

DIEGO BATTISTON

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CITIZENSHIP: Argentine, Italian

RESEARCH FIELDS

Primary Fields: Labor Economics, Organizational Economics

Secondary Fields: Development Economics, Economic History

DOCTORAL STUDIES

Ph.D. in Economics, London School of Economics, 2018

Thesis Title: "Effects of Communication, Social Interactions and Information"

PRE-DOCTORAL STUDIES

2011-2013: **MRes in Economics**, London School of Economics. **Thesis:** "The impact of immigration on the labour market: Evidence from 20 years of cross-border migration to Argentina"

2006-2008: **M.A. in Economics**, Universidad Nacional de La Plata.

2001-2005: **B.A. Economics (Summa Cum Laude)**, Universidad Nacional de Cuyo

RELEVANT POSITIONS HELD

2020-present: **Lecturer (Assistant Professor)**, School of Economics, University of Edinburgh

2021-present: **CESifo Affiliated**

2018-2020: **Assistant Professor**, Department of Economics, Stockholm University

2018-present: **Associated Researcher**, CEP, London School of Economics

2015-2018: **Chief Examiner**, Economics of Labour. International Programmes, University of London.

2014-present: **Adjunct Teaching Fellow**, School of Management, University College London

2012-present: **Occasional Research Assistant**, Centre for Economic Performance, LSE

2014-2016: **Research Assistant** to Dr. Marcos Vera-Hernandez, Economics Department, UCL

2013-2014: **Research Assistant** to Professor Alan Manning, LSE

2014: **Research Assistant** to Professor Francesco Caselli, Center for Macroeconomics, LSE

2013: **Short Term Consultant**, Inter American Bank

2009-2010: **Short Term Consultant**, World Bank

2008-2010: **Junior Researcher** at Center for Distributive, Labour and Social Studies (CEDLAS)

COMPLETED PAPERS

"Face-to-Face Communication in Organisations" *Review of Economic Studies*, Volume 88, Issue 2, March 2021. (with J. Blanes i Vidal and T. Kirchmaier). *Awarded the CEPR Prize for Outstanding Research in Organisation and Management*

Communication is integral to organisations and yet field evidence on the relation between communication and worker productivity remains scarce. We argue that a core role of communication is to transmit

information that helps co-workers do their job better. We build a simple model in which workers choose the amount of communication by trading off this benefit against the time cost incurred by the sender, and use it to derive a set of empirical predictions. We then exploit a natural experiment in an organisation where problems arrive and must be sequentially dealt with by two workers. For exogenous reasons, the first worker can sometimes communicate face-to-face with their colleague. Consistently with the predictions of our model we find that: (a) the second worker works faster (at the cost of the first worker having less time to deal with incoming problems) when face-to-face communication is possible, (b) this effect is stronger when the second worker is busier and for homogenous and closely-located teams, and (c) the (career) incentives of workers determine how much they communicate with their colleagues. We also find that workers partially internalise social outcomes in their communication decisions. Our findings illustrate how workers in teams adjust the amount of mutual communication to its costs and benefits.

"The Persistent Effects of Brief Interactions: Evidence from Immigrant Ships" (Job market Paper)

Awarded the Distinguished CESifo Affiliate Award in the area of Economics of Digitization

This paper shows that brief social interactions can have a large impact on economic outcomes when they occur in high-stakes decision contexts. I study this question using a high frequency and detailed geolocalized dataset of matched immigrants-ships from the age of mass migration. Individuals exogenously travelling with (previously unrelated) higher quality shipmates end up being employed in higher quality jobs at destination. Several findings suggest that shipmates provide access and/or information about employment opportunities. Firstly, immigrants' sector of employment and place of residence are affected by those of their shipmates' contacts. Secondly, the baseline effects are stronger for individuals travelling alone and with fewer connections at destination. Thirdly, immigrants are affected more strongly by shipmates who share their language. These findings underline the sizeable effects of even brief social connections, provided that they occur during critical life junctures.

"The Effect of Advisors' Incentives on Clients' Investments" (with J. Blanes i Vidal, R. Hortala-Vallve and D. Lou)

We use granular information from a Spanish investment firm to estimate the causal effect of financial advisors' compensation contracts on their clients' investments. Our identification exploits: (a) the fact that, for historical reasons, compensation contracts at our firm differed across mutual funds for the same advisor and across advisors for the same fund, and (b) the overhaul to the firm's compensation policy triggered by MiFIDII, which resulted in within-advisor-fund plausibly exogenous variation in incentives. We find that clients' investments react markedly and swiftly to changes in their advisors' incentives. The effect is larger for new clients, for clients who trust their advisors more, and for clients with lower financial knowledge. We identify a dual mechanism underlying this effect: clients whose advisors experience a change in incentives bring more money into the fund portfolio and then direct this money into their advisors' preferred funds. We introduce our reduced-form estimates into a portfolio-choice model to quantify investors' utility loss due to the distortion in advice. We estimate losses ranging between 6% and 9%. The change in compensation policy triggered by MiFIDII reduced these losses significantly.

"Talent Poaching and Job Rotation" (with M. Espinosa and S. Liu)

Firms allocate workers to clients to provide services. On the job, workers acquire skills that increase their client-specific productivity and therefore raise the probability that clients poach them. In this paper, we advance the understanding of this important, yet understudied feature of service industries. We show, both theoretically and empirically, that in order to mitigate poaching risk firms may forgo potential productivity gains by moving workers from one client to the other. Focusing on a security service-industry firm in Colombia, we find that an increase in client-specific experience both decreases crime and increases the probability that the workers are poached. After a policy change that forbids talent poaching, the firm sharply decreased the frequency of rotation, especially for workers who were more likely to be poached before the policy change. The theoretical model we propose is consistent with these empirical patterns and substantiates the broad applicability of the studied mechanism.

RESEARCH IN PROGRESS

“Monitoring Workers Through their Peers” (with J. Blanes i Vidal, T. Kirchmaier and K. Szmeredi)

We study the effect of physical proximity among colleagues on productivity. Specifically, we investigate whether and why the productivity of a worker depends on the occupation by other workers of the desks adjacent to her. We exploit a natural experiment at a large organization where individuals work in an open-plan space. We identify a (causal) sharp and persistent increase in worker's productivity following the occupation of an adjacent desk. We use a simple conceptual framework to highlight that organizations (partly) assess worker's performance based on information transmitted by their peers. A number of empirical findings are consistent with this mechanism. First, we show that the presence of peers nearby matters less when supervisors have a better signal of worker's effort. Second, effects are stronger when peers sitting nearby can transmit more information to supervisors.

“Congestion in Labor Markets: An Empirical Investigation on Daily Arrivals During the Age of Mass Migration”

Using daily variation in passenger arrivals to Ellis Island in the period 1900-1924, this paper shows that individuals arrived in days of high congestion, are employed in worse jobs. The identification strategy follows from the fact that conditional on a one-month time window, the total number of ships arrived (from any port) in a given day are exogenous to individual characteristics. I interpret the results using a search model with high entry costs and asymmetric information.

“The Local Effect of Executions” (with J. Blanes i Vidal)

The death penalty is arguably the most controversial criminal justice policy in the US. Despite an extensive body of work, there is no credible causal evidence that it affects crime. In this paper, we show that executions cause a local reduction in serious violent crime (homicides, rapes and assaults with weapon). A simple behavioural model predicts that highly publicised executions reduce crime, albeit only temporarily and as long as capital punishment remains relatively rare. We test these predictions using a panel dataset disaggregated at the county-date level. Controlling for date and county-month fixed effects, we find that serious crime is lower in the days surrounding an execution, in the county where the capital offense was originally committed. An event study analysis and a set of robustness tests reinforce this conclusion. The effect is decreasing in the number of recent executions in the county, and it is higher for executions associated with a lot of media attention. Counties neighbouring the original-crime county also experience a significant, albeit smaller, decrease in crime.

“Can Productivity Shocks Boost Chain Migration?”

This paper studies to what extent local productivity shocks can trigger immigration of relatives and friends of settled immigrants. I first estimate the geographical distribution of surnames-nationalities in the US in the beginning of 20th Century. Then, using data on local productivity shocks (oil discoveries and weather), I estimate the subsequent change in the inflow of passengers with surnames-nationalities more prevalent in the county which experienced the shock. The high frequency of data allows to observe the leads and lags responses for short intervals of time, which overcomes the difficulties of identifying the effects of local shocks with decennial census data.

“The Teacher Labor Market: Allocation Rules, Sorting and Incentives” (with S. Giardili)

Many countries assign teachers to public schools using a centralized matching algorithm based on teachers' preferences and schools' priorities. In this paper, we study how the design of the teacher labor market affects teachers' performance and student achievement. Making use of novel data from Argentina, we first perform a critical assessment of teachers' preferences in relation to school characteristics and locations. Second, we exploit the discontinuities induced by the clearinghouse mechanism to assess the effect of employment contract type on teachers' performance.

“Trade Diversion Effects of the Panama Canal” (with F. Valencia and F. Rossi)

Improvements in communication infrastructure and transportation technologies have been promoted as significant drivers of economic development. However, the negative externalities they create have received less empirical attention, partly because of the challenges involved in their identification. Following the opening of the Panama Canal, the number of ships stopping at intermediate South-American ports suddenly declined. We study how this even affected the decline and structural transformation of west-coastal cities in Chile. Our identification strategy exploits the interaction between the relative geographical position of cities and the post-opening period

OTHER PUBLICATIONS (pre-PhD) AND POLICY PAPERS

“Could an Increase in Education Raise Income Inequality? Evidence from Latin America” (with L. Gasparini and C. García-Doménch) *Latin American Journal of Economics*, 2013, 51(1): 1-39.

“Income and Beyond: Multidimensional Poverty in Six Latin American Countries” (with G. Cruces, L.F. Lopez-Calva, M.A. Lugo and M.E. Santos) *Social Indicators Research*, 2013, 1-24.

“Refining the Basic Needs Approach: A Multidimensional Analysis of Poverty in Latin America” (with M. E. Santos, M. A. Lugo, L. F. López Calva and G. Cruces) *Research on Economic Inequality*, 2010, 18: 1-29.

“Immigration and the Access to Social Housing in the UK” (with R. Dickens, A. Manning and J. Wadsworth) CEP Discussion Paper, 2014, No. 1264.

“Exploring Trends in Labor Informality in Latin America, 1990-2010” (with L. Gasparini, P. Gluzman and L. Tornarolli) CEDLAS Working Papers, 2014, No. 0159.

“Impact of Immigration on Labour Market. Evidence from 20 Years of Cross-border Migration to Argentina” MPRA, 2013, No. 52424.

“Down and Out or Up and In? Polarization-Based Measures of the Middle Class for Latin America” (with G. Cruces and L.F. Lopez-Calva) CEDLAS Working Papers, 2011, No. 0113.

TEACHING EXPERIENCE

2020-	Lecturer , Economics of Organisations, University of Edinburgh
2018-2020:	Lecturer , Labor IV for PhD Students, Stockholm University
2018-2020:	Lecturer , EC7020, Econometrics for Master Students, Stockholm University
2016-2018:	Lecturer , MSIN3011, Industrial Organisation (Undergraduate), School of Management, UCL
2015-2018:	Lecturer , MSIN7022, Business Economics for Engineers (Undergraduate), School of Management, UCL
2014:	Lecturer , MSING019, Business Economics (Graduate), School of Management, UCL
2009-2010:	TA , Advanced Microeconomics (Graduate), Universidad Nacional de La Plata
2003-2005:	TA , Statistic II (Undergraduate), Universidad Nacional de Cuyo

LANGUAGES

Spanish (Native), English (Fluent)

HONORS, SCHOLARSHIPS AND FELLOWSHIPS

2021: CESifo Affiliated Award
2018: Browaldh Grant, Browaldh foundation
2017: CEPR Prize for Outstanding Research in Organisation and Management
2011-2013: PhD Scholarship, London School of Economics
2010: Fellowship, Consejo Nacional de Investigaciones Científicas y Técnicas (CONICET)
2006: Medal of Honor, best graduate student in the School of Economics, UNCuyo
2006: Summa Cum Laude, highest GPA in B.A. in Economics, School of Economics, UNCuyo

PHD ADVISORS AND REFERENCES

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