

**MICHAEL PETERS**  
[mipeters@mit.edu](mailto:mipeters@mit.edu)

**MASSACHUSETTS INSTITUTE OF TECHNOLOGY**

**OFFICE CONTACT INFORMATION**

MIT Department of Economics  
50 Memorial Drive, E52-391  
Cambridge, MA 02142-1347  
[mipeters@mit.edu](mailto:mipeters@mit.edu)  
<http://econ-www.mit.edu/grad/mipeters>

**HOME CONTACT INFORMATION**

1111 Boylston Street, Apt 34  
Boston, MA 02215  
cell: 857-928-1472

**MIT PLACEMENT OFFICER**

Professor Ben Olken  
[bolken@mit.edu](mailto:bolken@mit.edu)  
617-253-6833

**MIT PLACEMENT ADMINISTRATOR**

Beata Shuster  
[bshuster@mit.edu](mailto:bshuster@mit.edu)  
617-253-8787

**DOCTORAL  
STUDIES**

Massachusetts Institute of Technology (MIT)  
PhD, Economics, Expected completion June 2012  
DISSERTATION: "Essays on the Macroeconomics of Economic Development"

**DISSERTATION COMMITTEE AND REFERENCES**

Professor Daron Acemoglu  
MIT Department of Economics  
50 Memorial Drive  
Building E52, Room 380B  
Cambridge MA 02142-1347  
[daron@mit.edu](mailto:daron@mit.edu)

Professor Abhijit Banerjee  
MIT Department of Economics  
50 Memorial Drive  
Building E52, Room 252D  
Cambridge MA 02142-1347  
[banerjee@mit.edu](mailto:banerjee@mit.edu)

Professor Robert Townsend  
MIT Department of Economics  
50 Memorial Drive  
Building E52, Room 252C  
Cambridge MA 02142-1347  
[rtownsen@mit.edu](mailto:rtownsen@mit.edu)

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|----------------------------|-----------------------------------|------------------------|---|--------------------|
| <b>PRIOR<br/>EDUCATION</b> | MSc. (Diplom)<br>Visiting Student | Economics<br>Economics | University of Mannheim<br>University of California,<br>Berkeley | 2000-05<br>2003-04 |
|----------------------------|-----------------------------------|------------------------|---|--------------------|

**CITIZENSHIP** German

**LANGUAGES** German, English

**FIELDS** Primary Fields: Macroeconomics  
Secondary Fields: Development Economics

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|--------------------------------|---|----------------|
| <b>TEACHING<br/>EXPERIENCE</b> | Intermediate Macroeconomics (undergraduate, MIT course 14.02)<br>Instructor | 2008<br>(Fall) |
|--------------------------------|---|----------------|

|  |   |                  |
|--|---|------------------|
|  | Advanced Contract Theory (graduate, MIT course 14.129),<br>Teaching Assistant to Professor Robert Townsend  | 2010<br>(Spring) |
|  | Topics in Advanced Econometrics (graduate, MIT course 14.386),<br>Teaching Assistant to Professor Whitney Newey   | 2010<br>(Spring) |
|  | Development Economics: Macro Issues (graduate, MIT course<br>14.772), Teaching Assistant to Professor Abhijit Banerjee and<br>Professor Robert Townsend   | 2011<br>(Spring) |
|  | Advanced Macroeconomic Theory (graduate, MIT course 14.462),<br>Teaching Assistant to Professor Robert Townsend   | 2011<br>(Spring) |
|  | Advanced Macroeconomic Theory (graduate, MIT course 14.462),<br>Teaching Assistant to Professor Robert Townsend   | 2011<br>(Fall)   |
| <b>RELEVANT<br/>POSITIONS</b>                  | Research Fellow, University of Mannheim   | 2005             |
|  | Research Assistant to Professor Daron Acemoglu  | 2007             |
| <b>FELLOWSHIPS,<br/>HONORS, AND<br/>AWARDS</b> | German Academic Exchange Service (DAAD), Fellowship, 2003-2004<br>German National Academic Foundation (Studienstiftung des deutschen<br>Volkes), Fellowship, 2003-2006<br>McKinsey & Company, Fellowship, 2003-2004<br>German National Academic Foundation (Studienstiftung des deutschen<br>Volkes), European Recovery Plan-Fellowship, 2006-2008<br>MIT Graduate Fellowship, 2006-2008<br>Dissertation Grant, Shultz Fund, 2010   |                  |
| <b>PROFESSIONAL<br/>ACTIVITIES</b>             | Price Theory Scholar at the Becker Center on Chicago Price Theory,<br>University of Chicago, Fall 2009<br><br>Invited Conference Presentations: Society for Economic Dynamics (SED)<br>Annual Meeting 2010, 2010 Congress of the European Economic Association<br>(EEA), MOOD 2010 - 10 <sup>th</sup> Doctoral Workshop in Economic Theory and<br>Econometrics, Society for Economic Dynamics (SED) Annual Meeting 2011,<br>Review of Economic Dynamics Mini-Conference "Misallocation and<br>Productivity" 2011, Northeast Universities Development Consortium<br>Conference (NEUDC) 2011<br><br>Refereeing: <i>Econometrica</i> |                  |
| <b>PUBLICATIONS</b>                            | <b>"Solutions Manual for <i>Introduction to Modern Economic Growth: Student<br/>Edition</i>"</b> (with Alp Simsek), <i>Princeton University Press</i> , Princeton, NJ, 2009.<br><br><b>"Solutions Manual for <i>Introduction to Modern Economic Growth:<br/>Instructor Edition</i>"</b> (with Alp Simsek), <i>Princeton University Press</i> ,<br>Princeton, NJ, 2009   |                  |

**RESEARCH  
PAPERS**

**“Heterogeneous Mark-Ups and Endogenous Misallocation” (Job Market Paper)**

Aggregate total factor productivity depends both on firms’ physical productivity (technology) and on the efficiency of the resource allocation. The empirical regularity that cross-sectional productivity differences are more pronounced in underdeveloped economies is often interpreted as evidence for the importance of misallocation to explain the cross-country variation in TFP. This paper argues, that this finding is also informative about differences in technology. I construct a simple endogenous growth model, where the cross-sectional distribution of productivity and the growth rate of aggregate TFP are jointly determined. As output markets are imperfectly competitive, the cross-sectional productivity dispersion will reflect the distribution of mark-ups. Mark-ups not only cause static misallocation, but they also determine innovation and entry incentives and hence the equilibrium growth rate. If equilibrium entry is intense (for example because entry barriers are low), product markets are competitive, the productivity dispersion across firms is small and the aggregate growth rate is high. The cross-country variation in productivity dispersion might therefore be a symptom of fundamental differences in the innovation environment. Using firm-level data from Indonesia, I present both reduced form evidence for this mechanism and estimate the models’ structural parameters. A policy, which reduces existing entry barriers by 10%, will increase welfare by 5%. While 10% of these gains are attributed to a reduction of static misallocation, 60% stem from a change in the equilibrium growth rate.

**“Firm Heterogeneity and Import Behavior: Evidence from French Firms” (with Joaquin Blaum and Claire Lelarge)**

What ingredients should a model of import behavior have in order to be consistent with the firm-level evidence? To answer this question, we build a simple model where productivity differences are the only source of firm-level heterogeneity and prices, fixed costs and input qualities are common across firms. Using a comprehensive dataset of French manufacturing firms, we then test the qualitative predictions of such model. On the extensive margin, the model correctly predicts that firm-level productivity positively correlates with the number of imported products and the number of varieties per product. On the intensive margin, the model fares well in describing importers’ expenditures across imported varieties, but fails to account for the pattern of expenditure between domestic and foreign inputs. We conclude that a mechanism inducing firm-level heterogeneity in the effective relative price of domestic vs. foreign varieties is needed to successfully model import demand.

**“Why Do Inefficient Firms Survive? Management and Economic Development”**

There are large and persistent productivity differences across firms within narrowly defined industries. This is especially true in poor countries. Why do productivity differences decline as the economy develops? In this paper I

propose a theory where productivity differences exist because different firms use different technologies. The negative correlation between economic development and productivity dispersion occurs because the set of economically viable techniques shrinks as the economy develops. My mechanism stresses the role of managerial inputs. If managers are essential to increase the scale of production, inefficient techniques survive in managerial-scarce economies, as productive firms do not have the means to replace them. As the aggregate supply of managers increases, efficient firms expand, best-practice technologies dominate the industry and productivity differences decline. Using firm-level data from Chile, I test both cross-sectional and time-series implications of the theory.

**RESEARCH IN  
PROGRESS**

**“The TFP Losses from Financial Frictions in Indonesia”**

That financial frictions can reduce economic efficiency and aggregate TFP is well known. Recently it has been argued that general equilibrium models with heterogeneous firms, uninsurable idiosyncratic productivity shocks and collateral constraints can quantitatively account for a substantial part of the cross-country variation in TFP. Using plant-level data from Indonesia, I show that the micro-implications of such models are hard to reconcile with the firm-level evidence. When the model is disciplined to be consistent with the micro data, the implied TFP losses from financial frictions are modest.

**“Endogenous Skill-Biased Technological Change: Evidence from a Natural Experiment”**

This paper exploits a large-scale population transfer to test a theory of endogenous skill-biased technological change. Between 1946 and 1947, in the aftermath of World War II, roughly 8 million Germans were expelled from the German Eastern Territories and transferred to Western Germany. The settlement in Western Germany was not uniform, but showed substantial heterogeneity in the allocation of refugees across Germany's 260 counties. Given that in the pre-war era the Eastern Territories were much more agricultural than their western counterparts, I exploit this cross-county variation in refugee shares as quasi-experimental variation in local skill supplies and study the long-term effects on wages, sectoral employment patterns and the type of technologies used on the factory floor.

**“Costly Information Processing: Empirical Evidence” (with Stefan Hoderlein)**

How do individuals form expectations? In this paper we focus on two aspects. We present a general framework that allows us to (1) characterize the content of individual information sets and (2) test if information processing is costless. To do so we only require common regularity conditions on agents' preferences and agents' information sets can be partly unobserved by the econometrician. In particular, our approach does not require individuals to have rational expectations. As an empirical application we analyze income

expectations from a large cross-section of households. Preliminary results suggest that individuals' information sets are coarse. We further argue that our findings are hard to reconcile with a theory where information processing is costless.