

**MARTIN ROTEMBERG**

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**HARVARD UNIVERSITY**

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**Graduate Studies:**

Harvard University, 2010 to present  
Ph.D. Candidate in Business Economics  
Thesis Title: "Essays on Manufacturing and Development"  
Expected Completion Date: June 2015

**References:**

Professor Richard Hornbeck Littauer Center 232 202-494-0722, hornbeck@fas.harvard.edu	Professor Michael Kremer Littauer Center M20 617-495-9145, mkremer@fas.harvard.edu
Professor Shawn Cole Baker Library 271, Harvard Business School 617-495-6525, scole@hbs.edu	Professor Rohini Pande Rubenstein-318, Kennedy School of Government 617-384-5267, rohini_pande@harvard.edu

**Undergraduate Studies:**

BA, Mathematics & Statistics and Economics, Williams College, Highest Honors, 2008

**Teaching and Research Fields:**

Primary fields: Development Economics, International Trade  
Secondary field: Economic History

**Teaching Experience:**

Fall 2012, 2013	PED-101: Economic Development: Theory and Evidence (HKS) for Professors Rohini Pande, Asim Khwaja, Dani Rodrik (2012), and Lant Pritchett (2013)
Spring 2013	Econ 2390c: Macroeconomic Issues in Development, for Professors Shawn Cole, Michael Kremer and Nathan Nunn

**Research Experience and Other Employment:**

2011-2012	Harvard University, Research Assistant, Professor Michael Kremer
2008-2010	Innovations for Poverty Action Bolivia, Project Associate
2007-2008	Williams College, Research Assistant, Professor Ashok Rai

**Professional Activities:**

Referee for the *Journal of Development Economics*

### **Honors, Scholarships, and Fellowships:**

2014	Pellegrini Grant
2013	Certificate of Distinction in Teaching
2012	Wyss Family Fund (with Jack Willis)
2010	National Science Foundation Graduate Research Fellowship
2008	David Wells Prize (best senior thesis in economics, Williams College)

### **Job Market Paper:**

*“Equilibrium Effects of Firm Subsidies”*

Abstract: Subsidy programs affect firms through two countervailing forces: direct gains for eligible firms and indirect losses for firms whose competitors are eligible. I develop a framework to capture the relationship between these two effects, allowing for multi-product firms and heterogeneous sectors. I exploit an expansion of eligibility for small-firm subsidies in India in 2006 to estimate (i) the growth of newly eligible firms, (ii) the extent of crowd-out, and (iii) the program's impact on factor misallocation. Newly eligible firms benefited from the policy change, as their sales grew by roughly 30% after gaining access to the subsidies. Indirect losses vary substantially: I find almost complete crowd-out for less-traded products, but little crowd-out for more traded products. Widening eligibility for subsidies reduced misallocation: I estimate that the policy change increased aggregate TFP by around 5%.

### **Research Papers:**

*“Communication and Investment: Evidence from the Expansion of Postal Services”* (with James Feigenbaum)

Abstract: In order to make sales, producers first have to find buyers and discover their willingness to pay. The analysis of this activity can help explain the process of structural transformation. If manufactured goods are more differentiated than agricultural commodities, then the equilibrium price of those goods will increase relatively more after the introduction of communication technologies. Furthermore, cheaper communication leads to the geographic dispersion of production and consumption, an effect which is magnified by access to cheaper transportation. We test these predictions using a novel dataset on the roll-out of free postal delivery in rural communities in the United States at the turn of the 20th century. We use newspaper subscriptions as a proxy first stage, and find that access to new post office services increased newspaper circulation. Investment in manufacturing significantly increased in counties with more new free delivery routes, particularly in regions with more access to railroads.

*“Here Comes the Sunshine Act”* (with Michael Gill and Michael Egedal)

Abstract: We discuss new methods for analyzing speech, in order to study how the behavior of the Federal Open Market Committee changed after the statutory enforcement of transparency laws in 1993. We develop "dictionary" based methods for text analysis, which allow both for analysis of technical language and for easy-to-understand comparisons across settings. Furthermore, we develop a theoretical model to explain why committee members' speech changes after transparency in light of career concerns. We examine the text of various Federal Reserve documents from 1976-2007, covering both years in which the FOMC knew its deliberations would eventually be made public, and years in which it believed the transcripts would be kept private. We show that the introduction of transparency led meeting discussions to be more similar to the always-public press releases, and that only some of this change can be explained by a shift away from non-economic conversation in the meetings.

*“Are We Undercounting Reallocation's Contribution to Growth?”* (with Mitsukuni Nishida, Amil Petrin, and T. Kirk White)

Abstract: Three recent studies examining the sources of aggregate productivity growth in India's manufacturing sector find that it was driven by within-plant increases in technical efficiency more than between-plant reallocation of inputs. This is surprising given the nature of the economic reforms in India in recent decades. In this paper we show that these findings of a limited role for reallocation in growth may be an artifact of the way these studies

estimate reallocation. Using microdata on manufacturing from 5 countries --- the U.S., Chile, Colombia, India, and Slovenia --- we show that ignoring reallocation of intermediate inputs significantly understates (overstates) the contribution of reallocation (technical-efficiency growth) in aggregate productivity growth. Furthermore, we show that in these four countries using average products instead of marginal products underestimates the contribution of reallocation.

**Research in Progress:**

*“Government Taxation and Investment”*

*“The Relationship Between Formal and Informal Manufacturing Activity”* (with Alex Segura)

*“How Does Similarity Evolve?”* (with Michael Egedal and Michael Gill)

**Languages:**

Spanish (native), English(native)