

Research Statement

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My research focuses on public finance with applications in developing countries. I examine how taxes, transfers, and institutional reforms shape firms, labor markets, and broader economic development, as well as their implications for welfare. I use novel firm-level administrative tax data and modern causal inference methods to provide new micro-level evidence on the effects of these policies and reforms.

A central feature of my research is the integration of rich administrative data from Uganda. The Uganda Revenue Authority (URA), with support from UNU-WIDER, has compiled longitudinal firm-level data from corporate income tax returns and employee-level payroll tax records. I link these two sources at the firm level, allowing me to study firm outcomes alongside formal employment, the formal wage bill, and the distribution of earnings within firms over time. My dissertation uses nine years of these data, while the underlying administrative records continue to expand as additional years are added. This ongoing institutional relationship provides a foundation for developing new projects beyond my dissertation.

Research Foundations

My interest in research grew out of my pre-PhD work in policy research in Uganda, where I became interested in how business environment constraints and economic shocks shape firm performance. This work led to papers examining the constraints facing firms in African economies. In one, my coauthors and I show that a weak business environment characterized by electricity outages, informal competition, and corruption disproportionately affects female-managed firms and helps explain gender gaps in firm performance. In another, we find that while small bribe payments may help firms navigate bureaucratic hurdles, higher levels of corruption distort investment, particularly among small and manufacturing firms. These projects grounded my research interests in questions about firms, institutions, and the policy environment in developing countries.

My PhD training has equipped me with theoretical and empirical tools to study these questions more rigorously and sharpened my research focus on public finance in developing countries. My current research is broadly organized around two questions: First, who ultimately bears the costs or receives the benefits of public policies once behavioral responses and spillovers are taken into account? Second, how does policy and institutional design determine whether these indirect effects reinforce or offset the intended objectives of policy? These questions motivate the three projects that comprise my dissertation.

Dissertation Research

In the first chapter, **“Beyond Local Revenue: Commercial Property Taxes, Firm Behavior, and Fiscal Externalities,”** I provide one of the first comprehensive analyses of the economic effects of property taxation in a developing country, spanning firm activity, incidence, distributional consequences, spillovers from local property taxes to central government revenues, and the associated welfare implications. Property taxation is widely viewed as a promising source of revenue for developing countries, yet evidence on its economic effects is sparse. Combining administrative corporate and employee tax records with a difference-in-differences design, I show that a reform that substantially increased commercial property tax liabilities in Kampala, Uganda, significantly reduced firm survival rates and formal employment, while having no significant effects on revenues or profits among active firms. Firms also adjust along the informality margin, with increased wage informalization accounting for most of the decline in the formal wage bill, while higher-earning workers bear a disproportionate share of the adjustment.

I further show that these responses create a vertical fiscal externality: the tax increase reduced central government income tax revenues by 30 percent of the amount it contributed to local property tax collections. Incorporating this externality into a Marginal Value of Public Funds framework, I estimate that raising one shilling of net consolidated public revenue costs the public 1.53 shillings, implying property taxes generate 53 percent marginal deadweight losses. The paper therefore extends the literature by showing that, although property taxation can be an important revenue instrument for local governments, it is not free from distortions: it affects firm activity, labor market outcomes, the distribution of earnings, and the tax base of the central government. *This paper was presented at the 8th World Bank/ODI Global/IFS Public Finance Conference and is on the program for the 119th National Tax Association Annual Conference.*

The finding that a local policy can have consequences for both private-sector activity and the fiscal position of the central government motivates a related question in my second chapter, **“The Economic Effects of Decentralization: Firm Performance and Fiscal Capacity,”** co-authored with Laston Manja and Jovitah Namutebi. We ask whether decentralization generates tangible gains for the private sector and how it affects the central government’s capacity to mobilize tax revenue. Exploiting Uganda’s 2015/16 wave of district creation and using firm-level administrative tax data in a staggered difference-in-differences design, we find that district creation increases firm revenues, with effects emerging about two years after the reform and growing thereafter. These gains are accompanied by higher expenditures on intermediate inputs and labor, as well as expansions in formal employment and the wage bill, while profits do not increase significantly. We provide evidence that increased local demand and improvements in local infrastructure, including improvements in electricity reliability, help explain these effects. Decentralization also strengthens central fiscal capacity through improved effective taxation and an expansion of the formal income-tax base.

Importantly, the gains from decentralization depend on how administrative boundaries are drawn:

revenue increases are concentrated in relatively symmetric district splits, while highly asymmetric splits generate no detectable effects. The paper thus advances the decentralization literature by tracing the effects of administrative fragmentation beyond public service delivery to private-sector activity and fiscal capacity and showing the institutional conditions under which the gains are realized.

The third chapter of my dissertation broadens my analysis of public policy from firms and fiscal institutions to the labor-market consequences of government transfers. In the paper **“Beyond the Beneficiary: Old-Age Pensions and the Labor Market Outcomes of Younger Adults,”** I study how old-age pensions affect the labor supply and earnings of working-age adults within the household. In many low-income countries, younger adults provide substantial financial support and caregiving to elderly household members, yet little is known about how this burden shapes their economic behavior. In this paper, I ask how programs that alleviate these responsibilities affect the economic outcomes of working-age adults. Exploiting the introduction of a non-contributory old-age pension in a subset of Ugandan districts and using household-level data in a difference-in-differences design, I find that pension exposure increases labor supply and earnings among self-employed adults, with no significant effects among wage workers. The effects are largely explained by increases in working capital, suggesting that pension income relaxes household resource constraints and enables younger adults to invest more in their businesses. This chapter extends the literature beyond direct beneficiaries by showing that cash transfers to the elderly can generate economically meaningful labor-market spillovers to younger household members. *An earlier version of this paper received the Outstanding Third-Year Paper Award from the Department of Economics at the University of Michigan*

Future Research Agenda

Building on my dissertation, my future research will continue to examine the effects of fiscal and other government policies on firms, labor markets, and fiscal capacity in developing countries. The growing availability of high-quality administrative tax data creates new opportunities to study questions that have been difficult to answer in these settings: who ultimately bears the burden of different taxes, which margins firms use to adjust to taxation, and how these responses propagate across tax bases and levels of government. Although some of these questions have been studied in high-income countries, their answers need not carry over to developing economies, where weaker enforcement capacity and widespread informality may alter both the margins of adjustment available to firms and the ultimate incidence of taxation.

One immediate project will examine the incidence and distributional consequences of corporate income taxation in Uganda by exploiting a reform that differentially altered firms’ effective tax rates by limiting interest expense deductions for some firms but not others. As the firm-level panel expands, I also plan to examine the long-run effects of decentralization, including the creation of new districts and cities, on both firm activity and the fiscal capacity of the state. The ongoing

relationship with the tax authority in Uganda also provides opportunities to combine experimental designs with administrative data to examine how new technologies, such as artificial intelligence (AI), affect fiscal capacity.

This broader interest in how policy shapes the constraints facing firms and workers also motivates my research on access to productive economic opportunities. In an ongoing co-authored project, for example, we use a randomized controlled trial (RCT) to test whether reducing informational and reputational frictions and liquidity constraints improves access to global online work for young African professionals. By examining whether targeted support enables skilled workers to access employment opportunities beyond their local labor markets, this project speaks to how policy can broaden economic opportunities in settings where high-quality jobs remain scarce.