Roman David Merga

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Rochester, NY 14627		Nationality:	Argentina (F-1 Visa)

Education

2018-2022 Ph.D. Candidate, Economics, University of Rochester (Expected).

2016-2018 M.A. Economics, University of Rochester.

2015 M.Sc. Economics, Di Tella University.

2014 B.Sc. in Economics, Universidad del Salvador, Argentina.

Research Fields

International Trade, International Macroeconomics and Macroeconomics.

Working Papers

"International Trade, Volatility, and Income Differences" (**Job Market Paper**)

"Real Exchange Rate Uncertainty Matters: Trade, Shipping Lags, and Default"

"Fighting Income inequality with International Trade" (joint with Victor Hernandez)

Selected Work In Progress

"Pricing to Clients and the Pass-Through of Shocks" (joint with Armen Khederlarian)

Conference & Seminar Presentations

2021: Brown Bag Seminar Federal Reserve Bank of Atlanta, Ph.D. Interns Workshop Federal Reserve Bank of St. Louis.

2020: GISPE workshop, Centro de Estudios Macroecnomicos Argentina (CEMA University), KERIC conference, Pontificia Universidad Católica de Chile.

Honors, Fellowships, Awards, and Grants

2021 Best 5th-Year Paper in Empirical Economics, University of Rochester.

2021 Dissertation Intern, Federal Reserve Bank of St. Louis.

2021 Americas Center Graduate Dissertation Intern, Federal Reserve Bank of Atlanta.

2021-2022 Dean's Post-Field Research Dissertation Completion Fellowship, University of Rochester.

2016-2021 Economics Department Ph.D. Fellowship and Scholarship, University of Rochester.

2020-2021 Ronald Jones Scholar, University of Rochester.

2021 Human Studies Fellowship, Institute for Human Studies.

2020 River Campus Data Grant, University of Rochester.

2020 Human Studies Fellowship, Institute for Human Studies.

2019-2020 The Wallis Institute of Political Economy Fellowship, University of Rochester.

2019 The Conibear Prize for the Best Third Year Paper, University of Rochester.

2018 Summer Research Grant, University of Rochester.

2014 Best GPA in the Bsc in Economics, Universidad del Salvador, Argentina.

2014 Summa Cum Laude, Universidad del Salvador, Argentina.

2014 Best Undergrad Thesis, Universidad del Salvador, Argentina.

Teaching Experience

Instructor

2020 Summer *Principles of Economics (Undergraduate)*, University of Rochester. Summer 2020

Teaching Assistant

2018-2020 *Macroeconomics (Graduate)*, University of Rochester. Fall.
Instructor: Prof. George Alessandria.

2019 Spring *Money, Credit and Banking (Undegraduate)*, University of Rochester.
Instructor: Prof. Narayana Kocherlakota.

2018 Spring *Intermediate Macroeconomics (Undegraduate)*, University of Rochester. Spring.
Instructor: Prof. Dan Lu.

2018-2019 *Pricing Policies (Graduate)*, Simon Business school, University of Rochester. Fall.
Instructor: Prof. Greg Shaffer.

2015-2016 *Introduction to Statistic and Probability (Undegraduate)*, Torcuato Di Tella University.
Instructor: Prof. Andrea Rotnitzky.

2015-2016 *Macroeconomics (Undegraduate)*, Torcuato Di Tella University. Fall.
Instructor: Prof. Emilio Espino.

2014 *Microeconomics 1 (Undegraduate)*, Torcuato Di Tella University. Fall.
Instructor: Prof. Hernán, Ruffo.

Previous Employment

Analyst of the Telecommunication market in Latin America, “Convergencia Research”, 2013-2014

Others

Computer Skills: Julia, Stata, Matlab, LaTeX

Languages: English (Fluent), Spanish (Native), Italian (Basic)

References

George Alessandria (Advisor)
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Yan Bai
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International Trade, Volatility, and Income Differences

(Job Market Paper)

Poor countries export less than rich countries. I show that these differences in trade are largely due to poorer countries being more volatile at both, the macro and the micro-economic level. At the cross-country level, I find that 40% of the relationship between total exports and GDP per capita is explained by country's volatility. Using Colombian micro-level data, I show that exporters facing higher volatility grow slower and export less. In particular, the export share of new exporters more exposed to volatility grow at slower rates. I document that these effects are stronger in sectors where firms face higher variable price elasticity. I estimate the model to match Colombian data and show that these mechanisms are key to generate the negative relationship between volatility and exports that I observe in the data at both the aggregate and the micro level.

Real Exchange Rate Uncertainty Matters. Trade, Shipping Lags, and Default

I propose a new time-varying measure of real exchange rate uncertainty, and I show that there is a negative relationship between this measure and international trade at the aggregate level. A one standard deviation increase in the real exchange rate uncertainty is associated with a 5% drop in total trade over GDP. Then, using Colombian firm-level data, I document 3 firm-level facts consistent with the existence of a precautionary margin in international trade. When real exchange rate uncertainty increases, exporters, 1) reduce their export intensity; 2) are more likely to stop exporting and 3) are less likely to start exporting to new markets. Additionally, I find that this behavior is mostly explained by exporters that pay higher interest rates and face higher shipping lags. These results contrast with the predictions from standard sunk cost models of international trade. I incorporate firm-level debt default and international shipping lags into a standard dynamic model of trade. In the new model, an increase in the real exchange rate uncertainty increases the probability for exporters to end up in a financially vulnerable situation. To hedge against this risk, exporters respond by increasing mark-ups or quitting the export market, generating a drop in aggregate exports through both the intensive and the extensive margin of trade. Once this extension is calibrated to match firm-level Colombian data, it predicts that a one standard deviation increase in the real exchange rate uncertainty generates a drop in total exports of around 6%.

Fighting Income Inequality With International Irade

(with Victor Hernandez)

How does international trade affect the wage distribution across workers? We use detailed administrative employer-employee data that covering 1987 to 2004 to answer this question. Using a new instrumental variable approach to disentangle the effects that trade openness has over the distribution of income and wages, we document that an increase in local trade exposure reduces wage inequality. Furthermore, we show that this result is associated with changes happening at the within-industry and within-firm levels. These changes lead to increases in the relative demand for low-wage and low-skill type of worker. At the within-industry level, trade openness reallocates workers towards small firms and low-skilled jobs. At the within-firm level, small firms increase their labor intensity and the average amount of workers, while larger firms reduce it in response to changes in trade openness. We argue that these firm-level responses are the root of the increase in the relative demand for low-wage workers.