

Yale University

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Dear Colleague:

I am happy to provide this recommendation for Julia Garlick, who has applied for a position in your department. I recommend her to you; she is a superb researcher with a bright future in development economics.

Garlick is a PhD candidate here at Yale, working on entrepreneurship, occupational choice and on migration in developing countries. She also has been working on labor topics in developed countries. Her work is technically strong, extremely well-crafted, and innovative.

Garlick took my graduate course in Development Economics, she has participated actively as a vital member of our development economics group and I am helping to advise her on her dissertation. So I know Garlick and her research quite well.

Her job market paper examines the interrelated processes of occupational choice and investment in human capital and an environment characterized by both imperfect labor markets and financial market imperfections. In this kind of complex environment, and interventions such as a microfinance program that alleviates one binding constraint can have spillover effects that generate surprising consequences. Garlick provides evidence that the expansion of microcredit via the million baht program in Thailand reduces the schooling of the children of some beneficiaries. She develops a model of the dynamic investment and occupational choice decisions of households in this kind of environment. Households with relatively high productivity in entrepreneurial activity who had been constrained before the expansion of the credit program now find it profitable to open a business. The labor market frictions generates demand for household labor in the business, which increases the opportunity cost of schooling and some kids end up with lower human capital than they would have in the alternative of no expansion of credit. This is a remarkably strong paper, combining interesting reduced form evidence with a rich model that incorporates multiple market imperfections that interact in an important way. She estimates the model using pre-program data (from the Townsend Thai panel) and then evaluates its performance using post-program data. Garlick makes substantial progress to advance the research program of understanding heterogeneity and dynamic decision-making when multiple markets are imperfect. This paper should be published in a top-five general interest journal.

Garlick has produced two other very strong papers. One (with Leibbrand and Levinsohn) that examines individual migration and household reformulation in South Africa, the other (sole authored) on the evolving attitudes towards welfare after the end of AFDC. Her other letter writers are commenting on these papers; I raise them to make the point that Garlick engages with important questions across a broad range of geographic contexts and topics within empirical microeconomics. Her work is technically sophisticated and grounded in important policy questions, and she is adept with a broad range of tools. She has enormous capacity for careful and well-crafted empirical work, generates new ideas at a rapid pace, and works extremely hard.

Garlick will be an extremely valuable addition to your department. I recommend her to you with enthusiasm and confidence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chris", written in black ink.

Christopher Udry