

# ANDREEA ROTĂRESCU

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## DOCTORAL STUDIES

**Ph.D. in Economics**, Johns Hopkins University May 2022 (expected)

*Main Advisor:* Professor Olivier Jeanne

*Dissertation Title:* Essays on productivity, business dynamism, and the fallout from financial crises

*References:*

Professor Olivier Jeanne  
E-mail: ojeanne@jhu.edu  
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Professor Jonathan Wright  
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Professor Robert Moffitt  
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*Placement Director:* Professor Christopher Carroll, ccarroll@jhu.edu, +1 (410) 516-7602

*Graduate Administrator:* Ms. Kasey Bocek, kbocek@jhu.edu, +1 (410) 516-7570

## PRIOR EDUCATION

**M.A. in Economics**, Johns Hopkins University 2018

**M.Sc. in Economics** (honors), Institute for Advanced Studies Vienna, 2016

**B.A. in Political Science** (honors), University of Vienna 2014

## FIELDS

Primary: Macroeconomics

Secondary: Productivity and Growth, Firm Dynamics, International Finance,  
Applied Microeconomics

## TEACHING EXPERIENCE

Teaching Assistant, Johns Hopkins University: 2016–2021

Rethinking Economics After the Great Recession (undergraduate) to Professor Floyd Norris

Financial Writing and Analysis (undergraduate) to Professor Floyd Norris

International Monetary Economics (undergraduate) to Professor Olivier Jeanne

Elements of Macroeconomics (undergraduate) to Professor Robert Barbera

Teaching Assistant, Institute for Advanced Studies Vienna: 2015–2016

Dynamic Optimization (graduate) to Professor Christian Steineder

Statistics (graduate) to Professor Derya Uysal

## RESEARCH EXPERIENCE

Research Assistant to Professor Pravin Krishna and Professor Mine Senses 2019  
for projects about the impact of trade on individual income risk and general human capital

## FELLOWSHIPS AND AWARDS

**Dissertation fellow**, Directorate General Research, European Central Bank Summer 2019  
as part of the Summer Graduate Research Programme

**Prize in honor of Carl F. Christ** 2018  
for the best econometrics second-year paper, Johns Hopkins University

**Fellowship**, Johns Hopkins University 2016 – present

**Full scholarship**, Institute for Advanced Studies Vienna 2014 – 2016

## PRESENTATIONS

European Central Bank 2019

## SKILLS

**Programming:** Python, MATLAB, R, Stata, L<sup>A</sup>T<sub>E</sub>X

**Languages:** English (fluent), German (fluent), Spanish (beginner), Romanian (native)

## RESEARCH PAPERS

**“Productivity slowdown and firm exit: The ins and outs of banking crises”  
(job market paper)**

This paper studies the adverse long-term impact of a decline in lender health on aggregate productivity. I develop a simple model of productivity-enhancing investment where firm exposure to fragile banks leads to losses on both the intensive and the extensive margin. The model is consistent with the surge in exits and prolonged drop in productivity growth observed in Spain in the aftermath of the 2008 financial crisis. The model also highlights the existence of a bias in the measurement of observable TFP growth during an episode of heightened exit. Using data on Spanish firm-bank relationships and bank bailouts, I implement an exit-adjusted measure of productivity growth and use it to quantify the output loss attributable to the financial friction. A decade after the crisis, output growth from the extensive margin recovers but the same is not true of the output level. The output shortfall from the intensive margin proves much more persistent, with the growth gap only beginning to narrow towards the end of the sample period. Together, these dynamics amount to a cumulative loss of 3% of pre-crisis GDP over ten years.

## RESEARCH IN PROGRESS

**“Sectoral adjustment and internal devaluation in the Euro area” with Olivier Jeanne**

Leading up to the global financial crisis, Euro periphery countries had large external deficits whose sharp reduction took place against a backdrop of severe recessions. The goal of this paper is to study the external adjustment process in the Euro area and compare it across countries. In a currency union, external rebalancing requires adjustments in relative prices and wages which, according to the textbook view, are slow and costly because of nominal stickiness. The textbook view holds that in the short run, adjustment primarily involves a reduction in imports due to a fall in domestic demand (*demand-shifting*), whereas in the long run, it mainly takes place through an increase in net exports due to changes in relative prices (*demand-switching*). A decomposition of the reduction in external deficits of periphery countries between demand-shifting and demand-switching shows that, ten years after the crisis, demand-shifting still dominates and that demand-switching has not substituted demand-shifting over time. Looking into possible explanations behind the insufficient relative price adjustment, we find little evidence that nominal

wage rigidity is the primary culprit. We examine a different explanation in which the observed fall in wages was offset by a decline in productivity due to the depletion of productive capital, which in turn prevented large competitiveness gains. Evidence in favor of this channel suggests that frictions in the allocation of capital can play a role in explaining the missing price adjustment.

### **“Business dynamism and productivity in recessions and recoveries”**

Business dynamism in Europe, as measured by the sum of job creation and job destruction rates, suffered greatly during the Great Recession and has yet to bounce back to pre-crisis levels. At the same time, there has been a slowdown in productivity growth characterizing much of the post-crisis period. The ease with which resources can be reallocated between firms and sectors in order to be put to their best use is likely to play an important role for future productivity outcomes. I investigate this hypothesis by looking at how the efficiency of resource allocation varies with credit and labor market conditions. Using detailed micro-aggregated data on European firms from the CompNet database, this paper exploits cross-country heterogeneity in credit conditions and the adoption of employment protection legislation in order to determine how these factors contribute to aggregate productivity dynamics through the allocative efficiency channel. A cross-country analysis of the long-term impact of easy credit access and job retention schemes provides an important lesson for the future of productivity in Europe in light of the unprecedented deployment of such measures in response to the COVID-19 crisis.