VARUN KAPOOR

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ACADEMIC APPOINTMENTS

Academy Scholar, Harvard Academy for International and Area Studies *2025–27*

EDUCATION

University of Chicago, Ph.D. Economics *2019–2025*

Indian Institute of Management, Calcutta, MBA *2015–2017*

Indian Institute of Technology, Roorkee, B.Tech *2009–2013*

REFERENCES

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RESEARCH AND TEACHING FIELDS

Primary: Labor, Development
Secondary: Environment, Political Economy

JOB MARKET PAPER

Why Do Firms Hire Migrant Workers? (with Chinmaya Kumar)

Large spatial wage gaps create incentives for workers to migrate. Whether workers migrate and the gains they realize from migrating depend in part on why destination firms value migrant labor. We study firms' preference for migrants over locals, and its consequences for workers, through a series of field experiments in India: an incentivized hiring experiment with 234 firms, real job offers to potential migrants, and real placements matching these firms and workers. Firms have a higher WTP for migrants, demand them 79% more at the same wage, and screen on migrant status. We combine experimental variation in reliability guarantees and the option of on-site housing with incentivized beliefs of firms about workers' on-the-job actions to decompose the migrant WTP premium into three margins of labor input: reliability, unpaid hours, and per-hour productivity. Unpaid labor beyond the agreed workday accounts for approximately 27% of this premium and reflects the exercise of employer power, whereas the other two margins may reflect both worker characteristics and employer power. Firms that perceive migrants as having less institutional recourse than locals report larger premiums. Potential migrants expect less unpaid work and greater recourse than firms anticipate, and in real job offers requiring migration, they forgo substantial wages for protections against on-the-job vulnerabilities. Implemented job placements show that migrants complete more contract days, supply more unpaid labor, and have higher per-hour productivity than locals, validating the beliefs that drive firm preferences. These findings suggest that greater monopsony power over migrants can increase their value to firms while reducing workers' net gains from moving, which may deter migration.

PRESENTATIONS: SITE 2026 (Social Structure and Economic Development); BREAD-CEPR Development Economics Annual Symposium 2026; Firms, Trade and Development 2026; 9th Banca d'Italia-CEPR Workshop: Labour Market Policies and Institutions.

WORKING PAPERS

The Automation Data Bargain under Worker Constraints (with Raman Singh Chhina)

AI-driven automation in manufacturing creates an unusual bargain between firms and workers: firms can acquire the knowledge needed for building machines by recording workers as they perform their tasks. Workers can receive compensation for sharing this knowledge today, but doing so may reduce the future value of their labor. The terms of this exchange can therefore shape how the gains from automation are divided between workers and firms. We study how information asymmetry about the intended use of these recordings and workers' bargaining power affect the compensation they demand. In an experiment with factory workers in India, we elicit the minimum additional daily payment required to make first-person recordings of their work. We randomize disclosure that the footage will be used to train a machine that could replace them and compare requests from their own employer and an outside research organization. For employer requests, workers require about 0.35 of a day's wage for each day of recording under non-disclosure. Disclosure raises this reservation price by approximately 92 percent. Workers ask for about 21 percent less from their employer than from the outside organization for the same recording, and 78 percent expect dismissal if they refuse their employer's request. These findings reveal that information asymmetry lowers workers' reservation prices for training data, giving firms scope to capture a larger share of the gains from automation. Workers' replaceability as data suppliers and weak bargaining positions compound this advantage.

Wage Theft, Reneging and Liquidity Constraints in Informal Labor Markets

Informal labor markets in low- and middle-income countries exhibit high unemployment and job turnover despite high labor demand. We conduct two field experiments to study how wage theft, worker reneging, and liquidity constraints generate a mismatch between workers' labor supply and firms' labor demand. In the first experiment, 1,360 workers receive real job offers on either flat/daily-pay contracts, which do not withhold wages and therefore reduce wage theft concerns and workers' liquidity constraints, or back-loaded contracts, which withhold wages and impose these constraints. Labor supply is around three times larger for flat/daily-pay contracts. This preference is driven by workers' fears of wage theft, liquidity constraints, and contractual lock-in costs—the expected losses from forfeiting accrued wages when workers exit back-loaded contracts in response to shocks or excess work extraction by firms. These frictions are costly and 72% of workers who rejected job offers went on to earn less during the period than the offers would have paid. In the second experiment, we make real offers to hire workers on either flat/daily-pay or back-loaded contracts to 349 firms. Firms' labor demand almost doubles for back-loaded contracts and this is driven by liquidity constraints, and the costs of worker reneging under flat/daily-pay contracts. When we match the firms and workers who accepted contracts in the first two experiments, workers are 69% more likely to complete back-loaded contracts than flat/daily-pay contracts, which have a 34% completion rate, thereby imposing significant costs on firms. Firms extract longer working hours under back-loaded contracts, consistent with workers' stated concerns.

PRESENTATIONS: NBER SI (Development) 2025; CEPR Development Economics Annual Symposium 2025; G²LM | LIC/path2dev/BREAD Conference on Development Economics; MIT; LSE ID; 21st Century India Center (UCSD); PEDL 15th Anniversary Conference; APU.

Occupational Stigma, Labor Supply and Worker Migration (with Chinmaya Kumar)

We study how occupational stigma shapes labor supply and the spatial allocation of labor through three experiments in India. In the first experiment with 582 households, respondents evaluate the same construction job in their own village, a nearby panchayat, and the city, with wages held fixed across locations. The increase in labor supply between the own-village and nearby-panchayat offers is 12.0 ppt larger among caste groups facing greater stigma from construction work, while labor supply among groups facing less stigma remains essentially unchanged. For city jobs, the corresponding difference-in-differences in labor supply is 32.5 ppt. Although the city–village contrast is not entirely attributable to stigma, the nearby-panchayat–village contrast provides a lower bound on its stigma-driven component. Respondents who report greater stigma also exhibit larger spatial differences in labor supply. A second experiment with migrant construction workers recruited at labor stands in the city reproduces this pattern and suggests that these workers face greater stigma than those in the village sample. A third, hypothetical experiment with young men in the city extends these findings to app-based delivery work, where stigma is linked to educational status. Respondents report greater willingness to accept the delivery job outside their own neighborhood than within it, and this difference is larger among men with more education. Together, these findings show how occupational stigma for a range of occupations can restrict local labor supply while creating an incentive to perform the same work elsewhere, thereby shaping the geography of labor supply within occupations.

Wage Compression and Contract Structure in Informal Labor Markets

Whether a labor market is characterized by wage compression or wage competition determines how it adjusts to excess labor supply: under wage competition, workers bid wages down, whereas under wage compression, wages stay at the prevailing level and jobs are rationed instead. This paper argues that contract structure is an important determinant of wage compression. We study an informal labor market in India, where workers negotiate publicly over jobs offered on time-based contracts, which pay for a fixed workday, and task-based contracts, which pay for task completion. We measure wage competition by undercutting: offering to do the same job for less than another worker has quoted. Across about 1,400 negotiations, workers undercut in 40% of task-based negotiations, compared with 21% of time-based negotiations. This gap suggests that contract structure shapes wage competition. In a separate survey of 843 workers, stated minimum acceptable wages and beliefs about the prevailing wage are also more compressed for time-based jobs, indicating that the lower rate of undercutting under time-based contracts accompanies wage compression. We develop a model in which time-based contracts require every worker to stay for the full workday, whereas task-based contracts let more productive workers finish sooner and retain valuable time. Under task-based contracts, minimum acceptable wages therefore differ across workers. Consistent with this mechanism, workers who report longer completion times for a task state higher minimum acceptable wages for it. Vignette evidence shows that workers view wages for time-based jobs as more fixed and more often invoke the prevailing wage when objecting to lower bids. Workers also expect more undercutting when they differ in completion times for the same task. These results indicate that contract structure can be an important determinant of wage compression, and that the mix of time- and task-based contracts in a market may matter for how it adjusts to excess labor supply.

Social Engineering through Schools (with Anirvan Chowdhury, Aaditya Dar and Chinmaya Kumar)

Political movements build enduring influence through institutions that connect their political projects to everyday community life. We study this process through the nationwide school network of the Rashtriya Swayamsevak Sangh (RSS), India's principal Hindu nationalist organization. Combining new data on school locations and establishment dates with constituency- and village-level electoral designs, we find that greater exposure to RSS schools is followed by persistent gains in support for the Bharatiya Janata Party. These political gains are accompanied by changes in cultural practices: increased vegetarianism among upper-caste and Other Backward Class households and greater use of Hindu deity names, concentrated in names associated with Vishnu and his incarnations. A survey of RSS and nearby private schools reveals more extensive religious programming and community engagement in RSS schools, involving parents and residents beyond enrolled students. Together, the findings suggest that movement-affiliated institutions provide durable infrastructure for cultural transmission and political organization. Their reach extends beyond education into the identities, practices, and social relationships that underpin political allegiance. The paper highlights how institutions embedded in everyday life can help political movements build a lasting social foundation for electoral support.

PRESENTATIONS: NEUDC 2025; 20th Annual Conference on Economic Growth and Development at ISI 2025; MWIEDC 2026; MPSA 2026; APSA 2026; Harvard-Brown South Asia Politics Seminar.

Environmental Degradation in One's Own Backyard: Who Gains and Who Loses from Sand Mining in India (with Sushant Banjara, Claire Fan and Katie Zhang)

Why does environmentally damaging extraction persist despite imposing substantial costs on nearby communities? We examine this question through a study of sand mining in India, analyzing its environmental and economic consequences, the distribution of gains and losses, and the role of political influence in sustaining extraction. Comparing changes near mines after extraction begins with those at other locations suitable for mining, we find substantial environmental damage alongside local economic expansion. Near mines, the share of land inundated during the monsoon increases by 25%, and satellite-measured vegetation declines by 2.8%, while nighttime light intensity rises by 12%. Asset gains are concentrated among politically dominant groups—Upper-caste and Other Backward Class households—with no corresponding increase among less dominant groups. A survey of more than 8,000 households across 214 mining and nearby non-mining villages reveals that only 9.0% of households in mining villages earn income from mining, with the top 1% receiving 53.8% of total mining income. Compensation for environmental damage is rare, and measured mining profits cover valued environmental losses in only 25 of 126 villages with current or past mining. We develop a model in which larger household gains strengthen support for extraction, while larger losses strengthen opposition. Giving households that earn income from mining greater influence over decisions can sustain extraction in up to 76 villages, including those where aggregate local losses exceed gains. Our findings highlight a political-economy mechanism through which concentrated economic benefits can sustain extraction despite widespread, uncompensated environmental damage.

PRESENTATIONS: MWIEDC (UIUC); Interdisciplinary PhD Workshop in Sustainable Development (Columbia); LSE Environment Camp; Workshop on Contemporary Political Economy (APU Bhopal).

Trust Failures and Decarbonization: Evidence from India's Electric Two-Wheeler Market

Electric two-wheelers offer a promising path to decarbonizing transport in lower- and middle-income countries, but uncertainty about product reliability and after-sales service may slow their adoption. We examine whether the 2024 service-quality crisis at Ola Electric, then India's largest electric two-wheeler manufacturer, affected demand for non-Ola electric vehicles. To determine whether the crisis affected adoption beyond Ola, we exploit geographic variation in the firm's pre-crisis installed base using administrative registration data from 886 Regional Transport Offices. A triple-difference design compares non-Ola electric two-wheelers with internal-combustion two-wheelers within the same local market, while synthetic difference-in-differences compares highly exposed markets with weighted lower-exposure markets that followed similar pre-crisis trajectories. After the crisis, non-Ola electric registrations grew more slowly relative to internal-combustion registrations in places with higher pre-study window exposure to Ola sales. In the most exposed markets, non-Ola registrations were 17 percent below their synthetic counterfactual during the following year, and total electric registrations were 12 percent lower. Rather than shifting demand toward competitor brands, the market leader's service failures degraded consumer confidence in the technology category as a whole. These findings demonstrate that firm-level service reliability and brand reputation directly constrain clean-technology diffusion, exposing structural vulnerabilities in transition policies that concentrate rapid expansion among a small cohort of early movers.

PRESENTATIONS: Cities and Development Workshop (Harvard) 2026.

The Direct and Spillover Impacts of Gender Quotas in Public Sector Employment (with Niharika Singh)

Expanding women's access to stable economic opportunities remains a central policy challenge in many countries around the world. Can gender quotas help? We provide new evidence on the short- and long-run impacts of gender quotas in public sector employment in India. Leveraging variation in quota exposure across cohorts and across adopting and non-adopting states, we report three main findings. First, quota exposure increases the likelihood of public employment for women in the short- and long-run, with short-run gains concentrated among those with higher pre-quota education levels. Second, quotas lead to greater educational investments in the long-run, with women more likely to become secondary school and college graduates. Third, while there is no increase in private employment in the short-run, women are more likely to be employed in the formal private sector in the long-run. Yet, in the long run, there is no effect on overall employment. Together, these results show that gender quotas in public employment can catalyze human capital investments and shift women towards better jobs, though increasing overall female labor force participation requires addressing additional underlying constraints.

Indirect Rule and the Unequal Burden of Persistence: Evidence from Hyderabad

We study the distributional consequences of colonial institutions in India by analyzing the effect of direct and indirect rule on the outcomes of historically disadvantaged and advantaged caste groups using a border discontinuity design. We find that disadvantaged caste groups in indirectly ruled areas have 1.4 fewer years of schooling and significantly less wealth than similar groups in direct rule areas. A similar analysis for the Advantaged caste in indirect rule areas suggests that they have small and mostly insignificant differences in education and wealth. Cross-caste wealth inequality and land inequality are higher in indirectly ruled areas. Differences in extent of agricultural labor repression, as measured by agricultural wages and bonded labor, led to the emergence of these differences during the colonial era. These differences persist partly due to differential growth in credit institutions after independence. Indirectly ruled areas have fewer banks per grid cell post independence, and this negatively affected productivity. As a result, farmers in these areas have larger non-institutional debt than directly ruled areas, and disadvantaged caste farmers drive this effect.

WORK IN PROGRESS

Unmaking Caste: Self-Respect and Social Mobilization in Tamil Nadu (with Kalaiyarasan A)

For more than two millennia, caste has divided Hindu society into a hereditary hierarchy of endogamous groups, with Brahmans at the top and Dalits, subjected to untouchability, at the bottom. We study whether a mass social movement can weaken one of the most visible markers of this hierarchy: the caste surname. Our setting is Tamil Nadu, where the Self-Respect Movement, founded by Periyar in 1926, urged its followers to drop caste surnames. Using events recorded in Periyar's travelogue, we show that the movement was more active in subdistricts with larger Brahman populations in 1931. Among legislators elected to the Madras and Tamil Nadu Legislative Assemblies, the share using caste surnames fell from 90 percent in 1924 to 8 percent in 1980, and the decline began after the movement's 1929 call to drop caste names. Among 10.5 million household heads in the 2011 Socio-Economic and Caste Census, only 14 percent carry caste surnames. Caste surnames are less common today in the regions where Brahmans and Dalits historically settled together, the same regions where the movement was most active. These findings suggest that a social movement can erode a marker of status that persisted for centuries, and that it did so by targeting areas where caste hierarchy was historically most unequal.

Green Menace? E-Rickshaws, Congestion and Pollution

With increasing urbanization, road transport has become a major contributor to pollution in many low-income countries, where privately provided public transit remains a common mode of travel. In such settings, affordable electric public transit vehicles offer a potential pathway to reducing pollution. We study the introduction of Electric rickshaws (ERs), a low-cost, slower alternative to combustion based private transit, in Indian cities, where they now dominate the last-mile connectivity market. Compared to their closest substitutes, such as auto-rickshaws, ERs are cheaper but only half as fast. On the narrow roads of Indian cities, they can slow down other vehicles, thereby generating congestion and pollution externalities. To analyze these effects, we build a city-level model in which, in addition to the price of ERs, city characteristics such as population density, income, commuting distance, and the relative speed of ER determine demand and, in turn, the rate at which they are adopted by private providers of public transit. The social planner faces a clear trade-off: improving technology raises ER speed, which reduces congestion and improves welfare, but also increases prices which lowers adoption rates. The model shows (and the data confirms) that, in equilibrium, ER adoption at the city level increases with population density, decreases with average speed, and decreases with average commuting distance. To evaluate the pollution externalities of ER adoption, we analyze district-level pollution using a staggered adoption design. Analysis indicates that NO_2 levels rise after adoption in districts with high uptake, consistent with congestion effects outweighing local emissions benefits from electric vehicles. Combining this elasticity with the model, we show that the planner can improve technology to increase ER speed, which mitigates congestion externality, even though higher costs reduce adoption and supply. The net result might be fewer but faster ERs on the road, leading to lower congestion and, in turn, lower pollution.

PRESENTATIONS: Cities and Development Workshop (Harvard).

The Political Consequences of Depoliticization: Evidence from Student Election Bans in India (with Anirvan Chowdhury)

Third-Party Oversight in Informal Labor Contracts (with Marianne Bertrand and Chinmaya Kumar)

Algorithmic (In)Transparency, Worker Rights and Bans in the 'Gig' Economy (with Chinmaya Kumar and Shivani Pande)

GRANTS

Total research funding received: ∼$475,000

J-PAL JOI (with Marianne Bertrand and Chinmaya Kumar)
Weiss Fund × 7 *2021, 2023, 2024, 2025, 2026*
Development Economics Research Fund at the University of Chicago × 4 *2022-2024*
Pearson Institute Research and Innovation Fund × 3 *2022-2024*
Library data grant (with Fern Ramoutar) *2022*
EPIC India *2023*
EPIC India (with Sushant Banjara and Claire Fan) *2023*
Pearson Institute Research and Innovation Fund (with Sushant Banjara and Claire Fan) *2024*
Weiss Fund (with Sushant Banjara and Claire Fan) *2025*

Weiss Fund (with Ragini Jain, Chinmaya Kumar and Shivani Pande) *2026*
Urban Mobility and Climate Change Research Fund, Harvard Kennedy School *2026*
Urban Mobility and Climate Change Research Fund, Harvard Kennedy School (with Katie Zhang) *2026*

TEACHING EXPERIENCE

Microeconomics - II (undergraduate)		*Winter 2022*
Development Economics (graduate)	TA for Prof. Michael Kremer	*Fall 2021, 2023*
Behavioral Development Economics (graduate)	TA for Prof. Anne Karing	*Spring 2022*

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

Research Assistant for Prof. Michael Kremer, University of Chicago *2021*

Research Assistant, J-Pal South Asia *2017–2019*

PROFESSIONAL EXPERIENCE

Conferences/ Seminars (co-authors^{+})
2024: NEUDC
2025: MWIEDC (UIUC); MWIEDC (UIUC)$^{+}$; NBER SI (Development); IPWSD^{+}; LSE Environment Camp^{+}; CEPR Development Economics Annual Symposium; G²LM | LIC/path2dev/BREAD Conference on Development Economics; MIT; Harvard Academy; Cities and Development (Harvard); NEUDC^{+}.
2026: Azim Premji University; 21*st* Century India Center (UCSD); LSE International Development; Intergroup Conflict and Cooperation in India (Yale)$^{+}$; PEDL 15*th* Anniversary Conference (Oxford); MWIEDC; MPSA^{+}; APSA^{+}; SEEDS (Georgia Tech)$^{+}$; SITE (Social Structure and Economic Development); BREAD-CEPR Development Economics Annual Symposium 2026 (Zurich); Firms, Trade and Development 2026; Joint Seminar on South Asian Politics (Brown); 9th Banca d'Italia-CEPR Workshop: Labour market policies and institutions; Tufts.

Refereeing Activity *American Economic Journal: Applied Economics, American Economic Journal: Economic Policy, American Economic Review, Economic Modelling, The Economic Journal, Journal of the European Economic Association.*

ADDITIONAL INFORMATION

Citizenship India

Programming Skills R, Stata, Python, Julia, Java, C++

Languages Hindi, English, Punjabi