

# Nadim Elayan Balagué

Ph.D. Candidate at the University of Michigan

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## Fields

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Primary Field: Macroeconomics

Secondary Fields: International Economics and Labor Economics

## EDUCATION

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**University of Michigan**  
*Ph.D. in Economics*

**Ann Arbor, Michigan**  
*August 2017 - Expected 2024*

*M.A. in Economics*

*August 2017 - April 2019*

**Barcelona School of Economics**  
*M.Sc. in International Trade, Finance and Development*

**Barcelona, Spain**  
*September 2014 - June 2015*

**Universitat Pompeu Fabra**  
*B.A. in Economics*

**Barcelona, Spain**  
*September 2010 - June 2014*

## DISSERTATION: Hysteresis effects of business cycles

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- Chapter 1: "*Strategic or scarred? Disparities in college enrollment and dropout response to macroeconomic conditions*". [Job Market Paper]

Recessions create enduring effects, or scars, on young individuals' careers, notably when they occur around critical periods such as high school graduation and college enrollment. I investigate how educational choices amplify or mitigate these scarring effects across income levels. Low-income young people face dual scarring effects: increased likelihood of dropping out of college and enduring negative labor market entry effects. High-income young people strategically evade these repercussions, delaying labor market entry through timely college enrollment during economic downturns. I quantify the lifetime repercussions of experiencing a recession during these critical phases. The poorest individuals endure a 40% reduction in lifetime consumption if a recession occurs while they are enrolled in college. A recession that occurs around the time of high school graduation hinders the college attendance of the middle-to-low-income group, causing a 24% lifetime consumption loss.

- Chapter 2: "*State dependent Okun's law: A selective labor hoarding approach*".

In this paper I show that Okun's Law, the relationship between changes in the unemployment rate and real GDP, is state dependent: the relationship is stronger during recessions. I hypothesize that this state dependency arises from firms engaging in selective labor hoarding. If firms hoard high-skilled workers outside of recessions to economize on training costs, the Okun relationship will be relatively flat in those times. Such labor hoarding becomes untenable during recessions, which produces a nonlinear response of unemployment. I build a dynamic model of directed search with heterogeneous firms, endogenous exit, and training costs that generates the nonlinear response of unemployment to changes in real GDP.

- Chapter 3: "*Global Supply Chains and regional shocks*", with Jose Ramon Moran

This paper explores how regional shocks affect the formation of global supply chains, recognizing the trade-off firms face when choosing the sourcing location of their inputs. On the one hand, sourcing from similar countries entails a lower risk of being exposed to regional shocks but on the other, it implies firms are less able to take advantage of the pattern of comparative advantage across the World. Using customs data on Mexican firms we document how firms weigh this trade-off, whether there is sectoral heterogeneity in this behavior, and study whether this heterogeneity is the result of sector-specific input complementarity. We build a model of global sourcing that accounts for comparative advantage being driven by geographical location and exposure to regional shocks. With our model, we explore the effects that an episode of increased regional risk, namely the COVID-19 global pandemic, had on firms' global supply chain formation.

## RESEARCH EXPERIENCE

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### University of Michigan

*Research Assistant for Professor Veronica Santarosa*

**Ann Arbor, Michigan**

*Fall 2021*

*Research Assistant for Professor Matthew D. Shapiro*

*Summer 2019*

*Research Assistant for Professor Pablo Ottonello*

*Summer 2018*

### Centre de Recerca en Economia Internacional

*Research Assistant for Professor Giacomo Ponzetto*

**Barcelona, Spain**

*Winter 2015*

## TEACHING EXPERIENCE

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### University of Michigan, Department of Economics

*Head Graduate Student Instructor (Introduction to Macroeconomics)*

**Ann Arbor, Michigan**

*Fall 2022-2023*

*Graduate Student Instructor (Introduction to Macroeconomics)*

*Fall 2018-2021 and Winter 2019*

*Graduate Student Instructor (Introduction to Microeconomics)*

*Winter 2020-2021, and 2023*

*Graduate Student Instructor (Intermediate Macroeconomics)*

*Winter 2022*

## PROFESSIONAL EXPERIENCE

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### IESE Business School

*Research assistant*

**Barcelona, Spain**

*September 2016 - June 2017*

### CaixaBank Research

*Intern in the Macroeconomics department*

**Barcelona, Spain**

*September 2015 - June 2016*

## SKILLS, LANGUAGES and CITIZENSHIP

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- **Computing:** Stata, Matlab, Python
- **Languages:** Catalan and Spanish (Native). English (Advanced)
- **Citizenship:** Spanish.

## REFERENCES

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- **Pablo Ottonello (co-chair)**

Associate Professor  
Department of Economics  
University of Maryland  
ottonell@umd.edu, **Website**

- **Gabriel Ehrlich**

Director  
Research Seminar in Quantitative Economics  
University of Michigan  
gehrlich@umich.edu, **Website**

- **Dmitriy Stolyarov (co-chair)**

Professor  
Department of Economics  
University of Michigan  
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- **Adam Stevenson (teaching)**

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University of Michigan  
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