

Kalyani Padmakumar

303 Kern Building
The Pennsylvania State University
University Park, PA 16802

Email : kxp338@psu.edu
Mobile : +1-814-777-7561
Citizenship : Indian

EDUCATION

Ph.D. in Economics, Pennsylvania State University (PSU)	2017-Present
M.A. in Economics, Delhi School of Economics (DSE)	2012-2014
B.A. (Honors) in Economics, Lady Shri Ram College, University of Delhi	2009-2012

FIELDS OF INTEREST

Macroeconomic Development, International Trade, Labor Economics

RESEARCH PAPERS

Small By Choice? Reassessing the Aggregate Implications of Size-Based Regulations (*Job Market Paper*)

Abstract: India's employment protection legislation (EPL) applies to manufacturing plants with more than 100 full-time workers. Although this legislation is costly for plants, there is no evidence of plants bunching below 100 workers, contrary to what one would expect. This paper sheds light on this puzzle and quantifies the aggregate implications of this legislation by focusing on transitions of plants around the threshold. Using the staggered roll-out of a policy that changed the threshold of the Indian EPL from 100 to 300 full-time workers, this paper provides novel reduced-form evidence that: (1) post policy, plants are more (less) likely to transition from below to above 100 (300) full-time workers, and (2) post policy, plants around 100 (300) full-time workers are less (more) likely to substitute towards other factors of production like temporary, contractual workers and capital goods. To shed light on aggregate implications, this paper develops and estimates a dynamic heterogeneous firm model with multiple factors of production and labor search costs. The model links the legislation to hiring decisions and entry decisions of plants. Estimates from this model suggest that removing the burden of this legislation would make more plants enter and hire full time workers faster. As a result, average full-time employment and average output in the manufacturing sector would increase by 9% and 3% in the long run. Taken together, these findings imply that an exclusive focus on bunching to evaluate size-based rules can be misleading.

RESEARCH IN PROGRESS

No Country for Dying Firms: Evidence from India (*with Shoumitro Chatterjee, Kala Krishna & Yingyan Zhao*)

Abstract: Schumpeterian creative destruction is necessary for economic growth. It is the incessant mechanism by which new and better production units replace outdated ones and ensures that the economy is close to the technology frontier. Structural impediments to this process can become a major drag on productivity growth and economic development. In this paper, we argue that Indian institutions create frictions to firm exit and adjustment. We document this by showing that the way manufacturing firms respond to these frictions is in line with simple theory. We then develop and estimate a dynamic heterogeneous firm model with entry, exit and input (labor and capital) adjustment costs. This allows us to pin down the magnitudes of exit and adjustment costs and their implications for firm development and aggregate manufacturing total factor productivity.

CONFERENCE AND SEMINAR PRESENTATIONS

Annual Conference of the Royal Economic Society, London (virtual)	2022
16th Annual Conference on Economic Growth and Development, Indian Statistical Institute (virtual)	2021
Trade & Development Student Workshops, Pennsylvania State University	2019-2022

RESEARCH AND OTHER WORK EXPERIENCE

Graduate Research Assistant for Prof. Kala Krishna, PSU	2019-2022
Research Assistant for Prof. Parikshit Ghosh, DSE	2016
Market Risk Analyst, Goldman Sachs & Services Pvt Ltd, Bangalore, India	2014-2015

TEACHING EXPERIENCE

Intermediate Microeconomic Analysis, TA for Prof. Mark Mcleod, PSU	Spring 2022
Intl. Finance & Open Economy Macroeconomics, TA for Prof. Fernando Parro, PSU	Fall 2020, 2021
Urban Economics, TA for Prof. Shoumitro Chatterjee, PSU	Spring 2020, 2021
Economic Growth & Development, TA for Prof. Bee Roberts, PSU	Fall 2019
Introductory Microeconomic Analysis & Policy, TA for Prof. Paul Kagundu, PSU	Fall 2017 - Spring 2019

SKILLS

Economics: Structural Estimation, Causal Inference, Quantitative Economic Modelling

Programming: Cluster Computing, MATLAB, STATA, Python, \LaTeX

Languages: Malayalam (native), English (fluent), Hindi (fluent)