

# ERIK S. KATOVICH

427 Lorch St., Madison WI, USA 53706

✉ ekatovich@wisc.edu     ekatovich.github.io    ☎ 763-732-9813

## EDUCATION

---

**University of Wisconsin-Madison**

*2017-present*

PhD Candidate in Agricultural and Applied Economics

MS in Agricultural and Applied Economics

**Universidade Estadual de Campinas (Unicamp)**

*2016-2017*

Fulbright Research Fellow

**University of Minnesota-Twin Cities**

*2015*

BS in Economics, *summa cum laude*, *Phi Beta Kappa*

## RESEARCH FIELDS

---

Development Economics, Resource Economics, Political Economy

## JOB MARKET PAPER

---

**The Presource Curse: Anticipation, Disappointment, and Governance after Oil Discoveries**

**Abstract:** Major resource discoveries may cause governments and politicians to alter their behavior based on expectations of future revenues. Yet discoveries often fail to pan out. Do public spending and political competition increase in anticipation of future windfalls? Are there long-term consequences of disappointed expectations? I test for subnational evidence of this “Presource Curse” following a wave of offshore oil discoveries in Brazil between 2000-2017. I exploit a quasi-experiment created by Brazil’s formulaic sharing rules for oil and gas revenues, which allow municipal governments to predict whether they will benefit from exogenous offshore discoveries. Drawing on an original geolocated dataset of 179 major discovery announcements, I use event studies to estimate dynamic effects of discoveries on municipal public finances, public goods provision, political competition, and firm entry and hiring. To explore the effects of disappointment, I build a model of offshore oil production and royalty allocation to forecast each municipality’s expected revenue stream after discovery announcements. I find that disappointment was widespread: only 18 of 48 municipalities affected by discovery announcements between 2000-2017 realized even half their forecast revenues. Municipalities do not exhibit rapid anticipatory responses to discovery announcements, but ten years after a discovery, municipalities where production met expectations enjoy significant increases in revenues (+75%) and spending (+21%) relative to never-treated controls. These places do not, however, show improvements in public goods provision. Disappointed municipalities experience reduced per capita investment (-57%) and education and health spending (-26%) ten years on, suggesting these places are worse off than control municipalities that never received a discovery. Local political competition intensifies after discovery announcements, but patronage is unaffected.

## WORKING PAPERS

---

**Are Workers Cursed by Resources? Earnings, Education, and Inequality through Oil Boom and Bust** (*with Dominic Parker and Steven Poelhekke*)

**Abstract:** How are workers’ careers shaped by exposure to a volatile natural resource sector? Drawing on employer-employee linked panel data covering the universe of formal workers in Brazil between 2003-2017, we identify workers who are poached or newly hired into oil-linked sectors (direct, upstream, and

downstream) during periods of oil boom (2006-2013) and bust (2014-2017). Using event studies, we estimate dynamic effects of exposure to the volatile oil sector on wages, employment, skill formation, and lifetime formal earnings, relative to (extremely) closely matched counterfactual workers who are poached or newly hired into other sectors at the same time. Results show that timing of entry into oil matters: workers hired into oil-linked sectors at the beginning of Brazil's oil boom earn significantly more than matched workers hired into other sectors; workers hired immediately prior to the bust period suffer significant earnings and employment penalties. Furthermore, exposure to the oil sector exerts dramatically heterogeneous effects on workers of differing education levels. High education workers earn more during boom years and are retained by firms during the bust. Lower education workers never enjoy significant gains during the boom and are laid off by firms during the bust. Exploiting an original complementary dataset on oil-linked graduates from higher education programs in Brazil, we document that the oil boom period was accompanied by a boom in oil-linked skill formation, largely driven by growth in private-sector technical training programs.

### **Local Politicians, Special Interests, and Deforestation in the Amazon**

*(with Fanny Moffette)*

**Abstract:** When economic incentives to clear land for agriculture run up against centralized efforts to combat deforestation, do local politicians intercede to promote their own economic interests or those of their campaign supporters? How does the behavior of local politicians and special interest groups change when centralized enforcement efforts are relaxed? By combining comprehensive land registries for the Brazilian Amazon, data on local political candidates and campaign donors in five municipal elections between 2000-2016, and satellite data on deforestation and land use, we construct an original panel dataset of annual tree cover loss on properties belonging to political candidates and campaign donors in the Brazilian Amazon between 2000-2020. Drawing on this dataset, we estimate event studies around close municipal elections to explore whether landowning candidates increase deforestation on their own properties before or after winning an election, and whether successful candidates reward landowning donors by allowing them to deforest more. Our findings inform debates over the decentralization of resource governance, elite capture, and resource conservation policy.

### **WORK IN PROGRESS**

---

Can Natural Resources Promote Industrialization? Firms, Competition, and Spillovers from an Industrial Policy in Brazil

Creating Knowledge Economies: Innovative Firms and Skilled Workers After a Nation-Wide University Rollout *(with Ana Paula Melo)*

### **PEER-REVIEWED PUBLICATIONS**

---

The Relation Between Labor Productivity and Wages in Brazil: A Sectoral Analysis. *Nova Economia*, Vol. 28, No. 1, pg. 7-38 (2018). *(with Alexandre Gori Maia)*

Are GMO Policies "Trade Related"? Empirical Analysis of Latin America. *Applied Economic Perspectives and Policy*, Vol. 39, No. 2, pg. 286-312 (2017). *(with Pamela Smith)*

### **OTHER PUBLICATIONS**

---

What Do We Really Know About the Impacts of Improved Grain Legumes and Dryland Cereals: A Critical Review of Impact Studies, *ICRAF Working Paper Series*, No. 295, World Agroforestry-Nairobi (2019) *(with Kai Mausch, Karl Hughes, Michael Hauser, and Andrew Feist)*

## TEACHING EXPERIENCE

---

Teaching Assistant, *Growth and Development of Nations in the Global Economy* Fall 2018  
Received University-wide *Early Excellence in Teaching Award*

## RESEARCH EXPERIENCE

---

**Research Assistant to Paul Dower, Emilia Tjernström, & Laura Schechter** 2019-Present  
Department of Agricultural and Applied Economics, UW Madison Madison, WI

**Visiting Researcher** June-August 2019  
Institute of Economics, Federal University of Rio de Janeiro Rio de Janeiro, Brazil

**Impact Evaluation Fellow** June-August 2018  
World Agroforestry Center (ICRAF) Nairobi, Kenya

**Technical Training Grantee** January-July 2017  
Unicamp, São Paulo Research Association (FAPESP) Campinas, Brazil

**Fulbright Research Fellow** February-December 2016  
Center for Agricultural and Environmental Economics, Unicamp Campinas, Brazil

**Field Survey Coordinator** June-August 2014  
Winrock International-Nepal Kathmandu, Nepal

**Undergraduate Research Assistant to Pamela Smith** June-December 2012  
Department of Applied Economics, University of Minnesota St. Paul, MN

## OTHER PROFESSIONAL EXPERIENCE

---

**Bilingual Immigrant Legal Services Assistant** September-December, 2015  
International Institute of Minnesota St. Paul, MN

**Refugee and Immigrant Program Intern** (asylum-seeker interviews) June-December 2013  
The Advocates for Human Rights Minneapolis, MN

## CONFERENCES AND PRESENTATIONS

---

**2021:** LACEA (Planned), APPAM (Planned), Universidad de San Andrés (Buenos Aires, Argentina), AAEA (Austin, Texas), AERE (Online), WEAI (Online); **2019:** Hoover Institution (Washington D.C.); **2017:** ANPEC (Natal, Brazil); **2016:** COES-LSE (Santiago, Chile)

## GRANTS AND FELLOWSHIPS

---

Doctoral Research Travel Grant, UW Madison (\$1500) 2021  
Tinker Nave Latin American Studies Field Research Grant, UW Madison (\$2300) 2019 & 2021  
IRIS Graduate Student Summer Fieldwork Award, UW Madison (\$3,000) 2019  
University Graduate Fellowship, UW Madison (\$34,500×2) 2017 & 2020  
Technical Training Grant, São Paulo Research Association (FAPESP) (\$1,000) 2017  
Fulbright Research Grant to Brazil (\$16,000) 2016  
Undergraduate Research Opportunity Grants (\$1,700×2) 2012 & 2014

## AWARDS, MEMBERSHIP, AND SERVICE

---

### Awards

Bromley Prize for Best Dissertation Paper, UW Madison AAE	2021
Early Excellence in Teaching Award, UW Madison	2020
Best Undergraduate Thesis, Minnesota Economic Association	2015
Gorence Endowed Scholarship in Economics, U of MN Economics	2013 & 2014
Presidential Merit Scholarship, U of MN	2011-2015
National AP Scholar	2011
National Merit Scholar	2011

### Membership

Affiliate, Elections Research Center, UW-Madison	2021-present
Affiliate, Latin American, Caribbean, and Iberian Studies, UW-Madison	2020-present
Latin American and Caribbean Economic Association	2021-present
Agricultural and Applied Economics Association	2020-present
Association of Environmental and Resource Economists	2020-present

### Service

Graduate Student Representative, Dept. of Agricultural and Applied Economics	2020-2021
Syllabus Diversity Review Committee, Dept. of Agricultural and Applied Economics	2020-present
Coordinator, Development and Political Economy Workshop, UW-Madison	2020-2021

### Refereeing

*Latin American Research Review*

## LANGUAGE AND COMPUTER SKILLS

---

**Languages:** English (native), Portuguese (fluent), Spanish (fluent)

**Computer Skills:** Stata, R, L<sup>A</sup>T<sub>E</sub>X, SurveyCTO, Git

## REFERENCES

---

### Ian Coxhead (Main Advisor)

Professor  
University of Wisconsin-Madison  
Phone: + 1 608 262 6390  
Email: ian.coxhead@wisc.edu

### Dominic Parker

Associate Professor  
University of Wisconsin-Madison  
Phone: + 1 608 262 8916  
Email: dominic.parker@wisc.edu

### Steven Poelhekke

Professor  
University of Auckland  
Phone: +64 9 923 5463  
Email: steven.poelhekke@auckland.ac.nz

### Alexandre Gori Maia

Professor  
Universidade Estadual de Campinas  
Phone: +55 19 3521 5716  
Email: gori@unicamp.br

---

**Last Update:** August 2021