

Morteza Ghomi

Curriculum Vitae

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Education

- 2017–present **PhD Economics**, *Department of Economics , Carlos III University, Madrid, Spain .*
- 2014–2017 **PhD Economics**, *Graduate School of Management and Economics, Sharif University of Technology, Tehran, Iran, (Voluntary withdrawal).*
- 2011–2014 **Master in Economics**, *Department of Economics, University of Tehran, Tehran, Iran.*
- 2007–2011 **Bachelor in Economics**, *Department of Economics, Semnan University, Semnan, Iran.*

Fields of Interest

Economics **Applied Macroeconomics, Monetary and Fiscal Policies, Firm Dynamics**

Job Market Paper

Job Market Paper **Monetary policy, Economic Uncertainty, and Firms R&D Expenditure**

abstract This paper studies the response of firms' research and development (R&D) expenditure to monetary policy shocks in the US economy. Empirical results suggest that a 20 basis point increase in the interest rate decreases the aggregate R&D expenditure by 0.6 percent. Using Compustat firm-level data, I confirm that a monetary contraction leads to a persistent decline in US firms' R&D expenditure. The effect on R&D expenditure is stronger for interest rate hikes and when firms face higher uncertainty. This is because economic uncertainty decreases firms' leverage ratio and makes them more financially constrained, rendering R&D investment more vulnerable to contractionary policy shocks. I build a medium-scale DSGE model with endogenous output growth and financial frictions to interpret the empirical findings. The theoretical model highlights the importance of the credit channel for altering the effects of monetary policy on firms' investment in R&D in the presence of economic uncertainty.

Publications

Published **Who is Afraid of Sanctions? The Distributional Effects of the Sanctions Against Iran**, *Economics & Politics*, Lead Article, Nov 2022 (*Scimago:Q1, Impact Score:1.64*)

abstract The sanctions imposed on Iran at the beginning of 2012 have simultaneously limited the country's access to the international financial system, levied a strict boycott on Iran's oil and petrochemical exports, and limited imports of intermediate goods. This paper tries to quantify the aggregate and heterogeneous effects of these sanctions. Applying the synthetic control method, I show that the sanctions had persistent and significant effects on the Iranian economy. The cost reached its maximum of 19.1 percent of real GDP four years after the application of the sanctions, and the economy has not fully recovered after their removal. I trace the poverty dynamics for different household groups after the sanctions by adopting a synthetic panel using Iran's household income and expenditure survey data. Inconsistently with the sanctions' initial goals, poverty dynamics suggest that households working in governmental sectors and educated households are unaffected by the sanctions. Instead, the sanctions condemn young, illiterate, rural, or religious minority households to poverty.

Working Papers

- Paper **The Sentimental Propagation of Lottery Winnings: Evidence from the Spanish Christmas Lottery**, with Evi Pappa & Isabel Mico Millan, (Under Review)
- abstract We leverage a unique natural experiment, the Spanish Christmas lottery, to investigate the impact of highly geographically clustered winnings on macroeconomic aggregates, and on sentiment and durable consumption, using survey evidence. Lottery winnings induce significant demand effects, especially during recessions, reducing unemployment and increasing job creation and CPI prices. Albeit not receiving wins, households in winning provinces become more optimistic on impact and significantly increase their durable consumption (for furniture and vehicles) six months after the shock. We propose this lottery as an unconventional fiscal policy tool for increasing aggregate revenues and stimulating local demand without crowding out aggregate activity.
- Paper **Economic Consequences of Public Investment News Shocks**
- abstract This paper explores the macroeconomic consequences of government investment in European Union countries from 2000 to 2020. To tackle the endogeneity of government investment, I constructs a new instrument for public investment shocks based on narratives for European Investment Bank (EIB) public loans. Using more than 6300 loans financing projects in 18 EU countries, I show that the loans allocated to public firms are a good instrument for public investment shocks. Using local projection, I find that these shocks increase output, consumption, and employment in the economy without crowding out private investment. The cumulative three-years public investment multiplier is higher for countries with: lower per capita GDP, lower debt, lower uncertainty, higher local autonomy, and higher government size. Using a medium-scale New Keynesian DSGE model, including financial friction and public capital, I show that the news of a possible government investment increases the expected profit of firms and weakens the credit constraint. As a result, firms can borrow more due to a better economic perspective, and the crowding-out effect disappears. I explore the mechanism as mentioned above using firm-level data from Orbis database provided by Bureau van Dijk (BvD).

Work in Progress

- 2022 **Labor Market Frictions and the Transition to a Green Economy**

Working Experience

- Refereeing **BE Journal of Macroeconomics**
- Feb-July 2022 **PhD trainee in Deutsche Bundesbank, Banking and Finance Research Group**, Frankfurt, Germany
- 2021-2022 **Research Assistant** for Jochen Mankart (Deutsche Bundesbank), Romanos Priftis (ECB), and Rigas Oikonomou (UC Louvain) in a project on "The Long and Short of Financing Government Spending".
- 2020-2021 **Research Assistant** for Romanos Priftis (ECB) and Raphael Schoenle (Brandeis University) in a project on "Optimal Corporate Debt Policy by the Central Bank".
- 2017 **Amending "Central Bank Law"** of the Islamic Republic of Iran (member of amending group in contract with Iran's Parliament)

Seminars and Workshops

- Spring 2023 **University of Mannheim**, Mannheim, Germany (scheduled)
- Fall 2022 **Spanish Economic Association**, Valencia, Spain
- Fall 2022 **Universidad Libre de Bruselas**, Bruxelles, Belgium

- Fall 2022 **Workshop on Quantitative Dynamic Economics**, Konstanz, Germany
- Spring 2022 **Deutsche Bundesbank**, Frankfurt, Germany
- Spring 2022 **Carlos III University** Macroeconomics Seminars, Madrid, Spain
- Spring 2022 **ENTER Jamboree Conference**, Universidad Autonoma de Barcelona, Spain
- Spring 2022 **Tilburg University**, Tilburg, Netherlands
- Spring 2022 **Challenges in Empirical Macroeconomics**, Eltville am Rhein, Germany (as attendant)
- Fall 2021 **Advances In Business Cycle Analysis**, Structural Modeling And VAR Estimation, Conference in Honor of Fabio Canova, Hydra, Greece (as attendant)
- Fall 2021 **Tilburg University**, Tilburg, Netherlands (online)
- Spring 2020 **ENTER Jamboree Conference**, Universidad Autonoma de Barcelona, Spain (as discussant)
- Spring 2020 **Universidad Autonoma de Barcelona**, Barcelona, Spain, (online)
- Spring 2020 **Euro Area Business Cycle Network Training School**, University of Mannheim, Germany (online)
- Spring 2019 **Naples Summer School** in Economics and Finance, Naples, Italy

Teaching Experience

- Fall 2021 **Economics of European Integration** for undergraduate students by Carlos Mesonada at Carlos III university (TA)
- Fall 2021 **Principal of Economics** for undergraduate students by Antonio Romero at Carlos III university (TA)
- Spring 2020 **Applied Industrial Organization** for master students by Alan Crawford at Carlos III university (TA)
- Spring 2020 **Time Series Econometrics** for master students by Alvaro Escribano at Carlos III university (TA)
- Fall 2019 & 2020 **Industrial Organization** for master students by Matilde Machado at Carlos III university (TA)
- Spring 2019 **Macroeconomics** for undergraduate students by Jesus Fernandez Moraga at Carlos III university (TA)
- Spring 2019 & 2020 **Seminars on Competition Policy** for master students by Jesus Fernandez Moraga at Carlos III university (TA)
- 2018-2019 **Game Theory** for undergraduate students by Jose Luis Ferriera at Carlos III university (TA)
- Spring 2016 **Macroeconomics** for MBA students by Reza Boostani at Sharif University of Technology (TA)
- Fall 2015 **Money and Banking** for undergraduate students by Reza Boostani at Sharif University of Technology (TA)
- 2012-2014 **Microeconomics I & II** for undergraduate students by N. Pourrostami at Tehran University (TA)
- 2009-2010 **Microeconomics II** for undergraduate students by Majid Maddah at Semnan University (TA)

Honors and Awards

- 2021 **Excellence Teaching Award**, Universidad Carlos III de Madrid
- 2019-Present **FPI Scholarship** (*Formaciòn de Personal Investigador*) by the Spanish Government
- 2017-2019 **Economics Department's Scholarship**, Universidad Carlos III
- April 2014 **Ranked 7th** in the Nationwide University Entrance Exam for PhD in Economics among more than 4,000 participants in Iran
- April 2011 **Ranked 5th** in the Nationwide University Entrance Exam for MSc in Economics among more than 12,000 participants in Iran
- June 2010 **Dean's Undergraduate Award of Honor** Presented by President of the Faculty of Economics and Management, Semnan University

Computer Skills

- General **MATLAB, Microsoft Office, L^AT_EX**
- Economics **STATA, Eviews, Dynare**

Languages

- English **Fluent**
- Persian **Native**
- Spanish **Intermediate** (B1 Certificate)

References

Evi Pappa (Advisor), Carlos III University, Madrid: ppappa@eco.uc3m.es

Juan Jose Dolado, Carlos III University, Madrid: dolado@eco.uc3m.es

Jochen Mankart, Bundesbank, Frankfurt: jochen.mankart@bundesbank.de

Romanos Priftis, European Central Bank, Frankfurt: romanos.priftis@ecb.europa.eu

Placement Contacts

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