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On October 26 and 27, 2023, the Pontificia Universidad Católica del Perú (PUCP) hosted the inaugural International Conference on Economic Development in Lima.¹ This event convened scholars from across Latin America and other regions to delve into the latest advancements in economic development research relevant to the region. The conference addressed a wide range of topics, including poverty and inequality, trade and agglomeration, environmental issues, productive development, human capital and life trajectories, labor markets and wages, finance and development, and public economics and territorial development.

The conference featured several plenary sessions with distinguished academics such as Susan Parker (University of Maryland), Francisco Gallego (Pontificia Universidad Católica de Chile), Oscar Becerra (Universidad de los Andes), Valentina Hartarska (Auburn University), Jorge Higinio Maldonado (Universidad de los Andes), Pablo Cotler (Universidad Iberoamericana), César Martinelli (George Mason University), and Eric Verhoogen (Columbia University). Additionally, two dedicated panels addressed international aspects and methodological approaches in development. The first panel discussed sustainable economic development and international cooperation, with insights from Brigitt Bencich (COFIDE), Guillermo Díaz (CAF), Thomas Wissing (ILO), and Franco Villagarcía (UNDP). The second panel covered methodological advancements in economics, with contributions from Pavel Coronado, Ricardo Huamán, Pedro Herrera, and Juan León, all faculty members at PUCP. Additionally, twenty-six academic papers were presented across eight parallel sessions, involving more than fifty authors, commentators, and moderators.

As part of the dissemination efforts for this inaugural Conference, PUCP's *Economía* journal offers this special edition to its readers. This issue includes four articles built on the insights shared during the presentations.

The first article, titled "From Cash to Deposits: Effects on Women's Status and Wellbeing" by Fernanda Márquez Padilla (El Colegio de México) and Susan Parker (University of Maryland), analyzes the effects of switching from cash to bank deposits for conditional cash transfers on the female beneficiaries of the *Prospera* program in Mexico. The research focuses on how this change in the payment method affects women's decision-making within the household, their participation in the labor market, and their savings. Methodologically, the authors conduct a fully randomized experiment. The results show positive

¹First International Conference on Economic Development, PUCP – Department of Economics. Lima – Peru. October 26-27, 2023. <https://conferencia-desarrolloeconomico.pucp.edu.pe/>

effects across all three dimensions analyzed. Regarding sources of heterogeneity, the study highlights that improvements in household decision-making are more pronounced among married and illiterate women.

Pedro Francke (Department of Economics, PUCP) and José Benites Garnique (IPA and PUCP) co-authored the article titled “Peru 2020-2021: Household Income, Consumption, and Savings During the Pandemic.” This study is particularly significant as Peru was among the countries most severely affected by the pandemic. Utilizing data from the National Household Survey (ENAH), the authors analyze the dynamics of these variables during the COVID-19 pandemic and compare them to their pre-pandemic status in 2019. The analysis distinguishes between rural and urban households, as well as between formal and informal workers. The findings reveal that although all households experienced reduced incomes, those in rural areas showed quicker recovery, albeit at the cost of reduced food consumption. In urban settings, formal workers were less impacted and maintained their savings levels, while informal workers suffered significant reductions in both income and food consumption. Additionally, the authors explore the progression of these variables as the pandemic unfolded.

The third article in this special edition, titled “Climate Risk Stress Test: Impact of Climate Change on the Peruvian Financial System,” is authored by Daniel Romero, Juan Carlos Salinas, and Jacqueline Talledo from the Research Department of the Superintendency of Banking, Insurance, and Private Pension Funds (SBS). This study performs a climate change stress test on the Peruvian financial system, examining the effects of extreme weather events like heavy rainfall and droughts on the likelihood of borrower defaults by 2050. Given the tangible impacts of climate change, this research is crucial for the financial sector to adapt by enhancing services and developing new technologies to meet changing conditions. The authors provide a comprehensive analysis of climate scenarios and calibrate their model to various economic sectors and geographic regions in Peru. Key findings indicate that by December 2050, the probability of default will rise by 4.9% relative to December 2020. The analysis further reveals that northern coastal areas and southern Andean regions will be particularly impacted by extreme rainfall, whereas the Amazon region will likely experience droughts. Sectors such as agriculture, commerce, transportation, and communications are identified as the most vulnerable.

Lastly, in his article titled “Savings, Investment, Terms of Trade, and Sustainability of the Internal Approach, 1993-2019;” Pablo Villacampa Portuguese (Pronatel and PUCP) examines how the current account and the terms of trade reflect well-being within the Peruvian economy. The study shows that a shock in export prices boosts investment but does not affect savings. It also notes that external dynamics have short-term effects, which have been leveraged by Peru to accelerate economic growth, reduce unemployment, and alleviate poverty. However, the temporary nature of these effects indicates that such improvements may not be sustainable in the long run.

While these articles do not cover the entire range of topics related to economic development discussed at the Conference, they represent a significant contribution to the informed debate on these issues in Latin America. We hope this special edition will be useful for future research.

We extend our gratitude to all those who contributed to this special edition.