Faculty of Social Sciences
Charles University

Record of the dissertation thesis defence

Academic year: 2025/2026

Student's name and surname:	Trang Tran Thanh
Student's ID:	79157185
Type of the study programme:	doctoral
Study programme:	Economics and Econometrics
Study ID:	597460
Title of the thesis:	Essays in Development Economics
Thesis department:	(23-CERGE)
Language of the thesis:	English
Language of defence:	English
Supervisor:	Andreas Menzel, Ph.D.
Reviewer(s):	Tim H. Gindling, Ph.D.
	Anik Ashraf, Ph.D.
Date of defence:	11.02.2026 **Venue of defence:** Praha
Attempt:	regular

Examination proceedings:

The Defense Committee Chair initiated the defense by issuing verbal statements confirming that (i) a satisfactory number of Defense Committee Members were present, and (ii) the student Trang Tran Thanh fulfilled all requirements listed in the Study and Examination Code of Charles University. The student was introduced by the chair of her dissertation committee, Andreas Menzel. After the introduction, Trang Tran Thanh presented her dissertation “Essays in Development Economics", including its empirical models, datasets and estimation methodologies, and the related findings.
After the presentation the main referee comments were read, which was followed by an open discussion. During the discussion Trang Tran Thanh satisfactorily answered the questions raised by both referees (she submitted all answers in written form to the Defense Committee) and by the audience:

Štěpán Jurajda: Could intensive-margin changes be double-counted? For example, when an individual previously worked on an informal job but now works for a few hours in a formal sector job.
Answer: I focus only on the primary job in the data. Therefore, the situation where someone also works a few hours in a secondary job does not affect my employment measure.

Štěpán Jurajda: How binding was the minimum wage for firms? Also, in the spillover exercise, how is the increase in domestic firms consistent with the argument that domestic firms lose competitive advantage to foreign firms after the reform?
Answer: The minimum wage was more binding for foreign firms than for domestic firms. The domestic-firm minimum wage level was

relatively low, so domestic firms could pay less. However, after the reform, there is compression in the wage distribution.

Štěpán Jurajda: If domestic firms lose their advantage, how can there be more domestic firms?
Answer: Even if domestic firms lose some advantage through higher labor costs, other advantages may dominate. Spillovers such as technology adoption or knowledge transfer may benefit domestic firms. For example, workers may learn in foreign firms and then move to domestic firms, or foreign firms may force domestic firms to adopt higher standards. This can support domestic firm entry despite the loss of some advantage.

Štěpán Jurajda: In the first paper with the introduction of regional minimum wage levels, is there evidence that the regional variation in how binding the minimum wage is across areas has gone down? In other words, did they get those levels correctly?
Answer: Regional minimum wage levels are decided by the central government (not local authorities) based on the representative labor body. However, the decision is also based on economic conditions. This raised concerns of one of the referees about reverse causality, but there are several reasons why this is less concerning:
1.My analysis checks for parallel trends.
2.Even if the decision is based on overall economic conditions, if higher minimum wage level is set for highly developed regions, we cannot say that higher minimum wage causes higher employment.

Štěpán Jurajda: You show positive employment effects of higher minimum wage. Is this consistent with monopsony or some other model explaining short-run positive employment effects?
Answer: Yes, this is consistent with monopsony. The monopsony framework, discussed in settings with two sectors, can be used to frame the results and interpret the employment effects, and I plan to develop this in future iterations.

Alena Bičáková: I wanted to ask the same question. So, if it is a monopsony, do you expect an increase in the formal or the informal sector? Do we know what is happening with wages in the formal sector?
Answer: Actually, I did not include it here, but I do have data about informal income. I show that people who work in the informal sector sometimes look for several jobs, and probably it is not a precise measure, but the income results suggest that informal-sector income is likely to increase after the reform. Formal-sector income is slightly lower, which I interpret as reflecting fewer hours worked than before. Overall, I interpret this as an income effect.

Štěpán Jurajda: You discuss how binding the unification of minimum wage across ownership types is. It seems you could measure treatment intensity using the firm's share of workers under the new minimum wage as an alternative identification strategy using firm-level variation. Is this something you considered?
Answer: The data do not allow this. I will try to find more accurate variables to capture this.

Štěpán Jurajda: Your analysis fits into the literature on interactions between domestic and foreign-owned firms. You look at mobility in Chapter 1—do you plan to study this further when submitting Chapter 2 to journals?
Answer: Yes. I would like to use another dataset, but I would need a full model clarifying what information channel I am testing. The spillover effect could happen because of mobility, but I do not currently have the required data.

Štěpán Jurajda: In Chapter 3, you introduced some instrumental variables based on distances; some of them are at the location level, and some at the individual level. From the graph that you displayed, it was not clear whether this is an RDD story, it was not clear what was the share of different entities that have been affected by this displacement. Can you discuss these instruments based on geographical proximity?
Answer: I have all the statistical tables at the end of the thesis. First thing about IV is that if you are living close to the main road or to the market, you are more likely to be exposed. Another IV is the distance to the place. If you are close to the place, like a school or a hospital, you are less likely to be exposed. The last one is the DiD approach at the community level. The survey is a small sample but representative of the whole country. In the results, we can see that it is about the characteristics of people.

Štěpán Jurajda: There are two distinct value-added contributions: estimating effects of short-term displacement using location-specific instruments and (ii) connecting to the literature on avoiding persecution thanks to social capital. It could be interesting to show similar patterns here, though social capital likely cannot be used as an instrument because it can change behavior directly. The Holocaust literature might be worth citing.

Alena Bičáková: You measure the impact of displacement on well-being. To what extent do you also capture the effect of a loss of a family member, relative or a friend?
Answer: Unfortunately, we do not have the information on the data, so, yes, it can be also part of the estimated effect.

Alena Bičáková: You were surprised the impact was the same for men and women — were there differences in levels?
Answer: We focus only on the size of the effect. Typically, women are considered more risk-averse and might respond differently, but we do not see this here, possibly because the horizon is short-term.

Alena Bičáková: Did you examine heterogeneity by age?
Answer: No, due to sample size constraints, but we can do robustness checks.

Result of defence:	pass (P)	
Chair of the committee:	Jurajda Štěpán, prof. Ing., Ph.D. (present)	.....
Committee members:	Pokorná Bičáková Alena, Mgr., M.A., M.Phil., Ph.D. (present)	.....
	Galuščák Kamil, PhDr., Ph.D. (present)	.....