

# Nadim Elayan Balagué

Ph.D. Candidate at the University of Michigan

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## Fields

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Primary Fields: Macroeconomics and International Economics

Secondary Field: 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 might create enduring scars on young individuals, notably during 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 individuals face dual impacts from recession scars: increased likelihood of dropping out while enrolled, and enduring negative labor market entry effects. Conversely, high-income individuals strategically evade these repercussions, delaying labor market entry through timely college enrollment during economic downturns. Employing a dynamic model, I quantify the lifetime repercussions of experiencing a recession during these critical phases. The poorest individuals endure a 39% reduction in lifetime utility if a recession occurs while they are enrolled in college. A recession that occurs around the time of high school graduation predominantly affects the middle-low income group, hindering their college attendance, resulting in a 19% lifetime utility loss. High-income individuals exhibit resilience to these economic fluctuations.

- 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 firms engaging in selective labor hoarding can explain this state dependency. If firms hoard high-skilled workers outside of recessions to economize on training costs Okun's law will be relatively flat in those times. Such labor hoarding becomes untenable during recessions, which results in a nonlinear response of unemployment. I build a dynamic model of directed search with heterogeneous firms, endogenous exit and training costs that is able to generate the nonlinear response of unemployment to changes in real GDP.

- Chapter 3: "*Global value chains and regional shocks*", with José Ramón Morán van Gelderen

How are Global Value Chains affected by the presence of regional economic shocks? In particular, how do firms form their GVCs when exposed to regional economic shocks that affect the probability of delivery from their suppliers? In this paper we propose a theoretical framework for how firms optimally form their GVCs. Firms will trade off between having countries with diverse specialization patterns to better exploit gains from comparative advantage and having countries that experience synchronous shock patterns because firms rely on members of their GVCs to deliver all necessary inputs on time. We use Mexican customs data on input purchases at the firm level to test the existence of this theoretical tradeoff.

## RESEARCH EXPERIENCE

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<b>University of Michigan</b> <i>Research Assistant for Professor Veronica Santarosa</i>	<b>Ann Arbor, Michigan</b> <i>Fall 2021</i>
<i>Research Assistant for Professor Matthew D. Shapiro</i>	<i>Summer 2019</i>
<i>Research Assistant for Professor Pablo Ottonello</i>	<i>Summer 2018</i>
<b>Centre de Recerca en Economia Internacional</b> <i>Research Assistant for Professor Giacomo Ponzetto</i>	<b>Barcelona, Spain</b> <i>Winter 2015</i>

## TEACHING EXPERIENCE

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<b>University of Michigan, Department of Economics</b> <i>Head Graduate Student Instructor (Introduction to Macroeconomics)</i>	<b>Ann Arbor, Michigan</b> <i>Fall 2022-2023</i>
<i>Graduate Student Instructor (Introduction to Macroeconomics)</i>	<i>Fall 2018-2021 and Winter 2020, 2022</i>
<i>Graduate Student Instructor (Introduction to Microeconomics)</i>	<i>Winter 2019, 2021, 2023</i>

## PROFESSIONAL EXPERIENCE

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<b>IESE Business School</b>	<b>Barcelona, Spain</b>
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Research assistant

September 2016 - June 2017

**CaixaBank Research**

*Intern in the Macroeconomics department*

**Barcelona, Spain**

*September 2015 - June 2016*

## **COLLABORATIONS as a RESEARCH ASSISTANT**

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1. Andrés Drenik, Juan Herreño & Pablo Ottonello, 2019. "Measuring Information Frictions: Evidence from Capital Markets" Working Paper.
2. Benjamin R. Chabot & Veronica Santarosa, 2021. "Don't cry for Argentina (or Other Sovereign Borrowers): Lessons from a Previous Era of Sovereign Debt Contract Enforcement" Working Paper.
3. Ruben Enikolopov, Maria Petrova & Giacomo A.M. Ponzetto, 2020. "The Dracula Effect: Voter Information and Trade Policy" Working Papers 596, Barcelona Graduate School of Economics.

## **SKILLS, LANGUAGES and CITIZENSHIP**

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- **Computing**
  - Stata, Matlab, Python.
- **Document Editor**
  - Latex, Microsoft Office
- **Languages**
  - Catalan: Native
  - Spanish: Native
  - English: Advanced
- **Citizenship:** Spanish with F-1 Visa.

## **REFERENCES**

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- **Pablo Ottonello (co-chair)**  
Associate Professor  
Department of Economics  
University of Maryland  
ottonell[at]umd.edu, [Website](#)

- **Gabriel Ehrlich**  
Director  
Research Seminar in Quantitative Economics  
University of Michigan  
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- **Dmitriy Stolyarov (co-chair)**  
Professor  
Department of Economics  
University of Michigan  
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- **Adam Stevenson (teaching)**  
Lecturer  
Department of Economics  
University of Michigan  
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