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#### **Editorial**

With the conclusion of the previous board's term, new JADE board members were elected in September 2024. We, Hisaki Kono and Yuki Higuchi, are honored to join the board and have taken over editorial duties from Yoshito Takasaki, the former editor of the JADE Letter. We are committed to maintaining the quality and spirit of the newsletter.

This issue features five contributions. It opens with a message from Tetsushi Sonobe, the newly appointed president of JADE. Next, Ryo Takahashi —also a new board member— provides a summary of the Young JADE conference held in November 2024, along with reflections on the series of conferences since 2019. We then feature Vu Ha Thu's research summary on crop insurance adoption in Vietnam, and an essay by Manabu Nose sharing his experiences in academia and international organizations. The issue concludes with a message from the African Urban Lab.

We hope you enjoy reading this first issue under the new editorial team. Your feedback and suggestions for future JADE Letters are always welcome.

Hisaki Kono and Yuki Higuchi Editor, JADE Letter

## The President Address Tetsushi Sonobe

#### **Professor, National Graduate Institute for Policy Studies**

I am honored to be elected as the president of JADE. I would like to begin my innaugural address by expressing my deep gratitude to former president, Prof. Keijiro Otsuka, for demonstrating leadership during the most challenging period, that is the first six years of our fledgling society. I would also like to extend my great appreciation to Prof. Yasuyuki Todo and other founding members. Thanks to the collective efforts of everyone, from the president to the youngest member, I recognize that JADE has successfully taken off and is now transitioning into a stable upward trajectory. I regret that my contribution so far has been the least significant among the founding board members. To make up for this, I am committed to dedicating myself to the further development of JADE.

The mission of JADE, as stated in its bylaws, is to contribute to the progress in research and education through communication about development economics among researchers. To achieve this, I would like to set "Max Joy of Research and Sharing" as our vision for at least the next three years. By "Max Joy," I do not mean the maximal joy but rather the maximization of joy. We aim to increase and invigorate activities such as inviting internationally renowned researchers and promising young scholars, sending young (in the broadest sense possible) researchers abroad, organizing domestic research meetings, fostering exchanges with related organizations, sharing discoveries and concerns related to education, and providing platforms for exchanging information on winning scholarships, grants, and research funding.

"Max Joy" refers to maximizing joy subject to the constraints of budget and time. To ease budget constraints, we will co-host events with international organizations, universities, think tanks, and philanthropies to share costs of travel and venue fees favorably. We will also work on creating systems that facilitate donations as well as increasing our membership. Regarding time constraints, we will seek the cooperation of our members in preparing for the annual conference and other events, as well as in providing publicity materials. Participation in these activities is an opportunity for exchange and hence a source of joy, but it also has the downside of taking time away from research and education. We aim to invigorate JADE's activities by increasing joy while ensuring that the burden does not grow. I would like to report that the average age of the JADE board members has significantly decreased compared to three years ago. They are long-time acquaintances, and I have always respected them because they are far more knowledgeable and capable, despite being much younger than I am. I am proud to work with them for JADE. They will be dedicating a significant amount of time and energy to their assigned tasks, and I will frequently seek their advice. I would like to express my gratitude in advance to the board members and auditor for their support.

Dear JADE members, I look forward to meeting you in person at our annual conference and other events and maximizing the joy of research and sharing together with all of you.

Thank you for your kind attention.

## Reflections on Five Years of the Young JADE Conference (2019-2024) Ryo Takahashi

#### Associate Professor, Faculty of Political Science and Economics, Waseda University

In November 2024, the Young JADE Conference 2024, organized by the Japanese Association of Development Economics (JADE), was held at Musashi University. The conference featured a series of thought-provoking presentations, fostering dynamic discussions during Q&A sessions and informal exchanges. With around 70 participants in attendance, the event was a resounding success.

On a personal note, I stepped down as the organizer of the Young JADE Conference following the 2024 event. As I have received a request to provide a summary of the conference, I would like to take this opportunity to reflect on its history and development.

#### What is the Young JADE Conference?

The Young JADE Conference is an annual gathering led by early-career researchers within JADE. The conference is built upon three core objectives:

Fostering collaboration and intellectual exchange among early-career researchers.

Providing a platform for undergraduate and graduate students specializing in development economics to present their research and learn latest research.

Encouraging interdisciplinary dialogue by engaging early-career researchers from related fields.

One recurring question concerns the definition of "young" in the conference's context. To clarify, "young" refers to early-career status in academia rather than age. Specifically, it includes researchers within approximately ten years of obtaining their Ph.D. or students. In line with its mission of nurturing emerging scholars, the conference limits presenters to early-career researchers, though participation is open to all.

The Young JADE Conference distinguishes itself through its focus on research at various stages of development. It features two primary presentation sections: the "Preliminary Results" section, where researchers present findings before formal academic conferences, and the "Research Seeds" section, which focuses on discussing future research plans. A defining characteristic of the conference is its embrace of research in progress—acknowledging and encouraging work that may still contain gaps, uncertainties, or unresolved questions. This emphasis on constructive feedback makes the event a valuable incubator for academic development.

#### **Conference History: Number of Presentations and Rejections**

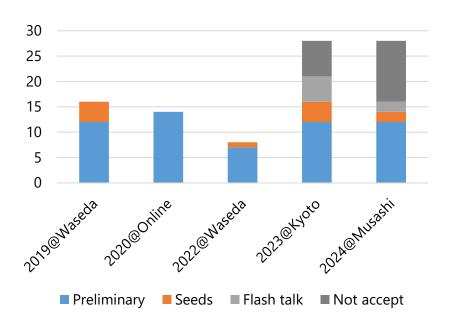
The first Young JADE Conference took place in 2019, the same year JADE was established. Since then, five editions have been held. A summary of the number of presentations by section and rejections over the years is in the figure. From the outset, the organizing committee adopted an inclusive approach, aiming to accommodate as many submissions as possible within a one-day program through parallel

sessions.

The inaugural conference in 2019 was held at Waseda University, featuring 12 preliminary results presentations and four research seeds presentations. The following year, due to the COVID-19 pandemic, the conference was held online with 14 preliminary results presentations. In 2021, the conference was not held due to the pandemic and my own lack of motivation. In 2022, despite still feeling unmotivated, I responded to requests for its resumption and organized it again at Waseda University. Due to minimal publicity, the event remained small, with only seven preliminary results presentations and one research seed presentation. However, after the event, I realize the importance of the conference, leading to renewed efforts to revitalize it.

In 2023, the conference was held outside the Kanto region for the first time, taking place at Kyoto University. Enhanced publicity and increased submissions from the Kansai region led to a significant rise in total submissions. Additionally, JADE introduced domestic travel subsidies, which unexpectedly attracted interest from researchers beyond Japan, leading to multiple submissions from South Asia (these subsidies only covered domestic travel within Japan and did not include airfare to Japan). A new initiative introduced that year to accommodate more submissions while minimizing rejections was the "Flash Talk" format in the preliminary results section. While regular preliminary results presentations lasted 45 minutes, including Q&A, Flash Talks were brief, five-minute presentations without Q&A. Despite these adjustments, seven submissions were still rejected.

In 2024, the conference was held at Musashi University in Tokyo, receiving a high number of submissions similar to the previous year. Although two presenters withdrew from the Flash Talk section, the total number of presentations, including Flash Talks, was 16, with 12 submissions rejected.



The overview of the Young JADE and the programs of past conferences are available at: <a href="https://sites.google.com/view/young-jade/home">https://sites.google.com/view/young-jade/home</a>

#### **Origins of the Young JADE Conference**

The Young JADE Conference, now a well-established academic event, had much humbler beginnings—it started as an informal social gathering (Nomi-kai). The idea first emerged in 2014 when, as a postdoctoral researcher at the National Graduate Institute for Policy Studies (GRIPS), I found myself surrounded by development economists for the first time. At the time, JADE had not yet been established, and I had no experience presenting at domestic conferences. Meeting so many development economists at GRIPS was an eye-opening experience.

Recognizing the strong presence of development economists within my generation, I took the initiative to organize informal gatherings to foster stronger relationships among young scholars. These meetings, held a few times a year, quickly became a space for celebrating milestones such as Ph.D. completions, academic appointments, and journal publications. They also provided opportunities to exchange ideas, share concerns, and engage in discussions that led to constructive suggestions for each other's research. Over time, conversations emerged about transforming these gatherings into a more structured academic forum, but no concrete steps were taken. For nearly five years, these meetings remained purely informal.

With the establishment of JADE in 2019, I, together with some development economists in my generation, finally formalized these gatherings into an academic event, giving birth to the Young JADE Conference.

#### **Core philosophy of the Young JADE Conference**

Since its inception, the founding members and organizing committee have upheld a core principle: **criticism should always be constructive and geared toward improvement.** In some fields of economics, harsh or adversarial questioning is tolerated. While critical feedback is essential for academic progress, excessively aggressive comments can be counterproductive, discouraging rather than strengthening researchers. I firmly believe that such an approach is neither justified nor necessary.

At the Young JADE Conference, the organizers actively reject such a culture, instead prioritizing discussions on how to refine research. For example, simply stating, "This study has an endogeneity problem," is something anyone can do. What truly matters is engaging in meaningful dialogue about how to address such issues, how to position research effectively, and how to enhance its quality. These discussions extend beyond formal Q&A sessions to informal interactions during coffee breaks and networking events—all with the shared goal of advancing research.

This philosophy closely aligns with the message conveyed by Professor Sonobe, the third JADE President, in his presidential address: "Max Joy of Research and Sharing." The Young JADE Conference welcomes all who embrace this ethos and are committed to supporting the development of early-career researchers.

#### **Passing the Torch to the Next Generation**

Over the years, I have smiled at senior researchers jokingly declaring, "I've been in academia for over ten years, but my heart is still young!" while gently steering the focus back to early-career scholars. The conference has thrived as a platform for nurturing young researchers and facilitating academic exchange, thanks to the tireless efforts of the organizing committee members who have supported my vision. I am deeply grateful to them—the conference would not have flourished without their commitment.

With my stepping down, all founding members have now stepped aside, and the organizing committee has transitioned entirely to a new generation of young scholars. My final message to them—and to future organizers—is this: there is no obligation to continue the Young JADE Conference. If it ever becomes a burden, do not hesitate to discontinue it (I also lost motivation myself in 2021-2). The goal is not the continuity of the conference itself but rather the continued existence of a space where young researchers can exchange ideas, seek guidance, and grow—whether through this conference or another platform. As I step down from my role at the Young JADE Conference, I am honored to take on a new position as a JADE board member. In this capacity, I look forward to contributing to the growth and success of young development economists in new ways.

# Learning from Others and Crop Insurance Adoption Vu Ha Thu Assistant Professor, Kyoto University

#### Preface

How farmers learn from others and adopt new agricultural technologies is an important question for development economists and policymakers. Beginning with Banerjee (1992) and Bikhchandani et al. (1992), both theoretical and empirical literature has explored how people observe their predecessors' choices to guide their own decisions. The common mechanisms include conformity and social learning.

Although both involve observing and learning from others, they influence decision making via different channels. Conformity refers to individuals making decisions by following the crowd to fit social norms rather than relying on private information. Social learning implies that individuals learn from the experiences and knowledge of others regarding new products or technology, update their beliefs, and make choices (Kremer et al., 2019). In developing countries, farmers are often connected via community networks such as cooperatives, microcredit groups, and villages. Social networks, therefore, play crucial roles in helping farmers make decisions. Farmers may be influenced by their friends' choices, learn about a product's benefits from their peers, or gain insights from their friends'

experiences with the product (Cai et al., 2015). Understanding how social networks affect technology adoption through conformity and social learning would enable effective strategies for agricultural extension.

This study discusses the roles of conformity and social learning in the context of crop insurance adoption. The empirical evidence comes from my ongoing joint research with Duc Tran, Munenobu Ikegami, and Kazushi Takahashi. We utilize a dataset from a network of rice farmers who are members of autonomous savings-and-loan groups in Vietnam. Leveraging this unique dataset, we conducted randomized control trials in multiple rice cropping seasons to study how farmers learn from others to adopt crop insurance1.

Learning from others, social network, and agricultural insurance adoption

The majority of the poor live in rural areas and engage in agricultural activities. While poor farmers are often exposed to uncertain income due to natural disasters and pests, they have limited savings to self-insure (Casaburi & Willis, 2018). Crop insurance is therefore a potential risk management strategy that improves income stability and prevents farmers from falling deep into poverty. However, the uptake of crop insurance has been extremely low at market price in many developing countries (see Cole & Xiong, 2017 for a review).

Recent literature has emphasized the critical role of social learning in shaping agricultural insurance uptake; however, the findings have been varied and context-dependent. For instance, Cole et al. (2014) documented that observing village-level payouts significantly encouraged the adoption of rainfall index insurance in India. Similarly, Cai et al. (2020) found robust evidence of social learning in China, where observing payouts received by individuals in a farmer's social network significantly increased crop insurance uptake. In contrast, Takahashi et al. (2020) found no evidence that social learning influences the adoption of livestock insurance in Ethiopia.

Despite valuable insights, extant literature has been short of studies that examine the adoption of agricultural insurance over a long period. Many case studies have focused on the one-shot adoption of insurance; only a few, such as Takahashi et al. (2020) and Jing Cai et al. (2020), observed insurance adoption over multiple seasons. This shortcoming severely constrains our understanding about the role of social learning in long-term insurance uptake.

Another limitation of the existing research is the lack of distinction between social learning and the influence of friends' adoption decisions, with the exception of Cai et al. (2015). Their experiment, which provided intensive information sessions on weather crop insurance, found that social networks

<sup>&</sup>lt;sup>1</sup> In my previous study about adopting organic fertilizer, I found the influence of early adopters on tea farmers' decision to use organic fertilizer (Vu et al., 2020).

influenced decision-making primarily by facilitating social learning about insurance benefits rather than by transmitting the influence of friends' purchasing decisions. However, since the study was conducted within a single season through village networks, it raises questions about the long-term effects of social learning and its mechanisms, specifically, whether farmers also learn from their friends' experiences with the product, in addition to its benefits. Furthermore, if village networks were replaced with tiered network communities such as agricultural cooperatives or microcredit groups, how would social networks influence adoption?

We conducted RCTs with 729 farmers in 44 Village Savings and Loan Associations (VSLAs) in Vietnam over three rice-cropping seasons to explore the effects of social networks on the long-term uptake of crop insurance. Because farmers are connected via VSLAs, defaults due to crop failure could threaten the sustainability of the groups. Thus, they can be influenced by the decisions of other members. We examined the effects of social networks by investigating the effects of observing network uptake and payouts on farmer uptake.

In contrast to Cai et al. (2015), our analysis showed a significant effect of friends' decisions on farmers' uptake during the first season when crop insurance was introduced for the first time. Conformity is a possible mechanism of this effect. However, the effect was only short-lived and diminished in subsequent rice-cropping seasons. Additionally, we found a substantially positive effect of insurance payout experience on uptake. Not only receiving their own payouts but also observing others' payouts in the farmer network increased future uptake, highlighting the role of social learning. This payout effect was driven by increased insurance knowledge and greater trust in insurance providers.

#### Research design

#### Village Savings and Loan Associations (VSLAs)

VSLA is an informal, self-selected group of people, mainly women, who pool their money into a fund from which members can borrow. The money is paid back with interest, enabling the growth of funds. This model was first developed by CARE International in Nigeria in 1991, and has spread to 77 countries with approximately 20 million members. At the study site, Lai Chau Province, Vietnam, VSLAs were first introduced in January 2019. It was established at the village or hamlet level, with most members comprising poor ethnic minority women.

The promotion of crop insurance via VSLAs can bring two remarkable advantages to studying the subsequent uptake of insurance. First, monthly (or bimonthly) meetings of the VSLAs can facilitate social learning among farmers. During meetings, members can share information about crop insurance, natural disasters, and payouts. For a product with stochastic benefits, such as crop insurance, insured

farmers may not necessarily experience benefits (i.e., insurance payouts) if indemnity conditions are not triggered. Thus, it is necessary to facilitate farmers' learning of product benefits and increase their long-term uptake. Second, the strong social networks of VSLA members can influence crop insurance uptake. As members are connected to VSLAs, a member's crop failure can affect the savings and borrowing of VSLAs. Therefore, a farmer's decision to acquire crop insurance can be influenced by the decisions of other farmers within the VSLA network.

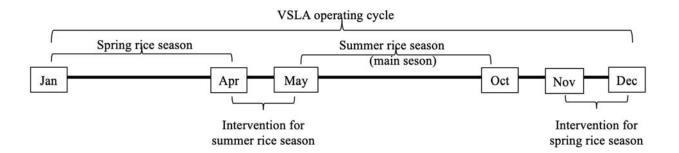
#### Crop insurance product

To promote agricultural insurance, especially for ethnic minority farmers living in mountainous regions, CARE International- an NGO collaborated with the Provincial Women's Union in Lai Chau Province to introduce yield-based insurance for rice production since December 2021 via VSLAs. Only rice farmers who are VSLA members are eligible to participate in the insurance. The insurance premium is 60,000 VND per unit, per season (approximately 2.5 USD). The insurance payout is 300,000 VND per unit, per season (approximately 12.5 USD). Farmers are eligible to receive payouts if the affected area of the rice seedling paddy or rice paddy is at least 50% of a plot due to natural disasters, as defined by the Law on Disaster Prevention (Decree No. 02/2017/ND-CP, dated January 9, 2017). The affected area is assessed by a committee composed of leaders of the communal women's union and VSLA leaders.

Similar to any yield-based insurance product, moral hazards and adverse selection may occur. However, moral hazard should not be a major issue in this context because the maximum payout is lower than the expected profit, and the farmer must suffer from natural disasters to trigger the payout. Moreover, if other VSLA members detect a liar, they lose the trust of the community, which affects their future loans and social activities. We also run an OLS to detect any association between premium payments and payout received in the first season, results show small and insignificant. One concern with adverse selection is that farmers with plots with more risk of encountering natural disasters may have a high incentive to purchase crop insurance. We estimated the correlation between the experience of natural disasters in the last five years and the take-up of crop insurance in the first season. We found a small but insignificant correlation.

#### Design of the experiment

We collaborated with the Thai Nguyen University of Agriculture and Forestry (TUAF), CARE International, and Lai Chau Women's Union to conduct the experiments. Timeline and seasonality are presented in the following graphs. As crop insurance was introduced to farmers immediately after harvesting, liquidity constraints might not be a problem preventing their members from participating in crop insurance.



The baseline survey was conducted in October and November 2021. In the first season, we conducted the experiment in April and May 2022 (before planting rice seeds in the summer rice season of 2022). The 44 VSLAs were stratified and randomly assigned to two groups.

- Pure control group (including 14 VSLAs): All members of this group received a 50% crop insurance premium subsidy (Group C).
- Treatment group (including 30 VSLAs): All members of this group would randomly receive a 50% crop insurance premium subsidy (Group T1) or a 100% crop insurance premium subsidy (Group T2) by lottery onsite.

After running the experiment, each member was individually asked about their intention to take crop insurance. They had four weeks to decide whether to adopt crop insurance. The final decisions were collected at VSLA meetings by VSLA leaders.

Unlike the intention to uptake which showed an insignificant difference between groups T1 and C, we found a statistical difference in real uptake. Crop insurance uptake in group T1 increased by 18.0 percentage points compared with that in group C. As farmers in groups C and T1 received the same subsidy (50%), this result provides evidence of a spillover effect from fully subsidized farmers (T2) to 50% subsidized farmers (T1). We tested possible channels of spillover effects: changes in knowledge or risk perception, and the influences of network choices. We found no changes in insurance knowledge and risk perception regarding the possibility of future disasters. However, we detected a significant positive influence of VSLA leaders and friends' uptake on farmers' uptake. The findings from the first season supported conformity when crop insurance was initially introduced to farmers.

Our findings contrast with Cai et al. (2015), who found that social networks influenced decision-making primarily through social learning about insurance benefits rather than peer purchase influence. In their study, networks were defined as the proportion of village friends invited to an intensive information session on weather insurance. In this study, we examined tiered network communities—VSLAs. We found that farmers' initial decisions were driven by conformity rather than social learning. This raises key questions: How long does network influence persist? And how do networks shape long-term adoption? We address these using an experimental dataset across multiple rice-cropping seasons.

In the second season, a lottery was conducted at the household level to identify the premium subsidy (100%, 67%, and 50%) for each VSLA member in November and December 2022. In the third and fourth seasons, we ran a similar experiment to the second season, but removed the full premium subsidy level and kept only two levels: 67% and 50%. Knowledge tests for crop insurance and risk perception were conducted before the lottery.

To explore the influence of social networks on crop insurance adoption, we first investigated the effects of network uptake on farmer uptake. To collect network data, we asked each rice farmer to list five friends (from five households) in VSLAs with whom they or their families often discussed agricultural production and financial issues2. We measured the network uptake in each season by considering the proportion of friends in one's social network who adopted crop insurance in the corresponding season. As network uptake is an endogenous variable, we instrument it with a full network subsidy, which is the proportion of friends in one's social network who receive a full subsidy.

The results indicate that network uptake has a positive and significant impact on insurance uptake only in season 1. However, this effect diminished and became insignificant in subsequent seasons. As mentioned in the study setting, farmers have no experience with crop insurance products and are linked via VSLAs. Thus, their decisions are easily influenced by their friends' decisions when a product is first introduced. After experiencing the product, network uptake did not significantly influence the farmers' uptake.

To investigate the effects of social learning, we examine the effects of network payouts on farmers' crop insurance uptake. The results show the substantial effects of recent-lagged network payouts. Longer–lagged network payouts have a small and significant effect on farmers' uptake. We also observed self-learning effects based on our payout experiences. Unlike network payouts, both longer-lagged and recently lagged own payout experience significantly influenced current uptake.

Through knowledge tests, risk perception questionnaires, and trust experiments, we explored the mechanism of payout effects by increasing trust in insurance providers and knowledge about crop insurance.

Overall, this joint study contributes to the theoretical framework of observational learning by providing empirical evidence of conformity and social learning in the context of crop insurance adoption. We investigated these effects and explored their mechanisms and their longevity. As this is an ongoing research, we welcome all comments, questions, and suggestions (please send emails to vu.hathu.5v@kyoto-u.ac.jp).

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<sup>&</sup>lt;sup>2</sup> We refer to Cai et al. (2020).

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# Development Economists' Careers in Academia and Policy Institutions<sup>3</sup> Manabu Nose Associate Professor, Keio University

#### 1. Introduction

The field of development economics presents researchers with unique and diverse career opportunities in academia and policy institutions. It is essential for early-career PhD economists to understand the fundamental differences between these two paths. After completing my PhD at Brown University, I have spent approximately 14 years working with the International Monetary Fund (IMF) and the World Bank while also having the opportunity to teach in academia. Based on my own past experiences, this article discusses (1) the differences between research conducted in academia and that in policy institutions and (2) how development economists can engage in academic research while actively participating in actual policy formation.

Traditionally, PhD candidates in economics have prioritized careers in academia, often due to concerns about limited career mobility between academic and non-academic sectors. As discussed by Foster, McEntarfer, and Sandler (2023), this perspective can lead many to view their career choices as binary. However, in reality, the work performed in universities and public policy institutions is often closely interconnected, enabling a rich career trajectory that encompasses both realms.

Moreover, as a global trend, the application of economic theories and empirical tools has extended beyond academic research to business, data science, economic forecasting, and policy making. The job market reflects this trend, with a significant number of PhD economists recruited by Tech companies (Athey and Luca, 2019). The demand for economists in non-academia has been robust, with approximately half of PhD economists now starting their careers in the private or public sector in the United States (Foster, McEntarfer, and Sandler, 2023).

#### 2. Research in International Organizations: Differences from Academia

Academic research is characterized by an emphasis on in-depth and rigorous hypothesis verification as well as the advancement of new theories and methods. However, there are significant differences in the purpose and goals of research conducted in international organizations. Research in these organizations primarily focuses on generating policy-relevant findings that can inform policy design and facilitate discussions with governments. Nevertheless, this policy research often utilizes the novel methodologies developed in academia.

<sup>&</sup>lt;sup>3</sup> This article is my personal view and does not reflect the official views of international organizations.

#### **Research Themes**

Research themes in international organizations are dynamic and change in response to the priority issues of the international community at the time. In recent years, focal areas have included the macroeconomic impact of the COVID-19 pandemic, climate resilience, digitalization, debt, and geoeconomic uncertainty. This wide range of themes spans multiple fields. In this sense, there is a large potential field in which development economists can play an important role.

For example, the IMF has recently experienced a surge in research and technical assistance needs from developing countries on sector-specific topics such as climate risk and digitalization (IMF 2023, 2024a). In response to this growing demand, there has been an increase in the recruitment of new staff specializing in these newly emerging fields. The introduction of artificial intelligence (AI) has raised new concerns regarding the potential risks to the fiscal, labor, and financial markets. The IMF's Fiscal Affairs Department, in which I worked, has been actively conducting empirical research in this area, including the launch of a working group focused on government digitalization (GovTech) and AI (Amaglobeli et al., 2023; Brollo et al., 2024; IMF 2024b; Nose and Honda, 2023; Nose, 2023; Nose, Pierri, Honda 2025).

For academic researchers, much of the research conducted by international organizations may appear somewhat naïve, as it often tends to emphasize policy implications for relatively broad research questions. On the other hand, policy research by international organizations comprehensively covers pressing issues currently faced by the international community and presents insight on policy challenges from various perspectives. In this sense, it can be seen as complementary, as it provides a variety of ideas for researchers to delve deeper into their studies.

#### **Analytical Methodologies**

In policy discussions at international organizations, it is essential for researchers to be well-versed in the basics of economic theory and deliver clear presentations based on this knowledge for effective communication with governments. Economists in international organizations, like academic researchers, need to continuously update their knowledge and skills regarding the latest economic theories and novel empirical methods to enhance their analytical competitiveness for career progression.

However, the types of analytical methods employed in research vary among international organizations. The World Bank and regional development agencies (e.g., Asian Development Bank and Inter-American Development Bank) often conduct impact assessments based on field surveys and experiments at the household and firm levels, which are prevalent in microdevelopment economics. In contrast, discussion at the IMF has traditionally developed based on general equilibrium macroeconomic models and theories of international finance. In this context, a culture preferring

model-based theoretical approaches remains. Despite such differences, macro- and micro-development research skills are useful across organizations. For example, while not at the level of field surveys or experiments, IMF works also involve unique national-level surveys conducted in collaboration with other organizations, such as those related to tax administration practices (the International Survey on Revenue Administration). In addition, impact assessments using microdata are gaining importance and, in some cases, have been published in academic journals (Bellon et al., 2022) utilizing anonymous administrative data on taxpayer records for specific countries.

Recently, similar to the World Bank and the Asian Development Bank, the IMF has increased its emphasis on leveraging big data for policy evaluation and design (IMF, 2017). Since 2019, international organizations have partnered with Tech companies to create a platform called "the Development Data Partnership," which aims to utilize third-party data to address data gaps in international development.<sup>4</sup> At the IMF, proposals for research projects utilizing big data were solicited internally, and after voting by all staff, the winning group of the competition was given the initiative to proceed with research as part of their work and to promote the use of their deliverables (e.g., databases) as a public good for policymaking.<sup>5</sup>

The use of AI technology in research and internal policies has attracted considerable attention. For example, the IMF (2024c; 2025) has utilized large language models (LLM) to extract information on various economic reforms (including pension and energy subsidy reforms and product market regulation reforms), as documented in reports by the Economist Intelligence Unit (EIU) or IMF country reports. The use of LLM helps systematically extract information on the episodes, timing, and content of reforms as well as social and government reactions to such reforms. Based on an established database, the papers adopt a data-driven approach to analyze the social acceptability of reforms or estimate their economic impact using event-study methods. A similar AI-based approach could be applied to various policy evaluations. As one of my ongoing research projects (Atsebi, Gueorguiev, Nose, forthcoming), we apply the LLM to build a database of historical tax policy and tax administration reforms and identify their effects on domestic tax revenue mobilization based on our initial findings presented in Adan et al. (2023). Broadly, the assessment of macroeconomic policies requires an identification strategy to address the endogeneity associated with policy interventions. I anticipate that empirical research using narrative evidence with AI is expected to increase in the near future.

#### 3. Employment in International Organizations

<sup>&</sup>lt;sup>4</sup> See <a href="https://datapartnership.org/about/">https://datapartnership.org/about/</a>.

<sup>&</sup>lt;sup>5</sup> While utilizing big data has advantages in terms of observing granular economic activity and more frequent data that cannot be tracked by traditional economic statistics, unresolved issues remain regarding the quality of the data when used in conjunction with traditional economic official statistics.

There are various entry points for starting a career at an international organization, such as programs that recruit new economics PhDs, mid-career professionals, short-term or extended-term consultants, and internships for predoctoral students. During recruitment, academic analytical skills, qualifications (including journal publications and working papers), and professional experience will be evaluated to assess the quality of economists. Even after entering these organizations, international organizations are typically large entities segmented into various departments, each specializing in different themes or regions.

At the beginning of their careers, many economists experience various departments through internal transfers, although there are also career paths that focus on specific expertise. Additionally, programs exist that allow staff to gain experience outside the organization, such as secondments or study leaves, enabling professionals to cultivate diverse careers.

#### 4. Balancing Career Development in International Organizations

Based on my own experience, I would like to share my personal views on the rewards and challenges of pursuing a long-term career as a researcher at an international organization.

#### The Rewards

- 1. **Understanding Policy Impacts**: The primary mission of international organizations is to support and respond to the needs of client country governments. A thorough understanding of basic economic theory, evidence from previous literature, and international best practices are crucial for designing effective policy guidance. Through serious policy dialogue and technical assistance, researchers gain insight into the practical implications of textbook economic theories at the policy level. Such experience not only deepens our understanding of real-world economic challenges but also enhances the impact of our research.
- 2. Frequent Collaboration with Academia: Another rewarding aspect is the opportunity to actively collaborate with renowned academic researchers. For example, during the preparation of major flagship reports (e.g., the World Economic Outlook and Fiscal Monitor), brownbag seminars were held to engage with leading researchers in the field. A significant advantage of working at an international organization is the abundance of opportunities such as this on a regular basis.

#### The Challenges

1. **Research Themes**: One potential challenge that researchers may encounter is limited opportunity to devote time to basic research and to research that develops cutting-edge theories or econometric methods. As previously mentioned, research conducted at international organizations often prioritizes applied work that addresses pressing policy issues. Although

individual-level research proposals are also accepted, themes with significant policy relevance take precedence, making it less common to conduct basic or cutting-edge theoretical academic research.

2. **Time Management for Research**: Balancing policy work with research can sometimes be challenging. Urgent policy demands often take priority; however, there is seasonality in policy work that allows dedicated research time during lean periods. Many colleagues at the IMF successfully publish in well-known academic journals by effectively managing their time and leveraging research projects within the organization.

#### 5. Conclusion

The landscape of policy and research work in international organizations is broader and more diverse than initially perceived. At each career stage, the choice of whether to focus on academia or an international organization ultimately depends on the individual's career priorities. However, active interactions between these fields suggest that they need not be viewed as mutually exclusive. Based on my past experiences in both international organizations and academia, I believe that it is worth exploring a career that integrates these two paths.

Understanding the real-world context of policy design and implementation is invaluable for identifying significant issues and generating interesting research questions. This policy experience allows us to bridge the gap between theoretical research and actual policy design. Therefore, I firmly believe that gaining experience in both policy practice and theoretical research is essential for addressing policy challenges in developing countries.

Working in an international organization is rewarding and intellectually stimulating. I encourage researchers interested in this field to explore these opportunities and embrace the challenges that they present. If you have any questions or require further information, please feel free to reach out.

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# A potential partnership with the Africa Urban Lab (AUL) Matthew McCartney Head of Research at the Africa Urban Lab (AUL)

The African School of Economics (ASE) was established by famous Princeton economist Professor Leonard Wanchekon <a href="https://lwantche.scholar.princeton.edu/">https://lwantche.scholar.princeton.edu/</a>. The ASE have campuses in Benin, Cote D'Ivoire, and Nigeria <a href="www.africanschoolofeconomics.com">www.africanschoolofeconomics.com</a>, and since 2024 a new campus in Zanzibar, Tanzania — the African School of Economics-Zanzibar (<a href="www.asezanzibar.com/">www.asezanzibar.com/</a>). The Africa Urban Lab (AUL) is the first research center at ASE-Zanzibar focused on cities and rapid urbanization across Africa (<a href="www.aul.city">www.aul.city</a>). The AUL will be followed by Engineering, Economics, Social Sciences and others.

The inaugural management team of the AUL comprises scholars from Oxford University, the London School of Economics, John Hopkins University, and Berlin University. The AUL received a generous start-up grant from a US foundation which allowed us to welcome our first batch of 38 students to study for a Professional Diploma in African Urban Development in November 2024, an MSc in Urban Development comes next.

The AUL has established a good network of partner Universities in Africa including Dar Es Salaam and Ardhi Universities (Tanzania), Makerere (Uganda), Nairobi University (Kenya), Copper Belt University (Zambia), SUZA (Zanzibar), and Addis Ababa University (Ethiopia). After this we are very keen to build a link with several Japanese Universities.

The AUL are looking to establish partnerships with Universities or institutions from Japan who would be interested in building their AFRICA STUDIES and/ or URBAN STUDIES, who were interested in recruiting more African students to study in Japan, and in participating in joint seminar series, staff exchanges, in using the beautiful ASE-Zanzibar campus by the ocean as a base for doing research in Africa, and in collaborating in a grant applications to JICA or similar to strengthen the partnership.

If you are interested in receiving more information or taking this conversation future please contact Professor Matthew McCartney at <a href="matthew.mccartney@aul.city">matthew.mccartney@aul.city</a>.



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