

THIEMO FETZER

LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE

Department of Economics

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GENDER: M

DATE OF BIRTH: 20.01.1986

CITIZENSHIP: GERMAN

PRE-DOCTORAL STUDIES:

2009-2010	M.Res. in Economics, London School of Economics, with Merit.
2008-2009	M.Sc. in Economics, London School of Economics, with Distinction.
2005-2008	B.Sc. in Management and Economics, Otto-von-Guericke University Magdeburg, with Distinction. Parallel studies of Computer-oriented Mathematics.

DOCTORAL STUDIES:

2010 - Present	PhD Economics, London School of Economics
	Viva scheduled for December 1 st , 2014.

DESIRED TEACHING AND RESEARCH:

Primary Field: Development, Energy- /Resource Economics

Secondary Field: Applied Microeconomics, Big Data

CURRENT POSITION:

2011 - Present	Teaching Fellow, Department of Economics and Research Assistant at Center of Economic Performance with Professor Vernon Henderson.
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THESIS ADVISORS AND REFERENCES:

1. Professor Gerard Padro i Miquel (Supervisor)
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5. Professor John Vernon Henderson
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TEACHING EXPERIENCE :

LONDON SCHOOL OF ECONOMICS

2011 - 2014	Course Manager for Introductory Economics (EC 100) Introductory Macroeconomics (Summer School)
2010 - 2011	Intermediate Microeconomics (EC 202) Introductory Macroeconomics (Summer School)
2009-2010	Introduction to Econometrics (EC 220), Probability and Statistics for Masters (EC 400), Introductory Macroeconomics (Summer School)

OTTO VON GUERICKE UNIVERSITY MAGDEBURG

2007- 2008	Intermediate Macroeconomics
2006-2007	Introduction to Management

RELEVANT POSITIONS HELD:

2011-2014	Teaching Fellow
Summer 2014	Visiting Scholar at International Monetary Fund, Washington DC.
2012-2014	Research Assistant to John Van Reenen and Ralf Martin
2013-2014	Research Assistant to Vernon Henderson

LANGUAGES

German	Native
English	Fluent
French	Advanced
Spanish	Basic

HONORS, SCHOLARSHIPS AND FELLOWSHIPS:

2014	JISC Grant for “evaloop”
2013	Bagri Fellowship Asia Research Centre “Naxalism in India” The History Project Research Grant “The Persistent effects of Private vs. Colonial Rule: Evidence from 19th century Indonesia” Asia Research Centre LSE TISS- TATA Research Grant
2012	STICERD Grant: “Regulating Micronance: Theory and Policy in Light of the Indian Crisis”
2010-2012	LSE Tibor Scitovsky Fellowship
2008-2009	Deutscher Akademischer Austauschdienst Fellowship
2005-2014	Konrad-Adenauer Foundation Fellow

COMPLETED PAPERS:***Job Market Paper:*****Social Insurance and Conflict: Evidence from India**

Can public interventions persistently reduce conflict? This paper studies whether social insurance is effective in reducing conflict. Adverse income shocks have been empirically and theoretically identified as robust drivers of conflict. An effective social insurance system moderates the impact of adverse shocks on household incomes, and hence, could attenuate the link between these shocks and conflict. This paper shows that a public employment program in India provides social insurance. The program guarantees 100 days of employment at minimum wages providing an alternative source of income following bad harvests. This has an indirect pacifying effect. By moderating the link between productivity shocks and incomes, the program uncouples productivity shocks and conflict.

Other Completed Papers:**The Welfare Cost of Lawlessness: Evidence from Somali Piracy, June 2014**

joint with Tim Besley and Hannes Mueller

forthcoming Journal of the European Economics Association

In spite of general agreement that establishing the rule of law is central to properly functioning economies, little is known about the cost of law and order breakdowns. This paper studies a specific context of this by estimating the effect of Somali piracy attacks on shipping costs using data on shipping contracts in the dry bulk market. To estimate the effect of piracy, we look at shipping routes whose shortest path exposes them to piracy and find that the increase in attacks in 2008 lead to around a 8 to 12 percent increase in costs. From this we calculate the welfare loss imposed by piracy. We estimate that generating around 120 USD million of revenue for Somali pirates led to a welfare loss in excess of 630 USD million, making piracy an expensive way of making transfers.

Group Lending Without Joint Liability, October 2014

joint with Maitreesh Ghatak and Jon de Quidt

Revised and Resubmitted at Journal of Development Economics

This paper contrasts individual liability lending with and without groups to joint liability lending. We are motivated by an apparent shift away from the use of joint liability by microfinance institutions, combined with recent evidence that a) converting joint liability groups to individual liability groups did not affect repayment rates, and b) an intervention that increased social capital in individual liability borrowing groups led to improved repayment performance. First, we show that individual lending with or without groups may constitute a welfare improvement over joint liability, so long as borrowers have sufficient social capital to sustain mutual insurance. Second, we explore how the lender's lower transaction costs in group lending can encourage insurance by reducing the amount borrowers have to pay to bail one another out. Third, we discuss how group meetings might encourage insurance, either by increasing the incentive to invest in social capital, or because the time spent in meetings can facilitate setting up insurance arrangements. Finally, we perform a simple simulation exercise, evaluating quantitatively the welfare impacts of alternative forms of lending and how they relate to social capital.

Market Structure and Borrower Welfare in Microfinance, November 2013

joint with Maitreesh Ghatak and Jon de Quidt

Motivated by recent controversies surrounding the role of commercial lenders in microfinance, we analyze borrower welfare under different market structures, considering a benevolent non-profit lender, a for-profit monopolist, and a competitive credit market. To understand the magnitude of the effects analyzed, we simulate the model with parameters estimated from the MIX Market database. Our results suggest that market power can have severe implications for borrower welfare, while despite possible information frictions competition typically delivers similar borrower welfare to non-profit lending. In addition, for-profit lenders are less likely to use joint liability than non-profits.

WORKING PAPERS:

Energy- and Resource Economics

Fracking Growth, June 2014

Centre for Economic Performance Working Paper

This paper estimates the effect of the shale oil and gas boom in the United States on local economic outcomes. The main source of exogenous variation to be explored is the location of previously unexplored shale deposits. These have become technologically recoverable through the use of hydraulic fracturing and horizontal drilling. I use this to estimate the localized effects from resource extraction. Every oil- and gas sector job creates about 2.17 other jobs. Personal incomes increase by 8% in counties with at least one unconventional oil or gas well. The resource boom translates into an overall increase in employment by between 500,000 - 600,000 jobs. A key observation is that, despite rising labour costs, there is no Dutch disease contraction in the tradable goods sector, while the non-tradable goods sector contracts. I reconcile this finding by providing evidence that the resource boom may give rise to local comparative advantage, through locally lower energy cost. This allows a clean separation of the energy price effect distinct from the local resource extraction effects.

On the Comparative Advantage of U.S. Manufacturing: Evidence from the Shale Gas Revolution, November 2014

joint with Rabah Arezki. International Monetary Fund Working Paper

This paper provides empirical evidence of the newly found comparative advantage of U.S. manufacturing following the so-called shale gas revolution. The revolution has led to (very) large and persistent differences in the price of natural gas between the United States and the rest of the world owing to the physical properties of natural gas. Estimation results of gravity models show that the U.S. manufacturing exports have grown by about 6 percent on account of their energy intensity since the onset of the shale revolution. We also document that the U.S. shale revolution is operating both at the intensive and extensive margins with new manufacturing sector capacity being added in the energy intensive industries. These results are robust to an array of checks.

Development Economics

An Urban Legend?! Power Rationing, Fertility and its Effects on Mothers, June 2014

joint with Amar Shanghavi and Oliver Pardo, Centre for Economic Performance Working Paper

This paper answers the question whether extreme power rationing can induce changes in human fertility and thus, generate “mini baby booms”. We study a period of extensive power rationing in Colombia that lasted for most of 1992 and see whether this has increased births in the subsequent year, exploiting variation from a newly constructed measure of the extent of power rationing. We find that power rationing increased the probability that a mother had a baby by five percent and establish that this effect is permanent as mothers who had a black out baby were not able to adjust their total long-run fertility. Exploiting this variation, we show that women who had a black-out baby find themselves in worse socio-economic conditions more than a decade later, highlighting potential social costs of unplanned motherhood.

RESEARCH IN PROGRESS:*Energy- and Resource Economics***Energy Density and Local Comparative Advantage: Shale Gas Boom and the Allocation of Industrial Activity**, *preliminary draft available upon request.*

This paper studies how energy density and relative transport cost affect the allocation of industrial activity. Using the recent shale gas boom in the United States as a source of exogenous variation the paper demonstrates that the existing natural gas pipeline network in conjunction with the geographically shifting center of natural gas production creates distinct spatial variation in comparative advantage for energy intensive sectors. A reduced form measure of comparative advantage is obtained by simulating minimum cost network flows. The measure correlates well with local natural gas prices and predicts growth in energy intensive sectors across the US. The incidence of the effect is on locations that were former net natural gas exporters.

*Development Economics***Estimating Travel Cost through Mobile Phone Use Data**,

joint Rabah Arezki (IMF), Jorge Antonio Chan-Lau (IMF) and Amadou Sy (Brookings). *Selected as part of the Orange Data for Development Senegal Challenge.*

Transport costs are of several orders of magnitude larger in developing countries (see Atkin and Donaldson (2014)). Rapid urbanization in Africa has created spatial agglomerations, while infrastructure has failed to keep pace. In this paper we study how mobile phone usage datasets can be used to estimate travel times in Dakar, Senegal. We show how the construction of a toll road affected the spatial distribution of travel times and distance traveled.

Hot Heads: Temperature, Income Shocks and Crime in India

joint with Jon Colmer and Benjamin Guin. *Slides available upon request.*

This paper disentangles the direct and indirect effects of weather variation on crime in India. Evidence from behavioral psychology suggests that weather shocks, in particular temperature variation, may have a direct effect on criminal behavior, especially for violent crimes. On the other hand, the economics literature has widely emphasized the role of economic shocks in affecting crime. We attempt to separate these effects by examining variation across crimes, seasonal variation related to agricultural production, rural vs. urban differences and whether temperature effects are mitigated in states with strict prohibition laws. We find that an increase in the number of days in which temperature rises above 30 degrees C is associated with an increase in the number of murders and rapes, with no effect on other economic-based crimes. Furthermore, an increase in the number of days in which individuals are exposed to very hot temperatures (above 34 degrees C) is associated with a reduction in these crimes. Finally, we observe that increased rainfall is associated with reductions in property based and economic crimes in support of the needs based channel.

The Persistent effects of Private vs. Colonial Rule: Evidence from 19th century Indonesia,

joint with Priya Mukherjee. *Project funded with a grant from the History Project.*

In this research project, we document the interplay between private enterprise and the state during the Dutch rule of Indonesia in the 1800's, and study its long-term effects on the economic well being of the population on the island of Java. Combining detailed historical data and modern surveys, we create a unique panel dataset that allows us to compare regions that were controlled by private enterprises with those that were under direct Dutch rule. We exploit the fact that the timing of the establishment of the private estates as well as the duration of private rule was arguably exogenous to other factors, and use a regression discontinuity design to compare geographical units on either side of the private-public plantation borders over time.

SEMINAR AND CONFERENCE PRESENTATIONS:

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| 2014 | Econometric Society Winter Meeting (scheduled), Spanish Economic Society Annual meeting (scheduled), NEUDC Boston University (scheduled), Oxford University, US Census Bureau, CEP Labour Seminar, STICERD Work in Progress |
| 2013 | IAE Barcelona, CEP Labour Seminar, University St. Gallen Brown Bag, NEUDC Harvard, University of East Anglia, Institut der Deutschen Wirtschaft. |
| 2012 | NEUDC Dartmouth, CSAE Oxford, University of Warwick |

OTHER PROFESSIONAL EXPERIENCE:

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| 2012 | Statistician at Qubit, London
Developed unsupervised learning algorithms for text classification. |
| Since 2012 | Consultant for World Bank, Financial Times, Brookings Institution. Housing-price indices for South Asia, satellite based city growth measures for Africa, executive branch stability around the world. |

OTHER SKILLS:

Statistical Programming: R, Stata, Scilab, Programming: C, C++, JavaScript, PHP, Python,
Data: SQL, MySQL, Hive, Hadoop