Application to attend the Digital Economics and AI Meetings
February 11 and 12, 2026, Stanford University.

Applicant name: Seyni Da, PhD candidate
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I am a PhD candidate in Economics at American University, enrolled in the PhD program since 2020. My research focuses on Macroeconomic Analysis, International Finance, Financial Markets, Monetary Economics, and Econometrics.

I defended my dissertation proposal on January 8, 2024. My dissertation is titled "**Three essays on the role of political risk insurance, foreign exchange derivatives and absorptive capacity in foreign direct investment (FDI) and total factor productivity growth in Emerging Markets and Developing Economies**". My research assesses how political risk insurance and foreign exchange derivatives help multinational corporations manage the risks of political uncertainty and exchange rate fluctuations in Emerging Markets and Developing Economies (EMDEs). It further examines empirically the role of absorptive capacity in enabling FDI to promote total factor productivity growth in EMDEs. Human capital, research and development (R&D) and patents are identified in the literature to be the most important determinants of absorptive capacity.

I entered the job market this fall 2025. My job market paper quantifies the response of foreign direct investments to the growing currency derivative liquidity under varying levels of political uncertainty in EMEs. Using a panel dataset from 1996 to 2022 for 74 Emerging Market Economies (EMEs), of which 30 are derivative users, this study employs a propensity score matching design to evaluate the impact of currency derivatives on foreign direct investments (FDI) in EMEs under political uncertainty. The paper argues that Multinational Corporations (MNCs) increase their overseas investments even in the face of political uncertainty as a result of a growing foreign exchange derivative turnover.

I find evidence that the availability of a currency derivative market is statistically and economically important, increasing the FDI inward in the treated group of derivative users between 1.09 and 3.45 percentage points relative to the control group. Additional findings from a linear regression analysis indicate that the availability of a currency derivative market lowers the sensitivity of FDI to political uncertainty. These findings suggest that hedging mitigates concerns of MNCs about political uncertainty and exchange rate exposure and leads to increases in FDI inward.
My committee members are the following:

- Kara Reynolds, Professor of Economics and the primary advisor. Email address: reynolds@american.edu

- Gabriel Mathy, Associate Professor and advisor. Email address: mathy@american.edu

- Ralph Sonenshine, Senior Professorial Lecturer and advisor. Email: sonenshi@american.edu

In 2022, I coauthored a paper with Professor Sonenshine at American University. The paper, entitled *"The Impact of Vertical Theories of Harm on Merger Outcomes: An Event study of US Vertical and Horizontal Mergers"*, was published in the **Journal of Risk and Financial Management**.

The first essay of my dissertation, completed in 2023, examines political risk insurance and its impact on foreign direct investments (FDI) in EMDEs. My job market paper, approved in March 2025, quantifies the response of foreign direct investments to the growing currency derivative liquidity under varying levels of political uncertainty in EMEs. The final essay, now at an advanced stage, investigates the role of absorptive capacity in enabling foreign direct investments to promote total factor productivity growth in EMDEs.

Training expectations: Artificial Intelligence (AI) is a rapidly evolving field transforming industries, research, and daily life. AI entails the development of computer systems capable of performing tasks such as learning, problem-solving, and decision-making. Understanding AI's multifaceted nature, including advancements such as large language models, is crucial for conducting research and achieving efficiency in any field.

That said, I will be delighted to attend Digital Economics and AI Meetings and benefit from opportunities to boost my capabilities in using AI, which will enable me to conduct more sophisticated analyses and contribute new insights to my field of study.

Thank you for your consideration,

Seyni Da