

# GIUSEPPE GRASSO

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## LISER

Labor Market Department

## UNIVERSITY OF LUXEMBOURG

Department of Economics and Management

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### OFFICE CONTACT INFORMATION

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### PERSONAL INFORMATION

Gender: Male  
Nationality: Italian

### DOCTORAL STUDIES

University of Luxembourg & LISER, Jan 2019 to present  
Joint Doctoral Training Unit on “Migration, Inequalities and Labor Markets” (MINLAB)  
Ph.D. Candidate in Economics  
Thesis Title: “Essays on Skills, Labor Market Institutions, and Wage Inequality”  
Expected Completion Date: Spring 2023

#### References:

*Professor Konstantinos Tatsiramos (Advisor)*  
University of Luxembourg/LISER  
6, Rue Richard Coudenhove-Kalergi  
L-1359 Luxembourg (LU)  
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*Professor Lorenzo Cappellari*  
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### PRE-DOCTORAL STUDIES

Fall 2018 MRes in Economics and Finance, University of Luxembourg  
2013-2016 MSc in Economics, Università Cattolica del Sacro Cuore (summa cum laude)  
2009-2012 BA in Philosophy, Politics and Economics, Swansea University

## RESEARCH FIELDS

Primary fields: Labor Economics, Applied Micro-Econometrics

Secondary fields: Economics of Migration

## TEACHING EXPERIENCE

Fall 2021 “Introduction to Econometrics” (undergraduate), University of Luxembourg,

Teaching Assistant for Professor Konstantinos Tatsiramos

“Microeconomics, Risk and Information” (graduate), University of Luxembourg,

Teaching Assistant for Professor Arnaud Dupuy

## RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

Jan - Jul 2018 Research Intern, Bank of Italy, Public Finance Division

Jan - Dec 2017 Consultant, World Bank, Poverty and Equity Global Practice

Jan - Dec 2016 Research Assistant, Università Cattolica Milan, CRELI (now CRILDA)

## HONORS, SCHOLARSHIPS AND FELLOWSHIPS

2020 “VisitINPS” Scholarship, Italian Social Security Institute (INPS)

2018 “PRIDE” Ph.D. Scholarship, Fonds National de la Recherche Luxembourg (FNR)

2016 “Bonaldo Stringher” Scholarship Honorable Mention, Bank of Italy

## PROFESSIONAL ACTIVITIES

Referee for *Review of Income and Wealth*

Member of  
organizing  
committee 2020-2022: Online seminar series “The Economics of Migration, Junior Seminar”

Invited  
Presentations 2022: EEA-ESEM Congress (Milan); EALE Conference (Padua); AIEL Conference (Salerno); SIE Conference (Turin); AIEL Spring Workshop on Labor Market Institutions (poster, Genoa); CESifo PILLARS Conference on Education, Skills, and Worker Retraining (online).  
2021: IDSC of IZA Workshop: Matching Workers and Jobs Online (online); VisitINPS Seminar (online).

## RESEARCH PAPERS IN PROGRESS

**The Impact of Restricting Fixed-Term Contracts on Labor and Skill Demand: Evidence from Italian Online Job Vacancy Data** (Job Market Paper), with K. Tatsiramos

We study how increasing the relative cost of fixed-term contracts affects firms’ labor and skill demand. We exploit a 2018 Italian labor law reform, which increased the cost of fixed-term contracts while leaving that of permanent contracts unchanged, combined with a data source covering the near-universe of online job vacancies in Italy that allows us to characterize the demand for labor, human capital, and specific skill requirements under different contractual arrangements. Identification is based on a difference-in-differences research design, which exploits province-level

variation in firms' exposure to the reform stemming from their heterogeneous reliance on fixed-term contracts due to varying reactions to earlier institutional shocks. We find that the increase in the cost of hiring temporary workers leads firms to substitute temporary with permanent prospective hires, but that it also leads them to require better signals of worker quality. Specifically, firms posting job ads for permanent positions look less for workers with low experience and more for workers with a college degree. Instead, firms posting job ads for temporary positions look more for workers with some experience and for workers possessing social skills. These findings suggest that restricting the use of temporary contracts by making them more expensive does not only promote permanent employment but also leads firms to increase their skill requirements for entry into jobs, thus reducing the employment opportunities of less qualified workers and potentially worsening the efficiency of job search and matching.

### **Demand for skills and wage inequality**, with K. Tatsiramos

Differences in skill utilization across firms and labor markets have been associated with wage inequality, but whether this relationship reflects differences in worker or firm heterogeneity is still unclear. Combining linked employer-employee data from Italy with detailed information on skill demand extracted from online job vacancies, we study the relationship between wages and the demand for cognitive and social skills across labor markets defined by province, sector, and occupation. We then estimate the worker- and firm-pay components of the wage process through an AKM model and investigate their relationship with skill demand at the labor market level. We find a strong and positive association between wages and the demand for cognitive and social skills, which is pronounced when both skills are required jointly for the same job position revealing their complementarity. Our decomposition suggests that higher wages in markets in which firms more frequently demand cognitive and social skills jointly are driven by worker effects, reflecting the higher market value of a hybrid skill set, rather than by firm pay policies. Conversely, markets in which firms demand more of either cognitive or social skills only are associated to higher firm effects, suggesting that more rents are shared to specialized workers, while the market value of these specialized skills for workers is lower. These results highlight the role of worker and firm heterogeneity as channels through which skill demand differences affect overall wage inequality.

### **Heterogeneous Job and Skill Landscapes in the Italian Labor Market**

Traditional labor market data provide very limited knowledge about the type and skill content of jobs. Yet, the profound labor market transformations due to rapid technological change call for a better understanding of work skill attributes and how they characterize modern jobs. In this paper, I use machine learning methods to analyze a large and highly unstructured novel data source of online job vacancies posted in Italy in 2014-2019. I exploit information on industry of posting firms, location and occupation of job positions, as well as on hundreds of granular skill requirements given in the form of short strings univocally identified by tags. I assign these short strings to skill categories in the standard Deming and Kahn (2018) taxonomy through a keyword-based matching routine. Next, I use a bag-of-tags approach in two natural language processing routines to detect patterns among jobs based on the similarity of their skill requirements. Firstly, I run a K-means model, which assigns jobs to mutually exclusive clusters representing job types. Secondly, I run a Latent Dirichlet Allocation model, which probabilistically assigns skill tags to mutually exclusive latent topics representing work domains and returns their prevalence within jobs. The two methods capture different nuances in the data while delivering comparable job groupings. Lastly, I explore variation in job types and work domains across locations, industries, and occupations to describe the heterogeneous job and skill landscapes in the Italian labor market.

## PUBLICATIONS

### Policy papers:

(with N. Curci, P. Recchia and M. Savegnago) 2020. “Anti-poverty measures in Italy: a microsimulation analysis”, *Temi di discussione (Economic working papers) 1298*, Bank of Italy.

(core team member for the preparation of:)

World Bank Group. 2018. *Mauritius - Addressing Inequality through More Equitable Labor Markets*. World Bank, Washington, DC.

World Bank Group. (internal). *Mauritius - Earnings Mobility and Inequality of Opportunity in the Labor Market*, World Bank, Washington, DC.

### Book Chapters:

(with C. Lucifora and B. Piccoli) 2018. “Salute e Sicurezza sul Lavoro dei Lavoratori Anziani”, in L. Cappellari, C. Lucifora and A. Rosina, *Invecchiamento Attivo, Mercato del Lavoro e Benessere. Analisi e Politiche Attive*, Il Mulino.

## LANGUAGES

English (fluent)

Italian (native)

French (basic)

## TECHNICAL SKILLS

Excellent      Data management, reduced-form econometrics, machine learning, and web scraping:  
*Stata, R, Python*

Typesetting and version control:  
*L<sup>A</sup>T<sub>E</sub>X, Git, GitHub, Microsoft Office*

Working      Optimization and structural model estimation:  
knowledge    *Matlab, Julia, Mata*