Summary document

Name	Rishabh Malhotra
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Contact Number	+1 917 605 8659
School	New York University, Department of Economics
Areas of Interest	Development; Entrepreneurship; Trade; Macroeconomics; Management
Year of Entry	Fall 2022
Expected Completion	Spring 2027
Faculty Providing Letter	Martin Rotemberg

Vitae: RISHABH MALHOTRA

EDUCATION

PhD in Economics, New York University, USA *2022-*
Fields: Development, Macroeconomics, Trade and Finance
MSc. in Economics, London School of Economics and Political Science (LSE), UK *2019-21*
Distinction
BS in Mechanical Engineering, Indian Institute of Technology (IIT), Delhi, India *2013-17*
Top 5% of graduating class

AWARDS and HONOURS

2022: NYU McCracken Fellowship for graduate studies (fully funded PhD program)
2019: Narotam Sekhsaria Loan Scholarship (£20,000) for MSc in Economics at LSE
2019: JN Tata Endowment and Gift Scholarship (£13,000) for MSc in Economics at LSE
2017: Teaching Assistantship Semester Award, IIT Delhi ($6500 × 2)
2015: Semester Abroad Grant, POSTECH, Korea ($7000)

RESEARCH ASSISTANT EXPERIENCE (*full time)

Jul'24 – Oct'24:	Martin Rotemberg, NYU (Development, Trade and Macroeconomics)
Jun'21 – Jul'22*:	Robin Burgess and Oriana Bandiera, LSE (Development, Trade and Environmental)
Jan'20 – Jun'21:	Rocco Macchiavello, Department of Management, LSE (Industrial Organization)
Jun'20 - Aug'20:	Swati Dhingra, Centre for Economic Performance, LSE (Trade and Labour)
Mar'19 – Sep'19*:	Nicholas Ryan (Yale) and Anant Sudarshan (Warwick), J-PAL, India (Environment)
Jan'17 – Jul' 19:	Jean Drèze (Ranchi University) and Reetika Khera (IIT Delhi), India (Development)

WORK IN PROGRESS

2026: "Foreign direct investment and entrepreneurship", with Aman Rai (Yale SOM)
2026: "Causes and consequences of entrepreneurial spawning in India", with Aman Rai (Yale SOM)
2025: "Loom and doom: How caste frictions prevented structural transformation in India" with Anup Malani (U Chicago), Arpit Gupta (NYU Stern) and Nishaad Rao (Bank of Canada)
2025: "Capital goods, skills and employment dynamics: Evidence from India"

PUBLICATIONS (Economics and Policy)

2024: "Health Checkup" with Jean Drèze and Reetika Khera, *Economic and Political Weekly* Vol. 59, Issue 8
2022: "Covid Relief for the Poor: Too Little, Too Late", with R. Khera, in Y. Jain (ed.) *Covid from the Margins, Manohar Publishers*
2018: "Pension Tension: Aadhaar and Social Assistance in Jharkhand" with A. Somanchi, *Economic and Political Weekly*, Vol. 53, Issue No. 36 (Media coverage: *The Wire*)
2017: "How demonetisation broke Delhi's markets, but not people's faith in the move", *The Wire*

Statement of purpose

My research studies firms in developing countries, currently focused on India. In the main chapter of my dissertation, I examine whether foreign multinationals catalyse the growth of India's startup ecosystem by serving as training grounds for entrepreneurial talent. Specifically, I ask whether employees at successful multinational firms acquire managerial, technical, and organizational know-how that later enables them to become founders and senior executives in high-growth startups.

This project is motivated by an empirical pattern (that I document): a substantial share of entrepreneurs and senior executives in top Indian startups previously worked in the India offices of global firms (for example, Microsoft, Bangalore and McKinsey, Mumbai). To address concerns about selection, I exploit variation in hiring waves of leading foreign firms during Indian campus recruitment cycles. The identification strategy leverages exogenous fluctuations in foreign firms' labor demand: among equally talented students, those who graduate in years when multinational hiring demand is high are more likely to obtain jobs in these firms. I then evaluate whether this exogenous exposure increases the likelihood that they later found or lead high-growth startups.

In a related project, I take a more micro-level approach to uncover mechanisms behind entrepreneurial spawning. In India, second biggest spawners after multinational firms are young startups themselves (which I also document). I am partnering with one of the biggest spawners, to obtain detailed data on applications, interviews and selections. By comparing narrowly selected against rejected candidates and tracking their subsequent career trajectories, I will be able to disentangle selection from treatment. The key question is whether the firm disproportionately hires individuals who are already highly entrepreneurial, or whether working at the firm causally increases the likelihood of founding a startup (also uncovering mechanisms such as venture capital networks, coworker networks, and organizational learning).

Seminal work by Gompers, Lerner and Scharfstein documents such spawning by public firms in the US and is a motivation behind both these ideas. In my projects, I am testing the cross-border potential of spawning, documenting ways in which developing country-entrepreneurs are different from the American ecosystem and using detailed microdata to disentangle important mechanisms.

In another project, I study the other end of the entrepreneurial spectrum: small, informal, often household-run firms that account for most manufacturing employment in many middle-income economies. I ask whether increased competition from growing large formal firms competes them out of the market or transform business models, such as becoming a supplier of bigger firms? I use a 2004 capital goods trade liberalization as a natural experiment for quasi-exogenous productivity rise of the formal sector firms.

Reason to apply: The doctoral training in macroeconomics at NYU has given me strong tools to think about firm dynamics amid heterogeneity and capital constraints. The realities of the global economy, however, have evolved faster than many of our canonical models. High-growth entrepreneurship, today, even in developing countries, is shaped by global venture capital, multinational spillovers, and organizational learning - forces that sit at the intersection of macro-labor, finance, management, and innovation economics. This boot camp would provide me with exposure to scholars and scholarly work spanning these fields, helping me approach my questions through a more integrative and honest lens. The NBER classroom's peers will also be an ideal setting to sharpen and stress-test my ideas.

NYU

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Dear Colleagues,

I am pleased to write in support of Rishabh Malhotra, who is a fourth year PhD student at NYU. He is applying for the NBER Entrepreneurship Bootcamp, and I enthusiastically endorse his proposal.

Rishabh is conducting innovative work at the intersection of development, macroeconomics, and entrepreneurship, with a particular focus on startups in India.

He has several ongoing projects that could plausibly lead to job market papers.

The first is about the path the entrepreneurship in India. Most of the leaders of the new & exciting firms previously worked for multinationals. Qualitatively, they describe their experiences as formative. He's interested in understanding if the relationship is causal, as the potential for omitted variable bias is clear: multinationals have their choice of the best graduates in the country, who in turn are presumably likely to become future leaders. Indeed, qualitatively one could imagine causality going the other way, as many employees of elite American firms describe their experiences as essentially golden handcuffs: it is so cushy to be an employee of Microsoft or Google that their employees don't feel a drive to take risks at new companies. The direction of causality presumably matters a lot for policy, especially in a context like India which has many regulations on foreign direct investment.

Rishabh's empirical insight is that hiring typically occurs in waves, both across years and across campuses. That is to say, many firms hire predominantly through an on-campus round interviews (this is also true in the US). As a result, students who graduate from a university in a year which has a lot of on-campus hiring are more likely to get multinational jobs. So far, Rishabh has documented a preliminary first stage using LinkedIn data. Over the course of the semester, he will process the data, and link it to his data on the leadership teams of startups

The second project studies a large domestic tech company (I'm not sure if he's allowed to disclose which one, but you've heard of it). This company is well-known for spawning many other startups, and indeed encourages its employees to do so, and advertises their success (partially as a recruiting tactic). Again, this is a top-tier company, which can hire the best applicants. So, it makes sense that their employees would become leaders themselves. For identification, Rishabh is in the process of negotiating with them for their recruiting data, so that he can compare people who were narrowly hired to those who narrowly were not, essentially a regression discontinuity like design.

In a third project, Rishabh studies how cheap capital impacts the manufacturing sector. Using an event study design, he has shown that firms investing in capital also increase labor hiring—a result that contrasts with a prominent policy debate but aligns with the prevailing economic view that capital and labor are complements.

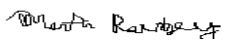
However, this alone does not imply that cheaper capital benefits workers. The informal sector in India has undergone a significant transformation: its share of manufacturing output, and especially employment, has fallen dramatically over the past 10-15 years, following a long period of stability at around 80% of employment and 20% of output. If driven by cheap capital, this reallocation of activity across enterprises could mean net job losses for workers.

In addition to these projects, Rishabh also has an ongoing project with Arpit Gupta on labor unrest and productivity in early 20th century Indian manufacturing.

Rishabh is extremely diligent and productive. While his main projects are still somewhat nascent, he has a keen eye for important questions and plausible identification strategies. Given the strengths (and limitations) of NYU's economics department, he would greatly benefit from access to the bootcamp. As a result, I strongly endorse his application.

Please feel free to contact me with any questions or comments.

Sincerely,



Martin Rotemberg
Associate Professor of Economics
New York University
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