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DOCTORAL STUDIES Massachusetts Institute of Technology (MIT)
PhD, Economics, June 2021
DISSERTATION: "Essays on the Effects of Public Policy"

DISSERTATION COMMITTEE AND REFERENCES

Benjamin A. Olken
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Arnaud Costinot
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PRIOR EDUCATION Mount Holyoke College 2011
BA, Magna Cum Laude, Mathematics and Economics

CITIZENSHIP Brazil, US Permanent Resident **GENDER:** Female

LANGUAGES Portuguese (native), English (fluent), Spanish (competent), French (competent)

FIELDS Primary Fields: Development and International Trade
Secondary Fields: Labor Economics

TEACHING EXPERIENCE	Math Camp for MIT's DEDP Master's Program Instructor	2021
	15.027 – Opportunities in Developing Economies (MIT Sloan) Teaching Assistant to Professor Tavneet Suri	2021
RELEVANT POSITIONS	Evidence for Policy Design Post-Doctoral Research Fellow	2021- present
	Abdul Latif Jameel Poverty Action Lab Graduate Research Assistant to Professor Benjamin A. Olken	2016-21
	National Bureau of Economic Research Full-time Research Assistant to Professors Joshua Angrist and Parag Pathak	2014-15
	Innovations for Poverty Action Part-time Research Assistant to Professor Michael Kremer	2014-15
	Cornerstone Research Senior Analyst (2013-14), Analyst (2011-13)	2011-14
FELLOWSHIPS, HONORS, AND AWARDS	George and Obie Shultz Fund at MIT	2019
	MIT Graduate Fellowship	2016
	MIT Ida Green Fellowship	2015
	Phi Beta Kappa (<i>early induction</i>)	2011
	Susan Cane Stone '46 Scholarship	2011
	Nancy Lewin '80 Scholarship	2010
	C. V. Starr Scholarship	2010
	Eulalia Donoso Conde Scholarship	2010
	Sarah Williston Prize	2010
	MHC International Internship Program Grant	2009
	Gina Jacobsen Prize in Mathematics	2009
	Datatel Scholarship – Highest Prize	2009
PROFESSIONAL ACTIVITIES	Hubbell Prize for Excellence in French	2009
	Laurel Fellowship for Study Abroad	2009
	Referee: American Economic Review, American Economic Review: Insights	

- PUBLICATIONS** **“Tax Administration vs. Tax Rates: Evidence from Corporate Taxation in Indonesia”** (with M. Chatib Basri, Rema Hanna, and Benjamin Olken).
Forthcoming in the American Economic Review.
We compare two approaches to increasing tax revenue: tax administration and tax rates. We show that when Indonesia moved top regional firms into “Medium Taxpayer Offices,” with high staff-to-taxpayer ratios, tax revenue more than doubled. Examining non-linear changes to corporate income tax rates, we estimate an elasticity of taxable income of 0.579. Combining these estimates, improved tax administration is equivalent to raising rates on affected firms by 8 percentage points. On net, improved tax administration can have significant returns for developing countries.
- RESEARCH PAPERS** **Trade, Labor Market Concentration, and Wages (Job Market Paper)**
Growing evidence suggests that trade liberalization has large negative effects on wages in labor markets more exposed to import competition. Why? I study one potential mechanism: increased firm labor market power. I develop an imperfectly competitive model of labor markets whereby the effect of trade on a market's average wage markdown can be quantified by two sufficient statistics: the effect of trade on labor market concentration, and the gap between workers' cross-market vs. within-market cross-firm inverse elasticities of substitution. I then use employer-employee linked data and Brazil's 1990s trade liberalization to estimate these key sufficient statistics. I highlight three findings. First, firms had substantial market power before liberalization: workers took home only 50 cents of every marginal dollar they generated. Second, trade increased labor market concentration, an effect driven by employment reallocation to higher-paying exporting firms. Third, this increased concentration raised firm labor market power, and the consequent reduction in wages offset all wage gains from the reallocation to higher-paying firms. However, the magnitude of this market power effect was small, accounting for only 2% of the overall negative effect of trade on wages. The overall effect was instead driven by within-firm reductions in the marginal revenue product of labor.
- Labor Market Consequences of Domestic Outsourcing: Evidence from Legalization in Brazil** (with Michael Wong)
We leverage Brazil's unexpected legalization of outsourcing in 1993 to quantify the effects of domestic outsourcing on labor markets. We focus on security guards, the only major occupation to experience a large increase in outsourcing following legalization. First, we show that legalization led to a wave of occupational layoffs. Incumbent security guards affected by these layoffs moved to lower-wage firms and experienced persistent wage reductions. Second, we estimate the market-level effects of outsourcing legalization using a triple-difference specification that leverages regional variation in pre-legalization permissiveness of labor courts and compares security guards with less impacted occupations. We find that outsourcing legalization reallocated jobs from older to younger workers, increased total employment of guards by 8-15%, and raised their wages by 2-4%. Interpreted through an economic

framework, our results imply that outsourcing legalization not only redistributed firm wage premia, as emphasized in recent literature, but it also generated substantial efficiency gains. If laid-off incumbent workers were fully compensated for their earnings losses, social breakeven would be achieved in one to five years.

Charter Schools and Suspensions: Evidence from Massachusetts Chapter 222

I evaluate the impact of Massachusetts Chapter 222—a policy that limited charter schools’ ability to suspend students—on student suspensions and test scores. Comparing charter attendance effects before vs. after Chapter 222, I find that Chapter 222 reduced charter suspensions by roughly 10 percentage points, but had no impact on charter learning. I then use variation in lottery offers and applicants’ pre-lottery suspensions to separate the effect of suspensions from that of charter attendance on test scores. Suspensions appear to be unrelated to achievement in charters, while the causal effect of charter attendance on test scores is large and positive.

RESEARCH IN PROGRESS

A Simple Model of Labor Market Concentration under Absolute and Comparative Disadvantage

Do absolute and comparative advantage influence the effect of trade on labor market concentration? Yes. I show that unilateral import tariff reductions unambiguously increase labor market concentration in a two-sector economy whose absolute and comparative disadvantage lie in the protected sector. As countries tend to protect the sectors in which they are less competitive, this simple model illustrates how labor market concentration may increase in response to trade liberalization not only via within-sector employment reallocation towards more productive firms (e.g., as in Melitz (2003)), but also via cross-sector employment reallocation towards comparative advantage sectors.

Trade Liberalization and Modern Slavery: Evidence from Labor Inspections in Brazil

Over 49,816 workers have been freed from near-slavery working conditions in Brazil since 1995, the year the Ministry of Labor began inspecting locations following anonymous tip-offs. At the same time, recent evidence suggests Brazil's 1990s trade liberalization increased firm labor market power in markets more exposed to import competition (Felix, 2021). I investigate the relationship between Brazil's trade liberalization and the incidence of near-slavery conditions by matching the import competition exposure shocks from Felix (2021) to the Ministry of Labor's Dirty List (“Lista Suja”) datasets spanning 1995-2015, which list all firms—as well as the number of freed workers per firm—found to employ workers in near-slavery conditions. My findings will contribute to growing literatures on the relationship between trade and firm labor market power.

**A Quasi-Experimental Approach to Identifying Labor Market Boundaries:
Evidence from Brazilian Workers (with Sean Wang)**

What constitutes a local labor market? We develop a general framework that allows the matching of workers to jobs to be frictional and depend arbitrarily on their geography, industry, occupation, and other firm characteristics. Furthermore, we consider the possibility that workers' job transitions reflect both movements within labor markets as well as reallocation across labor markets. Within this framework, mobility patterns of workers based on all realized job transitions would overstate the size of the local labor market for workers. We empirically test for workers' local labor market boundaries in Brazil using linked employer-employee data by following workers' realized mobility choices after idiosyncratic firm layoffs. Preliminary evidence highlights that a substantial portion of workers' job transitions reflect reallocation across local labor markets. Exogenously separated workers are half as likely to change occupations as opposed to changing municipalities or industries, whereas estimates based on all job transitions would have concluded the opposite. Our results highlight occupations as distinct from geography or firm characteristics, and particularly important for defining workers' relevant outside options.

Do public sector jobs crowd out talent from more productive activities?

Governments employ sizable shares of formal sector workers in emerging economies, where posts are typically allocated through highly competitive civil service exams. Civil service is perceived as prestigious, salaries are high, and workdays are shorter than in private sector jobs for similarly skilled workers. On the one hand, high salaries may be necessary to attract skilled labor. On the other hand, the screening process and/or the job itself (often clerical) may steer talent away from more productive activities. This project quantifies by how much highly competitive civil service exams crowd out skilled workers from more productive activities in Brazil. I exploit cross-state and cross-year variation in civil service job openings induced by civil service retirement to test whether exposure to civil service demand affects the job search behavior of skilled workers, as well as their employment and monthly earnings. Using Brazil's PNAD dataset for 1992-2015 and instrumenting the opening of new civil service slots with retirement of veteran civil servants, I find preliminary evidence that skilled workers are less likely to be employed in years where new civil service slots are opened, and that roughly 20%-30% of those workers report "taking or preparing for civil service exam" as the measure taken to leave unemployment.