Research Statement
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Increased global competition from labor abundant, low wage countries, and the increased prevalence of offshoring are sparking debates over lost domestic jobs and what policies should be implemented to save these jobs. Trade agreements often bind governments' hands when it comes to raising tariffs; thus many choose to place antidumping remedies on particular sectors, exercising the flexibility clause of the WTO. These antidumping remedies offer a precise tool to surgically target the offending imports while remaining within the confines of the rules-based WTO system, as opposed to a blunter blanket tariff, quota, or exercising an alternative unilateral commercial policy. In justifying the appropriateness of an antidumping remedy, governments and industries turn to the lost-jobs motivation. However, despite this logic, surprisingly few studies examine the effects of antidumping on stabilizing or even increasing employment at import-competing firms, making it difficult to evaluate the effectiveness of antidumping remedies along this dimension.

I construct a unique dataset of industry-level employment, wages, and input costs in Colombia's manufacturing sector, and combine it with an antidumping database to determine which industries are affected, as well as firm-level balance sheets. Industries that receive protection are endogenously determined; therefore I apply cutting edge econometric techniques to create synthetic counterfactual groups: if these industries did not receive protection, what would be the continued trajectory of their labor markets? The counterfactual groups, based on a weighted average of unprotected industries that minimizes differences in pre-treatment trends, indicate that antidumping remedies do not affect levels of employment; an industry receiving protection is no better off than its counterfactual group. Further study reveals that the firms who do benefit from protection through higher revenues are the largest firms, and they only benefit for a brief period of time. This finding is important as it demonstrates the need for a new policy approach to address the job losses from foreign competition. Antidumping protection does not lead to sustained relief; rather it allows inefficient firms to remain in markets. It allows the largest firms to temporarily charge higher prices, and they are not sharing the revenue with those that are more likely to be harmed by import competition.

In addition to investigating how employment is affected by protectionism, I also explore the relationship between trade agreements and development. The US-Colombia Free Trade Agreement from 2012 catalyzed financial market liberalization in Colombia, affording US financial firms greater access. Now, not only are the Colombian and US economies experiencing deeper integration, the effective credit constraints on Colombian firms has fallen. Using balance sheets over 20 years and firm-product-level data, I find that Colombian firms in financially vulnerable sectors export more to third-party countries following the US trade agreement than their counterparts in less vulnerable sectors. This increase in exports partially offsets the world-welfare reducing effects of regional trade agreements.

My research into policy effects with detailed datasets enriches our understanding of trade's impact on workers, firms, and industries. I apply careful econometric techniques to address identification concerns, gaining insights into the unanticipated consequences (or lack of anticipated consequences) of policies, suggesting the need to reevaluate the ways trade policies are applied.