

**PETER SCHNABL**  
[pas@mit.edu](mailto:pas@mit.edu)

**MASSACHUSETTS INSTITUTE OF TECHNOLOGY**

**OFFICE CONTACT INFORMATION**

MIT Department of Economics  
50 Memorial Drive, E52-391  
Cambridge, MA 02142-1347  
617-319-4352  
<http://econ-www.mit.edu/grad/pas>

**HOME CONTACT INFORMATION**

10 Oakland Avenue  
Somerville, MA 02145  
617-319-4352

**MIT PLACEMENT OFFICER**

Professor Nancy L. Rose     [nrose@mit.edu](mailto:nrose@mit.edu)  
617-253-8956

**MIT PLACEMENT ADMINISTRATOR**

Peter Hoagland     [pvhoag@mit.edu](mailto:pvhoag@mit.edu)  
617-258-5415

**DOCTORAL STUDIES:**     Massachusetts Institute of Technology (MIT)  
PhD, Economics, Expected completion June 2008  
DISSERTATION: Migration and Development in Mexican Communities

**DISSERTATION COMMITTEE AND REFERENCES**

Abhijit Banerjee MIT Department of Economics 50 Memorial Drive, E52-252D Cambridge MA 02142-1347 (617) 253-8855 <a href="mailto:banerjee@mit.edu">banerjee@mit.edu</a>	David Autor MIT Department of Economics 50 Memorial Drive, E52-371 Cambridge MA 02142-1347 (617) 258-7698 <a href="mailto:dautor@mit.edu">dautor@mit.edu</a>
Frank Levy MIT Department of Urban Studies and Planning 77 Massachusetts Ave, 9-523 Cambridge MA 02139 (617) 253-2089 <a href="mailto:flevy@mit.edu">flevy@mit.edu</a>	

<b>PRIOR EDUCATION</b>	B.A.	Economics	University of Manitoba	2001
<b>CITIZENSHIP</b>	Canadian	<b>GENDER:</b> MALE	<b>DATE OF BIRTH</b>	05/23/1979
<b>LANGUAGES</b>	English, French			
<b>RESEARCH &amp; TEACHING FIELDS</b>	Primary Fields: Development Secondary Fields: Labor, Applied Econometrics			
<b>TEACHING EXPERIENCE</b>	Principles of Microeconomics (undergraduate, MIT course 14.01), Instructor			Fall 2007
	Introduction to Statistical Method in Economics (undergraduate, MIT course 14.30), Teaching Assistant to Nirupama Rao			Fall 2007
	Microeconomic Theory and Public Policy (undergraduate, MIT course 14.03), Teaching Assistant to Stephen Ryan			Spring 2007
	Economics of Education (undergraduate/graduate, MIT course 14.48J), Teaching Assistant to Frank Levy			Spring 2007

Microeconomic Theory and Public Policy (undergraduate, MIT course 14.03), Teaching Assistant to David Autor Fall 2004,  
Fall 2005  
Labor Economics I (graduate, MIT course 14.661), Teaching Assistant to Philip Oreopoulos and Daron Acemoglu Fall 2004

**PROFESSIONAL ACTIVITIES** Referee for *Journal of Labor Economics*

**RESEARCH PAPERS:** **“Migration and Development in Mexican Communities” (Job Market Paper)**

Migration from Mexico to the United States constitutes one of the world’s largest labor flows and generates enormous capital flows in the opposite direction. Corresponding to each of these flows is a distinct view of the role migration plays in local economic development. The optimistic view stresses the role of capital in relaxing credit constraints, while the pessimistic view emphasizes the departure of the economy’s skilled and motivated workers. Using data from the Mexican Migration Project and exploiting stickiness in migrants’ choice of U.S. destination, I examine the effects of migrant demand shocks on business ownership in Mexican communities. I find no evidence to support the pessimistic scenario; indeed, business ownership rates seem to increase even in the short run before remittances have had time to flow back home.

**RESEARCH IN PROGRESS:** **“Migration and Industrial Development”**

Political discourse and neoclassical theory agree that industrial development at home is a substitute for migration. In practice, the relationship may be muddled by the role of migration in financing business investments and the existence of upfront migration costs. This project uses data from Mexico’s Population and Economic censuses to examine the relationship between the growth of manufacturing employment and flows of prime-age men at the municipality level. Preliminary results suggest a surprisingly weak relationship.

**“Promotion, Turnover and Adverse Selection” (with Jin Li)**

This paper develops a model that examines the optimal assignment of workers into jobs under adverse selection. Workers differ by their disutility of effort; jobs differ by their productivity and ease of effort monitoring. Firms would like to assign hard workers to "managerial" jobs because efforts in these jobs are harder to monitor. To prevent the lazy workers from mimicking the hard workers, we study the use of two instruments at firms' disposal: requiring long hours and distorting job assignments. The model has an essentially unique separating equilibrium. In equilibrium, workers are required to exert inefficiently high levels of effort in earlier stages of their career and firms commit to promote only a fraction of qualified workers.

We also consider two basic comparative statics: the effects of easier mobility across firms, and an increase in the relative productivity of managerial jobs. When mobility costs decline, work effort increases unambiguously. Task assignment also becomes more efficient when the decrease in mobility costs is sufficiently large. Similarly, an increase in the relative productivity of managerial jobs unambiguously raises the effort levels required of promotion track workers. Because higher productivity in these jobs can worsen the adverse selection problem, however, task assignment need not become more efficient on balance. These predictions are consistent with stylized facts about the hours and turnover patterns over time within the U.S. as well as the cross-sectional comparison between the U.S. and Europe.