



AYUDAS RAMÓN Y CAJAL CONVOCATORIA 2018

Turno de acceso general

Nombre: PASCALI , LUIGI
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Área Temática: Economía
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Título:

Economic Development and Growth

Resumen de la Memoria:

My work focuses on five different lines of research.

1) Globalization and Development

The period 1820-1913 marked an exceptional era of trade globalization. My work studies 1) the role of two innovations, the marine chronometer and the steamship, in spurring world trade in the nineteenth century 2) the effect of this globalization wave on economic development, economic divergence across countries, and international conflicts.

2) The Economics of Anti-Semitism

Although a large body of literature has documented the cultural and political determinants of anti-Semitism, little has been said about its economic roots and its economic consequence. My work studies 1) how economic incentives have contributed to shaping the geography of anti-Semitism 2) the long-term economic impact of anti-Semitism.

3) The Origins of State Capacity

The emergence of the first complex hierarchies is commonly explained by the increase in productivity that accompanied the Neolithic Revolution. I argue that this explanation is flawed as it ignores the endogenous population adjustments in a Malthusian regime. My contribution is in identifying the elite's ability to appropriate the food-produce as the causal mechanism that connects geography and hierarchical complexity. Specifically, I study how two historical developments, the transition to cereal farming and the development of storing-gathering societies, led to more complex hierarchies by making it easier for the elite to appropriate the food produced or gathered. I then move to the modern era and study how European wars led to higher state capacity and representative political institutions.

4) Mafia and Entrepreneurship

The most visible aspect of the Sicilian mafia in the local economic environment is the *pizzo*, a slang term for protection racket. No studies in economics have either studied the roots of this phenomenon or proposed policy interventions. The aim of this line of research is to use an RCT to close this gap in the literature.

5) Productivity and Welfare

Standard models in many fields of economics posit the existence of a representative household in either a static or a dynamic setting, and then seek to relate the welfare of that household to observable aggregate data. A separate large literature examines the productivity residual defined by Solow and interprets it as a measure of technical change or policy effectiveness. Yet a third literature, often termed "development accounting," studies productivity differences across countries, and interprets them as measures of technology gaps or institutional quality. I argue that these literatures are intimately related and show that, in a standard framework of a representative household that maximizes intertemporal welfare over an infinite horizon, the Solow residual and the productivity term in the development accounting literature have a clear welfare interpretation. This result justifies TFP as a measure of welfare (even in situations where it does not properly measure technology).

Resumen del Currículum Vitae:

1) CURRENT POSITION

-Associate Professor
Pompeu Fabra University

-Research Associate
Barcelona Graduate School of Economics
Institute of Political Economy and Governance
Center for Economic and Policy Research



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-Associate Editor
Economic Journal

2) PREVIOUS POSITIONS

-Assistant Professor
University of Warwick (2013-2016)

-Assistant Professor
Pompeu Fabra University (2010-2016)

3) EDUCATION

-Ph.D in Economics 2010
Boston College, Chestnut Hill, U.S.
Dissertation: Essays in Growth, Development and International Trade

-M.A. in Economics 2007
Boston College, Chestnut Hill, U.S

-B.A. in Economics 2003
Bocconi University, Milan, Italy.
Dissertation: The Taxation of Risky Assets .
Summa cum laude.

4) PUBLICATIONS

-Religion, Division of Labor and Conflict: Anti-Semitism in German Regions over 600 Years, with Sascha Becker, forthcoming, American Economic Review.

*Media Coverage: Barcelona GSE Focus

-The Wind of Change: Maritime Technology, Trade and Economic Development, 2017, American Economic Review, 107(9), pp. 2821-54.

*Media Coverage: LSE Business Review Blog, VoxEu, VoxDev, NEP-HIS Blog, Futurity, La Vanguardia.

-Banks and Development: Jewish Communities in the Italian Renaissance and Current Economic Performance, 2016, Review of Economics and Statistics, 98(1), pp.140-158.

*Media Coverage: The Economist, Daily Mail, Jerusalem Post, i24news, JSpaceNews, Jewish Business News, Canadian Jewish News, Aurora Israel, Atlantico, Salom, KP.ru, Naked Science, Sputnik Polska, OdaTv, Elu24.

-Pascali, L. Tax Systems and Tax Reforms in South and East Asia: Japan , 2006, in Bernardi L., Frascini A. and Shome P., Tax systems and tax reforms in South East Asia , Routledge, International Studies in Money and Banking, London.

5) WORKING PAPERS

- Cereals, Appropriability and Hierarchy, 2015, with J. Mayshar, O. Moav, and Z. Neeman. CEPR WP No 10742, Revision Requested on the Journal of Political Economy.

*Media Coverage: Washington Post, Financial Times, Haaretz, VoxEU, La Vanguardia, Barcelona GSE Focus, Mostly Economics, Naked Capitalism, War in Context, InSTED, Folha de S. Paulo.

-Productivity and the Welfare of Nations, 2012, with S. Basu, F. Schiantarelli and L. Serven, NBER WP No 17971, Revision Requested on the Journal of European Economic Association.

-Wars, Local Political Institutions and Fiscal Capacity: Evidence from Six Centuries of German History, 2018, with S. Becker, A. Ferrara and E. Melander, CAGE Discussion Paper 395.

6) GRANTS (Selected)



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-Obra Social Fundación la Caixa. Research Grant. Project: " Coordinating against the Mafia: Experimental Evidence from an anti-Racket Policy in Sicily", 2018 (20000 euros), Principal Investigator

-Ministerio de Economía y Competitividad. Project: "La prevención de crisis y conflicts , 2015 2017 (108900 euros), Co-investigator

-Agencia de Gestión de Ayudas Universitarias y de Investigación. Project: "Macroeconomía Aplicada i Mètodes Quantitatius , 2015 2017 (36000 euros), Co-investigator

-Ministerio de Economía y Competitividad. Project: "Capital humano, iniciativa empresarial y productividad", 2012 2014 (123750 euros), Co-investigator

-Barcelona Graduate School of Economics. Seed Grants. 2012 (8000 euros), 2017 (10000 euros), Principal Investigator

-Warwick CAGE. Small Grant Initiatives. 2013 (5,000 pounds), 2015 (8,000 pounds), Principal Investigator



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Nombre: DILME SOTO, FRANCESC
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Título:

Dynamic Markets

Resumen de la Memoria:

I began my research career during PhD at the University of Pennsylvania (2008-2013). Under the supervision of my advisor, George Mailath, I began working in dynamic games and, more concretely, in understanding different types of dynamic markets. This was, and has remained, my main area of research (described in more detail below). My thesis consisted of three chapters, now published articles, and I also had other ongoing work with one of my classmates (Fei Li).

When I finished my PhD, I joined the University of Bonn as a Juniorprofessor (with tenure track, similar to standard "Assistant Professor" positions in the US). There, on top of my research work, I also had teaching and admin duties. The interactions with my colleagues and the seminar speakers at Bonn convinced me that one of the most promising directions in applied economic theory was the study of dynamic markets with endogenous information. I continued working on my first papers, and I also begun new projects (two of them with Daniel Garrett). My focus was on settings where the feedback effects between idiosyncratic characteristics and idiosyncratic choices are key to understanding the economics driving the economic outcomes. My stay in Berkeley (February-July 2017) allowed me get exposure to academics based in the US, and reinforce my international experience and network. This interaction was crucial for finishing and eventually publishing my most successful publications.

Since I finished my PhD I have established myself in the literature of dynamic markets. I have 8 (published and working) papers in this topic, and I plan to keep contributing to this literature. My papers study reputation and quality management by firms, optimal monitoring by law-enforcement agencies, and optimal signaling strategies by sellers of durable goods. They characterize the equilibrium dynamics, the relevant comparative statics results, and the welfare and policy implications. In what follows, I provide a short description of the contributions of my (published and working) papers in this area.

In "Reputation Building through Costly Adjustment" (conditional accepted at JET) I study reputation and quality management by a seller of an experience good who can decide its quality over time such as a restaurant manager choosing the human capital of her chef. When she changes the product quality, she incurs an adjustment (firing/training) cost. Customers only observe a noisy signal of the quality choices (such as online reviews). The paper characterizes the equilibrium quality and reputation dynamics, and illustrates how they depend on the value of the adjustment costs and the information structure. I show that there are phases where the firm keeps the product quality, and phases where the reputation of the firm jumps. Remarkably, an increase in the cost of upgrading the product quality may increase the equilibrium investment. This occurs because downgrading the product quality is less attractive (as it requires paying the upgrading cost in the future). Thus, it is easier for the firm to build reputation for producing high-quality products.

Resumen del Currículum Vitae:

Accepted/Published Papers

- 1.- Revenue Management without Commitment, accepted at Review of Economic Studies (with Fei Li)
- 2.- Reputation Building through Costly Adjustment, cond. accepted at Journal of Economic Theory
- 3.- Dynamic Quality Signaling with Hidden Actions, forth. at Games and Economic Behavior
- 4.- Residual Deterrence, forth. at Journal of the European Economic Association (with Daniel Garrett)
- 5.- Noisy Signaling in Discrete Time (2017), Journal of Mathematical Economics 66: 13-25
- 6.- Dynamic Signaling with Dropout Risk (2016), American Economic Journal: Microeconomics 8(1): 57-82 (with Fei Li)
- 7.- Helping Behavior in Large Societies (2016), International Economic Review 57.4: 1261-1278

Working Papers

- 8.- Pre-Trade Private Investments (submitted)
- 9.- Strategic Communication with a Small Conflict of Interest (submitted)
- 10.- Optimal Languages (submitted)
- 11.- A Dynamic Theory of Random Price Discounts (with Daniel Garrett, submitted)
- 12.- Skewed Information Transmission (submitted)
- 13.- Bargaining and Delay in Thin Markets



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14.- Likelihood Assignments in Extensive-Form Games

Invited talks: University of Southampton, Boston College, Brown University, Indiana University, University of Toronto, University of Oxford, University of Bielefeld, London School of Economics, Bar Ilan University, National University of Singapore, Hong Kong University of Science and Technology, UC Berkeley, University of Chicago, UCLA, University of North Carolina at Chapel Hill, UC San Diego, Helsinki-Aalto University, University of Mannheim, Autonomous University of Barcelona, Roy Seminar at Paris School of Economics, University of Edinburgh, Maastricht University, Humboldt University of Berlin, University of Toulouse, University of Iowa, University of Bonn, University of Rochester, University of Oslo, HEC Paris, University of Bristol, University of Warwick, Collegio Carlo Alberto, Pompeu Fabra University, University College of London, University of Barcelona, Columbia University, University of Pennsylvania.

Conferences where I presented my work: 1st Winter Workshop of the Catalan Economic Society (Barcelona, 2018), CRC TR 224 Conference (Montabaur, 2018), EEA-ESSEM 2018 (Cologne), ICGT 2018 (Stony Brook), CRC TR 224 Conference (Offenbach, 2018), World Congress of the Game Theory Society 2016 (Maastricht), ESSET 2016 (Gerzensee), NASM ES 2016 (Philadelphia), EEA 2015 (Mannheim), Econometric Society World Congress 2015 (Montreal), ESSET 2015 (Gerzensee), ASSA-AEA 2015 (Boston), EEA-ESSEM 2014 (Toulouse), SAET 2014 (Tokyo), ICGT 2014 (Stony Brook), ASSA-AEA 2014 (Philadelphia), ASSA-AEA 2013 (San Diego), EEA-ESSEM 2012 (Malaga), World Congress of the Game Theory Society 2013 (Istanbul), ICGT 2012 (Stony Brook), NASM ES 2012 (Evanston), Midwest Economic Theory Meeting 2012 (Bloomington)

Referee for American Economic Journal - Microeconomics, American Economic Review, Econometrica, Economic Journal, Economic Theory, European Economic Review, Games and Economic Behavior, International Economic Review, International Journal of Game Theory, Journal of Economic Theory, Journal of the European Economic Association, Journal of Mathematical Economics, Journal of Political Economy, RAND Journal of Economics, Review of Economic Design, Review of Economic Studies, Theoretical Economics



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Nombre: FORNARO , LUCA
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Título:

A Global Perspective on Stabilization Policies during Deep Recessions

Resumen de la Memoria:

My main research interests are in Macroeconomics and International Economics, with a particular focus on the design of monetary and fiscal policy during episodes of stagnation and financial crisis. An important part of my research has been motivated by the 2008 global financial crisis and the subsequent slow recovery. During this episode, several advanced economies, such as the United States, the euro area, Japan and the United Kingdom, experienced a deep financial crisis followed by a protracted period of stagnation. How can we explain such a deep and persistent global economic downturn? What is the role played by the international monetary system? Are there gains from international cooperation? In my work I have addressed these questions by developing novel frameworks, useful to understand several aspects of the 2008 financial crisis and its aftermath.

In most advanced economies, the 2008 financial crisis has been followed by a long period of high unemployment, low productivity growth and low interest rates. In *Stagnation Traps*, with Gianluca Benigno, we developed a Keynesian growth framework to rationalize these facts. Our framework integrates business cycles and endogenous growth, two subjects traditionally studied separately by the macroeconomic literature. We find that pessimistic expectations can push the economy in a stagnation trap, characterized by low growth, high unemployment and low interest rates. Moreover, the model suggests that an aggressive subsidy to investment can lead the economy out of a stagnation trap. This paper has been published in the *Review of Economic Studies*.

Another interesting aspect of the 2008 crisis has been its global dimension. In *International Debt Deleveraging*, published in the *Journal of European Economic Association*, I provide a framework to understand the adjustment to a global financial crisis, with particular attention to the role played by the international monetary regime. The model suggests that a regime of fixed exchange rates greatly amplifies the recession associated with the global financial crisis. In *Financial Crises and Exchange Rate Policy*, published in the *Journal of International Economics*, I study an economy in which international financial crises are triggered by drops in domestic asset prices, which are used as collateral.

In *The Paradox of Global Thrift*, with Federica Romei, we show that in a world trapped in a global recession prudential financial and fiscal policies can backfire. These policies, in fact, generate negative international demand spillovers. These international spillovers might be strong enough to depress global output compared to *laissez faire*. The model thus suggests that international cooperation is needed during global recessions. The paper is at the revise and resubmit stage at the *American Economic Review*.

In *Monetary Policy for a Bubbly World*, joint with Vladimir Asriyan, Alberto Martin and Jaume Ventura we study the optimal conduct of monetary policy in presence of bubbles. We find that the emergence of bubbles is the result of the inability of the private sector to provide enough saving instruments. By expanding its balance sheet, the central bank increases the supply of assets and overall welfare. Our analysis thus suggests that central banks should maintain large balance sheets as long as low interest rates persists.

Resumen del Currículum Vitae:

Luca Fornaro obtained his Ph.D. from the London School of Economics in 2014. He is a researcher at CREI, adjunct professor at Universitat Pompeu Fabra, affiliated professor at the Barcelona GSE and a research affiliate at CEPR.

Dr Fornaro has been a visiting scholar at the Bank of England and the Federal Reserve Bank of Minneapolis. He has been invited to present his research in institutions such as the University of California at Berkeley, Columbia University and Cambridge University. He regularly participates in the main international conferences such as the NBER, AEA and Society for Economic Dynamics meetings. He co-organizes the workshops on *International Capital Flows* and *Monetary Policy and Central Banking* held yearly within the Barcelona GSE Summer Forum. He serves as a referee for many peer-reviewed high-profile journals in economics.

He is the recipient of two Barcelona GSE Seed Grants, a *Fundació La Caixa* Research Grant, and a *Fondation Banque de France* Research Grant; he has also been awarded an ECB Lamfalussy Fellowship, a Paul Woolley Centre Fellowship and a Royal Economic Society Junior Fellowship. Fornaro is also part of the research team in grants from the Spanish Ministry of Economy and Competitiveness and from the ADEMU project within the EU Horizon 2020 programme. In 2013 he received the Klaus Liebscher Award by the Oesterreichische Nationalbank.



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His ongoing research studies the role of monetary and fiscal policy in stabilizing economic fluctuations. In particular, his research has focused on the design of monetary and fiscal policy during deep economic downturns. His work has been accepted in top economic journals. His main contributions include:

1. Stagnation Traps with G. Benigno, published in the Review of Economic Studies.
2. International Debt Deleveraging published in the Journal of the European Economic Association.
3. The Paradox of Global Thrift with F. Romei, revise and resubmit at the American Economic Review.
4. Financial Crises and Exchange Rate Policy , published in the Journal of International Economics.
5. Monetary Policy for a Bubbly World with V. Asriyan, A. Martin and J. Ventura



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Título:

Information frictions in markets and the real economy

Resumen de la Memoria:

My main line of research focuses on the role of information in markets, with a focus on how information affects the actions of market players and the liquidity of markets. I care about financial markets because they play an essential role in allocating an economy's resources to their best use. The extent to which financial markets are able to allocate resources to their most productive projects is what I refer to as an economy's productive efficiency. The extent to which financial markets are able to allocate existing assets to those agents who value them the most is what I refer to as an economy's allocative efficiency.

In the absence of frictions in financial markets, we should expect economies to attain both productive and allocative efficiency. My work has explored how information asymmetries can distort the ability of financial markets to attain either productive or allocative efficiency, and what policy can do to ameliorate the effects of these distortions. In Vanasco (2017), I setup a framework in which information acquisition is beneficial at the asset screening stage (i.e. increases productive efficiency), but detrimental at the asset sale stage (i.e. decreases allocative efficiency). Within this framework, I identify the inefficiencies that arise in the decentralized equilibrium, and how policy can implement the optimal mechanism. In Daley, Green, and Vanasco (2018), we study the role of public information in such a framework, such as ratings, in improving overall efficiency by affecting productive and allocative efficiency. Interestingly, we show that while public information always increases allocative efficiency, it may worsen productive efficiency, and thus drive a decrease in the quality of originated assets in an economy. In work in progress with Vladimir Asriyan (CREI) and Alberto Martin (CREI-ECB), we are exploring the aggregate implications of the dual role of information in markets.

In a parallel line of research, I study the macroeconomic implications of experience-based belief formation, where I study how economies react to shocks when agents' beliefs are biased by their own experiences. In a first paper, we develop an equilibrium model of asset markets that formalizes experience-based learning and the resulting belief heterogeneity across investors. The model clarifies the channels through which past realizations affect future market outcomes by pinning down the effect on investors' own belief formation and the interaction with other generations' belief formation. In a second paper, we study how and if experience-effects can rationalize world portfolios, cross-country positions and flow.

In a more recent line of research, I am exploring the drivers, costs, and benefits, of complex assets and of opaque markets. In joint work with Vladimir Asriyan (CREI) and Dana Foarta (Stanford GSB), we study the incentives of product designers to produce complex products, and the resulting implications for overall product quality in environments where information transmission about product quality is imperfect.

Resumen del Currículum Vitae:

Victoria Vanasco earned her PhD in Economics at the University of California, Berkeley in 2014. Currently she is Junior Researcher at the Centre de Recerca en Economia Internacional (CREI), Assistant Professor at the Universitat Pompeu Fabra (UPF) and Affiliated Professor at the Barcelona GSE. Before joining CREI, she was an Assistant Professor of Finance at the Stanford Graduate School of Business.

At Stanford, Victoria Vanasco taught several graduate and undergraduate level courses on corporate finance and microeconomics, she also actively participated in the advising of PhD students both in economics and in finance. At UPF, she has taught undergraduate level Financial Management, and is currently teaching Banking Theory in the MSc in Banking and Finance and the UPF School of Management.

Dr Vanasco has been invited to present her research at seminars in numerous places, including MIT, Yale, Columbia, NYU, Wharton at UPenn, LSE, LBS. Her research has also been presented at the main international conferences in economics, such as the NBER, Econometric Society, AEA, Society for Economic Dynamics, and Barcelona Summer Forum; and in finance, such as the AFA, FIRS, LSE Paul Wooley. She has participated, and continues to participate, in the organization of several of these conferences and workshops.

She is also the recipient of highly recognized prizes: such as the Junior Prize in Finance and Monetary Economics (Banque de France and Toulouse School of Economics, 2018), Best Young Economist (National Academy of Sciences in Economics, Argentina, 2017), Top Finance Graduate Award (AQR and Copenhagen Business School, 2014), and Best Theory Paper on the Academic Job Market, 2nd prize (Finance Theory Group, 2014).

Her main research contributions include:

1. The Downside of Asset Screening for Market Liquidity, Journal of Finance, 2017
2. Learning by Lending with M. Botsch, Journal of Financial Intermediation, 2018
3. Securitization, Ratings, and Credit Supply with B. Daley and B. Green, 2018, R&R at Journal of Finance
4. Investor Experiences and Financial Market Dynamics with U. Malmendier and D. Pouzo, 2018, R&R at



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Journal of Financial Economics

5. Strategic Complexity with Dana Foarta and Vladimir Asriyan, 2018

Other working papers and work in progress: Security Design with Ratings (with Brett Green and Brendan Daley); Security Design in Nonexclusive Markets (with V. Asriyan); Informed Intermediation Over the Cycle (with V. Asriyan); Liquidity Cycles (with V. Asriyan and A. Martin)

Victoria continuously referees for several top-tier journals: American Economic Review, Review of Economic Studies, Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Journal of Finance and Banking, IMF Economic Review, Journal of Economic Surveys.

She also participates in the organization of several international macroeconomic and finance conferences: AFA, WFA, SED, FIRS, MFA, Finance Theory Group, European System of Central Banks Day-Ahead Conference, 2019, Cambridge Corporate Finance Theory Symposium, Financial Research Association Meeting, Barcelona Summer Forum.