

# DAVID QIHANG WU

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## EDUCATION

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**University of California, Berkeley**  
PhD student in Economics

*2017 - 2024 (expected)*

**Peking University, Beijing, China**  
BA in Economics, BS in Mathematics

*2013 - 2017*

## FIELD OF INTEREST

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Development Economics, Labor Economics, Political Economy, Behavioral Economics

## WORK IN PROGRESS

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**Matching Inefficiency, Recruitment Agencies, and Hiring in Addis Ababa, Ethiopia** (with Sam Wang)

High unemployment and turnover are the two major issues in Addis Ababa, Ethiopia. What prevents firms from employing workers for longer? This project focuses on firms' hiring frictions: On one hand, it is costly to screen many applications for one vacancy, a classic adverse selection problem; On the other hand, firms tend to select applicants who may have better outside options and reject the offer, which leads to a congestion externality. A new type of professional hiring service, employment agencies, can potentially address both frictions. We first design a novel data collection exercise to collect detailed hiring information from 1,000 small and medium firms that are planning to hire. For a random subset of firms, we ask an employment agency to send a qualified worker directly for an interview to test the effect of employment agencies on hiring procedures and hiring outcomes. We design a mechanism test to examine whether agencies decrease adverse selection or congestion.

**Misperceptions of Career Incentives and Turnover: Evidence from Ethiopian Manufacturing Workers** (with Maximiliano Lauletta and Belay Mulat)

High turnover rates are common in manufacturing firms in developing countries. What are the main causes? In this project, we study the effect of misperceptions of long-run career incentives on high turnover rates in one of the major industrial parks in Ethiopia, where 38% of the new workers leave before signing a formal contract. Although 78% of the new hires consider promotion likelihood and upper-level salary as one of the most important job aspects, they have substantial misperceptions of such long-run career incentives. In the first-round baseline survey, we implemented an information treatment on 547 female new hires: for a random subset of the workers, we provided information of average upper-level salary and the share of entry-level workers promoted to the upper level within 6 months. Preliminary results show that treated workers become less biased on the likelihood promotion and average upper-level salary; 12 more percentage points of workers leave the industrial park before signing a formal contract. We plan to run the second-round baseline survey soon.

## WORKING PAPERS

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**Armed Conflict Beyond Methodological Individualism: Bringing the Social Context Back In** (with Gauthier Marchais, Christian Mastaki Mugaruka, and Raúl Sánchez de la Sierra) [submitted]

We present a new perspective on the economics of armed conflict. We analyze the militias of the Democratic Republic of the Congo, their labor market, and their connections to society, by combining a wide range of historical data for 6,809 individuals with data of 707 episodes of armed group village governance, constructed through historical research in 239 villages. First, we find that the militias, who emerged from rural society to protect against violence by actors perceived to be foreign and offer little material rewards, account for 94% of rural violent labor, 36% of violent events, half of village control episodes, and enjoy significant popular support. Second, we show that community demand for security drives militia enrollment, driven by individual nonpecuniary motivations to protect the community, and by social coercion. Third, we analyze the types of people who join militia. Those who join tend to be wealthier, and are more likely to have previously experienced an attack

perpetrated by actors perceived to be foreign. We show that one such attack on the household creates motivations for revenge and protection, whose opportunity cost equals 8 times the yearly p.c. income. The militias are best described as violent social organizations, fueled by community demand for protection and revenge, and resembling, in some cases, violent social movements. Our findings suggest that economic explanations, which emerge from methodological individualism, paint an incomplete picture of armed conflict.

**The Perils of Building States by Force: How Attempts to Assert the States Monopoly of Violence Create Lasting Incentives for Violent Banditry** (with Soeren Henn, Christian Mastaki Mugaruka, Miguel Ortiz, and Raúl Sánchez de la Sierra) [submitted]

We propose a new perspective on the perils of building monopolies of violence. We show that asserting the state's territorial control can give existing armed actors lasting incentives to plunder. We combine data from 239 villages of eastern Congo with quasi-experimental variation induced by the completion of a large military campaign, which asserted the state's exclusive right to tax in targeted villages. After the campaign was complete, and during three years, members of the armed factions previously taxing those villages regularly attacked them. The effect is muted for other perpetrators. Using triangulated data on the purported motive and retrospective household data, we show that the rise is driven by violent theft operations targeting wealthy households, and is muted for retaliatory attacks and for conquest operations. The attack sequence is consistent with a disruption of their prior incentive to refrain from violent theft. Their removal increased material welfare, driven by a decrease of informal taxes, but increased sexual violence and abductions as a byproduct of theft operations. Our findings suggest that strengthening weak states by removing armed actors who have established themselves, tax, and protect, can induce a trade-off between growth and safety.

## CONFERENCES

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Annual Africa Evidence Summit, Kigali, Rwanda	<i>June 2022</i>
AEA annual meeting	<i>January 2022</i>
AEA annual meeting	<i>January 2020</i>
Pacific Conference for Development Economics, USC	<i>March 2019</i>

## AWARDS

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Outstanding GSI award	<i>March 2022</i>
International Growth Center (£19,952)	<i>Spring 2022</i>
Center for Effective Global Action Challenge Grant (\$13,200)	<i>Fall 2021</i>
UC Berkeley Summer Travel Grant (\$4,500)	<i>Summer 2021</i>
ROCCA Pre-dissertation Fellowship (\$4,000)	<i>Spring 2021</i>
The Weiss Fund (\$11,300)	<i>Spring 2021</i>
Center for Effective Global Action Challenge Grant (\$10,000)	<i>Fall 2020</i>
Gender Equity Research Award at UC Berkeley (\$21,000)	<i>Winter 2019, Summer 2020, 2021</i>
Center for Effective Global Action Travel Grant (\$2,800)	<i>Summer 2019</i>

## TEACHING AND RESEARCH ASSISTANCE

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Research Assistant for Raúl Sánchez de la Sierra	<i>2018 - 2020</i>
Graduate Economic Theory (Econ 201B)	<i>Spring 2020, 2021</i>
Economic Theory - Micro (Econ 101A)	<i>Fall 2019, 2020, 2021</i>
Intermediate Microeconomics (Econ 100A)	<i>Spring 2019</i>
Introduction to Economics (Econ 1)	<i>Fall 2018</i>

## LANGUAGES

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Cantonese (native), Mandarin (native), English (fluent), Japanese (intermediate), French (basic), Spanish (basic), Amharic (basic)