

THOMAS BOURANY

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Research and Teaching Fields

Primary: Macroeconomics, Climate Economics, Trade Economics
Secondary: Fiscal and Monetary Policies, Computational Econ, Macro-Finance, Energy Economics

Education

University of Chicago, PH.D. ECONOMICS *2019–2025*

University of Chicago, M.A. ECONOMICS *2018–2019*
MAPSS

UPMC – Sorbonne Université, M.Sc. MATHEMATICS *2016–2018*
Applied Mathematics for Modeling, with honors

Sciences Po, École Polytechnique & Ensaë, M.A. ECONOMICS *2014–2016*
Economics and Public Policies (EPP)

Sciences Po. & UPMC–Sorbonne Université, DUAL BACHELOR *2011–2014*
Sciences and Social Sciences, with honors

- B.A. Social Sciences, “Diplôme du Collège universitaire” – Sciences Po Paris
- B.Sc. Mathematics – UPMC-Sorbonne Paris
- Exchange program – Indian Institute of Technology, Madras, Chennai, India

References

Professor Mikhaïl Golosov (Chair)
University of Chicago
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Professor Esteban Rossi-Hansberg
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The Optimal Design of Climate Agreements, Inequality, Trade and Incentives for Carbon Policy

Abstract: *Fighting climate change requires ambitious global policies, which are undermined by free-riding incentives. Multilateral agreements and carbon tariffs are usually proposed to address this issue, c.f. Nordhaus (2015) among others. Moreover, climate policy has strong redistributive effects across countries due to inequality in income, climate impacts, effects on energy markets, or trade leakage, which exacerbate non-cooperation. In this context, how can we design a climate agreement that accounts for all these different channels to fight climate change? Through the lens of an Integrated Assessment Model (IAM) with heterogeneous countries and international trade, I study the taxation of carbon when countries can exit climate agreements. Participation constraints create a policy tradeoff between an intensive margin – a “climate club” with few countries implementing large emission reductions – and an extensive margin – accommodating a larger number of countries at the cost of lowering the carbon tax. I solve for the optimal design of the club. Despite full discretion in the choice of carbon tax and tariffs, one cannot achieve the world’s optimal policy with complete participation. It can be beneficial to leave several fossil fuels producing and developing countries outside of the climate agreement. I explore how transfers, as proposed in the COP’s loss and damage fund, or fossil-fuel specific tariffs can increase abatement and welfare by mitigating the adverse redistributive effects of climate change and carbon taxation.*

Working Papers

The Optimal Energy Policy, and the Inequality of Climate Change

Abstract: *What is the optimal policy to fight climate change? Taxation of carbon and fossil fuels has strong redistributive effects across countries: (i) curbing energy demand is costly for developing economies, which are the most affected by climate change in the first place, (ii) taxation has strong general equilibrium effects through energy markets and trade reallocation. Through the lens of an Integrated Assessment Model (IAM) with heterogeneous countries, I show that optimal carbon policy depends crucially on the availability of redistribution instruments. After characterizing the Social Cost of Carbon (SCC), I derive formulas for second-best fossil fuel taxes in the presence of inequalities in climate damages and incomes, redistributive effects through energy and good trade, and participation constraints if countries can exit climate agreements. I show that a uniform carbon should be reduced twofold in the presence of inequality. If country-specific carbon taxes are available, the distribution of carbon prices is proportionally related to the level of income: poor and hot countries should pay lower energy taxes than rich and cold countries. These qualitative results are general and I propose extensions with international trade, uncertainty, or participation constraints when countries can leave climate agreements.*

Supply chain disruptions and diversification

(with Ignacia Cuevas and Gustavo Gonzalez)

Abstract: *Supply chain disruptions have become increasingly frequent, generating substantial uncertainty for companies that rely on sourcing inputs for production. We investigate how firms facing supply chain uncertainty adapt their sourcing strategies, by diversifying foreign suppliers, re-shoring, or selecting suppliers based on cost and risk considerations. To answer these questions, we develop a multi-country sourcing model inspired by Antràs, Fort, and Tintelnot (2017), in which firms choose where to import from, accounting for international supply-chain disruptions. Our findings reveal that mean-preserving uncertainty introduces a positive option value associated with diversifying the set of suppliers. However, country-specific aggregate risk also features hedging motives, yielding ambiguous predictions on firms’ sourcing decisions. Leveraging firm-level data from Chile, we use this structural model to estimate supply chain risk over time for major trade partners as well as fixed costs of sourcing. We assess the impact of the recent surge in trade risk following the Covid-19 pandemic, and we perform counterfactual exercises to evaluate how this affected firms’ sourcing strategies. Our results indicate that the observed change in sourcing patterns correspond more to changes in expected costs rather than solely to increases in risk.*

A Perturbational Approach for Approximating Heterogeneous-Agent Models

(with Mikhaïl Golosov, Anmol Bhandari, and David Evans)

Abstract: *We develop a perturbational technique to approximate equilibria of a wide class of discrete-time dynamic stochastic general equilibrium heterogeneous-agent models with complex state spaces, including multi-dimensional distributions of endogenous variables. We show that approximating policy functions and stochastic process that governs the distributional state to any order is equivalent to solving small systems of linear equations that characterize values of certain directional derivatives. We analytically derive the coefficients of these linear systems and show that they satisfy simple recursive relations making their numerical implementation quick and efficient. Compared to existing state-of-the-art techniques, our method is faster in constructing first-order approximations and extends to higher orders, capturing the effects of risk that are ignored by many current methods. We illustrate how to apply our method to a broad set of questions such as impacts of first- and second-moment shocks, welfare effect of macroeconomic risk and stabilization policies, endogenous household portfolio formation, and transition dynamics in heterogeneous agent general equilibrium settings.*

Non-Keynesian stabilizers and wage-price spirals

(with Xavier Ragot and François Le Grand)

Abstract: *When both prices and wages are subject to nominal frictions, a negative supply shock or a positive demand shock can trigger a wage-price spiral, as both nominal wages and prices adjust slowly. To analyze optimal policy in this environment, we consider a heterogeneous-agent model, with both wage and price stickiness. We derive joint optimal fiscal-monetary Ramsey policy, using a rich set of fiscal tools, for both supply and demand shocks. Studying various economies, we first find that time-varying labor tax is important to ensure price stability for demand shocks. Second, time-varying wage subsidy (to decrease the labor cost of firm) is the useful instrument for negative demand shocks. We call these policies a non-Keynesian stabilization policy because it does not operate directly through aggregate demand management. Finally, we show that the allocation is significantly different in the HA economy compared to the RA economy when public debt is a relevant tool.*

When is aggregation enough? Aggregation and Projection with the Master Equation

Abstract: *I study how the Master Equation – developed in the Mean Field Games literature – can be used for economic models with heterogeneous agents and aggregate risk. Using projection, we can bypass part of the assumption of bounded-rationality as in Krusell, Smith (1998): households still consider few moments of the distribution when making expectations but their dynamics are now fully non-linear and consistent with equilibrium outcomes. We can obtain a global characterization of the value, agent policy, and aggregate dynamics in a standard HA models I plan to study richer models with portfolio choice when approximate aggregation may not hold and perturbation methods can be limited.*

Work in Progress

Energy shocks and aggregate fluctuations, 3rd-year paper

Credit Cycles, Asset prices, and Heterogeneous Firms, 2nd-year paper

Pre-Doc

Wealth distribution over the business cycle, A mean-field game with common noise, Master thesis (M2) in 2018, M. Sc. Mathematics at UPMC-Sorbonne. Supervisor: Yves Achdou

Fiscal policy in monetary union

Master thesis (M2) in 2016, M.A. Economics / EPP. Supervisor: Jean Baptiste Michau

Fiscal Policy and Tax compliance over the business cycle

Master thesis (M1) in 2015, M.A. Economics / EPP. Supervisor: Francesco Pappadà

Teaching Experience

University of Chicago, Department of Economics

Mathematical Methods in Economics, <i>PhD</i>	Lecturer	<i>Summer 2020, 2021 & 2022</i>
Applied Macroeconomics: Heterogeneity & Macro, <i>PhD</i>	TA for Prof. J. Vavra, R. Kekre	<i>Winter 2022</i>
Monetary Economics, <i>PhD</i>	TA for Prof. F. Alvarez	<i>Fall 2021</i>

Chicago Booth School of Business

Global Strategy and Economics, <i>EMBA</i>	TA for Prof. G. Lorenzoni	<i>Spr. 2022, 2023, 2024</i>
International Financial Policy, <i>MBA</i>	TA for Prof. R. Kekre	<i>Spr. 2020, 2021, 2022</i>
Money and Banking, <i>MBA</i>	TA for Prof. K. Huber	<i>Winter 2021</i>

University of Chicago, The College

Economic Policy Analysis, <i>undergrad</i>	TA for Prof. K. Kuevibulvanich	<i>Spring 2019</i>
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Sciences Po, Doctoral School, Economics Department

Graduate Macroeconomics & finance, <i>PhD</i>	TA for Prof. X. Ragot	<i>Fall 2016, 2017</i>
Fiscal and monetary policy, <i>PhD</i>	TA for Prof. J. Barthelemy	<i>Fall 2016</i>

Sciences Po, School of Public Affairs, Master in Public Policy

Macroeconomics, <i>MPP</i>	TA for Prof. T. Chaney	<i>Fall 2016, Spr. 2018</i>
Macroeconomics for public policy, <i>MPP</i>	TA for Prof. X. Ragot, P. Andrade	<i>Spr. 2016</i>
Public Economics, <i>MPP</i>	TA for Prof. Mark Stabile	<i>Fall 2015</i>
Quantitative Analysis, <i>MPP</i>	TA for Prof. M. Foucault	<i>Fall 2015</i>

Awards, Scholarships, and Grants

Stevanovich Fellowship Award	<i>2024</i>
3-Minutes Thesis Competition, Finalist	<i>2024</i>
University of Chicago MAPSS Merit Scholarship	<i>2018</i>
Sciences Po, Prize for the Best Master Thesis in Economics	<i>2016</i>
École Polytechnique, Prize for the Research Internship	<i>2015</i>

Research Experience

Research Assistant, University of Chicago <i>Prof. Mikhail Golosov</i>	<i>2019–2021</i>
Research Assistant (ponctual), University of Chicago <i>Prof. Greg Kaplan, Prof. Robert Lucas, Prof. Kilian Huber</i>	<i>resp. 2019, 2020, 2023</i>
Research Intern, Université Paris Diderot <i>Prof Y. Achdou</i>	<i>2018</i>
Research Intern, Banque de France, International Macro Division & Forecasting <i>Prof F. Pappadà and Y. Zylberberg</i>	<i>2015</i>

Academic Experience

Conferences **2024:** NBER SI Macro-Public Finance, *Boston*, EEA-ESEM, *European Economic Association, Rotterdam*, Society of Economic Dynamics, *Barcelona*, Dynamic Quantitative Trade – JIE special conference, *UWisconsin, Madison*
Yiran Fan Conference, *UChicago*, 49th Conf., *Eastern Economic Association, Boston*
2023: Economic & Environmental Consequences of Climate Change, *IMSI UChicago*, HEC Economics PhD Conference, *HEC, Paris Area*
2018: Macroeconomic Implications of Micro Heterogeneity, *OFCE, Paris*
Note: only presentations of solo/junior projects

Presentations **2023-2024:** Young Scholars Webinar on Climate Economics, *E-axes Forum*
EPIC Lunch, MFR Summer session for Young scholar (poster),
Climate Frontiers: Energy and Climate (poster), *UChicago*
2020-2024: PhD workshops (Macro, Trade, Environment, Finance), *UChicago*
2017, 2023: PhD workshops, *Sciences Po*
2019: Fiscal Affairs Department, *International Monetary Fund*
2018: Workshop on MFG, *Université Paris Diderot*
2015: DGEI Internal Conference, *Banque de France*

Refereeing Activity \triangleright *Journal of Political Economy*, \triangleright *Journal of European Economic Association* ($\times 2$)
 \triangleright *Theoretical Economics*, \triangleright *Journal of Political Economy*, *Macroeconomics*,
 \triangleright *Journal of International Financial Markets, Institutions & Money*,
 \triangleright *IEEE Transactions on Automatic Control (Maths)*

Seminar organization:

Student organizer of Capital Theory, UChicago	2023–2025
Student organizer of Advanced Macro Reading Group, UChicago	2022–2024
Organizer of 2nd-3rd year students Macro workshop, UChicago	2019–2020

Others student activities:

Graduate Student Liaison (GSL) – Student representative, UChicago	2023–2025
Political Economy Club (PEC) – Social Events, UChicago	2021–2022

Additional Information

Citizenship	France
Programming Skills	Julia, Matlab, Dynare, Stata, Python, R
Languages	French (Native), English (Fluent), Spanish (Intermediate)