# DESIREE A. DESIERTO

W. Allen Wallis Institute of Political Economy University of Rochester 107 Harkness Hall, Box 027-0158 Rochester NY 14627 www.desireedesierto.com ddesiert@ur.rochester.edu

#### Current Position

July 2019 Postdoctoral Associate, Wallis Institute of Political Economy, University of Rochester

#### Education

2013 - 2019	Ph.D. in Political Science, University of Wisconsin–Madison	
	Fields: Comparative Politics, Political Methodology	
	Dissertation: "The Great Development Tradeoff: Corruption vs. Public Goods"	
2013 - 2014	M.A. in Political Science, University of Wisconsin–Madison	
2003 - 2006	Ph.D. in Economics, University of Nottingham	
2001 - 2002	M.Sc. in Development Economics, University of Oxford	
2000 - 2001	M.Ec. in Economics, Macquarie University	
1993 - 1997	B.S. in Business Economics, University of the Philippines, cum laude	

#### Research Interests

Political Economy; Corruption; Institutions.

# Working Papers

"Public Goods, Corruption, and the Political Resource Curse."

When do resource revenues increase corruption? I develop a model of public good provision by a politician who obtains rents by stealing government revenues or extracting bribes in exchange for public goods spending. I show there is a threshold level of revenues below which the politician does not steal, and therefore obtains rents only from bribes. Higher revenues unambiguously increase public goods spending, and decrease corruption (in the form of bribes) if the marginal social value of the public goods is sufficiently high. Above this threshold, revenues have no effect on spending, but unambiguously increases corruption (in the form of theft). Hence, a political resource curse emerges when resources provide 'too much' government revenues — that is, beyond a threshold level that corrupt politicians would credibly spend on public goods.

"Grand Corruption by Public Officials: Measuring Theft and Bribery."

A public official that has discretionary power over the government budget can obtain rents by stealing government revenues or receiving bribe payments in exchange for spending those revenues. When the official steals revenues, she foregoes the bribes she could have earned had she spent the revenues instead. Because theft and bribery are thus jointly determined, a reduced-form approach cannot reveal the extent of corruption, nor the true cost to social welfare. I propose a structural approach in which the direct effect of government revenues on the public official's accumulated wealth measures the rents she earns from theft, while its indirect effect through public spending measures the rents she earns from bribery. I demonstrate the method using

asset declarations of municipal mayors from the Philippines. I find that government revenues increase the mayors' rents from theft, but decrease their bribe-rents to a sufficiently large extent such that total rents decrease.

"The Political Economy of Status Competition: Sumptuary Laws in Preindustrial Europe," with Mark Koyama

Sumptuary laws were an important part of the political economy of premodern states. We introduce a model that rationalizes the use of sumptuary laws by elites to regulate status competition from below. Our model predicts a non-monotonic effect of income – sumptuary legislation initially increases with income, but then falls as income increases further. The initial rise is more likely for states with less extractive institutions, whose ruling elites face greater status threat from the rising commercial class. We test these predictions using a newly collected dataset of country and city-level sumptuary laws.

### **Main Publications**

- 1. "Formal Models of the Political Resource Curse," 2018. *Economics of Governance* 19(3): 225-259.
- 2. "What Resource Curse? The Null Effect of Remittances on Public Good Provision," 2018. Journal of Theoretical Politics, 30(4), 431–450.
- 3. "Prohibition vs. Taxation in Corrupt Environments" (with John V.C. Nye), 2017. Journal of Institutional and Theoretical Economics, 173(2): 239-252.
- 4. "When Do Formal Rules and Informal Norms Converge?" (with John V.C. Nye), 2011. Journal of Institutional and Theoretical Economics 167: 613-629.

# Work in Progress

- 1. "Shipwrecked by Rents: Evidence from the Manila Galleon Trade," with Fernando Arteaga and Mark Koyama
- 2. "Religious Competition & Violence," with Mark Koyama

#### Additional Publications

- 1. "Investment Pricing and Social Protection: A Proposal for an ICESCR-adjusted Capital Asset Pricing Model" (with Diane A. Desierto), 2017. ICSID Review 28(2): 405-419.
- 2. "Judicial Independence: Evidence from the Philippine Supreme Court (1970-2003)," 2015, in *The Political Economy of Governance: Institutions, Democratic Performance and Elections*, eds. Norman Schofield and Gonzalo Caballero. Springer.
- 3. "Stimulating Investment and Growth in the Philippines: The Need for First-Order Market Reforms" (with Geoffrey Ducanes), 2013, in *Asia Rising: Growth and Resilience in an Uncertain Global Economy*, eds. Hal Hill and Ma. Socorro Gochoco-Bautista. Cheltenham: Edward Elgar.

- 4. "Why Do Weak States Prefer Prohibition to Taxation?" (with John V.C. Nye), 2011, in *The Political Economy of Institutions, Democracy and Voting*, ed. Norman Schofield and Gonzalo Caballero. Berlin: Springer-Verlag.
- 5. "2D:4D Asymmetry and Gender Differences in Academic Performance" (with John V.C. Nye, Grigory Androuschak, Garett Jones, and Maria Yudkevich), 2012. *PLoS ONE* 7(10): e46319.
- 6. "Is It Worth Taxing Pirated Products? The Case of Optical Media Discs in the Philippines" (with Karen Annette D. Lazaro and Kevin Thomas G. Cruz), 2010. *Asian Economic Papers* 9(2): 79-112.

### **Invited Seminars and Conference Participation**

- 2019 Tulane University (seminar); George Mason University (seminar); Introduction to the Economics of Religion (conference participant); King's College Political Economy (seminar); Institute for Corruption Studies; Illinois State University (seminar); APSA Meetings (Washington DC); Texas Tech University (seminar); George Mason University, Schar School (seminar); University of Rochester, Wallis Institute (workshop).
- 2018 WSD Handa Center, Stanford University (seminar); APSA Meetings (Boston); University of Kentucky (seminar).
- 2017 University of the Philippines School of Economics (seminar).
- 2014 Workshop on Institutional Analysis, Ronald Coase Institute; International Society for the New Institutional Economics; 3rd International Conference on Political Economy and Institutions.
- 2012 Philippines Update, Australian National University 2nd International Conference on Political Economy and Institutions; Institutions and Development (Discussant), Asian Institute of Management;
- 2011 Workshop on Sustaining Asia's Growth and Investment, Asian Development Bank; Asian Development Review Workshop (Discussant), Asian Development Bank;
- 2010 & Earlier: Philippine Economics Society Meetings, BSP (Central Bank of the Phils.); Workshop on Health, Institutions and Development, University of the Philippines; 1st International Conference on Political Economy and Institutions; Workshop on Institutions and Development, University of the Philippines; International Society for the New Institutional Economics; The Probabilism Sessions, Cournot Centre for Economic Studies; Conference, European Society for the New Institutional Economics; 13th Conference, Dynamics, Economic Growth and International Trade; Spring Meeting of Young Economists; Workshop on Institutional Analysis, Ronald Coase Institute; Conference, Innovation, Entrepreneurship and Growth; KTH Royal Institute of Technology; Conference, Growth and Distribution: On the Nature and Causes of the Wealth of Nations, Lucca, Italy.

### Teaching Experience

Graduate: Microeconomics, Mathematical Economics,

Econometrics, Development Economics (University of the Philippines)

Undergraduate: Economic Statistics (University of Rochester),

Political Choice and Strategy, Understanding Political Numbers,

Research Methods in Political Science (UW-Madison);

Microeconomics, Mathematical Economics,

Econometrics, Development Economics (University of the Philippines);

Macroeconomics (University of Nottingham)

## Refereeing

Journal of Politics; Games & Economic Behavior; Journal of Economics, Behavior, and Organization; Journal of Institutional Economics; Applied Economic Letters; Asian Development Review.

## Fellowships and Awards

2016 -	Research Fellowship, WSD Handa Center, Stanford	
2013 - 2014	Gordon Hoxie Graduate Fellowship, University of Wisconsin-Madison	
2011 - 2012	UPD Faculty Centennial Grant, University of the Philippines	
2005 - 2006	Robert Solow Postdoctoral Fellowship, Cournot Centre for Economic Studies	
2005 - 2006	Visiting Scholarship, St. Edmund's College	
	and Faculty of Economics and Politics, University of Cambridge	
1993 - 1997	University and College Scholarship, University of the Philippines	

## **Previous Appointments**

Aug. 2016 – June 2019	Research Fellow, WSD Handa Center, Stanford University
June 2007 – May 2013	Assistant & Associate Professor, University of the Philippines
June 2005 – May 2007	Lecturer & Senior Lecturer, University of the Philippines

### References

Prof. Scott Gehlbach Department of Political Science University of Wisconsin-Madison gehlbach@polisci.wisc.edu,+1 (608) 263-2391

Prof. Teppei Yamamoto MIT Political Science Massachusetts Institute of Technology teppei@mit.edu,+1 (617) 253-6959

Prof. Maria Socorro G. Bautista School of Economics University of the Philippines msgb@up.edu.ph,+63(2) 927-9686

Last updated February 2020

Prof. Rikhil R. Bhavnani Department of Political Science University of Wisconsin-Madison bhavnani@wisc.edu,+1 (608) 262-5638

Prof. David Cohen WSD Handa Center for Human Rights and International Justice Stanford University dcohen3@stanford.edu,+1 (650) 736-7622

Prof. Emmanuel S. de Dios School of Economics University of the Philippines esdedios@econ.upd.edu.ph,+63 (2) 927-9686