basic services. Communities often lack the resources and technical expertise to deliver maintenance effectively, while government officials lack local information. We report results from a randomized evaluation of a nationwide program designed to improve maintenance by strengthening collaboration between village water organizations and district water officials in Tanzania. The intervention enhanced the perceived quality of these relationships and induced both actors to allocate more resources toward maintenance. There is an overall increase in system functionality, but the effects are concentrated in villages that already had relatively high baseline functionality.

“The unintended consequences of industrial policies: Evidence from Colombia”

[Laura Contreras-Portela](#)

Aix-Marseille School of Economics, Marseille, France

Abstract

Special Economic Zones (SEZs) are a cornerstone of place-based industrial policy in developing economies, yet their success depends on how local labor markets adjust to new investment opportunities. Using newly assembled georeferenced data linking municipalities, firms, households, and zones, this paper exploits the staggered rollout of SEZs in Colombia between 2005 and 2018 in a difference-in-differences framework to assess their impact on local labor markets and firm dynamics. I find that, at the municipality level, SEZs increase informality without affecting total employment, indicating that the policy reallocates rather than expands local labor demand. This reallocation arises as high-skill-intensive firms entering SEZs compete for scarce skilled labor: wage pressures intensify, high-skill workers experience wage gains, and small, less-productive formal firms that cannot match rising labor costs exit the market. The resulting shift in labor demand reallocates high-skilled workers toward high-productivity firms, while displaced low-skill workers are absorbed into informal occupations. The findings reveal a distortion inherent to place-based industrial incentives: SEZs concentrate benefits among a narrow “club” of high-productivity firms, reshaping the composition of local economies and highlighting the limits of policies that rely on selective incentives.

“The ‘ripple effect’ of criminally accused politicians on crime: Evidence from India”

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Abstract

The prevalence of criminally accused politicians (CAPs) within legislative assemblies in India presents a concerning dynamic for the rule of law and governance. This study uses regression discontinuity designs to investigate the impact of electing CAPs on crime rates within their state assembly constituencies. The findings reveal a significant escalation, with the election of a CAP leading to an 86 percent increase in aggregate crime, a doubling of crimes against women, and a surge of over 50 percent in property crimes. This increase coincides with a marked decline in public confidence in the police and an accumulation of unresolved court cases in the judiciary. This situation highlights an adverse interplay between political authority and the enforcement of law and order. The election of CAPs also triggers adverse socioeconomic conditions, including economic downturns and weakened social cohesion, further creating an environment conducive for crime.

“Traders beyond borders: The effects of incentivizing cross-border trade”

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⁴University of Wisconsin, Madison, Madison, United States

Abstract

We investigate the impact of an incentive-to-trade scheme on microenterprise performance among traders at the Kenya-Uganda border. Through a randomized controlled trial (RCT), we assess the effects of a scalable monetary incentive combined with an information treatment to curb misperception of trading risks. The treatment significantly increases trade volume and leads to sizable growth in revenue and profit, detected six months after the end of the intervention. We explore the underlying mechanisms driving these results, particularly the role of profit reinvestment and changes in traders' perceptions of risk. This study contributes critical insights into the potential of targeted interventions to enhance cross-border trade and improve the economic outcomes of micro-entrepreneurs in developing regions.

“Trees grow better on certified land: Quasi-experimental evidence from Madagascar”

Tobias Hellmundt, [Krisztina Kis-Katos](#), Zaneta Kubik

University of Göttingen, Göttingen, Germany

Abstract

This paper examines whether land rights formalization enhances the effectiveness of reforestation programs. Specifically, we ask whether securing a land certificate (i) improves tree growth on reforested plots and (ii) affects associated socio-economic outcomes. We study the Programme de Lutte Anti-Érosive (PLAE), a smallholder forest restoration initiative implemented in northern and northwestern Madagascar between 2014 and 2019. Using primary household survey data combined with geospatial data, we employ a quasi-experimental strategy that leverages variation in the presence of overlapping historical colonial and post-colonial land titles, which continue to impede land formalization today. We find that successful land certification significantly increases tree growth, both in self-reported and remotely sensed data. Certification also increases reported tree theft but has no detectable effect on perceived overall tenure security, charcoal-related income, or broader welfare outcomes. These findings highlight both the potential and the limitations of land rights formalization in weak institutional and market environments.

“Understanding overconfidence among doctors”

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⁴Hamburg Center for Health Economics, Hamburg, Germany. ⁵University of Cologne, Cologne, Germany. ⁶Erasmus University Rotterdam, Rotterdam, Netherlands

Abstract

The paper experimentally investigates the causes and implications over overconfidence in high-skilled work settings. Specifically, we study the origins of doctors' overconfidence and its consequences in a lab-in-the-field experiment with 1,050 physicians in Ghana. Using incentivized clinical vignettes and incentivized beliefs about relative performance, we find that 47 percent of doctors are overconfident (in terms of overplacement). We further test for the origin of overconfidence (cognitive biases vs. rational updating). Tests of belief updating fail to reject Bayesian updating, while posterior beliefs are better calibrated than prior beliefs, suggesting overconfidence is at least partly formed rationally; a pre-condition for motivated beliefs. We further show experimentally that image concerns, in particular self-image concerns - a specific type of motivated beliefs, can help explain the formation of overconfidence in our sample. Finally, we shed light on the impact of overconfidence in the workplace. Experimentally testing various types of clinical decision-support systems, we find that overconfident doctors do not perform worse in work-relevant tasks. We provide evidence that this is due to two opposing effects: (i) a confidence effect that tends to make doctors pursue their opinions even when they are false and (ii) a self-image motive, that induces physicians to act like a good doctor.

“Unequal gains from trade and the distribution of political power in India”

Sebastian Jävervall¹, Roza Khoban², Ryu Matsuura³

¹Kiel Institute, Kiel, Germany. ²University of Zurich, Zurich, Switzerland. ³Northwestern University, Evanston, United States

Abstract

In many developing economies, social identity is not only a cultural marker but also an economic constraint, shaping access to opportunities and limiting adjustment to economic shocks. This paper examines how India’s 1990s trade liberalization reshaped economic inequality, social identity, and political representation across social groups. Using exogenous variation in regional exposure to tariff reductions and constructing a novel dataset linking politicians to social communities, we provide causal evidence on how globalization interacts with entrenched social hierarchies. We find that trade liberalization led to a relative economic decline for marginalized groups—Scheduled Castes, Scheduled Tribes, and Muslims. Using a revealed-preference approach, we show that these adverse economic shocks strengthened group-based identification and heightened caste and community salience. In response, marginalized groups increased their political engagement, resulting in greater representation and higher vote shares for marginalized politicians, while upper-caste politicians experienced a corresponding decline. We demonstrate that these political shifts were most pronounced in districts with a significant share of marginalized populations, indicating a political backlash from marginalized groups. Finally, we show that a redistributive policy targeting economically backward districts mitigated these political effects, consistent with an economic grievances mechanism. Together, the results highlight how globalization can reinforce existing social structures and reshape the distribution of political power along social lines.

“Unpacking the trade effects of regional integration in Africa: New methods, new insights?”

Magdalene Silberberger¹, Christian Soegaard², Frederik Stender³

¹Witten/Herdecke University, Witten, Germany. ²University of Warwick, Coventry, United Kingdom. ³German Institute of Development and Sustainability (IDOS), Bonn, Germany

Abstract

This paper reassesses the trade effects of intra-African regional trade agreements (RTAs) using a heterogeneity-robust causal framework within a structural gravity model. We implement Wooldridge’s (2023) extended two-way fixed effects estimator in a staggered Difference-in-Differences design, allowing treatment effects to vary across agreement cohorts and over time in a non-linear PPML setting. This approach directly addresses biases arising from staggered policy adoption and heterogeneous treatment effects, which are central features of African regional integration. Using bilateral manufacturing trade data for 1991–2016, we find no robust evidence that intra-African RTAs have increased intra-continental trade on average. Event-study results reveal substantial heterogeneity across agreement cohorts and over time, with effects that are generally small and statistically insignificant. In contrast, RTAs between African and non-African partners generate positive trade effects, primarily through increased African imports. Overall, our findings suggest that past intra-African integration has delivered limited trade gains, underscoring the importance of implementation capacity and complementary policies for the success of the AfCFTA.

“Unveiling the green trail: FDI, global value chains, and firm pollution in China”

Holger Görg, Lars Hecker, Finn Ole Semrau, Zheng Wang

Abstract

China’s integration into global value chains (GVCs) in the 2000s drove rapid growth and attracted substantial foreign investment, while coinciding with a sharp increase in environmental pollution. This study examines how foreign ownership interacts with firms’ positions along GVCs to shape abatement of chemical oxygen demand (COD) and ammonia (NH₃), two key pollutants affecting water and air quality. Using granular firm-level data spanning the years 2000 to 2013 and combining pollution, production, and trade records, we find that foreign-owned firms outperform domestic firms in pollution abatement. New to the literature, we reveal that the foreign ownership advantage diminishes as firms move upstream in the value chain. Further analysis suggests that this attenuation is driven by lower productivity of foreign-owned firms in upstream sectors, which constrains their ability to undertake pollution abatement. In addition, we find that stronger foreign stakeholder pressure mitigates the upstream attenuation of foreign firms’ abatement efforts for COD, but not for NH₃. Overall, these findings highlight the importance of accounting for value chain positioning when designing policies aimed at leveraging FDI for environmental improvements in large developing economies.

“Vulnerability from welfare? Timing of benefits and consumption smoothing in India’s public works program”

Stefan Klonner

Uni Heidelberg, Heidelberg, Germany

Abstract

The stated objective of the world's largest public works program, India's NREGA, is to provide rural households with a safety net and to reduce their vulnerability to income and expenditure shocks through paid employment on demand. In practice, however, work supply is often rationed, its timing erratic and payments delayed. We investigate the consequences of these implementation frictions for households' consumption paths and welfare. We combine administrative data from the workfare program with high-frequency consumption and transactions data for four villages in South India. We find that consumption is largely protected from public employment income "shocks" in better-off villages, where beneficiary households command significant financial wealth relative to monthly consumption expenditures. In the poorest and remotest village, however, where financial wealth is minimal and 80 percent of beneficiary households are burdened by net debt, monthly consumption largely tracks NREGA income payments. In a structural calibration exercise we evaluate the welfare loss resulting from this systematic consumption variability at thirteen percent of average program benefits. We conclude that demand-driven social protection programs need to be more responsive to beneficiaries' needs and deliver promptly in vulnerable settings to not only increase average incomes but also reduce intra-seasonal consumption volatility effectively.

“When humanitarian assistance fades out: Experimental evidence from a nationwide program in Lebanon”

Ghassan Baliki¹, Micah Cruz², Felipe A. Dunsch², Jonathan Garcia³, Andrea Guariso⁴, Jonas Heirman², Dorothee Weiffen¹

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Abstract

This paper experimentally compares four widely used approaches to prioritizing humanitarian food assistance in Lebanon. Three methods are variants of proxy means testing (PMT) enhanced with machine learning, differing by the outcome used to guide targeting: household expenditure (PMT-Exp), food security (PMT-FCS), and a composite indicator that combines food security, expenditure, and coping capacity (PMT-CARI). The fourth approach applies categorical selection, with eligibility criteria defined through expert consultation. The four targeting methods yield systematically different household profiles. PMT-based approaches generate more comparable beneficiary groups, whereas categorical targeting selects households with distinct demographic and socioeconomic characteristics. Appeals were more frequent under the categorical approach, reflecting lower perceived fairness. Despite these selection differences, average welfare outcomes did not vary significantly across targeting arms. Leveraging random assignment and a funding cutoff, the study also tests the effects of discontinuing assistance and of providing six months' advance notice. Discontinuation reduced food security, psychological well-being, and trust in the short term, with some effects persisting into the medium term. Poorer and more vulnerable households were less able to adjust, underscoring constraints on coping without support.

“When jobs (dis)appear abroad: U.S. unemployment and risk of school dropouts in El Salvador”

Christian Ambrosius, [Isidora Knezevic](#)

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Abstract

Human capital is a key determinant of individual earnings and long-term development. Yet migration is often analyzed exclusively through the human capital embodied in those who leave, overlooking how migration shocks affect the educational trajectories of those who remain behind. Changes in earnings opportunities abroad can influence schooling decisions at origin through multiple, competing channels, including parental absence, shifts in expected returns to education, and household liquidity constraints—rendering the net effect theoretically ambiguous. This paper studies El Salvador, a country highly dependent on the U.S. labor market, where remittances account for roughly 25 percent of GDP. We examine how fluctuations in U.S. unemployment affect the risk of school dropout among children and adolescents in migrants’ origin communities. Our identification strategy exploits historically determined migrant networks: using Salvadoran consular records, we link municipality-level stocks of migrants in U.S. destinations to local unemployment rates, generating plausibly exogenous variation in earnings opportunities abroad. We reconstruct individual schooling histories from the 2024 population census and estimate age-specific dropout risks using Cox proportional hazard models across cohorts and demographic groups. We find that higher unemployment in U.S. destination counties significantly increases the risk of school dropout of those left behind in El Salvador, consistent with a financial constraint mechanism driven by reduced remittance income. The effect is similar across urban and rural households and between boys and girls, but is stronger for younger cohorts, once migration networks were more firmly established.

“Women empowerment against sexual harassment: Evidence from Tanzania”

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Abstract

About one in four women worldwide become victims of sexual harassment or violence at some point during their work lives, with far-reaching consequences for health and labor market outcomes. Evidence from high-income countries suggests that sexual harassment contributes to the gender wage gap, but evidence from low-income countries is scarce. In this paper, we investigate the impact of an awareness and empowerment workshop on the mindset and labor market outcomes for young women in the transition from school to the labor market in Tanzania. We find that the intervention (i) increases awareness about sexual harassment, (ii) shifts job aspirations, and (iii) affects behavior in the labor market. Participants are more likely to be in education or work and less likely to report domestic work as their main activity. We find suggestive evidence that this is driven by women who, at baseline, perceived sexual harassment as an obstacle to job search, suggesting the treatment alleviates this constraint.

“Women's political representation and fertility: Evidence from gender quotas in Sub-Saharan Africa”

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Abstract

Recent decades have seen a surge in women's political representation. This has been welcomed in part as a means of achieving better outcomes for women through public policy. We examine this proposition by analyzing its implications for fertility and reproductive agency, one of the most consequential domains of women's lives. We focus on Sub-Saharan Africa, which has experienced both the largest recent expansion in female political representation and persistently high fertility rates that often exceed women's stated preferences. Leveraging the staggered adoption of gender quota legislation, we estimate that reserved seats quotas led to a decline in total fertility by up to 0.3 births per woman within ten years. Micro-level evidence suggests that the aggregate fertility change is driven largely by behavioral adjustments among young women, including delayed first births and lower parity by age 25. Mechanism analyses indicate that these effects operate primarily through the provision of improved reproductive health services rather than through policy domains requiring structural redistribution or broader institutional change.

“Working without wages: The consequences of widespread pay delays”

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Abstract

We show that firms in low-income countries frequently withhold employee wages and study how workers respond to this widespread practice. Using original survey data from Lagos, Nigeria, we document that 30% of workers across firms of all sizes report delayed or unpaid salaries. To examine how workers respond to wage withholding, we conduct a field experiment in which we establish a firm in Nigeria, reach over 1,700 jobseekers through our recruitment process, and hire 600 for multi-month employment. Unpaid wages increase employees' initial effort, as outstanding balances raise the amount workers expect to receive in the future, without affecting absenteeism or total hours worked. The prevalence of wage withholding creates uncertainty that induces worker selection. Credibly signaling salary reliability increases job take-up by 25%, attracting workers who would otherwise be unwilling to accept wage employment but are no more productive. Combining intensive- and extensive margin estimates suggests that, in our setting, firms lose at most 0.2% in productivity from engaging in wage withholding. This gives firms little incentive to refrain from the practice, while workers are willing to forgo more than 30 percent of the monthly minimum wage for reliable pay.