PARIJAT LAL

Progress

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Updated: April 21, 2024

EDUCATION Ph.D. in Economics, Columbia University 2024

M.A. in Economics, Columbia University 2020 B.A. in Economics, magna cum laude, Harvard College 2017

Honors Thesis: Agricultural Shocks and Mental Health in India

Secondary in Statistics

Research Primary: Development Economics, Public Economics, Labor Economics

INTERESTS Secondary: Organizational Economics, Health Economics

WORK IN Cooperatives, Competition, and Compensation

How does the allocation of ownership and control rights within firms affect responses to economic shocks? To shed light on this question, I study the heterogeneous effects of a pro-competitive reform on cooperative manufacturing firms and their non-cooperative counterparts in India. The reform removed firm-size restrictions on the production of "reserved" items, increasing competition for incumbents in "de-reserved" product markets. Using a difference-in-differences approach, I find that supplier cooperatives (SCs), owned and controlled by producer-members who supply material inputs, are resilient to the shock in terms of total revenue and move away from the production of de-reserved items. SCs increase their share of income spent on materials relative to similarly sized non-cooperatives in the same industry and location, with some evidence of downward adjustments in labor spending. These cooperatives are able to withstand competitive pressure from entrants while broadly catering to the interests of their membership. On the other hand, worker cooperatives (WCs), owned and controlled by worker-members employed at the firm, face a sharp decline in revenue due to de-reservation, unlike their non-cooperative counterparts. A potential channel behind these results is that WCs are less likely to respond by picking up items that are not directly affected by the reform. Spending on labor does not fall as much as revenue for WCs, which is in line with the immediate interests of membership, but adjustments to labor inputs vary sigificantly across employment categories. Taken together, these results offer insights on the relationship between firm organization and adjustments to resource allocation in response to shocks.

Equilibrium Effects of Incentivizing Public Services (with Utkarsh Kumar)

We study the equilibrium effects of subsidizing public services in the presence of vertically differentiated public and private suppliers. We evaluate one of India's largest welfare schemes, Janani Suraksha Yojana (JSY), which subsidized childbirth at public health institutions. JSY did not improve health outcomes despite a substantial increase in take-up of institutional care. We document three equilibrium responses that explain this policy failure. First, JSY led to a mismatch in patient risk across health facilities. High-risk mothers sorted out of the highest-quality care at private facilities and into lower-quality public facilities. Second, in response to congestion and deterioration of care at public hospitals, only mothers with high socioeconomic status sorted out of congested public facilities into more expensive private facilities. Third, private hospitals increased prices without improvements in healthcare quality in a specific subset of states, further crowding out high-risk and poor mothers. These findings point to the need for complementary public policies in addition to JSY, in particular, capacity improvements at public facilities and targeted vouchers for poor mothers to access healthcare at private facilities.

Complementarity and Substitution in Import Tax Evasion (with Michael Best, Nada Eissa, Joseph Okello, Jakob, Rauschendorfer, and Sandra Sequeira)

Combating the evasion of taxes on imports is an important strategy for improving domestic revenue mobilization in low-income countries. Previous work has relied on constructing "mirror-trade" gaps to identify tariff evasion through the under-reporting of import values at customs. Our project extends this analysis to the Ugandan context and uses administrative data to identify another, potentially complementary, channel for evasion by

importers: minimizing tax liability by over-claiming VAT paid on imports when filing VAT returns. We study the relationship between tax rates and these margins of evasion, providing rich detail on strategic behavior by importers and augmenting the analysis with data from corporate income tax (CIT) returns.

Withholding Taxes: Implications for Services Trade, Revenue, and Equity (with Alexander Klemm and Li Liu)

Withholding taxes (WHTs) have featured prominently in ongoing reforms of the international tax architecture. The rationale behind them is to preserve some taxation rights in the source country given their straightforward application, which is particularly important for low-income countries in the absence of more effective rules. Despite the increasing policy focus WHTs have received, there is little research that looks directly at their economic effects—particularly in developing countries. We build a simple model of firms' reporting decisions based on the burden of WHTs when they have economic activities in one country and affiliates in others. We then test the predictions of this model using newly collected data on treaty and non-treaty rates for an expansive set of countries. We also estimate the implications of WHT on: (1) international trade in services, considering likely substitution effects across various forms of base-eroding payments and resident countries, (2) revenue collection and inequality, and (3) multinational investment.

Honors	AND
AWARDS	

Columbia University

Dissertation Fellowship	2023-24
Dean's Fellowship	2018-23
Wueller Award for Best Teaching Fellow in Principles	2022
Program for Economic Research Data Grant	2022
Weiss Fund Grant for Exploratory Research in Development Economics	2021

Harvard College

High Honors in Field	2017
Thomas T. Hoopes Prize for Outstanding Research (nominee)	2017

TEACHING EXPERIENCE

Columbia University

Head Teaching Fellow, Principles of Economics (undergraduate)	Spring 2022
Teaching Fellow, Principles of Economics (undergraduate)	Fall 2021
Teaching Fellow, Industrial Organization (undergraduate)	Summer 2020

Work Experience

Graduate Research Fellow for Joseph Stiglitz, Columbia University	2019-present
Fund Internship Program, International Monetary Fund	2023
Graduate Research Fellow for Michael Best, Columbia University	2020-21
Analyst, Dalberg Advisors	2017-18
Research Assistant for EU Fellow, Harvard Weatherhead Center	2015-16
Research Associate, J-PAL South Asia	2015
Research Intern, Observer Research Foundation	2015
Legal Research Intern, Udayan Care	2014

POLICY PUBLICATIONS

"Drivers and Implications of Import Tax Evasion in Uganda" (with Michael Best, Nada Eissa, Joseph Okello, Jakob Rauschendorfer, and Sandra Sequeira). 2023. International Growth Centre Project Report.

"Scalable Business Models for Alternative Biomass Cooking Fuels and Their Potential in Sub-Saharan Africa" (*with Dalberg Advisors*). 2017. World Bank Energy Sector Management Assistance Program (ESMAP) Working Paper.

"Bridging the Gap Between Growth and Development" (with Tanoubi Ngangom). 2015. In Global Goals, National Actions: Making the Post-2015 Development Agenda Relevant to India, edited by Vikrom Mathur and Ritika Passi. London: Global Policy and Observer Research Foundation.

"India's Economic Footprint in the Developing World" (with Shubh Soni). 2015. Observer

Research Foundation Issue Brief 100.

SERVICE AND LEADERSHIP New York, USA

Columbia Development Colloquium (*Organizer*), Columbia Economics Diversity Initiative (*Mentor*), Student Workers of Columbia (*Organizer*), Read Ahead at Public School 125 (*Mentor*), People's Archive of Rural India (*Volunteer*), Constituent Services Team for Assembly Member Z. Mamdani (*Volunteer*)

Cambridge, USA

Harvard World Model United Nations (Secretary-General), Harvard US-India Initiative (Co-President), Harvard International Development Forum (Director of Finance), Boston Refugee Youth Enrichment Program (Volunteer)

SKILLS

Technical: Stata, R, Python, LATEX, SurveyCTO, Matlab (basic) Languages: English (fluent), Hindi (native), French (intermediate)

References

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Personal

Nationality: Indian

Interests: Soccer, cricket, tennis, Formula 1, hip-hop, historical fiction

Background: Schooling spanned Germany, India, Iran, Austria, Thailand, and Kenya