Roman David Merga

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Education

2022	Ph.D. Candidate, Economics, University of Rochester (Expected).
2018	M.A. Economics, University of Rochester.
2015	M.A. Economics, Universidad Torcuato di Tella, Argentina
2014	B.Sc. in Economics, Universidad del Salvador, Argentina.

Research Fields

International Trade, International Macroeconomics and Macroeconomics.

Working Papers

"International Trade, Volatility, and Income Differences" (**Job Market Paper**). Link

"Real Exchange Rate Uncertainty Matters: Trade, Shipping Lags, and Default" Link

"Fighting Income Inequality with International Trade" Link
with Victor Hernandez and Nicholas Kozeniauskas

Selected Work In Progress

"Pricing to Clients and the Pass-Through of Shocks"
with Armen Khederlarian

Conference & Seminar Presentations

2021: Minneapolis Fed Junior Scholar Conference, Brown Bag Seminar Federal Reserve Bank of Atlanta, Ph.D. Interns Workshop Federal Reserve Bank of St. Louis, Lacea-Ridge Job Market Showcase, Universidad Carlos III de Madrid*

2020: GISPE workshop, Centro de Estudios Macroecnomicos Argentina (CEMA University), KERIC conference, Pontificia Universidad Católica de Chile.

*scheduled

Honors, Fellowships, Awards, and Grants

2021-2022	Dean's Post-Field Research Dissertation Completion Fellowship, University of Rochester.
2021	Tapan Mitra Prize, Best 5th-Year Paper, Empirical Economics, University of Rochester.
2021	Dissertation Intern, Federal Reserve Bank of St. Louis.
2021	Americas Center Graduate Dissertation Intern, Federal Reserve Bank of Atlanta.
2016-2021	Economics Department Ph.D. Fellowship and Scholarship, University of Rochester.
2020-2021	Ronald Jones Scholar, University of Rochester.
2021	Human Studies Fellowship, Institute for Human Studies.
2020	River Campus Data Grant, University of Rochester.
2020	Human Studies Fellowship, Institute for Human Studies.
2019-2020	The Wallis Institute of Political Economy Fellowship, University of Rochester.
2019	The Conibear Prize for the Best Third Year Paper, University of Rochester.
2018	Summer Research Grant, University of Rochester.
2014	Best GPA in the Bsc in Economics, Universidad del Salvador, Argentina.
2014	Summa Cum Laude, Universidad del Salvador, Argentina.
2014	Best Undergrad Thesis, Universidad del Salvador, Argentina.

Teaching Experience

Instructor

2020 *Principles of Economics (Undergraduate)*, University of Rochester. Summer.

Teaching Assistant

2018-2020 *Macroeconomics (Graduate)*, University of Rochester. Fall.
Instructor: Prof. George Alessandria.

2019 *Money, Credit and Banking (Undegraduate)*, University of Rochester. Spring.
Instructor: Prof. Narayana Kocherlakota.

2018 *Intermediate Macroeconomics (Undegraduate)*, University of Rochester. Spring.
Instructor: Prof. Dan Lu.

2018-2019 *Pricing Policies (Graduate)*, Simon Business school, University of Rochester. Fall.
Instructor: Prof. Greg Shaffer.

2015-2016 *Introduction to Statistic and Probability (Undegraduate)*, Torcuato Di Tella University.
Instructor: Prof. Andrea Rotnitzky.

2015-2016 *Macroeconomics (Undegraduate)*, Torcuato Di Tella University. Fall.
Instructor: Prof. Emilio Espino.

2014 *Microeconomics 1 (Undegraduate)*, Torcuato Di Tella University. Fall.
Instructor: Prof. Hernán, Ruffo.

Previous Employment

2013 Analyst of the Telecommunication market in Latin America, “Convergencia Research”

Others

Computer Skills: Julia, Stata, Matlab, LaTeX

Languages: English (Fluent), Spanish (Native), Italian (Basic)

References

George Alessandria (Advisor)
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International Trade, Volatility, and Income Differences

(Job Market Paper)

Developing countries trade less than rich countries. I show that this lack of involvement in trade arises because high domestic volatility discourages exporters' investments in foreign market access. At the cross-country level, I find that country's TFP volatility explains 40% of the relationship between trade and GDP per capita. Using Colombian micro-level data, I document that exporters facing higher domestic sales volatility export less. In industries with more domestic sales volatility, new exporters expand relatively less over their life cycle. This dampening of the firm-level export expansion path is more severe in products with more variable markups. Motivated by these novel firm-level findings, I develop an international trade model with new exporter dynamics and non-CES demand that can account for the novel facts at the firm and the cross-country levels. These findings suggest that trade frictions calculated using static trade models reflect the interactions of domestic volatility and exporters' investment decisions to grow into foreign markets. Indeed my quantitative findings show that the volatility differences across countries are equivalent to a 30% higher trade cost in developing economies. These volatility differences account for 40% of the differential trade cost estimated by static models.

Real Exchange Rate Uncertainty Matters.
Trade, Shipping Lags, and Default

I propose a new time-varying measure of real exchange rate uncertainty, and I show that there is a negative relationship between this measure and international trade at the aggregate level. A one standard deviation increase in the real exchange rate uncertainty is associated with a 5% drop in total trade over GDP. Then, using Colombian firm-level data, I document 3 firm-level facts consistent with the existence of a precautionary margin in international trade. When real exchange rate uncertainty increases, exporters, 1) reduce their export intensity; 2) are more likely to stop exporting and 3) are less likely to start exporting to new markets. Additionally, I find that this behavior is mostly explained by exporters that pay higher interest rates and face higher shipping lags. These results contrast with the predictions from standard sunk cost models of international trade. I incorporate firm-level debt default and international shipping lags into a standard dynamic model of trade. In the new model, an increase in the real exchange rate uncertainty increases the probability for exporters to end up in a financially vulnerable situation. To hedge against this risk, exporters respond by increasing mark-ups or quitting the export market, generating a drop in aggregate exports through both the intensive and the extensive margin of trade. Once this extension is calibrated to match firm-level Colombian data, it predicts that a one standard deviation increase in the real exchange rate uncertainty generates a drop in total exports of around 6%.

Fighting Income Inequality With International Irade

(with Victor Hernandez)

How does international trade affect the wage distribution across workers? We use detailed administrative employer-employee data that covering 1987 to 2004 to answer this question. Using a new instrumental variable approach to disentangle the effects that trade openness has over the distribution of income and wages, we document that an increase in local trade exposure reduces wage inequality. Furthermore, we show that this result is associated with changes happening at the within-industry and within-firm levels. These changes lead to increases in the relative demand for low-wage and low-skill type of worker. At the within-industry level, trade openness reallocates workers towards small firms and low-skilled jobs. At the within-firm level, small firms increase their labor intensity and the average amount of workers, while larger firms reduce it in response to changes in trade openness. We argue that these firm-level responses are the root of the increase in the relative demand for low-wage workers.