ANIKET BAKSY
anikbak@stanford.edu
https://web.stanford.edu/~anikbak/
Department of Economics
Stanford University
579 Jane Stanford Way
Stanford, CA 94305-6072
(650) 862-0364

EDUCATION

Ph.D. in Economics, Stanford University,
Expected Completion: June 2023
DISSERTATION: "*Technology Adoption and the Slowdown in Skilled Labor Demand*"

M.Sc. in Economics, London School of Economics and Political Science (U.K.)
September 2015 - June 2017 (Distinction)

B.A. (with Honors) in Economics, St. Stephen's College, University of Delhi (India)
July 2012 - June 2015 (First Division)

DISSERTATION COMMITTEE

Prof. Patrick Kehoe
Economics Department, Stanford University
(612) 720-5008
pkehoe@stanford.edu

Prof. Nicholas Bloom
Economics Department, Stanford University
(650) 725-7836
nbloom@stanford.edu

Prof. Luigi Bocola
Economics Department, Stanford University
(650) 725-3266
lbocola@stanford.edu

Prof. Elena Pastorino
Economics Department, Stanford University
(650) 725-9935
epastori@stanford.edu

RESEARCH AND TEACHING FIELDS

Primary field: Macroeconomics
Secondary fields: International Economics, Economic Growth, Labor Economics

RESEARCH PAPERS

Technology Adoption and the Slowdown in Skilled Labor Demand (Job Market Paper)
This paper proposes a simple model to simultaneously rationalize the increasing skill premium and the stable labor share between 1980 and 2000 with the subsequent slowdown in the skill premium and the decline in the labor share, a puzzle for the existing literature. Production requires completion of skill-specific tasks, a measure of each of which can also be completed by capital. Given a fixed set of tasks performed by capital, production satisfies capital-skill complementarity. As the price of capital declines over time, the relative demand for skilled workers therefore rises. But as skilled workers become relatively more expensive, it becomes worthwhile for firms to adopt new technologies allowing them to use capital for more tasks specific to skilled workers. The initial rise in the relative demand for skilled workers is thus partly offset by their displacement at skilled-labor specific tasks. Despite not being calibrated to match changes in either the skill premium or labor share, the model can successfully account for both over the entire period 1980-2019. A counterfactual shutting down endogenous technology adoption over-predicts growth in the skill premium between 1980 and 2019 by about 5 percentage points and growth in the labor share by nearly 12 percentage points. I provide microeconomic evidence for my mechanism by showing that accountants relatively more exposed to the adoption of accounting software saw slower wage growth.

Elections, Political Polarization, and Economic Uncertainty *(NBER Working Paper 27961)*
(with Scott Baker, Nicholas Bloom, Steve Davis and Jonathan Rodden)

We examine patterns of economic policy uncertainty (EPU) around national elections in 23 countries. Uncertainty shows a clear tendency to rise in the months leading up to elections. Average EPU values are 13% higher in the month of and the month prior to an election than in other months of the same national election cycle, conditional on country effects, time effects, and country-specific time trends. In a closer examination of U.S. data, EPU rises by 28% in the month of presidential elections that are close and polarized, as compared to elections that are neither. This pattern suggests that the 2020 US Presidential Election could see a large rise in economic policy uncertainty. It also suggests larger spikes in uncertainty around future elections in other countries that have experienced rising polarization in recent years.

RESEARCH PAPERS IN PROGRESS

Survival of the Unfit? Short-run Gains and long-run Pains from Zombie lending (with M. Souchier)

We argue that "Zombie lending", where banks keep lending to insolvent and unproductive firms, attenuates the effects of recessions in the short-run at the expense of output in the long-run. We build a quantitative model in which heterogeneous firms finance themselves through retained earnings and bank debt. Banks face capital requirements, but have private information on whether a given loan is in default, allowing them to hide losses and bypass these requirements. In a recession, higher firm defaults lead to larger bank losses, raising the incentives to hide losses by keeping insolvent firms alive. In the short-run this allows banks to keep lending, which supports output. In the long-run however, this leads to misallocation due to the survival of relatively unfit firms and lower entry. We use the model to quantify the contribution of zombie lending during and after the 2008-09 crisis in Europe and to evaluate the implications of pro-cyclical capital requirements.

POLICY WRITING

Expanding AI Adoption is an opportunity for Job Creation
(with Avi Gupta, Winner, Inaugural Emerging Technology Policy Writing Competition, Stanford HAI)

Despite great advances in the business applicability of AI technologies, their adoption remains low and concentrated in large firms, with adverse consequences for inequality across firms and workers at those firms. The key adoption costs we identify as responsible for this are high costs of customizing AI to specific business needs and the costs of the complementary data infrastructure. We propose two clusters of policies to alleviate these challenges. First, we propose public support be targeted at the creation and commercialization of flexible AI-enabled platforms emphasizing usability, such as low/no-code AI platforms. Second, we propose the creation of public data repositories, a clearinghouse-like infrastructure and legal arrangements to facilitate data reuse and improve access to cutting edge pre-trained models and computational infrastructure for all, and the creation of a medium-skilled data curator workforce to complement the work of data science professionals by engaging in data management.

TEACHING EXPERIENCE

2016-17	Teaching Assistant, EC210 (Macroeconomic Principles) for Prof. Kevin Sheedy and Prof. Ricardo Reis, LSE
2020	Teaching Assistant, Econ 125 (Econ. Development, Microfinance and Social Networks) for Prof. Arun Chandrasekhar, Stanford University
2020, 2022	Teaching Assistant, Econ 143 (Finance, Corporations, and Society) for Prof. Anat Admati, Stanford University

2021, 2022 Teaching Assistant, Econ 52 (Economic Analysis III, Intermediate Macroeconomics)
for Prof. Adrien Auclert, Prof. Pete Klenow and Prof. Patrick Kehoe, Stanford University

RESEARCH POSITIONS

2021-22 Research Assistant for Prof. Patrick Kehoe, Stanford University.
2020-21 Research Assistant for Prof. Adrien Auclert, Stanford University.
2019-20 Research Assistant for Prof. Nicholas Bloom, Stanford University.
2018-19 Research Assistant for Prof. Luigi Bocola, Stanford University.
2016-17 Research Assistant, LSE Growth Commission-II
(Prof. Gianmarco Ottaviano, Prof. Catherine Thomas, Prof. Veronica Rappoport)
2015-17 Research Assistant for Prof. Jeremiah Dittmar, LSE

SCHOLARSHIPS, HONORS AND AWARDS

2022 Winner, Inaugural Emerging Technology Policy Writing Competition (with Avi Gupta),
Stanford Institute for Human-Centered AI

2022 Outstanding TA Award, Econ 52 (Intermediate Macroeconomics),
Department of Economics, Stanford University

2022-23 B.F. Haley and E.S. Shaw Fellowship for Economics,
Stanford Institute for Economic Policy Research

2020-21 Patricia Liu McKenna and Kenneth McKenna Graduate Fellowship,
Stanford Institute for Economic Policy Research

2020 Outstanding TA Award, Econ 125 (Econ. Development, Microfinance and Social Networks),
Department of Economics, Stanford University

2017-18 Economics Department Fellowship
Department of Economics, Stanford University.

2016 Allyn Young Prize, The London School of Economics and Political Science

2015-2017 Inlaks Scholarship, The Inlaks Shivdasani Foundation, for study at LSE.

2015 George K. George Kollamkulum Scholarship, St. Stephen's College, University of Delhi.

2015 Rai Sahib Banarsi Das Memorial Prize, St. Stephen's College, University of Delhi.

2014 Gautam Krishna Research Fellowship, St. Stephen's College, University of Delhi.