

Syllabus for Semester 2 - version Feb 4, 2026

Misallocation, Development, Firm Dynamics, Growth, and Industrial Policy

This reading group is aimed at studying topics in Macro-Development and Firm dynamics, very broadly defined, such as *Misallocation and Distortions, Markups and Market Power, Firm distribution and firm dynamics, Growth and Development, Innovation, Technology Adoption, and Diffusion, and Industrial and Development Policies*. It is targeted toward PhD students (of all years) in these fields. It aims at approaching those topics both from Micro and Macro perspectives.

The reading group will take place for 12 weeks from Feb 10th to May 5th.

Food will be provided (Milano or other sandwiches).

The group will meet on Tuesdays from 11:50 to 1:00, room **IAB1120**, except Feb 17th where the meeting will meet on IAB1128.

Moreover three other points to make the format more interesting:

- (1) We will present JMPs from this year's season (outside of Columbia JMCs). That might overlap with some future Job Talks, but give a sense of what's going on at the frontier and we can discuss their contribution together. We will do that for the 1st session in February.
- (2) We want to incentivize more advanced students to present ideas for their research projects. For several sessions, one student (instead of 2) will present a paper on a theme (for 30min) and then present some research ideas/preliminary projects related to that paper, from 15 to 20 min.
- (3) Weekly paper: following the "Sargent format" for reading group, we suggest that **voluntary** students read a paper of their choice every week (very flexible: old/recent, micro/macro papers, submitted 1 week in advance in a form). At the beginning of several sessions (the one where one paper will be presented instead of two - Mar 31st, Apr 7, Apr 21, May 5th), we (organizers) will choose a paper quasi randomly. The student who chose that paper presents it for 5-10 minutes without slides (but notes allowed) including questions for the audience. That is an amazing preparation for spiel / JM interviews / pitching papers at conferences, as it forces the presenter to summarize a paper in a short form.

Feb 10th - Markups and misallocation: 2 papers

De Loecker, Jan, Jan Eeckhout, and Gabriel Unger. "The rise of market power and the macroeconomic implications." *The Quarterly journal of economics* 135.2 (2020): 561-644.

Manuel Taboada

Bond, Steve, et al. "Some unpleasant markup arithmetic: Production function elasticities and their estimation from production data." *Journal of Monetary Economics* 121 (2021): 1-14.

Hye Rim Yi

Feb 17th - JMPs: 2 papers

Mohamad Adhami (Stanford) "Quantifying Knowledge Spillovers Using Firm and Product Dynamics",
Guglielmo Imperiali

Géraud Desazars de Montgailhard (Bocconi), "Capital Intensity and Firm Dynamics"

Thomas Bourany (TBC)

Feb 24th - Markups and misallocation: 2 papers

Peters, Michael. "Heterogeneous markups, growth, and endogenous misallocation." *Econometrica* 88.5 (2020): 2037-2073.

Szymon Kopyta

Bils, Mark, Peter J. Klenow, and Cian Ruane. "Misallocation or mismeasurement?." *Journal of Monetary Economics* 124 (2021): S39-S56.

Valentin Winkler

Mar 3rd - Markups and misallocation: 2 papers

Atalay, Enghin, et al. "Scalable demand and markups." Accepted *Journal of Political Economy*, 2025
Filip Milosavljevic

Autor, David, et al. "The fall of the labor share and the rise of superstar firms." *The Quarterly journal of economics* 135.2 (2020): 645-709.

Diego Tocre

Mar 10th - Markups and misallocation: 2 papers

Bornstein, Gideon, and Alessandra Peter. "Nonlinear pricing and misallocation." *American Economic Review* 115.11 (2025): 3853-3908.

Sahil Lalwani

Edmond, Chris, Virgiliu Midrigan, and Daniel Yi Xu. "How costly are markups?" *Journal of Political Economy* 131.7 (2023): 1619-1675.

Thomas Bourany (TBC)

Springbreak

Mar 24th - Firm dynamics, development, and growth: 2 papers

Buera, Francisco J., and Roberto N. Fattal-Jaef. "The dynamics of development: Innovation and reallocation." *American Economic Journal: Macroeconomics* 17.4 (2025): 45-81.

Leran Qi

Buera, Francisco J., and Ezra Oberfield. "The global diffusion of ideas." *Econometrica* 88.1 (2020): 83-114.

Lucia Casal

Mar 31th - Markups and misallocation: Paper + research

Garicano, Luis, Claire Lelarge, and John Van Reenen. "Firm size distortions and the productivity distribution: Evidence from France." *American Economic Review* 106.11 (2016): 3439-3479.

Eshaan Patel

+ Research TBD

Apr 7th - Firm dynamics, development, and growth: Paper + research

Liu, Jin. "Multinational Production and Innovation in Tandem." (2024).

Grace Chuan

+ Research either on (i) seniority-biased technical change on long-run human capital accumulation and growth, or another project (ii) tradeoffs of trade policy inducing greater investment and R&D improving comparative advantage while also causing distortion.

Apr 14th - Firm dynamics and growth: Paper + research

Benhabib, Jess, Jesse Perla, and Christopher Tonetti. "Reconciling models of diffusion and innovation: A theory of the productivity distribution and technology frontier." *Econometrica* 89.5 (2021): 2261-2301.

Haotian (Hao) Jiang

Bloom, Nicholas, et al. "Are ideas getting harder to find?." *American Economic Review* 110.4 (2020): 1104-1144.

Lucas Rosso

Apr 21th - Firm dynamics, development, and growth: Paper + research

Vitali, Anna. "Consumer search and firm location: Theory and evidence from the garment sector in Uganda." IGC, 2023.

Dafne Murillo

- + Research on how government enforcement against informal economic activity reshapes local markets and interactions between informal and formal firms. I study municipal crackdowns on street vending in Peru using high-frequency transaction data to show that enforcement reduces activity not only among informal vendors but also among nearby formal firms, highlighting demand complementarities rather than simple substitution. I find that policies targeting informality affect firm performance, agglomeration, and local demand in unintended ways, underscoring the importance of considering ecosystem-wide effects when designing regulatory and development interventions.

Apr 28th - Firm dynamics, development, and growth: 2 papers

Choi, Jaedo, and Younghun Shim. "From Adoption to Innovation: State-Dependent Technology Policy in Developing Countries" *R&R American Economic Review*. 2025

Shizuka Inoue

Afrouzi, Hassan, Andres Drenik, and Ryan Kim. "Concentration, Market Power, and Misallocation: The Role of Endogenous Customer Acquisition." *R&R Econometrica*. 2025

Kathryn MacDonald

May 5th - Markups and misallocation: Paper + research

TBD

Patrick Farrell

- + Research on Indonesia's nickel ore export ban. The new project may focus on separately identifying markups and markdowns in the nickel processing sector and how these change with firm entry and the export ban (TBC depending on data).