CHARLES UNIVERSITY

FACULTY OF SOCIAL SCIENCES

Center for Economic Research and Graduate Education

Essays in Development Economics

2025 **Trang Thanh Tran**

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Dissertation

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Dissertation Committee:

Andreas Menzel (University of Padova, Chair)

Abstract

This dissertation investigates how individuals in developing countries adjust to policy reforms and social shocks, with a focus on labor market outcomes and subjective well-being. Using case studies from Vietnam and Kyrgyzstan, I examine both regulation changes and sudden disruptions, highlighting the dynamics between institutional design, labor market structure, and individual resilience.

In the first chapter, I study Vietnam's 2008 introduction of differentiated minimum wages, documenting short-term declines in formal employment but long-term increases in total employment driven by informal sector growth. In the second chapter, I analyze the 2012 unification of minimum wages for domestic and foreign firms, showing that the reform boosts foreign firm employment growth and has positive spillover effects for domestic firms in districts with higher intensity of foreign direct investment. The third chapter, co-authored with Azizbek Tokhirov and Riga Qi, explores both the short and long-term effects of displacement from the 2010 inter-ethnic violence in Kyrgyzstan, revealing persistent reductions in well-being that take years to recover, especially for those without social support from friends or family.