MARCO ERRICO

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BOSTON COLLEGE

Placement Director: Fabio Schiantarelli	schianta@bc.edu	617-552-4512
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Education:

Ph.D in Economics, Boston College	2017 - ongoing
M.A. in Economics, Boston College	2018
M.Sc. in Economics, University of Bologna, *Summa cum laude*	2017
B.A. in Economics, University of Venice - Ca' Foscari, *Summa cum laude*	2015

References: (all Boston College)

James Anderson
Professor
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Danial Lashkari
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Jaromir Nosal
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Rosen Valchev
Assistant Professor
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Teaching and Research Fields:

Primary fields: International Trade, International Economics.
Secondary fields: Industrial Organization.

Work and Professional Experience:

Research Experience:

Research Assistant for Jaromir Nosal, Boston College.	2019
Research Assistant for Danial Lashkari, Boston College.	2019
Research Assistant for Fabio Schiantarelli, Boston College.	2018

Teaching Experience: (all at Boston College)

Instructor, Macroeconomics Theory.	Fall 2022, Spring 2023
Instructor, Math Camp incoming Ph.D. students.	2019, 2020, 2021
Teaching Assistant, Graduate Macro Theory.	Fall 2018, Spring 2019, Fall 2020
Teaching Assistant, Principles of Economics.	Spring 2020, Fall 2021, Spring 2022
Teaching Assistant, Macroeconomics Theory.	Spring 2018

Presentations: (including upcoming, * presentation given by coauthor)

2020	ICMAIF (canceled); Green Line Macro Meeting - GLMM (BC-BU)*; 15th Annual EGSC (WUSTL).
2021	14th RGS Doctoral Conference.
2022	GLMM (BC-BU); BC Macro Lunch; BC International trade seminar (x2); Stanford*; UC Davis*; Yale*.

Non-academic Experience:

Co-founder, VIVUS Token - defunct blockchain project. 2022

Accounting Intern, Safilo Group, Madrid. 01/2015 - 05/2015

Honors and Scholarships:

Summer Dissertation Fellowship, Boston College GSAS. 2020

Merit-based award to M.Sc. students in Economics, University of Bologna. 2017

Merit-based award to students enrolled at the University of Bologna, declined. 2017

Tuition merit-based exemption, University of Venice - Ca' Foscari. 2014 - 2015

Erasmus+ program scholarship. 2015

Skills:

Stata, Matlab, Python, Latex, Github.

Personal Information:

Born June, 1993; Italian Citizen.

Languages: Italian (Native), English (Fluent), Spanish (Intermediate - Dele Nivel B2).

Also enjoys: Hiking, cooking, historical novels, playing squash, blockchain.

Working Papers:

The Quality of US Imports and the Consumption Gains from Globalization
joint with Danial Lashkari

Lack of detailed data on the characteristics and quality of imported goods poses a challenge for measuring consumption gains from rising imports. To tackle this problem, we propose a methodology to infer unobserved quality change using only data on prices and market shares in a differentiated product market. The method identifies a demand system in which product substitutability varies across products based on quantity and quality. We validate the method using data from the US auto market where information on product characteristics and price instruments are available. Without using these additional sources of information, our strategy estimates price elasticities and quality changes in line with the predictions of the standard estimations of BLP demand. We apply this strategy to the US customs data (1989-2006), and find that quality improvements have lowered the price of US imports relative to the CPI by 17%. For comparison, unit values have fallen by around 11% relative to the CPI and increasing variety has contributed an additional 4%. Using a demand system that ignores the heterogeneity in product substitutability leads to a substantial overestimation of the extent of quality improvements.

Decomposing the (In)Sensitivity of CPI to Exchange Rates

I study the relative importance of domestic frictions and border price insensitivity for the response of domestic prices (CPI) to exchange rate fluctuations. Using firm and transaction data from Chile, I document that domestic frictions — distribution costs, variable markups and nominal rigidities — reduce the responsiveness of domestic CPI by 60%. These frictions are quantitatively more important than the insensitivity of border prices. The presence of domestic frictions also matters for the channels of CPI sensitivity: contrary to prior work, most of the sensitivity arises from the consumption of imported final goods, and not through the costs arising from imported inputs in the production of domestic goods. The reason is that domestic frictions dampen relatively more the response of domestically produced goods. Furthermore, the sensitivity varies across products because of the heterogeneity in domestic frictions, import exposure, consumption shares. These heterogeneities matter for the overall (in)sensitivity as products with higher import exposure face larger frictions and have lower consumption shares. Ignoring the heterogeneity identifies the wrong products from which most of the sensitivity arises, with implications for monetary policy targeting in open economy and redistribution dynamics.

Strategic Investors and Exchange Rate Dynamics - joint with Luigi Pollio

The huge trading volumes in the foreign exchange rate markets are highly concentrated among few financial players. Differently from standard models of exchange rate determination, we reject the assumption of perfectly competitive financial markets and assume traders to be imperfect competitors. We develop an international portfolio choice model with noise shocks and traders' heterogeneity in market power. Large non-competitive traders internalize the impact of their portfolio decisions on the determination of prices. We show that the presence of strategic investors leads to the amplification (dampening) of the impact of non-fundamentals (fundamental) trade on the exchange rate, reducing its informativeness. The implications of the models are that the presence of strategic investors: i) increases exchange rate volatility; ii) reduces the role of fundamentals in explaining exchange rate movements (exchange rate disconnect); and iii) increases foreign asset excess return and makes it more predictable. Our theoretical predictions are empirically confirmed using trading volume concentration data from the NY Fed FXC Reports for 18 currencies from 2005 to 2019. Welfare analysis suggests that the consolidation in the financial sector in the last three decades increased investors' welfare by 30%.

Work in Progress:

Importer's Dynamics and Exchange Rate Pass-Through

Trade Credit and Exchange Rate Pass-Through: Evidence from Chile

Stochastic Trends in Interest Rates: Implications for UIP - joint with Luigi Pollio

Last updated: October 2022.