



NEWSLETTER 2025|11

CALENDAR

Departmental Seminar

Ritwik Banerjee (Indian Institute of Management Bangalore)

"Do Exclusionary Policies Reduce Cognitive Bandwidth and Harm Economic Outcomes of Marginalized Groups?"

IOS Seminar

Paul Schaudt (University of St. Gallen)

"Connectivity and comprehension: Infrastructure, language, and the making of a common market"

Mon, May 26

14:15 - 15:30

H 26

Tue, May 27

13:30 - 15:00

109 and Zoom



ABSTRACTS AND FURTHER INFORMATION

Departmental Seminar

Ritwik Banerjee (Indian Institute of Management Bangalore)

“Do Exclusionary Policies Reduce Cognitive Bandwidth and Harm Economic Outcomes of Marginalized Groups?”

Ethnonationalist governments frequently adopt policies that challenge the status of ethnic and religious minorities as equal members of the nation. We propose that such policies—symbolic or material—impose an attention tax on marginalized groups, reducing their cognitive bandwidth and leading to suboptimal economic decisions. We test this hypothesis in India, where the ruling party follows a nationalistic ideology and promotes policies and rhetoric that favor the Hindu majority population over the Muslim minority. In a field experiment, nearly 3,000 workers performed data entry and information processing tasks where they were randomly exposed to social media content related to symbolic or material exclusionary policies. After completing the labor market task, workers chose between two types of payment contracts. Despite their higher productivity, treated participants were significantly more likely to select economically suboptimal (‘wrong’) contracts. Our findings demonstrate that even purely symbolic exclusionary policies impose an attention tax, leading to tangible economic consequences and exacerbating economic marginalization through cognitive and psychological channels.

Info:

in person



IOS Seminar

Paul Schaudt (University of St. Gallen)

“Connectivity and comprehension: Infrastructure, language, and the making of a common market”

In this paper, we estimate how physical and non-physical intra-regional trade barriers have evolved within Switzerland over time. Our analysis documents long-term trends in mode-specific transportation costs and quantifies the evolution of linguistic frictions, revealing that improvements in both areas have substantially enhanced market access and predict the current population distribution of Switzerland. Using a counterfactual framework, we estimate that if language barriers had persisted at their 1888 levels, Switzerland’s market connectivity would have been significantly diminished, even if infrastructure improvements had occurred. Turning to mechanisms, we document that the expansion of the infrastructure network has driven geographic market access during the 1890 to 1920 period, after which technological progress has decreased trade costs on roads. Moreover, we document that linguistic frictions fall while primary and secondary education access is broadened and other domestic languages become mandatory subjects in school. In summary, our findings highlight the critical interplay between infrastructure development and education policy to reduce both physical and nonphysical trade barriers within countries, ultimately fostering economic development.

Info:

In person in Room 109 and via Zoom-Meeting:

<https://ios-regensburg-de.zoom.us/j/61791297400?pwd=qWXxKXto1E81Sjz6RMmte3DbaoID6H.1>

Meeting ID: 617 9129 7400

Passcode: 194924

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Wednesday, May 28 | 11 am

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