

Meredith Startz

Home Address:

358 Humphrey St #3
New Haven, CT 06511

Office Address:

Department of Economics
Yale University
New Haven, CT 06520-8268

Telephone: 203-231-2192

E-mail: meredith.startz@yale.edu

Personal web page: <https://sites.google.com/site/meredithstartz/>

Citizenship: USA and Canada

Fields of Concentration:

Development Economics
International Trade
Applied Microeconomics

Desired Teaching:

Development Economics
International Trade
Applied Econometrics
Microeconomics

Comprehensive Examinations Completed:

2013 (Oral): Development Economics, International Trade (*with distinction*)
2012 (Written): Microeconomics, Macroeconomics

Dissertation Title: *Information problems in firms in developing countries*

Committee:

David Atkin
Dean Karlan
Sam Kortum
Mark Rosenzweig (chair)
Chris Udry

Expected Completion Date: May 2017

Degrees:

Ph.D., Economics, Yale University, 2017 (expected)
M.Phil., Economics, Yale University, 2014
M.A., Economics, Yale University, 2013
B.A., Economics and Political Science, Yale University, *cum laude*, May 2007

Research Grants:

Sasakawa Young Leaders Fellowship Fund (Sylff) Research Abroad grant, “*The value of face-to-face: Travel and the information costs of trade*”, 2016, \$4,904
PEDL Major Research Grant (with Shelby Grossman) “*Information and contracting problems among Nigerian traders*”, 2015, £120,000
International Growth Centre (with Shelby Grossman) “*Reputation and relational contracting: Experimental evidence on contracting frictions in West African trade*”, 2015, £120,000
Sasakawa Young Leaders Fellowship Fund (Sylff) Research Grant Program, “*The value of face-to-face: Travel and the information costs of trade*”, 2015, \$20,000
IPA SME Initiative Project Development Grant (with Shelby Grossman) “*Business is secret: Contract enforcement and information sharing among Lagos used clothing traders*”, 2015, \$24,350
PEDL Exploratory Research Grant (with Shelby Grossman) “*The value of face-to-face: Travel and the information costs of trade*”, 2014, £34,789
PEDL Exploratory Research Grant “*Tinkering: Incentives to innovate*”, 2014, £27,421
PEDL Major Research Grant (with Greg Fischer and Dean Karlan) “*Returns to consulting for women entrepreneurs*”, 2013, £160,198.43
PEDL Exploratory Research Grant (with Greg Fischer and Dean Karlan) “*Returns to consulting for women entrepreneurs*”, 2012, £33,999.59
IPA SME Initiative (with Greg Fischer and Dean Karlan) “*Returns to consulting for women entrepreneurs*”, 2011, \$8,448

Fellowships, Honors and Awards:

Kauffman Dissertation Fellowship (2015)
Sasakawa Young Leaders Fellowship (2013-2015)
National Science Foundation Graduate Research Fellowship (2011-2015)
Yale University Economic Growth Center Fellowship (2011-2015)
Yale University Doctoral Fellowship (2011-2017)
Pre-2007: Georg Walter Leitner Program in International Political Economy Study Grant (2006); Frank M. Patterson Summer Research Award (2006); Richter Summer Fellowship (2006); Tristan Perlroth Prize for International Travel (2005)

Teaching Experience:

Yale University teaching fellow
Economics of Developing Countries (undergraduate, Econ 325), Pr. Nancy Qian, Fall 2014
Econometrics and Data Analysis I (undergraduate, Econ 131), Pr. David Atkin, Spring 2013

Research and Work Experience:

Project Associate, Innovations for Poverty Action, 2008-2011 (Cagayan de Oro City, Philippines; New Haven, CT)
Analyst, Redstone Strategy Group, 2007-2008 (Boulder, CO)
Visiting Researcher, Centre for Social Science Research, University of Cape Town, 2006 (Cape Town, South Africa)
Research Assistant to Jeremy Seekings, Center for International and Area Studies, Yale University, 2006 (New Haven, CT)

Publications:

Economics, McGraw-Hill 2014. (Contributing author with Dean Karlan and Jonathan Morduch)

Working Papers:

“The value of face-to-face: Search and contracting frictions in Nigerian trade”

Works In Progress:

“Reputation and relational contracting: Experimental evidence on contracting frictions in West African trade” with Shelby Grossman

“Direct and spillover effects of a business training program: Experimental evidence from urban Uganda” with Dean Karlan and Greg Fischer

Seminar and Conference Presentations:

NEUDC, Cambridge, November 2016
Empirical Investigations in International Trade, FREIT, Ann Arbor, October 2016
Private Enterprise Development in Low-Income Countries Annual Workshop, London, March 2016
Kauffman Emerging Scholars Conference, Kansas City, February 2016
Innovations for Poverty Action Small and Medium Enterprise Working Group, September 2014
Private Enterprise Development in Low-Income Countries Annual Workshop, London, December 2014
Private Enterprise Development in Low-Income Countries Annual Workshop, London, December 2013

Referee Service:

Journal of Development Economics

Languages:

English (native), French (rusty intermediate)

References:

Prof. Mark Rosenzweig
Yale University
Department of Economics
New Haven, CT 06520
PO Box 208269
Phone: 203-432-3588
mark.rosenzweig@yale.edu

Prof. Chris Udry
Yale University
Department of Economics
New Haven, CT 06520
PO Box 208269
Phone: 203-432-3898
christopher.udry@yale.edu

Prof. Dean Karlan
Yale University
Department of Economics
New Haven, CT 06520
PO Box 208269
Phone: 203-432-4479
dean.karlan@yale.edu

Prof. Sam Kortum
Yale University
Department of Economics
New Haven, CT 06520
PO Box 208269
Phone: 203-432-6217
samuel.kortum@yale.edu

Prof. David Atkin
MIT
Department of Economics
50 Memorial Dr. E52-550
Cambridge, MA 02142
Phone: 203-936-9367
atkin@mit.edu

Dissertation Abstract

My dissertation examines how information problems shape firm structure and interactions between firms in developing countries.

The value of face-to-face: Search and contracting frictions in Nigerian trade [Job Market Paper]

Distance between buyers and sellers creates search and contracting problems that can pose a barrier to trade. Weak contract enforcement institutions, limited access to information technology, and small firm size make these particularly relevant in developing countries, and understanding the true sources of trade costs is key to effective policy. Unique panel data I collected from Nigerian importers captures not only the content but also the process of trade on a transaction level, and shows that traveling to do business in person is a common and costly way of coping with information problems. I build and estimate a model in which heterogeneity in the frequency of importing and the choice to travel reveals the magnitude and welfare effects of search and contracting frictions.

Four empirical patterns motivate the structure of a model relating trade and travel. First, travel is common, used by 62% of traders and in 32% of all shipments. Second, travel expenditures are large – equivalent to spending on transportation of goods and tariffs combined. Third, travel is persistent over time, and does not decline significantly in experience with particular countries or suppliers. Finally, transactions conducted in person feature lower unit costs, higher markups, and

are more likely to involve new products and suppliers. These patterns are difficult to account for without quantitatively important information frictions.

I build a model that accounts for these patterns by embedding a search problem and a repeated game with moral hazard into a Melitz (2003) style trade framework. Differentiated goods improve over time as new styles or technologies appear. Traders source these goods from upstream suppliers, and resell to consumers at home. They make forward-looking choices about how frequently to restock and whether to pay a fixed cost to travel when doing so. Traveling allows importers to search more effectively for new vintages and conduct a spot transaction. Ordering remotely yields less up-to-date products, and higher unit costs as the solution to a repeated game with opportunistic suppliers, analogous to an efficiency wage. The frequency of trade is endogenous and matters for welfare, determining both the vintage of goods available to consumers and the size of the remote contracting cost premium (because small, frequent purchases reduce the temptation for suppliers to renege).

I estimate the model to recover the size of search and contracting frictions. The observed probabilities of switching suppliers and finding new products separately identify search and contracting – the former pins down the size of the premium that satisfies incentive compatibility in the repeated game with suppliers, while the latter determines the loss associated with remote search. On average, importing without traveling yields goods that are 2.5 months behind the frontier (the search friction) and requires paying an 12% price premium to induce good behavior from suppliers (the contracting friction). Without information frictions, welfare in the traded consumer goods sector increases by 29%. Several counterfactual scenarios highlight the relevance of a new set of trade facilitation policies. First, the same frictions have much smaller welfare effects when firms are as large as they are in the US. Second, an Open Skies Agreement between China and Nigeria increases the fraction of importers traveling and yields substantial consumer welfare gains. Third, I add an escrow service into the model, and show that existing financial services have not ameliorated the contracting problem because they are too expensive.

Reputation and relational contracting: Experimental evidence on contracting frictions in West African trade (with *Shelby Grossman*) [*Baseline survey underway*]

In theory, public information about past behavior can substitute for formal contract enforcement. However, little is known about whether or how reputation alleviates contracting frictions in practice. In this project, we experimentally vary the availability of public information about Nigerian used clothing traders' transaction history, via a new reputation-backed mobile money escrow service. At baseline, these traders travel to neighboring Benin to make purchases in person on average once per week. We investigate whether increased access to information about potential trade partners' track records substitutes for costly monitoring and changes supply relationships. Two treatment arms – one of which lets users transact via the escrow service and records their behavior on a public profile, and the other of which only lets them view others' profiles – identify to what extent the effects of reputation operate through a selection channel (traders are able to identify partners who are of a reliable type ahead of time) versus a moral hazard channel (partners behave better knowing that their actions will become public).

Direct and spillover effects of a business training program: Experimental evidence from urban Uganda *(with Greg Fischer and Dean Karlan)*

Is lack of knowledge about how to manage a business a major impediment to the growth of small and medium enterprises (SMEs) in developing countries? If so, will the increasing number of public and non-profit technical assistance programs aimed at training entrepreneurs raise overall productivity in the economy, or simply redistribute surplus across firms? We conducted a randomized evaluation of the Women Mean Business (WMB) program, which offers classroom training and long-run mentoring to female small business owners in urban Uganda. Tracking participants for three years after the end of the program, we find that it had substantial and lasting, but not transformational, effects on attitudes, business practices, and financial outcomes, including a 17 percent increase in monthly profits. Surprisingly, we also find a positive ‘rising tide’ general equilibrium effect at the neighborhood level: In areas in which a larger fraction of local businesses were (randomly) invited to join the program, control group firms who did not participate enjoy higher revenues and profits even though they do not appear to adopt the new business practices themselves.