#### Ghislain Afavi

#### **Office Contact Information**

Université de montréal Department of Economics 3150, Jean-Brillant street C-6070-1, Lionel Groulx Building Montreal, QC, H3C 3J7 Canada

#### **Personal Contact Information**

Phone: +1 514 569 5551

E-mail: ghislain.afavi@umontreal.ca https://ghislainafavi.github.io

Citizenship: Benin

#### References

Guillaume Sublet (chair)
Université de montréal
Department of Economics
3150, Jean-Brillant street
Montreal,QC, H3C 3J7, Canada
Tel: +1 438 405 6142
guillaume.sublet@umontreal.ca

# Julien Bengui (co-chair)

Bank of Canada Senior Research advisor 234 Wellington Street Ottawa, Ontario K1A 0G9, Canada Tel: +1 613 782 7064

1el: +1 613 /82 /064

jbengui@bank-banque-canada.ca

#### Emanuela Cardia

Université de montréal Department of Economics 3150, Jean-Brillant street Montreal,QC, H3C 3J7, Canada Tel: +1 514 343 6111 #42831 emanuela.cardia@umontreal.ca

#### **EDUCATION**

Ph.D. in Economics, University of Montreal, Canada May 2022 (expected)

M.Sc. in Economics. African School of Economics, Benin 2016

B.Sc. in Statistics-Econometrics, University of Abomey-Calavi, Benin 2012

#### RESEARCH FIELD

Macroeconomics, Monetary Economics, International Finance/Macro, Inequality

## WORKING PAPERS

"Monetary policy, sticky wages and household heterogeneity"

"Sudden stops, asset prices: the role of a limited financial market participation"

### **WORKS IN PROGRESS**

"Financial instability, price instability and Inequality"

"US repo market and fiscal policy", with Carolyn Sissoko

### ACADEMIC AND PROFESSIONAL EXPERIENCES

Research assistant for Prof Baris Kaymak and Immo Schott

Research assistant for Juste Somé, Ph.D.

Statistician civil servant, Statistics-Planification Office, Ministry of Health, Benin

High school teacher in mathematics, Calavi, Benin

Statistician Intern, National Institute of Statistics of Benin

Summer 2018

#### TEACHING EXPERIENCES

#### Lecturer, University of Montreal

Data analysis for economists (Undergraduate): Fall 2019, Winter 2020, Fall 2020.

Introduction to macroeconomics (Undergraduate): Winter 2021

#### Teaching assistant, University of Montreal

Macroeconomics (Ph.D.): Fall 2019, Fall 2020, Winter 2021.

Advanced Macroeconomics (Ph.D.): Winter 2020, Winter 2021.

Macroeconomics (Msc): Fall 2020, Fall 2021.

Quantitative methods for economists (Undergraduate): Winter 2020.

Principle of economics (Undergraduate): Summer 2018, Fall 2018, Winter 2019.

Introduction to microeconomics (Undergraduate): Fall 2017.

#### Teaching assistant, African School of Economics

Macroeconomics (Msc): Winter 2016.

#### **CONFERENCE PRESENTATIONS**

2021: Royal Economic Society Symposium of Junior Researchers,60th Annual Congress of the Société canadienne de science économique

2019: Fifteenth CIREQ Ph.D. Student Conference at McGill University, Economics Graduate Student Conference at Washington University in St Louis

### FELLOWSHIPS, HONORS AND AWARDS

Ph.D. Fellowship, Department of Economics, University of Montreal	2016-2021
Ph.D. Fellowship, CIREQ, University of Montreal	2016-2021
World Bank Scholarship	2014-2016
Beninese Government Scholarship	2009-2012
Best student in Statistics-Econometrics (Undergraduate), Benin	2011

#### **SKILLS**

Software: Matlab, Stata, Fortran, Python, Latex

Household survey data: SCF (USA), PSID (USA), ENIGH (MEXICO)

# Languages

French (Native), English (Advanced)

# Summary of my working papers

#### "Monetary policy, sticky wages, and household heterogeneity"

Can a Two-Agent New Keynesian model, also known as TANK, approximate a Heterogeneous Agents New Keynesian (HANK) model in terms of its aggregate response to a monetary policy shock? In this paper, I show that the answer depends on the source of nominal rigidities. If prices are sticky, the answer is yes, as shown by Debortoli and Gali (2018). If wages are sticky, the answer is no, as shown in this paper. To make this point, I show that the TANK model with only wage rigidities is equivalent, in terms of aggregate variables, to the representative agent New Keynesian model. For TANK with both price and wage rigidities, I show numerically that TANK does not approximate HANK well.

#### "Sudden stops, asset prices: the role of limited financial market participation"

This paper studies the role of household heterogeneity for the severity of financial crisis and its implication for prudential capital control. I use data on sudden stop events and on financial market participation to document that a lower financial market participation is associated with a higher drop in asset prices. To explain the role of financial market participation in the drop in asset prices, I build an equilibrium business cycle model with a collateral constraint, and with limited financial market participation. The heterogeneity in the accessibility to the financial market generates income and consumption inequality in the model. The extent to which the limited financial market participation amplifies the drop in asset prices depends on the cyclicality of consumption inequality. Consistent with my empirical findings using a household survey data from Mexico, the model generates a drop in consumption inequality during the financial crisis which amplifies the drops in asset prices, output, and consumption. I also show that the optimal time-consistent debt tax is higher in a limited financial market participation economy, which rationalizes the use of capital control in emerging markets. Finally, my findings suggest it is possible to address financial instability without raising inequality