

# THOMAS MONNIER

PHD CANDIDATE · CREST, ECOLE POLYTECHNIQUE, IP PARIS

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**Placement Director:** Xavier D'Haultfoeuille

**Graduate Coordinator:** Julien Combe

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## Research Fields

Development, Urban, Labour, and Environmental Economics

## Doctoral Studies

**CREST, Ecole Polytechnique, IP Paris**

PHD IN ECONOMICS

• Advisor: Prof. Benoit Schmutz-Bloch

France

2019 - 2025 (expected)

**University College London, Dept. of Economics**

VISITING SCHOLAR

UK

Spring 2024

## Pre-Doctoral Studies

**HEC Paris**

MASTER IN MANAGEMENT (GRANDE ECOLE)

• Major: Quantitative Economics and Finance (joint with Ecole Polytechnique and ENSAE)

France

2015 - 2020

**Lycée Louis-le-Grand | Université Paris 1 - Panthéon-Sorbonne**

CLASSE PRÉPARATOIRE AUX GRANDES ECOLES (CPGE)

• Bachelor equivalence: Mathematics and Computer Science Applied to Humanities and Social Science  
• Track: Economics and Business, Scientific (ECG-ECS)

France

2013-2015

## References

**Prof. Roland Rathelot**, ENSAE, [roland.rathelot@ensae.fr](mailto:roland.rathelot@ensae.fr), <http://rolandrathelot.com/>

**Prof. Pauline Rossi**, Ecole Polytechnique, Dept. of Economics, [pauline.rossi@ensae.fr](mailto:pauline.rossi@ensae.fr),  
<https://sites.google.com/site/paulinerossimoulin/>

**Prof. Benoit Schmutz-Bloch** (PhD advisor), Ecole Polytechnique, Dept. of Economics, [benoit.schmutz@polytechnique.edu](mailto:benoit.schmutz@polytechnique.edu),  
<https://sites.google.com/site/benoitschmutz/>

**Dr. Harris Selod**, World Bank, Development Research Group, [hselod@worldbank.org](mailto:hselod@worldbank.org), <https://sites.google.com/site/hselod/>

## Teaching Experience

2022 **Graduate: Energy Economic Geography**, Teaching Assistant, Ecole Polytechnique

France

2022 **Undergraduate: Introduction to Economics**, Teaching Assistant, Ecole Polytechnique

France

## Professional Experience

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2022-2023	<b>World Bank</b> , Technical assistance to the City of Cape Town (urban economic modelling)	US
2020	<b>Erasmus School of Economics</b> , Research Assistant to Prof. Laura Hering	Netherlands
2018	<b>MIGA (World Bank Group)</b> , Business development and risk analysis (EMEA region)	France
2017	<b>Parquest Capital</b> , Internship, Financial analyst (private equity)	France

## Awards, Fellowships, & Grants

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2024	<b>PhD Scholarship</b> , Institut Louis Bachelier, Just Transition Hub - Finance for Tomorrow	1 year
2021	<b>PhD Scholarship</b> , Ecole Polytechnique, LabEx ECODEC - Investments for the Future	3 years

## Working Papers

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### The Informality Trade-Off: Wages and Rural-Urban Migration in South Africa

#### JOB MARKET PAPER

- Abstract: *In rapidly urbanizing countries, many urban inhabitants work in the informal sector. Should policy makers try to shrink it? To answer this question, I develop a general-equilibrium model of rural-urban migration based on frictional job search and matching. A key novelty of this approach is to combine migration choice of workers with occupational choice across formal and informal labour markets. I first estimate my model with a South African panel of workers. I find that the urban informal sector serves as a stepping-stone to urban formal jobs. This makes it a valuable outside option for urban formal workers. Then, I simulate formalization policies by tripling monitoring costs on urban informal firms. I find a decline in informal employment and wages that is not associated with job destruction, but with wage cuts in the formal sector. This is because urban formal firms now have more labour market power. As a result, cities become less attractive. This is exacerbated by the response of rural firms that offer higher wages and retain potential migrants: the urban population share falls by 4%. Overall, the decline in urban informality improves the allocation of labour, both across sectors in urban areas and towards more productive firms in rural areas. However, the aggregate impact is reduced by the reallocation of workers in less productive areas.*

### Assessing Urban Policies Using a Simulation Model with Formal and Informal Housing

JOINT WITH B. PFEIFFER (IGF), C. RABE (PDG), H. SELOD (WB), V. VIGUIÉ (CIRED), AND P. AVNER (WB) [SUBMITTED]

- Abstract: *Building on a two-dimensional discrete version of the standard urban economics land-use model, this paper presents a tractable urban land-use simulation model that is adapted to developing country cities, where formal and informal housing submarkets coexist. The dynamic closed-city framework simulates developers' construction decisions and heterogeneous households' housing and location choices at a distance from various employment subcenters, while accounting at the same time for land-use regulations, natural constraints, exogenous amenities, and dynamic scenarios of urban population growth and of State-driven subsidized housing. Designed and calibrated for Cape Town, South Africa, the model is used to assess the impact of an urban growth boundary, showing that restricting the possibility of urban expansion makes formal housing more expensive and results in a growing informal housing sector. Another simulation assesses the impacts of changes in the scale of subsidized housing schemes, showing a shift from residences in informal settlement to the backyards of the newly constructed houses.*

## Work in Progress

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### Can the Urban Poor Avoid Flood Risks? The Case of Cape Town, South Africa

JOINT WITH P. AVNER (WB), C. LIOTTA (ICTA-UAB), B. PFEIFFER (IGF), C. RABE (PDG), H. SELOD (WB), AND V. VIGUIÉ (CIRED)

- Abstract: *In developing country cities, poor households often reside in unattractive locations, including flood-prone areas. This can be due to poor information about flood risks or acceptance of these risks in the face of lower housing prices. Poor households are also more vulnerable to floods than richer ones given the low-quality housing they occupy. Does information on flood risks help households make better location and housing choices? To what extent will these choices be revised with increased exposure from climate change? To answer these questions, we develop a polycentric urban economics model with heterogeneous income groups, formal and informal housing, and three types of flood risks (fluvial, pluvial, and coastal). The model is calibrated to the city of Cape Town and simulations are run to assess the impact of flood risks on land values and income segregation. Although total damages from floods are greater for rich households, they represent a larger relative share of poor households' incomes. Better information and climate change encourage the relocation of households outside flood-prone zones, but the poor have more inertia due to more stringent financial constraints.*

## Optimal Spatial Policies with Robust Skill Spillovers

JOINT WITH D. GOMTSYAN (CREI-UPF)

- Abstract: *Existing evidence points to substantial positive and negative externalities on local amenities and productivities depending on the skill mix of the resident population in a given local labour market. This leads to inefficient spatial sorting of workers at the national scale. However, the policy recommendations associated with the optimal allocation of workers are very sensitive to the estimation of the underlying spillover elasticities. In this paper, we propose a meta-analysis of local population composition shocks studied in the literature to estimate a statistically robust range for those values and discuss how this affects current evaluations. Preliminary results suggest that not accounting for asymmetric mobility responses of high- vs. low-skilled workers in the face of positive vs. negative shocks may be an important source of bias in existing models.*

## Seminars, Conferences, & Research Events

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- 2024    **2<sup>nd</sup> HEC Paris Economics PhD Conference**, France  
          **13<sup>th</sup> European Meeting of the Urban Economics Association**, Aalborg University, Copenhagen, Denmark  
          **Paris PhD Seminar in Urban Economics**, Université Paris 1 - Panthéon-Sorbonne, France  
          **UCL PhD Seminar**, London, UK
- 2023    **CREST Internal Seminar**, Paris, France  
          **5<sup>th</sup> CIRED International Summer School**, Paris, France  
          **CREST PhD Seminar**, Paris, France
- 2022    **UEA Summer School in Urban Economics**, IEB-UB, Barcelona, Spain  
          **1<sup>st</sup> Paris Quantitative Economics Workshop**, CREST, Paris, France

## Skills

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### LANGUAGE

**French**, *Native*

**English**, *Fluent* (TOEFL, 647/677)

**Spanish**, *Fluent* (DELE, C1)

**Japanese**, *Intermediate* (JLPT, N4)

**Polish**, *Basic*

### CODING

Python, MATLAB, Stata,  $\text{\LaTeX}$ , MS Office: *Advanced*

Arc/QGIS: *Intermediate*

R, SQL, NetLogo: *Basic*

### MISCELLANEOUS

First Aid Attendant: *Protection Civile Paris Seine* (PSE2)

International Volunteer Experience: *Alianza Francesa de Iquitos* (Peru), *Solidarité France Népal*, *Last Mile Tanzania*

Certificate in Cognitive Science: *ENS-PSL-EHESS* (Cogmaster)

Certificate in Leadership and Team Spirit: *ESM Saint-Cyr* (SCYFCO)