

# Kalyani Padmakumar

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## 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

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## FIELDS OF INTEREST

Macroeconomic Development, International Trade, Labor Economics

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## RESEARCH PAPERS

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

Abstract: India's employment protection legislation applies to manufacturing plants with more than 100 full-time workers. Although this legislation is costly for plants, there is no evidence of them bunching at 100 workers. This paper explains this puzzle and quantifies the aggregate implications of this legislation by focusing on transitions of plants around the regulatory threshold. Using the staggered roll-out across Indian states of a policy that changed the threshold of this legislation from 100 to 300 full-time workers, this paper provides novel reduced-form evidence that: (1) treated plants are more (less) likely to transition around 100 (300) full-time workers post-policy, and (2) treated plants around 100 (300) full-time workers employ fewer (more) temporary contractual workers and capital goods in production post-policy. 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. 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, aggregate full-time employment and output in the treated states would increase by 9% and 3% respectively in the long run. Taken together, these findings imply that evaluating size-based rules by exclusively focusing on bunching can be misleading.

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## 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 It is the incessant mechanism by which new and better production units replace outdated ones and ensures that the economy is close to the technology frontier.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.

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## 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

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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

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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

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**Economics:** Structural Estimation, Causal Inference, Quantitative Economic Modelling

**Programming:** Cluster Computing, MATLAB, STATA, Python,  $\text{\LaTeX}$

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