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(Partial) Research Statement
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I am a development economist who specializes methodologically in integrating micro and macro development. Topically, I have researched many areas in development, such as (i) finance, especially microfinance, (ii) structural transformation, (iii) the role of market power, (iv) education, and (v) international trade patterns. I have worked in Latin America (Brazil, Colombia, Mexico), East Africa (Kenya, Tanzania, and Uganda), and Asia (China, India, and Thailand) with primary data collection in each region and field visits to each country. I have collaborated with both NGOs and governments in my research.

Methodologically, my works spans the gamut with multiple papers in: (i) theory, (ii) structural estimation and calibration of quantitative models (both partial and general equilibrium), (iii) reduced form analysis using quasi-experimental variation, and (iv) randomized controlled trials. My methodological diversity and innovations are epitomized in my work on finance. My contributions include "A Structural Evaluation of a Large-Scale Microfinance Initiative" *(*with Townsend, *Econometrica,* 2011), which used a structural model combined with quasi-experimental variation to evaluate the largest government microfinance initiative of its kind. I was awarded the Frisch Medal for this in 2012. We find that the value of the program varies considerably across people, with the benefits being focused on a few people with consumption or investment needs, but in aggregate it is not valued as much as it costs. Another example is my paper, "The Macroeconomics of Microfinance" (*Review of Economic Studies,* 2021), which quantifies the macro impacts of microfinance by utilizing micro experimental evidence to discipline the model's partial equilibrium predictions, then applying the model in general equilibrium. I predict that the aggregate impacts in general equilibrium in the long run would be negligible because productivity gains would be offset by lower capital accumulation. A third paper, written with former students, is "Can Self-Help Groups Really Be Self-Help?" (*Review of Economic Studies,* 2015) which combined a randomized controlled trial with a theory of savings group member selection to evaluate of a savings group innovation designed to enable scaling in East Africa. A privatized delivery approach that charges fees is both more cost effective and more effective because it targets those with the most to gain. A fourth is my paper, "How Important are Indivisibilities for Development? Experimental Evidence from Uganda" (2024, under revision at the *Journal of Political Economy)* which uses an RCT to test a model of poverty traps. We find that land is a source of micro poverty trap dynamics, but that financial services are less effective in aggregate because land is in fixed supply. A fifth is my paper, "Financing Costs and Development" (2024, under revision at the *American Economic Review)* which uses comprehensive administrative data from social security and credit registry sources in Brazil to discipline a macro development model of financial misallocation through credit spreads. We find that spreads are much more harmful that hard credit rationing. A recent working paper, "Information Spreads" (2024), shows the importance of imperfect information in explaining variation in firm financing spreads and the credit cycle. The integrative methodological approach I adopt is summarized in my review article, "From Micro to Macro Development" (*Journal of Economic Literature, 2023*).

My work on structural transformation again includes theoretical, quantitative, and empirical contributions. In my first contribution in the area, "Can Traditional Theories of Structural Change Fit the Data" (*Journal of the European Economic Association*, 2009), we made three important findings. First, the use of Stone-Geary preferences fails to match the fact that the service sector accelerates at a late stage of development. Second, the gap between labor allocations and output allocations at early stages of development imply productivity gaps that could reflect misallocative wedges or human capital gaps. Third, models of structural transformation that yield balanced growth do so because they divorce growth from structural transformation. While others have promoted more sophisticated preferences to address the first issue (Boppart, *Econometrica,* 2015, Comin et al, *Econometrica,* 2021), my own research (and that of others) has followed up on the other two. In "The Rise of the Service Economy" (*American Economic Review,* 2011) we established that modern services are indeed more human capital-intensive, and that such services dominated the growth in the US and developed a theory of services vs. goods decisions. This idea was further established across countries and quantified in "Skill-Biased Structural Transformation," (*Review of Economic Studies,* 2022), which also quantified its impact on the skill premium. "The Tale of Two Sectors" (*American Economic Review,* 2012) showed how financial frictions in developing countries can drive an aggregate sectoral productivity gap between goods and services. It stresses the importance of financial development for aggregate development as well. Finally, the issue that tractable models with balanced growth paths divorce growth from structural transformation is addressed in my "The Stable Transformation Path" (2024, under revision at the *Review of Economic Studies*), a theoretical contribution which introduces the STraP (acronym of the same name) to generalize the BGP concept to non-stationary processes, and then shows that these dynamics better explain modern empirical patterns of development than transitions to BGPs in a Neoclassical model. A final recent contribution, written with three former students, "Melitz Meets Lewis: The Impacts of Roads on Structural Transformation and Businesses" (2024, under revision at the *Journal of International* Economics) combines theory with quasi-experimental variation from policy initiatives (major highway construction in China and India) to shows that structural transformation out of agriculture is a necessary consideration to understand the impact of regional integration from public sector investments on private sector development.

My work on market power is a more newly added research concentration, but includes several contributions. In "Agglomeration, Misallocation, and (the Lack of) Competition" (*American Economic Journal: Macroeconomics*, 2021), we showed how special economic zones, while a common growth policy for developing countries. can lead to collusion among firms, but we also show that such collusion can be welfare enhancing. We derived an empirical test for such collusion and applied it in China, and our test has since been adopted by industrial organization economists and re-applied to collusions in France. We extended these methods to think about monopsony in

"Exploitation of Labor? Market Power, Firm Cooperation, and Wages" (*Journal of Development Economics,* 2021) which development methods to measure markdowns and applied them in China and India. For a recent contribution in a field journal, this paper has had considerable impact, as these methods have become fairly standard and applied to the U.S., for example (Yeh et al, *Ameri*can Economic Review, 2022). My work, "Big Fish in Thin Markets…" (*Journal of Development Economics,* 2022) combines a theoretical model with primary data collection and a policy experiment to demonstrate how cartelized middlemen exploit market power in supply chains in the Brazilian Amazon to yield a man-made poverty trap, and we show how a community intervention policy of *Bolsa Floresta* (originally a public conservation policy that was later foundation-funded after regime change) helped break the cartel. Similarly, in "Infrastructure Investment and Labor Monopsony Power" *(IMF Economic Review,* 2021), we combine a policy experiment, nationally representative firm data, and our markdown measurement to show how highway construction promotes competition and reduces labor markdowns. Most recently, partnering with the Mexican government to access confidential firm-level administrative data, in "Outsourcing Policy and Worker Outcomes: Causal Evidence from a Mexican Ban", we evaluate the impact of a policy banning the outsourcing of core workers and show that it increased wages by lowering firm's monopsony power without distorting other margins. This paper was awarded the Citi-Banamex Prize in 2024.

My leadership in the field is exemplified in several unique ways. First, I am co-academic lead of Structural Transformation and Economic Growth (STEG), an FCDO-funded and CEPR-administered global research program. Started in 2020, STEG is the leading research community on macro development, involving thousands of scholars around the world. Second, I am on the Executive Committee of BREAD, the leading academic group in development economics, principally micro development. Third, in my work with STEG and BREAD, I have taken leadership in capacity development efforts in the global world, coordinating online courses for the developing world, and attending capacity development conferences sponsored by the Center for the Study of African Economies. Fourth, I am a Research Associate at the NBER with affiliations in the Economic Fluctuations and Growth (EFG) and Development (DEV) groups. I am also on the Board of Editors for the *American Economic Journal: Macroeconomics*. All of this exemplifies my unique status as a leader and bridge in both development and macroeconomics fields. Finally, I have been involved in consulting with various policy institutions: the World Bank, the IMF, the Federal Reserve System, the Central Bank of Armenia, and FCDO's new Growth Research Platform – Policy Response Window. I am also an interlocutor between the field of economics and the Catholic Church, sitting on the Joint Committee for Justice and Human Development, at the US bishops conference, the chief lobbying office of the US Catholic Church. Thus, my influence extends beyond academia to policy.