

# INSTITUTE FOR ECONOMIC DEVELOPMENT

## RESEARCH REVIEW

2024



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UNIVERSITY

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### 5th Annual Paul Streeten Distinguished Lecture in Global Development Policy



**Pictured above from left to right: Andy Newman, Interim Director of the Institute for Economic Development, Daniele Paserman, in-coming Chair of the Economics Department, Rohini Pande, Economics Professor (Emeritus) Peter Doeringer and Rachel Brulé, Assistant Professor of Global Development Policy.**

*Photo Credit Melissa Ostrow.*

and Wolitzky's model of labor coercion, wherein a laborer's willingness to accept a contract with conditions that are objectively unfavorable under force or the threat of the force. She argued that gender norms enable families and women to accept marriage contracts that result in uneven burdens of unpaid domestic and caregiving work. A moral imperative framing or narrative of the 'good woman,' who accepts the marital contract and the uneven care burden as the 'right' thing to do, perpetuates these norms. Furthermore, Pande noted that these norms also enable physical and social punishment of women who deviate from this moral narrative.

In concluding her remarks, Pande emphasized the implications of her work. She noted that powerful economic incentives that provide women the opportunity to participate in the labor market and encourage their financial independence may make a dent in prevailing gender norms, but the gains may be short-lived if policies only target norms at the household and individual levels. Rather, she argued that creating women's networks, extending interventions beyond the household and encouraging collective action that challenges gender norms from the smallest to the largest scale can affect lasting change towards gender equality.

On Thursday, March 28, Rohini Pande, renowned economist and the Henry J. Heinz II Professor of Economics and Director of the Economic Growth Center, Yale University, presented the 2024 Paul Streeten Distinguished Lecture in Global Development Policy. Pande's lecture shared novel research examining how gender norms can enable female labor coercion within and outside the home, with evidence from India.

Her lecture examined how conservative gender norms have been weaponized to uphold male dominance both inside and outside the home, citing disparities in paid and unpaid labor between men and women, mobile cell phone usage and other indicators of personal liberties.

Pande argued that social norms sustain the gendered divisions of labor within and outside the home. She linked marriage coercion with social norms, using Acemoglu

**Universalism and Political Representation:  
Evidence from the Field**

*Benjamin Enke, Ray Fisman, Luis Mota Freitas and Steven Sun, IED WP no. 395, September 2023*

**IED WORKING PAPER 395**

There has been a recent surge of interest in studying the determinants of voting patterns, possibly because traditional income-based cleavages have become less important in determining political conflict. This naturally raises the question of what other factors may drive political divisions. One approach has focused on differences in universalist versus particularist moral orientation. A particularist or communal morality emphasizes group-specific values (loyalty and treating in-group members well), whereas a universalist morality emphasizes equal treatment and impartiality. Thus far, this literature has been based on survey- or laboratory-generated data.

This paper studies the link between universalism and political behavior by focusing exclusively on natural real-stakes decisions. The authors develop a new measure of district level universalism that (i) is based on financial choices that voters make in a natural setting and (ii) directly corresponds to theoretical models of universalism, in which a full universalist exhibits altruism that is invariant to social distance, whereas a particularist's altruism decreases with distance. The analysis is based on large-scale charitable donations data from a non-profit organization, Donors Choose, a crowdfunding platform that allows individuals to donate directly to classroom projects that teachers across the U.S. post on its website. The data includes roughly 4 million donations made between March 2000 and October 2016, worth about \$305 million, that cover almost every congressional district in the United States. A congressional district's universalism is measured by the slope of charitable donations with respect to distance.

The paper finds that district-level universalism is strongly correlated with Democratic vote shares in House elections. The magnitude of the estimated link between universalism and vote shares is surprisingly large. The raw correlation of 0.5 is substantially higher than those of economic variables that are often linked to political behavior, such as median household income and share of population with a college degree. The relationship between district universalism and vote shares is robust to controlling for income, education, White ethnic share, latitude, distance from the coast and state fixed effects. Finally, legislators from more universalist districts are more Left leaning even after controlling for the legislator's party, and use more universalist moral language in their congressional speeches.

**Long-Term Securities and Banking Crises,  
ianjun Miao, Zhouxiang Shen and Dongling Su, IED WP  
no. 396, November 2023****IED WORKING PAPER 396**

US bank holding of long-term securities have increased in recent years. Prices of these securities are sensitive to interest rate hikes which can trigger bank runs, as suggested by recent failures of several banks such as Silicon Valley Bank. This paper studies the role of bank holdings of long-term bonds by incorporating banks into a dynamic New Keynesian model. Agency problem between banks and their depositors generate limits to bank leverage ratios, and cause credit costs to depend on bank balance sheets. Since long term bond prices are sensitive to interest rate changes, the model shows how rising interest rates can precipitate bank runs.

The model is subsequently used to study effectiveness of two macroprudential policies. A permanent tax on bank holdings of long-term bonds reduces their exposure risk (thereby mitigating adverse shocks on the economy), but also causes their balance sheets to deteriorate. Consequently there is an optimal tax rate on bond holdings which trades off these benefits and costs. An alternative is to allow tax rates to decrease in response to interest rate changes. This is shown to mitigate adverse cost-push shocks and thereby reduce the likelihood of bank failures. In particular, the results suggest the government should subsidize (resp. tax) bank holdings of long-term bonds when interest rates rise (resp. decline).

**Is the Electricity Sector a Weak Link in  
Development?**

*Jonathan Colmer, David Lagakos and Martin Shu, IED  
WP no 397, December 2023*

**IED WORKING PAPER 397**

This paper examines the role of electricity sector in developing countries arising from its key role in generating energy for the manufacturing sector and the absence of effective substitutes. It constructs a new database consisting of real inputs and outputs in electricity production from 80 countries spanning wide variations in GDP per capita. The authors propose and calibrate a macro model to this data. Motivated by substantial evidence of distortions in the electricity sector in developing countries that prompt firms to generate their own power at high cost, the model incorporates linkages between multiple sectors, inefficiencies in producing capital goods and tax-like distortions in electricity production. These distortions can imply larger long-run aggregate effects of improvement in productivity in the electricity sector suggested by its sectoral weight in GDP.

The empirical estimates do not provide much evidence in favor of the 'weak link' hypothesis. Electricity sector productivity varies very little across countries: e.g., in the poorest quartile of countries it is 86% of the richest countries, compared to a corresponding ratio of 36% for economy-wide productivity. The model predicts that raising electricity productivity by 50% would raise GDP per capita by 1.7%, while removing distortions in the electricity sector would raise GDP per capita by only 0.6%.

## **The Undoing of Economic Sanctions: Evidence from the Russia-Ukraine Conflict**

*Ray Fisman, Giovanna Marcolongo and Meng Wu. IED*

*WP no. 398, January 2024*

**IED WORKING PAPER 398**

The effectiveness of trade sanctions in pressuring target nations to induce policy or regime changes depend on the extent they can be circumvented by illicit trades with entrepôts outside the sanctioning group. This paper provides evidence of this phenomenon from sanctions imposed on the breakaway Donbas region of the Ukraine. Using UN Comtrade data on monthly bilateral import-export flows at a highly disaggregated level, the authors study trade in anthracite coal exports from the Donbas region between 2010 until the onset of the Russia-Ukraine conflict in 2022.

The paper finds that reported Ukraine anthracite exports dropped very sharply during the first half of 2014 when secessionists took control of the Donbas region. Of the anthracite that was exported by Ukraine, a disproportionate share went to Russia. Moreover when the trade sanctions shut off the direct flow of anthracite from Donbas to Ukraine in 2017, there was a three-fold increase in Russia's reported imports of Ukrainian anthracite, and a commensurate increase in Russia's reported anthracite exports to Ukraine. By contrast Ukraine reported no anthracite exports to Russia during this period. This divergence suggests that Donbas anthracite exports that were no longer controlled by Ukraine was the source of Russian imports. A similar shift was observed in trade with other countries: those that previously imported Ukrainian anthracite increased their Russian imports during the blockade.

Finally, the authors provide evidence of underpricing of post-blockade anthracite exports to Russia and over-pricing of Russian exports to Ukraine (relative to world prices). This indicates the sanctions were substantially undermined by the entrepôt trade through Russia, to Ukraine's disadvantage and Russia's advantage.

## **Dirty Air and Green Investments: The Impact of Pollution Information on Portfolio Allocations**

*Ray Fisman, Pulak Ghosh, Arkodipta Sarkar and Jian*

*Zhang. IED WP no. 399, January 2024*

**IED WORKING PAPER 399**

This paper studies the role of investor tastes and information regarding air pollution on investments in polluting firms in India. It examines the impact of phased rollout of continuous air quality monitoring stations (CAAQMSs) on investment portfolios of residents living within a 20km radius of these stations, compared to other investors located further away. The authors use trading records from the Indian National Stock Exchange to construct locations and portfolios of 19 million investors between 2004-2020.

An event study specification shows that the share of 'brown'

firm stocks declined by 0.5 percentage points (1.25 percent of the mean) for investors living near a monitoring station immediately following its opening that experienced a one standard deviation decline in reported air quality. In contrast their investments in brown stocks were unresponsive to air quality for two years immediately preceding the installation of the CAAQMS. Moreover, the investments of those living within a 40-60 km radius of the station were unaffected by the installation. Similar results are obtained from a regression discontinuity approach following air quality transitions from Moderate to Poor. Shifts in investment portfolios following proximity to information of air quality deterioration were more pronounced among investors that were younger, those executing transactions via mobile phones and among women compared to men. The results indicate that providing citizens with information about local air quality can be effective in promoting investments in cleaner technology.

## **Unpacking Aggregate Welfare in a Spatial Economy**

*Eric Donald, Masao Fukui and Yuhei Miyauchi, IED WP*

*no. 400, March 2024*

**IED WORKING PAPER 400**

Evaluating welfare impacts of changes in regional productivity or transport infrastructure requires estimation of a quantitative spatial general equilibrium model fitted to geographically disaggregated data. A simpler approach uses first-order approximations generated by an underlying model. Traditional methodologies pursuing the second approach (such as Hulten (1978)) are based on strong assumptions of a frictionless competitive economy with a complete set of markets and no externalities. Such assumptions seem inappropriate for most actual economies characterized by various frictions and spatial spillovers. This paper seeks to assess the biases that result from this problem. The authors provide a methodology for calculating first-order welfare effects of productivity or infrastructure changes based on a general model of spatial economies with frictions and apply it to evaluate hypothetical policy changes in the US economy during 2010-19.

The model departs from Hulten (1978) by incorporating trade frictions, agglomeration and congestion externalities, government location-specific transfers, agents with heterogenous skills and locational preferences. The theoretical analysis decomposes first-order welfare changes into the sum of different components: changes in technology, and in reallocation on various dimensions. The latter include reallocation across agents with differing marginal utilities, fiscal and technological externalities and ex ante redistribution.

Applying this to the US economy during 2010-19, they find that the traditional approach understated the actual increase in welfare. During 2015-19 for instance, actual welfare grew by 1.84 percentage points, while the traditional approach would have estimated the growth to be 1.35 percentage points. The difference is primarily accounted by increased redistribution achieved via government transfers across households of varying skills. A second application to welfare effects of hypothetical transport infrastructure improvements



also finds substantial biases, though for a different reason: the neglect by the traditional approach of congestion externalities in shipping routes.

## Misallocation Implications of Security and Collateral Value of Land

*Maitreesh Ghatak and Dilip Mookherjee. IED WP No. 401, April 2024*

### IED WORKING PAPER 401

The role of land misallocation as a determinant of agriculture productivity in developing countries has been explored in recent macro-development literature. This literature has mostly focused on the role of land market restrictions in China and Africa owing to absence of private property rights. Comparatively less attention has been devoted to countries with private land rights and functioning land markets, and to the role of other sources of land misallocation such as financial market imperfections. Motivated by evidence of negative wealth effects in land valuations from household surveys in India and Thailand, this paper presents a theoretical model studying the misallocation implications of frictions in insurance and credit markets respectively. The purpose is to obtain testable empirical predictions of these respective frictions and derive welfare implications of land reallocation policies.

The first part of this paper focuses on consequences of absence of insurance against covariate weather shocks that affect farm productivity. The model features two goods (food and non-food), risk-averse agents with heterogeneous farming ability and wealth, who allocate their labor between producing the two goods. Agents trade in land at an initial date and subsequently allocate labor. The weather shock is then realized, after which outputs appear and are traded on spot commodity markets. Food demand is both income and price inelastic. Adverse weather shocks imply higher food prices as well as higher farm incomes, implying that land ownership provides partial insurance against food price volatility. Consequently land valuations incorporate both the average income it is expected to generate, and security against weather risk.

Owing to this security value, competitive equilibria of this model exhibit land misallocation. If relative risk aversion is independent of wealth, the misallocation is shown to be biased in favor of poorer and less able agents, owing to greater concern for food security amongst such agents. This matches the observed empirical patterns from household surveys and is the opposite of what would be predicted by standard models of credit market frictions. Competitive equilibria are constrained Pareto inefficient, owing to pecuniary externalities arising from effects of land reallocations on spot market prices. Government policies inducing reallocation of land from small to large farms raise aggregate productivity, lower average levels and volatility of food prices, which make all agents better off. The remainder of the paper explores a different model with credit frictions, where land is valued as a source of collateral which enable poor credit-constrained agents to expand investments in a side-business. Both descriptive and normative implications of this model are shown to be distinct from the one based on insurance frictions.

## Capital Income Jumps and Wealth Distribution

*Jess Benhabib, Wei Cui and Jianjun Miao. IED WP No. 402, May 2024.*

### IED WORKING PAPER 402

Compared to the distribution of earnings, the distribution of wealth in the US and many other countries displays greater concentration at the top and skewness to the right. This phenomenon is inconsistent with standard heterogeneous agent macro models of wealth distribution based on idiosyncratic labor income risk and precautionary savings owing to missing insurance markets. The reason is that precautionary savings tend to compress the effects of varying labor incomes.

This paper seeks to resolve this problem by introducing two new key ingredients to the standard model. The first is coexistence of illiquid capital assets and safe liquid assets (such as bonds) which are imperfect substitutes and thus earn different rates of return. The second is idiosyncratic investment risks in the form of discontinuous jumps in capital income, which resemble returns to closely held 'tech' companies or fortunes generated from private equity investments.

The paper develops a tractable continuous time model of investment and labor earnings with these two features, which provides explicit solutions to optimal consumption and wealth processes. This enables the authors to show that the model predictions match observed empirical patterns, especially skewness and concentration (kurtosis) of the wealth distribution. Calibrating the model to US micro and macro data, it succeeds in matching wealth shares held by the top 0.1% and 1% of the population.

## Supply Chain Disruption and Reorganization: Theory and Evidence from Ukraine's War

*Vasily Korovkin, Alexey Makarin and Yuhei Miyauchi. IED WP No. 403, May 2024*

### IED WORKING PAPER 403

Modern economies rely on intricate supply chains which generate substantial productivity gains and cost reductions while aggravating vulnerability to external shocks. To throw light on the latter, this paper provides a detailed study of the impact of the 2014 Russia-Ukraine conflict in Crimea and Donbas regions on productive and supply chain disruptions in the rest of the Ukraine.

The first part of the paper provides reduced form evidence on these impacts, using a dataset of the universe of firm-to-firm railway shipments within Ukraine between 2012-2016, augmented with firm-level accounting data on production and sales. This data is used to map the evolution of Ukraine's production network before and after 2014 and estimate the conflict's impact on firm sales and inter-firm trade. The authors find a 16% decline in sales in firms with supplier or buyer exposure to the conflict, which persisted all the way until 2018. Moreover, the conflict led to a systematic reorganization of the

production network structure in ways that one may expect. Firms with higher supplier exposure increased supplier linkages with firms located in non-conflict regions, while those with higher buyer exposure reduced these linkages.

The second part of the paper develops and fits a multisector multilocation general equilibrium model of production and trade networks to the data. The model's predictions track observed data closely. The authors use it to quantify the welfare effects of the supply chain disruption and subsequent reorganization. They estimate that the direct effect of the conflict was a 17.5% loss in GDP; approximately half of this was avoided by the subsequent reorganization of the supply chain.

## Two-Stage Differences in Differences

*John Gardner, Neil Thakral, Linh To and Luther Yap.*

*IED WP No. 404, May 2024*

**IED WORKING PAPER 404**

'Differences in Differences' is one of the most popular methods used to estimate effects of government policies in development economics and applied economics more broadly. The method compares differences in outcome variables of interest in 'treated' areas or units before and after the treatment, with comparable changes in 'control' areas where the policy was not applied. Apart from its simplicity and ease of implementation, the method overcomes evaluation biases owing to unobserved heterogeneity of treated and control units under a parallel trend assumption (that in the absence of the policy, outcome changes in treated and control areas would have been similar). In the case of policies that are staggered over time and applied to multiple groups over different periods, it also rests on strong additional assumptions requiring the treatment effects to be the same across all treated groups and over time. Possible violations of this homogeneity assumption and the resulting biases that thereby arise have been the topic of a growing recent literature, with numerous applications in empirical research.

This paper provides a new and simple two stage procedure to extend the 'difference in difference' method to deal with multiple treatment groups and periods. At the first stage, fixed group and time period effects are estimated from the data on untreated units. At the second stage these are subtracted from observed outcomes to filter out the group and period effects, and the resulting residuals are regressed on a treatment indicator. The authors establish that this method provides unbiased estimates of the average treatment effect under the parallel trend assumption. They show it performs well in comparison with existing methods with regard to precision and rejection rates in various empirical applications in the US and China, such as impact evaluation of increased access to primary care on mortality rates, school finance reforms on disadvantages faced by low income students, and increased bureaucratic quality on effectiveness of social assistance programs.

## Turnover, Morale and Performance in Bureaucracies: Evidence from Indonesian Villages

*Samuel Bazzi, Masyhur Hilmy, Benjamin Marx, Mahvish*

*Shaukat and Andreas Stegmann. IED WP No. 405,*

*May 2024*

**IED WORKING PAPER 405**

Past research in various countries shows that while changes in leadership generated by elections can foster improvements in governance owing to increased motivation and accountability pressures, it may also affect it adversely owing to induced disruptions and instability. This paper examines evidence in the context of village governments in Indonesia concerning the impacts of new leadership on bureaucratic turnover and performance. It relies on data from a survey of village heads, bureaucrats and citizens in 852 villages across 17 provinces conducted in 2022, combined with administrative data on local public goods provision. The authors employ a regression discontinuity design leveraging variation from close village elections between villages where the local incumbent narrowly lost and won.

The main findings are as follows. Bureaucratic turnover increased following a change in elected village leader resulting from a loss by the incumbent. New leaders tended to appoint younger and less well-connected bureaucrats. Newly appointed bureaucrats were more enthusiastic and patriotically motivated. Citizens reported greater frequency of interactions with the newly appointed bureaucrats, that they better understood their needs and were more responsive to complaints about public services. Moreover, there was a large increase of 0.5 standard deviations in public service provision in areas that fell under the purview of local governments, such as garbage collection and streetlights. These beneficial effects however took some years to materialize since the last election. However, despite citizens being aware of these improvements they did not report higher levels of satisfaction or trust in their village government in the aftermath of a turnover.

## Investing in Influence: Investors, Portfolio Firms and Political Giving

*Marianne Bertrand, Matilde Bombardini, Ray Fisman,*

*Francesco Trebbi and Eyub Yegen. IED WP No. 406,*

*June 2024*

**IED WORKING PAPER 406**

Ownership of publicly traded US companies by institutional investors has increased dramatically from 6% in 1950 to 65% in 2017. This paper examines consequences of this shift for concentration of political influence, by examining how the relationship between political action group (PAC) giving of an investor and of a portfolio firm change when the investor acquires a large stake (in excess of 1%) in that firm. The raw data shows that the likelihood of an investor and firm giving to the same PAC is substantially higher after the acquisition.

The authors subsequently examine the extent to which

this reflects a causal impact. They find similar effects after restricting the sample of asset management companies that are passive investors, and to acquisitions arising from changes in stock index composition which are less likely to be driven by converging ideological preferences. Around block purchase election cycles, they find that acquired firms experience a relative drop in their across-period giving similarity compared to the investor, suggesting that the change reflected the adjustment of firm giving to investor preferences rather than the other way around. Moreover, increased post-acquisition co-movement in investor and firm PAC-giving was more pronounced when the management faced a vote on shareholder proposals and thus were more motivated to garner support from large shareholders. The results therefore reveal a pattern of increasing political influence of managers of a limited number of institutional investors in the U.S.

## **The Costs and Benefits of Clan Culture: Elite Control versus Cooperation in China**

*Shuo Chen, Ray Fisman, Xiaohuan Lan, Yongxiang*

*Wang and Qing Ye. IED WP No. 407, July 2024*

**IED WORKING PAPER 407**

The role of kinship groups in affecting local cooperation and prosperity in developing countries is an important research question. This paper studies the role of ancestral clans in China during two historical episodes in the post-war Chinese history: collectivization in the mid-1950s and the Great Famine of 1959-61. Four measures of clan strength in local areas are used, based on presence of ancestral halls, genealogies, suitability for rice cultivation, and whether it is in Southern China. Using a difference-of-difference estimation strategy, the authors find that areas with stronger clan strength experienced less killing of livestock as a response to central government decree requiring households to contribute their livestock to collectives during the collectivization drive. On the other hand, clan dominated areas experienced more severe famine conditions during the Great Famine, despite having reported grain outputs that were at least as high as non-clan areas.

The paper subsequently discusses possible hypotheses explaining these two apparently conflicting findings. The first result pertaining to livestock during the collectivization period could have resulted from reinforcement of government policies by clan leaders who induced members to contribute their livestock to the collective instead of killing them. However this would be at odds with the more destructive consequences of the Great Famine in clan-dominated areas. Historical accounts reviewed by the authors suggest two possible explanations for this result. One is that clans allowed greater control over members by clan elites, who cooperated with government officials in implementing mandated grain procurement policies. The second is that more severe famines resulted from greater disruption of village-level governance during the Great Leap Forward of the late-1950s in clan dominated areas.

## **The Moral Values of "Rugged Individualism"**

*Samuel Bazzi, Martin Fiszbein and Maximiliano Garcia.*

*IED WP no. 408, July 2024*

**IED WORKING PAPER 408**

The United States is among the most individualistic countries in the world. Compared to societies with similar levels of individualism, the U.S. exhibits a distinctive strand of individualism shaped by its frontier history. This paper introduces the concept of particularistic individualism and examines how frontier history influenced its development and its enduring impact on America's cultural and political landscape.

The westward expansion in early U.S. history created a frontier characterized by low population density and isolation from urban centers, resulting in limited government presence and social infrastructure. These conditions attracted settlers with individualistic tendencies and amplified their individualism, as settlers' self-reliance and independence were essential for survival and progress. At the same time, the frontier environment entailed high returns to cooperation, which could only be sustained through strong local identities. This cultural configuration led to a combination of individualism with moral particularism.

The paper lays out a historical and conceptual framework and provides evidence linking the frontier to moral particularism, showing that individuals in areas with prolonged frontier exposure exhibit more particularistic views and stronger opposition to government spending. Charitable donations and social connectedness on social media further illustrate localist tendencies in high total frontier experience (TFE) areas. It also documents assortative matching on historical frontier exposure, with counties showing greater donations and social connections among similar TFE levels, indicating echo chambers that reinforce cultural boundaries and contribute to the persistence of particularistic-individualistic cultures across America.



## FACULTY PROFILES

**Marianne Baxter's** research is in the fields of macroeconomics and international economics. In research related to her prior work on macroeconomic consequences of home production, she has been engaged in a large-scale econometric analysis of household expenditures and household time use as they pertain to home production. She is also working with a data set using IKEA catalogs from many countries and up to twenty years to study the determinants of departures from the law of one price.

**Joaquín Blaum's** areas of research are international trade and macroeconomics. His work focuses on how heterogeneity matters for macroeconomic outcomes. Joaquin's recent research studies how sourcing of foreign inputs affects firm and aggregate productivity. In ongoing work, he shows that the interdependence between firms' import and export behavior is key to understanding how economies adjust to large devaluations. In earlier work, Joaquin studied the effects of wealth inequality on aggregate productivity when financial markets function imperfectly.

**Rachel Brulé** is an Assistant Professor of Global Development Policy at Boston University's Frederick S. Pardee School of Global Studies. Her research expertise is in comparative politics focusing on gender, South Asia, the political economy of development, political representation, and institutions. Her research combines careful causal identification with innovative theory building to understand the conditions under which policies intended to improve equality may deepen inequality, as well as when, how, and why crises may mobilize long-term support for improving equality.

**Christophe Chamley's** research is on social learning, coordination of expectations and markets in macroeconomics, and in the history of states' finances from 5000 BC to the 19th century.

**Krishna Dasaratha's** research is primarily in microeconomic theory with a focus on social and economic networks, including diffusion processes, social learning, and network formation. One strand of his research uses theoretical and experimental techniques to analyze how people learn from their social networks, including ongoing work exploring the spread of information on social media platforms. Another recent strand asks how to design and target interventions in settings where peer effects are important.

**Randall Ellis' research** focuses on how health care payment systems affect consumers, health care providers, and health plans. He is actively using billions of health insurance claims to develop clinically rich predictive models that can be used to pay health plans and reward high quality. This work was funded by a four year grant from the Agency for Healthcare Research and Quality entitled "Advanced Risk Adjusters and Predictive Formulas for IDC-10 Based Risk Adjustment". Separately, he is also working on healthcare innovation, feasible strategies for universal health insurance, and systemic racism and sexism in the US. He is currently collaborating with researchers in the US, Canada, and Netherlands.

**Raymond Fisman** works in two main areas of political economy --- corruption, and the causes and consequences of inequality. His recent work on the consequences of social ties in Indian banking was recently published in the *American Economic Review*, and his research on social ties and favoritism in Chinese science in the *Journal of Political Economy*. His book on corruption, with political scientist Miriam Golden, was published in April 2017.

**Martin Fiszbein** works in the fields of economic growth, development, history, and urban economics. His research examines the determinants and the effects of structural change, technology adoption, skill acquisition, and cultural formation. To address open questions in the fields of growth and development, his projects often leverage rich subnational data, new empirical strategies, and a long-run historical perspective.

**Ivan Fernandez Val** specializes in theoretical and applied econometrics. He has recently been working on nonlinear panel data and distributional methods with applications to labor and development economics. He has recently been working on applications of machine learning to estimate heterogeneous treatment effects in randomized experiments.

**Stefania Garetto** is a trade economist whose work is centered on the study of foreign direct investment and the activities of multinational corporations, both from a real and from a financial perspective. Stefania's current research combines empirical analysis and structural dynamic modeling to understand the creation of multinational firms, and their expansion in space over time. She is a research associate of NBER and a research fellow of CEPR.

**Tarek A. Hassan** specializes in international finance, macro-finance, and economic growth. His research examines the impact of uncertainty on firm behavior and capital allocation across countries, as well as the effects of migration and ethnic diversity on economic growth. His work has been published in leading journals, including the *American Economic Review*, *Quarterly Journal of Economics*, *Review of Economic Studies*, and *Journal of Finance*. Hassan has taught advanced courses at the University of Chicago and Harvard University and held visitorships at Princeton, Stanford, London Business School, and the London School of Economics. He is a research fellow at the National Bureau of Economic Research and the Center for Economic Policy Research.

**Mahesh Karra** is an IED affiliate and Assistant Professor of Global Development Policy at the Frederick S. Pardee School of Global Studies and Associate Director of the Human Capital Initiative at the Global Development Policy Center. His academic and research interests are broadly in development economics, health economics, quantitative methods, and applied demography. His research utilizes experimental and non-experimental methods to investigate the relationships between population, health, and economic development in low- and middle-income countries.

**Robert King** focuses his research on monetary policy and macroeconomics. Particular areas of current interest are the nature of price dynamics, the influence of reputation and credibility on optimal monetary policy, and the history of banking markets.

**Laurence Kotlikoff** specializes in fiscal policy, macroeconomics, money and banking, computational economics, healthcare, and personal finance. He also works on the economics of robots. The author or co-author of 21 books and hundreds of journal articles, Kotlikoff is also a prolific columnist and a #1 NY Times Best Seller author. His columns have appeared in the New York Times, the Wall Street Journal, Bloomberg, Forbes, PBS.org, VOX, and many of the other top newspapers and magazines in the U.S. and abroad. His recent work has focused on carbon taxation, inequality and fiscal progressivity, work disincentives and labor supply, the causes of the great recession, the future of global economic power, computing large scale life-cycle models with aggregate shocks, and modeling the economic impact of artificial intelligence. Kotlikoff provides a podcast/newsletter/financial quiz at [larrykotlikoff.substack.com](http://larrykotlikoff.substack.com). Email him at [kotlikoff@gmail.com](mailto:kotlikoff@gmail.com) for a free lifetime subscription. And check out his writings and research at [kotlikoff.net](http://kotlikoff.net). Kotlikoff's personal financial planning software is available at [maxifi.com](http://maxifi.com) and [maximizemysocialsecurity.com](http://maximizemysocialsecurity.com).

**David Lagakos** conducts research in the fields of macroeconomics and development economics, focusing on the determinants of sectoral productivity levels, human capital accumulation, structural transformation, and cross-country differences in labor market outcomes, among other topics. His research has appeared in the American Economic Review, the Journal of Political Economy, the Quarterly Journal of Economics and other prominent academic journals. He currently serves as a co-editor of the Journal of Political Economy and an associate editor of Econometrica. Since 2016 he has worked as the lead academic for the International Growth Centre in Ghana, helping to foster policy-relevant academic research on economic growth. Lagakos is a research affiliate at the NBER and is a co-organizer of the annual NBER conferences on Economic Growth and Macroeconomics Across Time and Space.

**Kevin Lang's** research concerns education and labor markets, with a particular focus on discrimination. While his work is primarily centered on the United States, he is currently involved in projects in Singapore on the market for illegal money-lending and on incentives in the retail illegal drug market.

**Robert Lucas** has recently completed two books. *Crossing the Divide: Rural to Urban Migration in Developing Countries* is in print with Oxford University Press. This volume includes critiques and summaries of the existing literature on migration between the rural and urban sectors of developing countries and presents fresh analyses of micro data from 75 countries on various aspects of these migrations, contradicting the conventional wisdom in some cases, supporting it in others, but also addressing several topics not previously examined. Portions of this book were presented in Abu Dhabi and the UK in the spring of 2020 before the pandemic curtailed further international presentations. *Migration and Development: The Role for Development Aid* was published in 2019 by the Swedish Ministry of Justice and presented in Stockholm. This report critically examines aid policies in the context of global, cross-border migrations and refugee flows, with recommendations on the future role of aid in fulfilling the objectives of the Global Compact for Safe, Orderly and Regular Migration. Lucas has now gone on to examine the connections between short-term migration, food security, and child health in seven countries of Sub-Saharan Africa.

**Robert A. Margo's** recent publications include "JUE Insight: Condominium Development Does Not Lead to Gentrification," (with others), *Journal of Urban Economics* (January 2023); "Digitizing Carroll D. Wright's, 'Hand and Machine Labor Study'," (with J. Atack and P. Rhode), *Jahrbuch für Wirtschaftsgeschichte* 2023; and "'Mechanization Takes Command?' Powered Machinery and Production Times in Late Nineteenth Century American Manufacturing," (with J. Atack and P. Rhode), *Journal of Economic History* (September 2022).

**Benjamin Marx** conducts research in political economy and development. One strand of his research studies the determinants of political accountability, state capacity, and voting behavior in developing countries. He has worked in various countries including Kenya, Senegal, Uganda, and Indonesia. Another strand explores the political economy of religion, with the goal of better understanding the interplay between religious institutions, politics, and culture. In addition, he is interested in the study of discrimination and the political economy of urban poverty.

**Jianjun Miao** continues to work on three lines of research. The first concerns macroeconomic implications of financial frictions, specifically business cycle and growth implications of bubbles and credit constraints. The second involves new models of ambiguity sensitive preferences and applications to macroeconomics and finance. The third line focuses on the interaction between monetary and fiscal policies under low interest rates.

**Yuhei Miyauchi's** primary research interest is to understand how socio-economic activity is shaped within cities and across regions. Yuhei tackles these questions using a combination of theory and new sources of granular data, such as cell phone, smartphone transaction data and firm-level transaction data.

**Dilip Mookherjee's** works on a combination of theoretical and empirical topics related to development economics. Current empirical projects focus on various Asian countries, addressing topics such as political clientelism and welfare programs, role of middlemen in marketing supply chains, and of local community networks in financial intermediation and entrepreneurship. His theoretical interests include sources and welfare effects of misallocation. He is a member/fellow/affiliate of BREAD, CEPR, Econometric Society and the NBER Development group.

**Andrew Newman** is currently engaged in several research agendas pertaining to organizational economics, industrial organization, institutions, inequality, and the economics of the household. Recent work involves a unifying organizational- and industrial-economics theory of endogenous market structure. Other work develops testable theories of how firms' internal organization decisions such as outsourcing or vertical integration interact with markets and how those decisions in turn affect product market performance, particularly in the face of globalization. He has been contributing to the economic theory of matching markets and applying that to affirmative action policies. He is also exploring how the processes by which people learn about their economic environment can lead to organizational dysfunction and change.

**Daniele Paserman** specializes in labor, applied microeconomics, political economy and behavioral economics.

**Natalia Ramondo** is a trade economist whose research is focused broadly on issues of globalization, particularly with respect to the role of multinational firms. Ramondo belongs to a new wave of economists using quantitative models and detailed datasets to understand the welfare gains (and losses) from various forms of economic openness.

**Pankaj Tandon** concentrates on technological change, microeconomics, public enterprises, and food policy. He has worked on evaluating privately financed infrastructure projects and privatization programs. His main field experience has been in Egypt, India, Mexico, and Venezuela.

**Linh Tô** is an empirical microeconomist who uses quasi-experimental, experimental, and structural methods to understand questions related to inequality and preferences in the labor market. She is currently working on projects on gender and labor market inequality, workplace flexibility, and improving methodological tools such as dynamically collecting preference data, dealing with transformations in regressions, and difference-in-differences.

*Professors Emeriti: Peter Doeringer, Shane Hunt, and Gustav F. Papanek*

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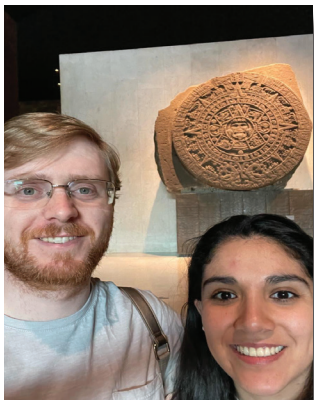
## GRADUATE STUDENTS

### *Manuel Abdala Award and IED Summer Fieldwork Grant Recipients*

The Abdala program was created in 2019 to fund research fieldwork of graduate students.

These grants are made possible by a generous gift from alumnus Manuel Abdala. These are supplemented by fieldwork grants awarded by IED. Fieldwork is broadly defined to include conduct of surveys, interviewing, collecting archival/historical data, or performing laboratory experiments, along with associated activities necessary to carry out a research project.

Due to an increased number of strong applications, a record high of 7 students PhD students received grants. They are: Laura Aquino, John Hassett, Anastasiia Arbusova, Xuan Li, Nils Lieber, Vasudha Ramakrishna and Corinne Stephenson.



### *Mexican Gender Parity Rules and the Changing Faces of Women's Executive Power*

**Laura Aquino & John Hassett**

Involving women in politics is a key goal of many activists and policymakers, not only for the explicit purpose of achieving gender parity in the political realm but also because women lawmakers bring unique perspectives and focuses to their lawmaking. Many countries have implemented electoral laws regarding gender parity as part of an effort to increase women's political participation. In 2014, Mexico adopted a gender parity principle – “50 % rule” – for all state and federal legislative candidates. As part of this reform, a system of gender quotas unique to each state was adopted at the local level.

This project studies the implementation of these gender quotas in local Mexican elections. Using detailed data on election results and municipal governing outcomes, the project examines the effectiveness of the quotas, documents the strategic reactions of political parties and explores the effects on policy of the sudden and large increase of women in elected roles. This summer, we will travel to Mexico City to collect detailed data on elected officials to study a wide range of policy outcomes. Our preliminary findings suggest that the specific implementation of the quotas greatly determines their success. We also find that an increase in elected women is associated with coalition building, more conservative municipal budgeting, and more women appointed to positions throughout the local government.





## *Gendered Differences in Mobility and the Demand for Transport: Evidence from a Field Experiment in Urban Ethiopia*

**Anastasiia Arbuzova**

In the summer of 2024, I traveled to Addis Ababa, Ethiopia, to conduct a pilot study as part of ongoing research on public transportation demand. This study builds upon earlier work that provided private transport to urban residents and aimed to estimate latent demand for travel. The primary goal of this fieldwork was to develop a methodology for tracking public transport usage among urban commuters in Addis Ababa.

One of the main challenges was identifying an appropriate method for recording and verifying trips in a context where universal smartphone ownership with GPS tracking is not available. In Ethiopia, phone ownership is highly gendered, and limiting participation to smartphone users would narrow the participant pool to a more educated and predominantly male demographic. To address this, I worked on design and evaluation of several data collection methods, including SMS surveys, phone calls, and messenger apps, along with different incentive structures and ways to reimburse respondents for their travel costs.

In addition to the pilot study, we conducted qualitative interviews with households that participated in the private intervention phase of the study. These interviews focused on understanding participants' experiences with the intervention, particularly in terms of decision-making around travel and intra-household bargaining over transport service utilization. In the private intervention phase we observed that both women and men were more likely to be employed as a result of the private transport intervention. Hence during the qualitative interviews we also focused on the job search processes to identify the mechanisms through which taxis may have facilitated employment.

These activities are crucial for ensuring the successful implementation of future phases of the study and for disseminating the results to key stakeholders in Ethiopia's transport and urban planning sectors.



## *The Impact of Hate Crimes on Communities: Students Achievement and Political Responses*

**Xuan Li**

Hate crimes have a long history in the United States and are likely to have a broader and devastating ripple effect on entire communities. I am collaborating with Hantao Wu, a Ph.D. student at Princeton, to investigate the impact of hate crimes on local communities and their responses. Our research focuses on two primary areas: first, we plan to study how hate crimes affect educational outcomes: minority students' mental health and academic performance. Second, we will examine how targeted groups within local communities respond to hate crimes through migration and political participation.

Our project relies on restricted administrative datasets from the Los Angeles County Commission on Human Relations (LACCHR), L2 Data, and the Los Angeles Unified School District (LAUSD). We have obtained access to data on hate crimes from LACCHR and political participation data from L2 Data. We are currently finalizing the data use agreement with LAUSD. Once completed, I will travel to Los Angeles to analyze the data on-site and collaborate with local officials from these institutions to gain further insights.



## *“All Quiet on the Western Front”: Censorship of the Great War and the Stab-in-the-Back-Myth*

**Nils Lieber**

Censorship is a powerful tool used by autocratic regimes to manipulate information and control public perception. But little is known about its long-term consequences. I investigate the consequences of censorship in the German Empire during World War I, where it was initially adopted to protect military secrets and but quickly expanded to maintain public support for the war effort. Among its lasting impacts is the facilitation of the "Stab-in-the-Back Myth", according to which the German Imperial Army was undefeated in battle but betrayed by internal democratic elements, communists, and Jews. This conspiracy theory

played a crucial role in Nazi propaganda, discrediting democracy in the Weimar Republic after World War I and rallying support for the "total war" effort in World War II.

This project aims to empirically test whether exposure to intense censorship during WWI led to greater belief in this myth and increased support for the Nazi Party by analyzing textual data from local newspapers. Supported by the Abdala fieldwork grant, I am collecting digitized historical newspaper data from various regions in Germany. To achieve this, I traveled to Germany to collaborate closely with libraries and archives, accessing and unlocking existing digitized newspapers, as well as undertaking the digitization of additional sources. By obtaining this archival data, I can measure censorship intensity across different regions and assess its long-term impact on public opinion and political behavior.



## *Exploring the Constraints to Death Registration in Ghana*

**Vasudha Ramakrishna**

Ghana has extremely low coverage of death registration estimated to be only 38% in 2023 according to the Births and Deaths Registry (BDR), despite considerable efforts. An instance of a major drain on public resources in Ghana, is the repeated payment of pensions to deceased individuals or "ghosts" by the Social Security and National Insurance Trust (SSNIT) due to poor coverage of death registration.

In May 2024 I traveled to Accra, Ghana as part of a scoping visit, investigating the barriers to death registrations. During my two weeks, I interviewed various stakeholders, registrars at the registration offices, mortuary men, sextons at burial grounds, village chiefs and imams, to understand the demand side and supply side constraints, something that is poorly understood. I also travelled to the northern region (Tamale) to document regional and religious differences in death registrations. The field interviews suggest that there is huge variation in registrations by place of death, region and religion, emerging from procedural hurdles as well as social and cultural norms around death. The findings from these interviews will inform the next stage of data collection and the design of an intervention.



## *Megafirms and Labor Market Inequality*

### **Corinne Stephenson**

Corinne Stephenson's project is set in Washington D.C. where she will spend a few weeks doing research at the Bureau of Labor Statistics. Megafirms have been in the limelight in recent years both in research and policy discourses. Concurrently, there has been a burgeoning of work on the rise of income inequality.

Understanding the link between rising concentration reflected in megafirms and the trend of rising wage inequality is an understudied question. This project explores the empirical relationship between worker and establishment dynamics over time and space using the Occupational and Employment Wage Statistics (OEWS) and Quarterly Census of Employment and Wages (QCEW) datasets of the U.S. BLS.

The research requires restricted-access BLS data to conduct statistical analyses at the level of workers and occupations within establishments. The prior literature has documented aggregate trends in employment and compensation by occupation but has not been able to link these trends to firm heterogeneity in the U.S. context. While there is consensus in the literature that megafirms are more productive on average, our understanding of how hiring and compensation at such firms differ at the worker level is still nascent. The contribution of this project is to understand better the link between the emergence of megafirms and the rise in the skill premium.

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## *Rosenstein-Rodan Prize 2024 recipient: Justin Jihao Hong*

The Rosenstein-Rodan prize is awarded annually for the best paper(s) in a development-related area written by a PhD student. The 2024 Rosenstein-Rodan Prize was awarded to Justin Jihao Hong who received \$3,000 in prize money.



## *Corruption and Human Capital Supply for the State*

### **Justin Jihao Hong**

I study the impact of corruption crackdown on human capital supply for the state, exploiting China's staggered anti-corruption inspections that have dampened perceived corruption returns. Using unique applicant data from state organizations, I find that anti-corruption induces positive selection for integrity and prosociality into the state sector, without significantly affecting overall ability. These shifts in supply are associated with enhanced performance. Changes in occupational preferences from a representative household panel corroborate static talent allocation as a prominent mechanism, with treated honest types showing higher preferences for state jobs – even when conditioned on ability and family background. I further document dynamic effects wherein households increase

investment in human capital and the integrity of the next generation, which can reinforce the allocational effects and generate long-term dependence. Collectively these findings highlight reward structures as an important determinant shaping the state's human capacity.



## STUDENT PLACEMENT

We are proud to announce the placements of our latest graduating PhD cohort. 16 PhD students have concluded their job searches and found excellent positions in a variety of institutions. This year's PhD placements include three assistant professor positions, four postdoctoral fellowships, three positions in international organizations and research institutions, and six positions in the private sector.

This year's placements are listed below and can be seen here:  
<https://www.bu.edu/econ/academics/phd/recent-phd-placements/>

<b>Guoxin Health Research Institute, China</b> (Researcher)	Danrong Chen
<b>Institute for Advanced Economic Research, Dongbei University of Finance &amp; Economics, China</b> (Assistant Professor)	Junhao Chen
<b>Deloitte</b> (Senior Consultant)	Xinyuan Chen
<b>Stanford University</b> (Post-Doctoral Scholar)	Vikram Dixit
<b>University of Pittsburgh</b> (Assistant Professor of Economics)	Eric Donald
<b>University of Missouri</b> (post-doc)	Matteo Francesco Ferroni
<b>Fannie Mae</b> (Economist)	Eric Hardy
<b>Analysis Group</b> (Associate)	Tim Lee
<b>University of Southern Denmark, Denmark</b> (Assistant Professor)	Sophie Li
<b>Korea Capital Market Institute</b> (Research Fellow)	Nayeon Lim
<b>IMF</b> (Economist Program)	Michele Marcaletti
<b>Boston University, Questrom School of Business</b> (post-doc)	Patrick Power
<b>Amazon.com</b> (Economist)	Yajie Tang
<b>Amazon.com</b> (Economist)	Zhongyi Tang
<b>ERUNI Open Research Prague, Czech Republic</b> (Research Fellow)	Xunkang Tian
<b>Amazon.com</b> (Economist)	Hannah Zhang

# ALUMNI NEWS

## ALUMNI ENGAGEMENT

The IED works in close partnership with the Department of Economics' MA Alumni Council and the PhD Alumni Council to foster a cohesive relationship between the department, current students, and alumni. Through the organization of academic and social events, the IED aims to provide collaborative experiences to our vast network of alumni.

## MA ALUMNI COUNCIL

The MA Alumni Council (MAAC) continues to provide support to our Master's students with career development events throughout the year. This past year the MAAC sponsored a variety of services for the MA students.

The Master's Alumni Council members are: Kelly Lombardi, Chair (BA/MA 2014), Jonas Tizabi (MA 2022), Michael Toolan (MA 2022), Anjali Agrawal (MA 2022) and Alexander Gillon (MA 2016).

The year started with an MA Council planning dinner at Bar Ciño in September. The highlight was the revival of an in-person MA Career Panel event this year. This event, held in December, was opened by Gregory Daco (MA 2008), Chief Economist at EY and moderated by Kelly Lombardi.

The event provided a wonderful opportunity for current MA students to hear about the careers of our alumni and to raise questions for the panelists. After the panel event, MA students, panel members, additional alumni from the Boston area, and a few faculty members gathered for a reception at the Sunset Cantina. This provided an opportunity to further conversation in a more relaxed setting.



*MA career panel and student attendees*



*MA career panelists gather after the event. From left to right: Alexander Gillon (Datavant), Kelly Lombardi (RSM US) moderator and MA Council chairperson, Lauren Szczerbinski (Gcom), Linjie Wang (Edgeworth Economics), Daniel Tascon Buchelly (Federal Reserve Bank of Atlanta) and Raisa Behal (Fraym)*

## PHD ALUMNI COUNCIL

The PhD Alumni Council works in collaboration with IED and the GEA to plan networking and career development events throughout the academic year. As in past years, PhD Alumni Council facilitated a panel event for PhD students preparing for the job market. This event, held in November was special in that, for the first time in several years, they were able to hold the panel in person with panel members from Boston and Washington DC coming together to speak with students in Room 315 of the BU Economics Department. They had an excellent turnout of job market candidates along with some students earlier in the program. After the panel event, PhD students, panel members, additional alumni from the Boston area, and faculty members gathered for a reception at a nearby restaurant (Sunset Cantina) to continue the conversation.

Prior to the job market panel event, Alumni Council members joined several faculty and staff members for a lunch meeting at the BU Castle where they discussed recent job market trends and brainstormed about future strategies for assisting BU PhD students on the job market. The Council also facilitated mock interviews for job market candidates. Economics PhD Alumni Council members look forward to building upon these activities to further strengthen ties among alumni and find additional ways to be of assistance to PhD students and the Economics Department in the year ahead.

The PhD Alumni Council members are Chair Paul Karner '12 (Horizon Data Science), Jesse Bruhn '19 (Brown University), Emily Rose Gee '15 (Center for American Progress), Jee-Yeon Kim Lehmann '12 (Analysis Group), Dara Lee Luca '11 (Amazon), Aditi Mehta '08 (DOJ-ATR) and Silvia Prina '08 (Northeastern University).

## Economics Graduation & Distinguished Alumni Reception

The Institute for Economic Development in conjunction with the Economics Department continued the annual award to honor a distinguished alumna. The Department Chair and the IED Director, along with a few senior faculty established this award to recognize the remarkable accomplishments of our alumni and to inspire and motivate current students in the department. The 2024 Distinguished Alumni Award was awarded to Dana Rotz, who completed the Economics BA/MA program at Boston University in 2007. She liked the department so much that she decided to stay, working as a Research Assistant and completed the first year of her doctoral studies. She eventually received her PhD in Economics from Harvard University, where she focused on the Economics of the Family and Applied Econometrics.

Rotz works at Wizards of the Coast as a Principal Economist. As a Wizard, she blends economic models, econometrics, and data analytics to inform key business decisions for Magic: The Gathering. Working with stakeholders throughout the company, she brings economic insights to decision-making in areas as diverse as pricing, product design, marketing, operations, and consumer research.



*Dana Rotz receives the Distinguished Alumni plaque from Department Chair Marc Rysman the following day at the Economics Convocation*



*MA Alumni Council Chair Kelly Lombardi with Department Chair Marc Rysman*



## Economics Graduation & Distinguished Alumni Reception *continued*

The reception was held the evening before the Economics Commencement ceremony (May 15th) to recognize and honor outstanding Undergraduate and Master's students. Prior to the reception Dana met with a small, select group of MA and BA students for a roundtable discussion. Earlier in the day Dana also had lunch with selected group of PhD students.

Our MA alumni chair Kelly Lombardi was honored at the reception for serving in the role of chairperson for 10 years. We are so grateful to Kelly and all of the leadership and guidance she provides the MA alumni council.

This year's reception provided selected students and their families an opportunity to join with faculty, alumni and staff in enjoyable conversation as part of Commencement weekend.

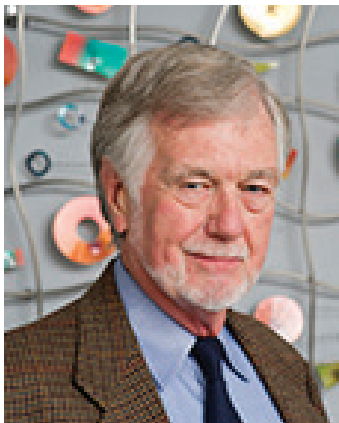


*Marc Rysman with graduating seniors being honored*



*Students and their family and friends gather along with faculty gather to honor award recipients*

## FACULTY NEWS



**Bob Lucas**

### **Farewell to Robert Lucas**

We bid a fond farewell to Robert (Bob) Lucas, following his resignation from the department and IED affiliated faculty. He has been associated with the department since 1975 and has played a pivotal role in development research, teaching, policy advice, service to the University and the broader profession.

Bob grew up in central England. As a teen he played in a symphony orchestra that gave concert tours in Europe. While other members of the orchestra went on to pursue professional music careers, Bob followed a different calling. He studied at the London School of Economics where he received a BSc and MSc, followed by a PhD in economics at MIT in 1973. He joined UCLA's department of economics in 1973 and moved to Boston University's economics department in 1975 as an Assistant Professor. He was appointed Associate Chair of the economics department in only his second year as an Assistant Professor. Thereafter he was promoted to Associate Professor in 1977 and Professor in 1985.

Bob's long and distinguished career at BU is marked by exemplary accomplishments in research, teaching and service. He is a renowned authority on migration and development, culminating in his 2021 book 'Crossing the Divide: Rural Urban Migration in Developing Countries' published by Oxford University Press. He contributed important research in many other fields mostly in the context of developing countries: labor markets and skill formation, trade and industrial policy, inequality and intergenerational mobility. He is the author of four books and editor of three others; he published over 75 papers in leading journals. He won the Gittner award for undergraduate teaching in 1994 and 2016. He served as Director of both MA and Undergraduate programs in the economics department between 1998-2000.

Bob Lucas' contributions to public policy are numerous and varied. He chaired the Inter-University Committee on International Migration and was a member of the G8 Global Remittances Working Group. He collaborated with and/or provided advice to many country governments (such as Bangladesh, Botswana, Bolivia, Fiji, India and Malaysia) and international organizations (Asian Development Bank, FAO, ILO, UNDP, USAID, WorldBank).

Besides his formal achievements, Bob Lucas set high standards for devotion to students and intellectual life within the department. We shall miss his unflinching courtesy and quiet sense of humor. We wish him well and hope he will continue to remain involved as a member of our community.

## STAFF NEWS



*Kimberly and Kayla in July at an onboarding event on the 17th floor of BU's new CDS building*



*Kayla Maher*

Kayla Maher (pictured above) joined the IED as the new IED Program Coordinator in June. Kayla graduated from Westfield State University in 2020, earning a dual degree in History and Economics. Previously, Kayla worked as an educator within the Archdiocese of Boston, teaching computer science, and then first grade. Kayla is excited to support both the faculty and students in all their important endeavors.

Last Spring our former IED coordinator Mavis Manaloto moved to a new position within the Economics Department as Undergraduate Advisor. Even though we are happy for Mavis' move and that she is staying within the department, the IED staff and faculty will miss working with her day to day and are so grateful for her wonderful work while she was in the position.

We wish Mavis the best of luck in her new role, and are excited to welcome Kayla!

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## IED HOSTED CONFERENCES

### 16th International Conference on Migration and Development

From October 2-3, 2023, the French Development Agency (AFD), World Bank Development Group (DECGR), Boston University Global Development Policy Center (GDP Center), BU Institute for Economic Development (IED) and BU Human Resources Policy Institute (HRPI) jointly sponsored the 16th International Conference on Migration and Development, hosted by Boston University.

The conference was devoted to investigating ways in which international migration affects economic and social change in developing countries. Topics included the effects of migration on poverty, inequality and human capital formation; social networks and migration; migration and globalization; and migration and institutional, technological, demographic and cultural change in sending countries, today and in the past.

GDP Center Director Kevin P. Gallagher and Human Capital Initiative Core Faculty Member Patricia Cortes gave welcome remarks. The conference featured keynote speakers Gordon Hanson, Peter Wertheim Professor in Urban Policy at the Harvard Kennedy School, and Natalie Bau, Associate Professor of Economics at the University of California-Los Angeles.



First keynote speaker, Gordon Hanson during his presentation



The second keystone speaker, Natalie Bau with David Lagakos

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## Trade Conferences

IED faculty affiliates Joaquin Blaum, Stefania Garetto, Yuhei Miyauchi, and Natalia Ramondo organized three mini conferences on international trade on September 22, 2023, March 8, 2024 and April 11, 2024. A total of 10 external speakers from various institutions were featured.

Each presenter presented their latest research, followed by extensive discussions among participants. During breaks, lunches, and over dinner, BU's faculty and students interacted with external speakers and exchanged research ideas. There was a turnout of about 15-20 graduate students and several faculty members.

Presenters included Ferdinando Monte (Georgetown), Treb Allen (Dartmouth), Kyle Handley (UCSD), Andrei Levchenko (Michigan), Matilde Bombardini (UC Berkeley), David Hémous (University of Zurich), Fernando Parro (Penn State), Lin Tian (Insead), Andreas Moxnes (University of Oslo) and Wolfgang Keller (University of Colorado)



Trade conference attendees enjoy lunch on September 22nd at BU Faculty Club



Fernando Parro presents on March 8th



## DISTINGUISHED VISITORS

The following distinguished visitors spent a few days in the Economics department each, giving a seminar and two lectures in their field of expertise for the benefit of our graduate students and faculty:

Pol Antras from Harvard University  
visited from September 19th-22nd (Macro)

Adrien Auclert from Stanford  
visited April 16th-18th (Macro)

David Atkin from MIT  
visited October 2nd-5th (Development)

Pat Kline from U C Berkley  
visited remotely April 29th-May 1st (Macro)

Tilman Borgers from the University of Michigan  
visited March 18th-21st (Theory)

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## IED RESEARCH VISITORS

This past year the IED welcomed three long-term visitors: David Atkin, Thea How Choon and Fatima Aqeel. Each were at BU from September 2023 through May 2024.



David Atkin

When not visiting BU, David Atkin is a Professor in the Economics Department at MIT. His research focuses on evaluating the impacts of trade liberalization on the poor in the developing world. His recent work has studied the impacts of trade on health and education, the costs of distance and the distribution sector in developing countries, the ladder of development, and provided experimental evidence for the impacts of trade and industrial policy. Atkin holds a Ph.D. in Economics from Princeton University.

While visiting BU, David focused on two newer projects. The first project, with Joaquin Blaum among others, finds that discretionary import restrictions increased import prices in Argentina. The price response reveals—for each importer, product, and origin—whether the importer or exporter holds market power, and thus the effectiveness of trade policy in such a setting. The second project estimates the incidence of distortions in Chile, leveraging a unique combination of administrative datasets to measure exposure as consumers, as factor owners, and as recipients of firm profits and government tax revenue.

Fatima Aqeel is an Assistant Professor of Economics at Colgate University, and a PhD alumna. While at the IED, Fatima led two projects that examined the effects of gender ratio changes among medical doctors on the medical field in Pakistan: one that focused on their medical practices and the other that focused on their research. Being at BU led to a collaboration with fellow BU Econ alum, Thea How Choon, on the second of these projects. Fatima frequently met with the IED and BU faculty, attended the Monday seminars, the Development Reading group seminar and the IED seminar. She presented at the Development Reading Group and the Labor Reading Group. While at BU Fatima was invited to present at the Brandeis Department of Economics, and at the IDEAS conference in Lahore, Pakistan.



Fatima Aqeel



Thea How Choon

Thea How Choon, PhD alumnus, is an Assistant Professor of Economics and the Flora Irene Eggleston Faculty Chair at St. Lawrence University. Her research interests are in microeconomic theory, political economy and gender economics. While visiting the IED, she worked on research projects that studied the effect of city councils' gender composition on group dynamics and policy outcomes, the effect of gender on mentorship and productivity in medical research, and the relationship between politicians' gender and voters' beliefs about their electability.

## SEMINARS

IED organizes a weekly seminar during the academic year where visiting speakers present their research. The following is the list of seminars for the 2023-2024 academic year:

### FALL 2023

9/18/2023	Rocco Macchiavello (London School of Economics)	"Relational Collusion in the Colombian Electricity Market"
9/25/2023	Manisha Shah (UC Berkeley)	"Sex, Power, and Adolescence: Intimate Partner Violence and Sexual Behaviors"
10/2/2023	Nageeb Ali (Penn State)	"Hedging When Applying"
10/10/2023	Devesh Rustagi (University of Warwick)	"Market Exposure, Civic Values, and Rules"
10/16/2023	Laura Boudreau (Columbia Business School)	"Monitoring Harassment in Organizations"
10/22/2023	Daniela Vidart (University of Connecticut)	"How do Workers Learn? Theory and Evidence on the Roots of Lifecycle Human Capital Accumulation"
10/30/2023	David Atkin (MIT)	"Globalization and the Ladder of Development: Pushed to the Top or Held at the Bottom?"
11/6/2023	Ekaterina Zhuravskaya (Paris School of Economics)	"Curtailing Fake News, Amplifying Truth: Evaluating Anti-Misinformation Measures on Social Media"
11/13/2023	Xiaodong Zhu (University of Hong Kong)	"Bottom-up Institutional Change and Growth: Theory and Evidence from China"
11/20/2023	Price Fishback (University of Arizona)	"The Rise of Social Safety Nets and Social Insurance in the West: Implications for Developing Countries"
11/27/2023	Kevin Donovan (Yale University)	"The Gender Turnover Gap Across Countries"
12/4/2023	Matthew Pecenco (Brown University)	"Conviction, Incarceration, and Policy Effects in the Criminal Justice System"
12/11/2023	Ellora Derenoncourt (Princeton University)	"Racial Inequality, Minimum Wage Spillovers, and the Informal Sector"

### SPRING 2024

3/4/2024	Ameet Morjaria (Northwestern University)	"Product Conflation and Deconflation: Anatomy of a Marketplace Reform"
3/25/2024	Isabela Manelici (LSE, visiting MIT)	"The Gains from Foreign Multinationals in an Economy with Distortions"
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Boston University  
The Institute for Economic Development  
Research Review  
264 Bay State Road  
Boston, MA 02215

Nonprofit  
US Postage  
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Boston, MA  
Permit No. 1839

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