## Does Prenatal Trauma Reduce Cooperation? Evidence from a Public Goods

## Experiment in Post-conflict Uganda

Francesco Cecchi, (Development Economics, WUR)

WAGENINGEN UR

## ABSTRACT of presentation held on 24 April 2014, room C82, 12.30 – 13.15 hrs., Leeuwenborch, Wageningen

The postnatal impacts of conflict have been thoroughly studied. War persistently reduces human capital, alters individual preferences and behaviour, and increases the risk of mental health disorders and PTSD. Its role in shaping the preferences of those born during the conflict, however, is yet to be understood. If trauma increases the likelihood of persistent hormonal imbalance in mothers, these imbalances may be transferred to the offspring. We use the 2D:4D digit ratio – a marker of in utero hormone exposure inversely correlated with stress – to investigate the impact of prenatal trauma on cooperation. Through an artefactual field experiment, we find that war-born children with a lower digit ratio are significantly less likely to contribute to a public good. Results are robust to controlling for plausible alternative mechanisms such as direct war exposure, early life deprivation and adult preferences. This highlights the importance of epigenetic responses to shocks and shows that prenatal events may significantly alter social preferences, thereby affecting post-conflict recovery and growth trajectories.

