

## **DUOXI LI**

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### **EDUCATION**

Ph.D. Candidate, Economics, Boston University, Boston MA, 2023 (expected)  
Dissertation Title: *Essays on Organizational Economics*  
Dissertation Committee: Dilip Mookherjee (co-chair), Juan Ortner (co-chair), Andrew F. Newman, Johannes F. Schmieder  
  
M.A., Economics, Boston University, Boston MA, 2017  
  
B.S., Materials Physics, Fudan University, Shanghai, China, 2015

### **FIELDS OF INTEREST**

Microeconomic Theory, Organizational Economics

### **JOB MARKET PAPER**

[“Relationship Building under Market Pressure,”](#) October 2022.

### **WORKING PAPERS**

[“Does Outsourcing Smooth Labor Demand?”](#) (with Michael B. Wong), October 2022.  
[“Outsourcing, Specialization, and Relational Contracts,”](#) (with Michael B. Wong), October 2022.

### **CONFERENCES AND PRESENTATIONS**

2022: ASSA Annual Meeting (poster)  
2021: MIT Organizational Lunch, The 7th Workshop on Relational Contracts, The 32nd Stony Brook International Conference on Game Theory (poster), 2021 China Meeting of the Econometric Society

### **FELLOWSHIPS AND AWARDS**

Dean’s Fellowship, Boston University, 2017-2022  
Special Ph.D. Stipend for MA Graduates, Boston University, 2017

### **RESEARCH EXPERIENCE**

Research Assistant for Professor Juan Ortner, Boston University, Spring 2019, 20, 21, 22, Fall 2020, 21  
Research Assistant for Professor Chiara Margaria, Boston University, Spring 2021, Fall 2022

### **PROFESSIONAL EXPERIENCE**

Referee: *The RAND Journal of Economics*  
Student Co-ordinator: NEUDC 2021, ThReD 2020, 21

### **TEACHING EXPERIENCE**

Teaching Assistant, Intermediate Microeconomics (Undergraduates), Department of Economics, Boston University, Fall 2021

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Teaching Assistant, Economics of Information (Undergraduates), Department of Economics, Boston University, Fall 2020, Summer 2021

Teaching Assistant, Microeconomic Theory (Masters), Department of Economics, Boston University, Fall 2018, 19

**DEPARTMENTAL SERVICE**

Organizer, Theory Reading Group, 2021

Co-President, The Graduate Economics Association of Boston University, 2019-2020

**LANGUAGES:**

Chinese (native), English (fluent)

**COMPUTER SKILLS:** STATA, Python, SQL, Mathematica,  $\LaTeX$

**CITIZENSHIP/VISA STATUS:** China/F1

**REFERENCES**

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### **Relationship Building under Market Pressure** (Job Market Paper)

There is a surging interest in understanding how market structure and features affect long-term relationships, yet how relationship dynamics may depend on market conditions remains understudied. I develop a model in which principals and agents randomly and anonymously match in a frictional market and interact using relational contracts under two-sided limited commitment. Market conditions, like search frictions and market thickness, affect contractual parties' probabilities of matching with a new partner, hence affecting their credibility to maintain the current partnership. I show that when prospective partners in the market are scarce or search frictions are high, contractual parties are credible enough to sustain stationary relational contracts. Once the number of available partners exceeds a certain threshold and the search frictions are sufficiently low, the optimal relational contract that can be sustained becomes non-stationary, consisting of an initial phase of low productivity and a mature phase of high productivity. The analysis suggests that the incentive to maintain credibility under market pressure affects relationship dynamics.

### **Does Outsourcing Smooth Labor Demand?** (with Michael B. Wong)

We develop and test a model of labor market dynamics with domestic outsourcing, productivity shocks, and endogenous separations. In the model, outsourcing may reduce worker rents, smooth labor demand, or both. Depending on the relative strengths of these two effects, outsourcing has different effects on employment hazard. We use comprehensive administrative data on security guards and cleaners from Brazil to quantify the two effects. The estimates confirm that outsourcing smoothed labor demand in both occupations. For cleaners, outsourcing had more negative effects on wages and employment hazards, suggesting that rent-stripping effects were larger in the lower-wage occupation.

### **Outsourcing, Specialization, and Relational Contracts** (with Michael B. Wong)

We explain the boundaries of asset-less firms by proposing a formal theory of the firm as a nexus of relational contracts. In our model, managers choose whether to hire anonymous contractors in short-term contracts, employ workers in bilateral relational contracts, or outsource from reputable intermediary firms. The optimal choice depends on the scope for opportunism, the gains from specialization, the expected duration of business needs, and reputational incentives that the intermediaries face. Due to an intermediary markup, some managers may employ even as others outsource.