

Francisco Pareschi

CONTACT INFORMATION

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Citizenship: Uruguayan, Italian

EDUCATION

Ph.D. in Economics, Northwestern University (*in progress*)
Committee: Igal Hendel (chair), Mar Reguant, Vivek Bhattacharya, Gaston Illanes
M.A. in Economics, Northwestern University, 2019
M.sc. in Economics, Universidad Carlos III de Madrid, 2018
B.A. in Economics, Universidad de la República Uruguay, 2014

WORKING PAPERS

“Reducing Consumer Inertia in Tobacco Markets” (JMP), with Gaston Lopez

We study the equilibrium effects of tobacco control policies. Despite decades-long efforts to discourage smoking, the tobacco industry remains resilient. One of the main reasons is consumers’ attachment to the products they smoke, which we call *consumer inertia*. We explore two reasons consumers are attached to their products: they get addicted to nicotine and develop lasting brand loyalty to their products. Recently, regulators have proposed some policies that would eliminate the addictive components of cigarettes and others that make consumers less loyal to their brands. Although such policies would directly impact consumers, we must understand firms’ responses to assess their impact on consumption. Consumer inertia introduces dynamic incentives for the firms since future demand depends on current choices. As a result, consumers become a valuable asset for the firm; capturing new customers is more costly, and exploiting existing ones is more attractive. Consequently, firms modify how they price, introduce, and discontinue products. To assess the empirical effect of reducing inertia in tobacco markets, we develop a model that accounts for consumers and firm responses: consumers have addiction and loyalty, and firms choose prices and product portfolios. We estimate the model leveraging rich variation from the Uruguayan industry and solve the dynamic game for multiple counterfactual levels of inertia. We find that firms’ responses make policies more effective in reducing consumption because lowering inertia also discourages firms from investing in attracting customers, who are less likely to repeat consumption choices. However, if the policies do not make smokers more likely to quit, they can *backfire* by increasing competition and facilitating the entry of new products.

“Price Discrimination in State-Owned Enterprises: Evidence from a Nationalization in the Argentina Gasoline Industry”, with Gaston Lopez

“Bounding Outcomes in Counterfactual Analysis”, with Mar Reguant

WORK IN PROGRESS

“Industry Dynamics in Markets with Inertia”

“Misallocation of water: the role of storage”, with Matthew O’Keefe

“Insurance under information frictions in the electricity market”, with Mar Reguant

RESEARCH EXPERIENCE	Research Assistant, Mar Reguant, Northwestern University	2019-2020
	Research Assistant, Centro de Investigaciones Económicas Uruguay	2012-2016
TEACHING EXPERIENCE	Teaching Assistant, Northwestern University	
	Intermediate Industrial Organization, Igal Hendel	2020
	Graduate Microeconomics III, Wojciech Olszewski	2019
	Math camp (graduate), Wojciech Olszewski	2020
	Teaching Assistant, Universidad Carlos III de Madrid	
	Econometrics (undergraduate, graduate), Industrial Organiza- tion (graduate)	2017
	Teaching Assistant, Universidad de la República Uruguay Algebra, Calculus, Statistics, Econometrics (undergraduate)	2015
FELLOWSHIPS & AWARDS	Robert Eisner Graduate Fellowship, Northwestern University.	2021
	<i>The department's highest honor bestowed on a graduate student entering fourth year.</i>	
	Graduate Fellowship, Northwestern University.	2018-2023
	Graduate Fellowship, Universidad Carlos III de Madrid.	2016-2018
	Fellowship for Masters Abroad, Agencia Nacional de Investigación e Innovación, Uruguay.	2016 (Declined)
	Introduction to Research Scholarship. Agencia Nacional de Investigación e Inno- vación, Uruguay.	2013
REFereeING	International Journal of Industrial Organization	
LANGUAGES	English (fluent), Spanish (native), Italian (basic)	
PROGRAMMING	Julia, Python, Stata	
References	Professor Igal Hendel (chair) Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.3491 igal@northwestern.edu	Professor Mar Reguant Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8213 mar.reguant@northwestern.edu
	Professor Vivek Bhattacharya Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8227 vivek.bhattacharya@northwestern.edu	Professor Gastón Illanes Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8227 gaston.illanes@northwestern.edu