

PAULA MÄKELÄ
Minna Canthin Katu 22 A 31
00250 Helsinki, Finland
paula.makela@aalto.fi
+358-50-524-8383

Education

Ph.D. in Economics, Aalto University School of Business, Helsinki, Finland
Expected Completion: December, 2014
Dissertation: "Essays on Voting and Ex-Ante Incentives"
Committee: Professor Juuso Välimäki (Chair), Professor Hannu Vartiainen, Professor Pauli Murto
M.Sc. in Economics (*eximia cum laude*), Turku School of Economics, Turku, Finland, 2007

Research and Teaching Fields

Economics of Information, Microeconomic Theory, Political Economy

Teaching Experience

FINNISH DOCTORAL PROGRAMME IN ECONOMICS, HELSINKI, FINLAND:

Microeconomic Theory (graduate)
Teaching assistant to Professors Juuso Välimäki and Pauli Murto, Spring 2013.
Teaching assistant to Prof. Juuso Välimäki, Spring 2011.
Teaching assistant to Professors Juuso Välimäki and Marko Terviö, Spring 2010.

AALTO UNIVERSITY SCHOOL OF BUSINESS, DEPARTMENT OF ECONOMICS, HELSINKI, FINLAND:

Mathematical Methods for Economics (undergraduate)
Teaching assistant to Dr. Mikko Mustonen, Spring 2014.
Advanced Microeconomic Theory II (Master level),
Teaching assistant to Prof. Juuso Välimäki, Fall 2012
International Economics (undergraduate),
Teaching assistant to Dr. Roy Dahlstedt, Fall 2009, 2010

TURKU SCHOOL OF ECONOMICS, DEPARTMENT OF ECONOMICS, TURKU, FINLAND:

Mathematical Methods for Economics (undergraduate)
Teaching assistant to Dr. Ville Korpela, Fall 2008, Spring 2009.

Academic Positions

2009–present	Ph.D. Student, Aalto University School of Business, Helsinki, Finland
2010–2013	Graduate School Fellow, Finnish Doctoral Programme in Economics, Helsinki, Finland
2011–2012	ASLA-Fulbright Graduate Grantee, Massachusetts Institute of Technology, Cambridge, MA, US
2008–2009	Junior Researcher, Public Choice Research Centre, University of Turku, Turku, Finland

Research Papers

"Voting and Communication when Hiring by Committee" (Job market paper)

We consider a committee of principals who vote whether or not to renew a fixed-term employment contract of an agent. The principals' private preferences depend on the agent's past performance and the voting outcome. We analyze two scenarios: One where all communication is prohibited and the other where the principals engage in pre-vote deliberation.

We characterize the set of equilibria of the pure voting game and show that informative voting constitutes an equilibrium whenever the number of votes required for the reappointment is sufficiently high. We then establish that the game with communication always possesses a fully revealing equilibrium, but in contrast to the common conception it may sometimes be in the principals best interest to actually waive the opportunity for pre-vote deliberation. That is, under certain circumstances, communication can make things worse. The underlying intuition is that the coordination failures that prevail in the pure voting game may actually force the agent to perform at a level beyond that in the game with communication.

"Voting and Ex-Ante Incentives Under Uncertainty"

We consider an agent who has a project to complete. The agent's cost of completing the project depends on his private ability and he is compensated for his effort only if the project passes a final review. The review is performed by a committee of principals, each of whom receives a conditionally independent private signal that is correlated with the state of the project. The final decision on whether the project is accepted or rejected is made collectively by voting.

We show that for large committees, non-unanimous voting rules fully aggregate the available information and eliminate all decision-making errors. As a result, the agent's incentives are not distorted by the voters' inability to efficiently aggregate information and his optimal strategy thus coincides with the one that is socially optimal. For committees of reasonable sizes, we find that the agent's incentives may feature non-monotone behavior with respect to both the voter's threshold of reasonable doubt and the voting rule. This suggests that the agent is provided with maximal incentives by a committee whose standards are strict but yet attainable.

Seminars and Conferences

- 2013 Departmental Seminar, Aalto University School of Business, Helsinki, Finland
- 2012 Microeconomic Theory workshop, Finnish Doctoral Programme in Economics, Helsinki, Finland
- 2012 Applied Microeconomics Seminar, HECER, Helsinki, Finland
- 2012 Political Economy Breakfast, Massachusetts Institute of Technology, Cambridge MA, US
- 2009 Graz-Udine Workshop, Udine, Italy
- 2008 PCRC workshop, Mariehamn, Finland.

Scholarships, Honors and Awards

- 2014 Finnish Cultural Foundation Grant
- 2011 Yrjö Jahnsson Foundation Grant
- 2011 ASLA-Fulbright Graduate Grant
- 2009 Aalto University School of Business Foundation Grant

References

Prof. **Juuso Välimäki**
Aalto University
Department of Economics
P.O. Box 21240
FI-00076 AALTO
+358-40-353-8182
juuso.valimaki@aalto.fi

Prof. **Hannu Vartiainen**
Helsinki Center of Economic Research
P.O. Box 17 (Arkadiankatu 7)
FI-00014 UNIVERSITY OF HELSINKI
+358-9-1912-8782
hannu.vartiainen@helsinki.fi

Prof. **Pauli Murto**
Aalto University
Department of Economics
P.O. Box 21240
FI-00076 AALTO
+358-40-353-8174
pauli.murto@aalto.fi

Skills

Languages: Finnish (*native*), English (*fluent*), Swedish (*good*), French (*basic*)

Computing: Matlab, Stata, EViews, Mathematica, SPSS, L^AT_EX, Microsoft Office

Other Working Experience

Ministry for Foreign Affairs of Finland, Assistant, Helsinki, Finland and Brussels, Belgium