

Santiago, Chile

November 27, 2025

Search Committee
Department of Economics
University of Manchester
Oxford Road, Manchester M13 9PL
United Kingdom

Dear Members of the Search Committee,

I am a PhD candidate in Economics at the University of Massachusetts Amherst, specializing in demand-led, structural macroeconomics and the political economy of development. My research examines how surplus labour, distribution, investment, and external constraints interact to generate distinct regimes of growth, stagnation, and crisis in advanced and peripheral economies. I combine formal macroeconomic modeling, time-series econometrics, and long-run historical data to study these questions in a way that speaks directly to your department's strengths in macroeconomics and applied econometrics.

My dissertation, *Essays on Chile and the United States in Comparative-Historical Perspective during the Fordist Era*, develops a structural account of long-run development in a centre-periphery setting. The central thread is a demand-led growth framework in which a capacity-building elasticity links capital accumulation to productive capacity, under conditions of distributive conflict, external constraints, and surplus labour. I use this framework to analyse how different institutional configurations of wage bargaining and industrial relations, the profitability-investment nexus, and balance-of-payments constraints shape investment behaviour and capacity utilisation over time. This research agenda integrates formal modelling with time-series econometrics, including cointegration methods and structural break analysis, and relies on long-run data reconstruction that extends standard national accounts with long-run series on functional income distribution.

My job market paper develops this framework formally, advancing an analytical model that identifies stagnation tendencies as a normal conditions of capitalist development and distinguishes between partial crises and accumulation-regime crises. The latter are episodes in which crisis cannot be resolved without changes in the institutional and technological conditions governing the regime. This framework allows me to identify an elasticity of growth productive capacities (potential output) to capital accumulation, which in turn is endogenously determined by distributive conflict. Structural breaks allows to identify institutional transformation from one accumulation regime to another one. By doing so, I am able to map changes in utilization of productive capacities, profitability, and external vulnerability. The aim is to provide a structural account of how centre-periphery asymmetries shape long-run capital accumulation and economic growth.

This work connects naturally to macroeconomics, development economics, growth and distribution, and international macro, and offers clear avenues for future empirical projects on other country pairs and periods. In addition, my focus on the Fordist era of capitalist development and the reconstruction of historical series on capital stocks and distribution provides a historically grounded analysis of distributive conflict that situates my research at the intersection of economic history, historical political economy, and comparative and international political economy.

Manchester is a particularly meaningful place to pursue this agenda because one of the authors

who has inspired and guided my research is Sir W. Arthur Lewis. His seminal work on economic development with unlimited supplies of labour, and his later analyses of the evolution of the international economic order, framed development as a structural problem of surplus labour, distribution, and the organisation of the world economy. My own work speaks directly to these concerns. I aim to update questions that Lewis posed at Manchester for a post-Fordist financialised world economy, reconnecting the department's current macro and empirical strengths with its own tradition of political economy of development.

My teaching experience and preparation are centred on macroeconomics, political economy, and quantitative methods. I am prepared to teach core undergraduate and postgraduate courses in macroeconomics and can contribute to teaching in econometrics, applied macroeconomics, and data analysis, as well as electives in development, international macro, and political economy. In the classroom, I emphasise clear structure from the outset: students receive a detailed syllabus that explains expectations, assessments, and how the different components of the course fit together. I work to integrate formal tools with historical and institutional context, so that students learn both how to use models and how to interpret them as simplified representations of concrete economies rather than self-contained abstractions.

In addition to research and teaching, I take collegiality, mentoring, and service seriously. I value collaborative work, constructive engagement with colleagues across fields, and contributing to the collective life of the department through programme development, advising, and administrative responsibilities as needed. My experience working with diverse student cohorts has made me sensitive to issues of inclusion and accessibility in both teaching and supervision, and I aim to create classroom and advising environments in which students feel able to ask questions, take intellectual risks, and connect macroeconomic analysis to their own everyday lives concerns and diverse backgrounds.

The Department of Economics at Manchester offers an outstanding environment in which to develop my research on demand-led growth and centre–periphery dynamics, and to contribute to teaching in macroeconomics, econometrics, and development. The combination of strong macro and econometrics groups with a rich surrounding landscape in political economy and development is exceptionally attractive. I would be honoured to join you as a colleague and to help extend Manchester's tradition of rigorous macroeconomic analysis and engaged political economy into new areas.

Thank you for considering my application. I would be happy to provide any additional information you may require.

Sincerely,

A handwritten signature in black ink, appearing to read "Diego Polanco".

Diego Polanco
Ph.D. (c) in Economics
University of Massachusetts Amherst