



ISSUES IN POLITICAL ECONOMY

Undergraduate Student Research in Economics

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Mission Statement

Issues in Political Economy is committed to supporting and encouraging quality undergraduate research in all areas of economics. The Journal was founded on the belief that the best way to learn economics is to do economics. Through the process of research, writing, and peer review, students actively engage the discipline in a way not possible by simply listening to lectures and reading textbooks. In short, undergraduate research is a vital component in an economics education. The literature suggests that students take projects more seriously and learn more when the project is directed towards an external rather than an internal audience such as a class assignment. *IPE* is designed to provide an external audience for such research.

Issues in Political Economy is edited and refereed entirely by students, with oversight from faculty at Elon University and University of Mary Washington. In order to maintain quality and objectivity, we follow a double-blind review process. The only requirements for submission are that the article pertains to some aspect of economics, that it was written during undergraduate study, and that it be submitted through a faculty sponsor. Though submissions on all topics in economics will receive consideration, papers should be analytical and seek to add new understanding to the topic

For additional information please visit our website <http://www.elon.edu/ipe>

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NOTE FROM THE EDITOR

Issues in Political Economy began over a decade ago with the goal of developing a forum to further the understanding of economics among undergraduate students. The original journal was conceived and cultivated by dedicated students and faculty at Bellarmine College in Louisville, Kentucky.

In 1999, Elon University and the University of Mary Washington inherited the sponsorship and editorial responsibilities of *Issues in Political Economy*. Since then, IPE has gained international recognition as one of only two undergraduate research journals, and has received submissions from all over the world.

The IPE not only focuses on promoting undergraduate research, but also is a student lead incentive. While faculty oversees the project, an editorial team of senior economic majors primarily leads the journal. Students review all submissions and the final decision-making rests in the hands of the editorial team.

We would like to thank Dr. Steve DeLoach from Elon University and Dr. Steven Greenlaw from the University of Mary Washington for their guidance and support. These faculty members steered much of the process, and the final result would not be possible without them.

The Journal also sponsors an undergraduate session every year, typically in conjunction with the Annual Eastern Economics Association Conference. This year's 26th annual IPE Conference was held in New York, NY and was a great success, hosting many student papers and allowing students to serve as session chairs and discussants. We would also encourage any future submitters to consider presenting at the conference as well as submitting to the Journal, as the experience of a live presentation is not something to ignore.

It is our hope that each year's *Issues in Political Economy* will build upon the success of the past and continue to be a creative and beneficial journal for all involved.

Katelyn Roache and Kira Hughes
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FOREWARD

Elias Nicholson, from Hood College, examines the effectiveness of new regulations enforced by the Consumer Financial Protection Bureau in 2013, which aim to decrease racial discrimination in auto loan lending. Using an Oaxaca-Blinder decomposition, the paper finds that the new regulations do not result in any significant decreases in discrimination in this industry.

A group of students from The University of Sioux Falls, Buxengard, Smith, Von Bergen, and Wood, research the relationship between socioeconomic status and infant development, measuring development as head circumference and the probability of having a preterm birth. While the results of socioeconomic status on head circumference are insignificant, the authors use a logistic regression model to find that as socioeconomic status increases, the probability of having a preterm birth decreases.

Austin Botelho, from Lafayette College, investigates the relationship between income inequality and populist sentiment, using data from 16 European countries between 2002 and 2014. The author uses a variety of different regressions, changing the measures of income inequality and populist sentiment. He finds that there is often a lagged effect when income inequality increases, populist sentiment tends to increase as well.

Harvard University's Dhivesh Dadlani analyzes the determinants of nationalism, specifically the effects of conscription. This paper looks at nationalism on an individual and country level separately. It finds that nationalism is positively correlated with age, religiosity, moral communalism, confidence in government, members of armed forces, and married individuals, while it is negatively correlated with education and general trust. It finds that nationalism is positively correlated with conflict but negatively related to trade, taxes, and mandatory conscription.

Regina Mendoza, from Elon University, examines the impact of village savings and loan associations (VSLAs) in Northern Uganda for both Sudanese refugees and Ugandan citizens. This paper uses a difference-in-differences model to estimate the impacts of participation in these programs among the two groups. The study finds that VSLAs increase savings when groups are similar. It also finds that refugees are likely to borrow more when VSLAs are introduced and that they typically borrow for school related fees.

Finally, Furman University's Paul Yoon, Nino Kodua, and MiaoMiao Xu examine the macroeconomic impacts of terrorism on foreign direct investment. Using panel data from 1980 to 2016, the paper controls for country and time fixed effects and measures terrorism in a variety of different ways: the number of casualties, the value of property damage, and the frequency of terrorist attacks. The research finds that increased terrorism decreases foreign direct investment, regardless of the measure of terrorism used.

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