**FELIPE BRUGUÉS**
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**Academic Positions:**

**Assistant Professor,** Instituto Tecnológico Autónomo de México, 2022-Present
**Postdoctoral Researcher,** Universitat Pompeu Fabra, 2021-2022

**Education**:

**Ph.D. in Economics,** Brown University, 2021
Ph.D. Advisors: Jesse Shapiro, Rafael La Porta, Neil Thakral

**Master of Sciences,** Economics and Finance, Barcelona Graduate School of Economics, 2014

**Bachelor of Arts,** Social Sciences, Amsterdam University College (with distinction), 2013

**Teaching and Research Fields**:

Industrial organization, Development Economics, Political Economy

**Teaching Experience:**

Main Instructor

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| 2022 – Present | Business Strategy I (Undergraduate, ITAM) |
| Summer 2019 | Behavioral Game Theory (Precollege, Brown University) |
| Summer 2018 | Principles of Micro (Precollege, Brown University) |

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| 2020 | Theory of Behavioral Economics (Brown University) |
| 2014–2015 | Topics in Microeconomics; Microeconomics I; Applied Game Theory (University College London) |
| 2014–2015 | Microeconomics I; Labor Economics; Health Economics; Development Economics; Macroeconomics II (Queen Mary University of London) |
| 2013–2014 | Industrial Organization; Macroeconomics I (Universitat Pompeu Fabra) |

**Research Experience and Other Employment:**

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| Summer 2020 | Bank of Spain, PhD Summer Intern |
| Summer 2019 | Amazon Inc., Economist Intern |
| May-June 2019 | World Bank, Short-term Consultant |
| 2017–2018 | Brown University, RA for Prof. Joaquin Blaum |
| 2015–2016 | Institute for Fiscal Studies, RA for Dr. Britta Augsburg and Dr. Bet Caeyers |
| Summer 2014 | Universitat Pompeu Fabra, RA for Dr. Maria Petrova |
| Spring 2014 | Universitat Pompeu Fabra, RA for Prof. Fabrizio Germano |

**Conferences and Seminars (scheduled*, by co-author[+])**

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| 2023 | Columbia IO*, Notre Dame/ITAM Mini Conference; North American Meeting of the Econometric Society; 21st Annual International Industrial Organization Conference; Interamerican Development Bank; Imperical College London[+]; LBS-Stanford Global Tax Conference[+]; 7th Junior Rome Finance Conference[+] |
| 2022 | RIDGE Industrial Organization; Hong Kong Trade Seminar; London Corporate Finance Mingle[+]; ITAM; Universitat Pompeu Fabra; Northwestern Development Rookiefest; CEPR WEFIDEV Workshop |
| 2021 | Universitat Pompeu Fabra; STEG Theme 5 Workshop; EEA-ESEM; 7th Workshop on Relational Contracts; ThReD Conference; Midwest International Economic Development Conference; ITAM (Business); Nera; Insper; Boston University; CUNEF; Harvard Business School (Strategy); Charles River Associates; UC Berkeley (Haas); ECARES; Católica-Lisbon |
| 2020 | NEUDC; IGC-Stanford Conference on Firms, Trade and Development; Brown University |
| 2019 | NEUDC; Young Economist Symposium[+]; DEVPEC[+]; Brown University; FLACSO Ecuador |
| 2018 | PEDL/IGC Conference[+]; Econometric Society Winter Meeting[+]; Corporación Andina de Fomento; Brown University; Universidad San Francisco de Quito |
| 2017 | Watson Institute of Public Affairs |

**Honors, Scholarships, and Fellowships:**

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| 2023 | Interledger Arts and Culture Grant |
| 2022 | Interamerican Development Bank Grant with R De Simone |
| 2022 | Wheeler Institute with R De Simone & S Otero |
| 2021 | CEPR-STEG Small Research Grant with R De Simone |
| 2020- 2021 | Dissertation Completion Proposal Award, Brown University |
| 2018- 2020 | Graduate Studies Fellowship, Bank of Spain |
| 2018 | Corporación Andina de Fomento Grant with J Brugués and S Giambra |
| 2018 | Global Mobility Fellowship, Brown University |
| 2017-2018 | Hazeltine Fellowship for Graduate Research, Brown University |
| 2017 | Honors in Field Examinations, Brown University |
| 2017 | Graduate Program in Development Summer Research |
| 2017 | Award, Brown University<br>Student Grant, Brown Arts Initiative |
| 2015-2017 | Social Sciences Scholarship, Fundación Ramón Areces |
| 2013-2014 | Tuition Waiver and Teaching Assistantship, Barcelona Graduate School of Economics |

**Research Papers:**

***"Take the Goods and Run: Contracting Frictions and Market Power in Supply Chains"*** [*under review for publication]*

Firms in developing countries often face concentrated input markets and contracting frictions. This paper studies the efficiency of self-sustained long-term relationships between buyers and sellers, a common solution to contracting frictions, when sellers have significant market power and trade-credit contracts cannot be enforced through courts. Using new transaction-level data from the Ecuadorian manufacturing

supply chain, I document trade patterns consistent with these frictions. As a relationship ages, quantities rise, and prices fall more than can be explained by quantity discounts. Based on these facts, I develop and estimate a dynamic non-linear contracting model with limited enforcement in which buyers can default on their trade-credit debt without legal penalties. In the estimated model, sellers withhold trade in early periods of a relationship, and encourage trade in later periods, in order to give buyers an incentive to pay debts. My key finding is that bilateral trade is estimated to be inefficiently low in early periods of the relationship, but converges toward efficiency as relationships age, despite sellers' market power. Counterfactual simulations imply that both seller market power and limited enforcement contribute to inefficiencies in trade, as addressing either friction alone leads to welfare losses, and that relaxing both frictions can lead to significant efficiency gains.

**"*Political Connections and the Misallocation of Procurement Contracts: Evidence from Ecuador*"** *(with Javier Brugués and Samuele Giambra) [R&R Journal of Development Economics]*

We use new administrative data from Ecuador to study the welfare effects of the misallocation of procurement contracts caused by political connections. We show that firms that form links with the bureaucracy through their shareholders experience an increased probability of being awarded a government contract. We develop a novel sufficient statistic–the average gap in revenue productivity and capital share of revenue–to measure the efficiency gains or losses of political connections. Our framework allows for heterogeneity in quality and quantity, and non-constant marginal costs. We estimate political connections create welfare losses of up to 6% of the procurement budget.

***"Taxation when markets are not competitive"*** *(with Rebecca De Simone)*

We explore how lender market structure affects the efficiency and equity of financial taxation, an important revenue source and policy tool for governments worldwide. Using a natural experiment—the unexpected introduction of a loan transaction tax in Ecuador—we employ pass-through estimates, a quantitative model, and a comprehensive commercial loan dataset to investigate this issue. Our model broadens the scope of traditional bank competition theories by allowing for a range of competitive behaviors, including joint profit maximization, credit rationing, and Bertrand-Nash competition. Contrary to the common assumption of fully competitive differentiated lending markets, we find little evidence to support pure Bertrand-Nash competition or credit rationing. Instead, our results are more consistent with joint profit maximization among banks. While we find that loan taxes are indeed greatly distortive, neglecting the possibility of uncompetitive lending inflates estimated tax deadweight loss by approximately 80 to 120%. This distortion occurs because non-competitive banks internalize a portion of the tax burden. Conversely, subsidies are less effective in non-competitive settings. Findings suggest policymakers consider the interplay between market structure and tax-and-subsidy strategies.

***"How do banks compete: Lessons from an Ecuadorian loan tax"*** *(with Rebecca De Simone)*

We study how bank competition affects commercial lending using a quantitative model. The model generalizes previous characterizations of bank competition by allowing banks a wide variety of competitive behavior — from setting prices as joint profit maximizers to pricing competitively under Bertrand-Nash competition, where demand-side frictions (e.g., default risk) and preferences determine markups. While recent literature suggests markups under Bertrand-Nash can incentivize banks to address frictions (e.g., monitor), pricing power from joint maximization is unambiguously harmful. We use passthrough estimates from the surprise introduction of a loan transaction tax in Ecuador, and data on the universe of commercial credit, to identify the model and test for modes of competition. We reject pure Bertrand-Nash competition but fail to reject joint maximization. Counter- factual analyses show 26% of observed markups are due to joint profit maximization and that moving to Bertrand-Nash would reduce equilibrium prices by 17%, increase loan use by 21% (intensive margin), and increase overall credit demand by 13% (extensive margin). We measure policies that aim at reducing market power.

**Work in progress:**

***"Retail Pricing in the US and Mexico"*** *(with Francisco Garrido, Emilio Gutierrez, Adrian Rubli, José Tudón)*