KAVEH MAJLESI

Department of Economics Lund University P.O. Box 7082, S-220 07 Lund, Sweden kaveh.majlesi@nek.lu.se <u>http://www.kavehmajlesi.com/</u>

EDUCATION

University of Texas at Austin, Ph.D. in Economics2012Dissertation: Essays on Trade and Investment in Children in Developing Countries
Committee Chair: Professor Sandra E. Black2006Harvard University, MPA in International Development2006Sharif University of Technology, MBA2004Sharif University of Technology, B.S. in Electrical Engineering2001

Research Fields

Development Economics Labor Economics International Trade

EXPERIENCE

Lund University Assistant Professor		August 2012-present
Department of Economics		August 2012-present
-	ed Development Economics	Fall 2012
International Monetary F	und	
Summer Intern		Summer 2011
African Department		
HAND Research Foundat	ion, Redwood City, CA	
Program Manager		2006-2007
OC&C Strategy Consulta	nts, Abu Dhabi, UAE	
Associate Consultant		Summer 2005
Hirbodan EPC Company Consultant	, Tehran, Iran	2001-2004
FELLOWSHIPS AND AWARDS		
Travel Scholarship awarded	by Stiftelsen Partnerskap	2012
Browaldh Stipend awarded	by Handelsbankens	2012-2015
Hale Fellowship, University	•	2011

Professional Development Award, University of Texas at Austin	2010
Richard Worley Fellowship, University of Texas at Austin	2007-2008
Balli Group PLC Fellowship, Harvard Kennedy School	2004-2005

WORKING PAPERS AND WORK IN PROGRESS

"Labor Market Opportunities and Sex-Specific Investment in Children's Human Capital: Evidence from Mexico"

"Parental Response to Changes in Return to Education for Children: The Case of Mexico"

"Trade-Induced Skill Premium in Developing Countries: The Role of Demand for Professional Services"

"Are Liquidity Constraints Irrelevant After All? Financial Constraints and Decision to Export"

PRESENTATIONS

2012: Northeast Universities Development Consortium (NEUDC) Conference, Dartmouth College

2011: Northeast Universities Development Consortium (NEUDC) Conference, Yale University STATA/Texas Empirical Microeconomics Conference, Texas A&M Southern Economic Association Meeting, Washington, DC

2010: Midwest International Trade Meeting, University of Wisconsin- Madison

PROFESSIONAL SERVICE

Referee for: Journal of Human Resources

PERSONAL INFORMATION

Citizenship: Iran

REFERENCES

Sandra E. Black University of Texas at Austin Department of Economics 1 University Station C3100 Austin, Texas 78712 (512) 475-8519 <u>sblack@austin.utexas.edu</u>

Leigh Linden University of Texas at Austin Department of Economics 1 University Station C3100 Austin, Texas 78712 (512) 475-8556 leigh.linden@austin.utexas.edu Jason Abrevaya University of Texas at Austin Department of Economics 1 University Station C3100 Austin, Texas 78712 (512) 475-8527 abrevaya@eco.utexas.edu

Stephen J. Trejo University of Texas at Austin Department of Economics 1 University Station C3100 Austin, Texas 78712 (512) 475-8512 trejo@eco.utexas.edu

WORKING PAPERS AND WORK IN PROGRESS

"Labor Market Opportunities and Sex-Specific Investment in Children's Human Capital: Evidence from Mexico"

This paper examines the effects of changes in labor market opportunities for women on the bargaining power of women within households and, ultimately, on investment in children's human capital. I show that a positive demand shock for female labor in a woman's age category increases her bargaining power, and this raises investment in the health of girls relative to that of boys within the household. To identify this effect, I exploit the geographic heterogeneity in demand for younger versus older female labor within the Mexican export manufacturing sector and its differential changes across municipalities between 2002 and 2005. I find that a 1 percent increase in labor demand for older (mostly married) women, caused by a demand shock to the export manufacturing sector, raises the share of decisions made by the wife in a household by 1.3 percent and the chance of a daughter being in good health by 1.1 percent.

"Parental Response to Changes in Return to Education for Children"

Previous research has shown that school enrollment in developing countries responds to a change in the return to education generated by a change in demand in the export jobs, which pays higher wages for a given skill level. Using data from Mexico, I show that the negative effects of a lower return to education are not limited to lower rates of school enrollment. Parents also respond to a decrease in the return to education for children, as a result of an increase in labor market opportunities for very young, unskilled labor in the export sector, by reducing spending on children's education even while they are enrolled at school. This suggests that parents respond along the intensive margin as well as on the extensive margin.

"Trade-Induced Skill Premium in Developing Countries: The Role of Demand for Professional Services"

This paper proposes a new mechanism linking trade and inequality in developing countries. Recent studies show that, in many developing countries, an increase in manufacturing exports translates into more demand, and consequently higher relative wages, for the skilled labor within the manufacturing sector. However, these studies explain only a small part of the overall trend in inequality. This paper proposes a different mechanism whereby manufacturing exports affect skilled labor demand outside the manufacturing sector. The producer service sector is by far the most important employer of skilled labor in developing countries. Increases in manufacturing exports generate more demand for producer services, and therefore skilled labor, relative to an increase in domestic manufacturing. Through this channel, manufacturing exports contribute more to the increase in aggregate inequality than domestic manufacturing. Using the late 1994 peso crisis as well as China's entry into the WTO as sources of variation for Mexican exports, I confirm the predictions of this hypothesis.

"Are Liquidity Constraints Irrelevant After All? Financial Constraints and Decision to Export"

Firm level studies offer mixed results on the effect of ex-ante liquidity constraints on the firms' export status. This paper explores the same matter using a new methodology. Building on Chaney (2005), a model of international trade with liquidity constraints, I make testable predictions and examine them using a panel of Mexican manufacturing firms. A direct implication of the model is that, controlling for the firms' productivity level and given that firms were not exporters in the previous period, a larger appreciation of the real exchange rate should have a larger effect on the probability of a less-liquidity-constrained firm being an exporter. The empirical analysis finds robust evidence in support of this prediction.