

**BALAZS ZELITY**  
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## BROWN UNIVERSITY

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### **Office Contact Information**

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Providence, RI 02912  
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### **Pre-Doctoral Studies:**

MA, Economics, Université Catholique de Louvain, *Magna Cum Laude*, 2014  
BA, International Business, Budapest Business School, 2013

### **Doctoral Studies:**

Brown University, 2015 to present  
Ph.D. Candidate in Economics  
Thesis Title: “Essays in Intertemporal Macroeconomics”  
Expected Completion Date: May 2020

### **References:**

Professor Oded Galor	Professor David Weil
Department of Economics, Brown University	Department of Economics, Brown University
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Professor Stelios Michalopoulos  
Department of Economics, Brown University  
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### **Teaching and Research Fields:**

Primary Fields: Macroeconomics, Economic Growth, Population Economics  
Secondary Fields: Finance, International Economics

### **Teaching Experience:**

#### *Primary Instructor*

2018-2019      Investments II (Financial Derivatives), Brown University (2x)  
Summer 2019    Introduction to Economic Growth (Pre-College), Brown University

#### *Teaching Assistant*

Spring 2018      Labor Economics, Brown University, for Prof. Kenneth Chay  
Fall 2017          Theory of Economic Growth, Brown University, for Prof. Oded Galor  
Summer 2017      Introduction to Macroeconomics (Pre-College)  
                         Introduction to Microeconomics (Pre-College)  
                         Technology and Business (Pre-College), for Prof. Natalie Webb  
Spring 2017      Labor Economics, Brown University, for Prof. Kenneth Chay  
Fall 2016          Race and Inequality in the US, Brown University, for Prof. Glenn Loury

**Research Experience and Other Employment:**

2017-2018	Research Assistant to Prof. David Weil, Brown University
2014-2017	Consultant, Gemdax, Belgium
Spring 2014	Research Assistant to Prof. Henry Tulkens, Université Catholique de Louvain
2012-2013	Trainee, Credit Management, Henkel, Belgium

**Professional Activities:***Presentations*

2019	RCEA Growth, Innovation and Entrepreneurship Conference, Wilfried Laurier University, Waterloo, Canada
2018	XIX April International Academic Conference, Higher School of Economics, Moscow, Russia
2017, 2018, 2019	Macroeconomics Lunch Seminar, Brown University

*Referee*

Journal of Economic Growth, Macroeconomic Dynamics (2x), Journal of Population Economics

**Honors and Awards:**

2018-2019	Graduate Student Teaching Award, Brown University
2019	Conference Travel Award, Graduate School, Brown University
2017-2018	Graduate Student Teaching Award, Brown University
2018	St. Gallen Leader of Tomorrow
2018	Conference Travel Award, Graduate School, Brown University
2017	Field Exam passed with Distinction, Brown University
2011-2012	Distinguished Scholarship of the Hungarian Republic

**Skills:**

Computer Skills: R, MATLAB, Python, ArcGIS

Language Skills: English, Hungarian, French, Dutch

**Research Papers:***“Age Diversity and Aggregate Productivity” (Job Market Paper)*

This research explores theoretically, empirically and quantitatively the role of age diversity in determining aggregate productivity and output. Age diversity has two conflicting effects on output. On the one hand, due to skill complementarity across different cohorts, age diversity may be beneficial. On the other hand, rapid skill-biased technological change makes age diversity costly as up-to-date education tends to be concentrated among younger cohorts. To study this trade-off, I first build an overlapping-generations (OLG) model which, in view of these two opposing forces, predicts a hump-shaped relationship between age diversity and GDP per capita. This prediction is established analytically, and also quantitatively using real-world population data in an extended computational version of the model. The prediction is then tested using country-level panel data with a novel instrument, and regional data from Europe. Moving one standard deviation closer to the optimal level of age diversity is associated with a 1.5% increase in GDP per capita. In addition, consistent with the predictions of the model, the optimal level of age diversity is lower in economies where skill-biased technological change is more prevalent.

*“The Circular Economy, International Trade, and the Sectoral Composition of Economies”*

(with Juan F. García-Barragán)

There has been a recent trend in a number of major economies towards the introduction of large-scale recycling schemes. In this paper we explore how such initiatives affect the sectoral composition of economies throughout the world via global raw material markets and trade linkages. We build a multi-country multi-sector model of recycling and trade, which shows that increased recycling in rich

resource-poor countries incentivizes these countries' poor resource-rich trade partners to transition from mining to manufacturing. The model suggests that the channel for this transition is decreased global raw material demand, which exerts a downward pressure on raw material prices. Numerical simulations of our model indicate that the quantitative effects of increased recycling via this mechanism are significant.

#### *“Democracy, Social mobility, and Culture”*

In this paper, we investigate the role of parental exposure to democratic institutions in shaping social mobility. First, we find that people whose parents hail from more democratic societies experience more upward mobility. This result is established in a sample of second-generation immigrants in the United States. Identification primarily focuses on exploiting within-origin-country variation in democracy over time. Second, we investigate the potential channel for this finding. We find that people in more democratic societies believe more in meritocracy, and that this difference in beliefs translates into higher upward mobility. Our results imply that people who grew up in more democratic societies hold more favorable beliefs about meritocracy, that these beliefs are retained after emigration, and are transmitted to the next generation. This ultimately affects how successful second-generation immigrant children are relative to their parents.

#### *“Output Volatility and Growth: Identification with a Time-varying Instrument”*

The effect of output volatility on long-run economic growth is still an unsettled question in the literature. This paper contributes to this question by proposing a new instrument for output volatility that allows for the estimation of the volatility-growth relationship in panel data. We instrument output volatility using the volatility of a commodity terms of trade index. The panel nature of this instrument allows us to focus on within-country variation by adding both country and time period fixed effects into our specifications. The key contribution of this paper is the combination of addressing endogeneity with an instrument and focusing on within-country variation using panel data techniques. Our finding is that output volatility and long-run growth are negatively associated: a 1% increase in output volatility leads to a 0.028 percentage point lower average annual growth rate over the long run.

#### **Research Papers in Progress**

*“FDI, Primary Income Flows, and Economic Growth”*