

WWZ, Prof. Dr. Aleksander Berentsen, Postfach 4653, 4002 Basel, Schweiz

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

Basel, March 21st 2017

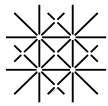
This is a letter of recommendation for Mohammed Ait Lahcen.

It is a true pleasure for me to write a letter of recommendation for my student Mohammed Ait Lahcen who is applying for a dissertation internship at the Federal Reserve Bank of New York.

I know Mohammed Ait Lahcen in my role as his PhD thesis advisor within the PhD program for Applied Economics at the University of Basel. I first met him when he applied for the above mentioned PhD program. I quickly realized that he has the talent, the skills, and the motivation necessary for writing a high quality Ph.D. thesis. After two years working with him, I can say that Mohammed is one of the best students I ever had. I strongly believe that his skills and motivation will allow him to successfully pursue an academic career and produce high quality research in economics.

Mohammed holds a Master of Science degree in Economics from the University of Lausanne, Switzerland, and a Bachelor degree in Finance and Accounting from ISCAE Business School, Casablanca, Morocco. He had a first experience in the finance industry before pursuing a PhD degree. As part of our PhD program, Mohammed successfully completed the Swiss Doctoral Program in Economics at the Study Center Gerzensee. This program provides core training in macroeconomics, microeconomics and econometrics in line with what is offered in the top US universities. He also attended several advanced courses in monetary economics, labor macroeconomics and computational economics.

Seite 1/3



For two consecutive years, Mohammed was the teaching assistant for my Master's course in Monetary Economics. He was responsible for offering tutorial sessions, holding office hours, attending and grading students' presentations, and writing and correcting the final exam. During his TA work, he demonstrated the ability to work independently with great enthusiasm and performed his duties in a diligent and professional manner to the students' satisfaction.

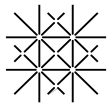
In his Master thesis, Mohammed Ait Lahcen introduced an informal sector into a small open economy New-Keynesian DSGE model. The goal was to assess the shock absorbing properties of the informal sector in developing countries. His current research is also oriented towards Development Macroeconomics. In the first chapter of his dissertation, he builds a theoretical framework to understand the long-run relationship between inflation and unemployment in the presence of a sizeable informal sector. To do that, he integrates both an informal production sector and informal employment into a search theoretic framework. His initial numerical results indicate the importance of taking into account measurements of informal employment when considering the Phillips curve in the conduct of monetary policy.

In addition to that, Mohammed is currently working on a second project, jointly with Professor Pedro Gomis-Porqueras at Deakin University, addressing the issue of limited access to the formal financial sector in emerging and developing economies. They are building a theoretical model of money and banking where consumers face informational and physical costs in getting access to banks. The model will hopefully offer useful insights on the effects of monetary policy and the degree of competition in the banking sector on the level of financial inclusion and welfare.

I believe this line of research is very promising and that it will offer a better understanding of some of the most important macroeconomic and monetary issues specific to developing economies. Mohammed has already made much progress in his work and is perfectly on track to finishing his dissertation within the predefined timeframe. I am very confident he will be able to deliver research work on par with our profession's highest academic standards.

Mohammed is very enthusiastic about research and is always looking for opportunities to present and promote his work and discuss his ideas with other economists. He already presented in several conferences and recently applied to a few others. He is also quite active in building his research network which will help him greatly in his future academic career.

Mohammed has a curious mind and is always trying to further his knowledge and improve his set of skills. For instance, he took a strong interest in learning about scientific computing and its applications to economics. As a result, this term he is offering on his own initiative Python programming tutorials to introduce undergraduate students at our University to computational economics.



I am convinced that visiting the Federal Reserve Bank of New York for a summer dissertation internship will be of great help to Mohammed in getting exposure to a high level research environment and will offer him a unique opportunity to present his work and get valuable feedback from your economists.

Let me summarize. Mohammed is a highly skilled, hardworking, and creative young economist. He has also a very good understanding of the formal tools we use in economic research. He has the potential to become one of the leading economists in Development Macroeconomics in Europe. Furthermore, he is a very pleasant person to work with. I can, therefore, recommend him without hesitation for a dissertation internship at your institution.

Sincerely,

Aleksander Berentsen