

Speaker:

Kunal Dasgupta



Date and Time:

August 25th, 2024 (Wednesday); 3:30 PM

Venue:

Econometrics lab (room no 402), Fourth floor, Department of Economics, Rahul Bajaj Technology Innovation Centre

Title: "Middlemen in International Production Networks"

Abstract: This paper documents that middlemen feature prominently in international production networks. The availability of trade via middlemen or intermediaries leads to increased aggregate productivity and welfare, and reduced market concentration and markups. The presence of middlemen alter the architecture of the network in a way that magnifies the effects of a trade shock on productivity and welfare, and reverses the effect on competition. Efficiency improvements in the intermediation sector result in larger increases in aggregate productivity than do similar reductions in either trade costs or in the cost to matching producers and suppliers. Our results show a complementarity between trade promoting policies and policies aimed at the development of a robust intermediation trade sector.

About the speaker: Kunal Dasgupta joined the Economics area of IIM Bangalore in December 2018. Prior to joining IIMB, he was a faculty member in the economics department at the University of Toronto. Kunal's primary research areas are international trade and economic geography. His current research focuses on trade barriers facing firms engaged in international trade, and the role of trade and production networks in shaping the spatial distribution of economic activity. Kunal has consulted for international organizations such as ERIA, the World Bank as well as the Government of India. He holds a PhD in Economics from Princeton University, a MA in economics from Indian Statistical Institute, Delhi and a BS in economics from Presidency College, Kolkata.