

Meet the IGIER Scholars

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You earned your undergraduate degree from Bocconi University and your PhD in economics from New York University. Among the scholars you met during your undergraduate and graduate studies, who are the ones who have made the most profound impact on the way you think as an economist, and why?

Mainly three people: Andrea Ichino, Jordi Galí, and my PhD advisor, Mark Gertler. Back in the old days of IGIER, at the Abbazia di Mirasole, I was Andrea Ichino's RA, and TA for Micro (yes Micro!) principles. I was impressed by his passion for research. Andrea was also taking care of the many bugs of the pc network, a rather ambitious investment in a technologically less advanced period, and (remarkably) installed around the corners of a 13th century abbey. His efforts for the community of scholars were admirable. Once, he visited me during a TA class in Bocconi. When all students broke into a burst of applause, I realized that research, teaching, and good citizenship can all be beautifully blended together.

Jordi Galí has taught me how rigorous, elegant as well as inspiringly transparent an economist can (and should) be. Frequently, when facing a new question, or struggling with a new problem, I ask myself: how would Jordi think through this?

Mark Gertler has taught me how intuition, especially in macroeconomics, can go a much longer way than techniques. When I worked as RA for him, I would kill myself for days on computer programs, but it would take him an eye blink to grasp the logic behind the most intricate system of dynamic stochastic difference equations (!).

You have just been awarded one of the prestigious Starting Grants from the European Research Council (ERC). Bravo! Can you briefly tell us what are the exciting questions you aim to address in this research project?

My project studies the role of financial market imperfections in macroeconomics. (I should mention that parts of it are intended to be in collaboration with my superb colleagues Roberto Perotti, Antonella Trigari and Vincenzo Quadrini.)

A striking lesson I have learnt from the recent crisis is that macroeconomists and financial economists were living on different planets, and speaking different languages.

I quickly realized that I wanted my research to deal with this problem, and with questions such as: What should a country (like, e.g., Australia, Spain, Ireland, Greece, New Zealand, Israel, UK in the last decade) do when facing recurrent phenomena of high credit growth, current account imbalances, exchange rate and asset price appreciation? Let their currency float or fix it? Should monetary policy in "tranquil times" be independent of policy in "crisis times"? (my a priori is no!). Why, if turbulence, e.g., in the interbank credit markets spikes up, does my next-door neighbor loose his/her job? Does it matter, for aggregate economic activity, whether tax changes are geared more in favor of the rich rather than the poor? And does the structure of financial markets matter for this? (At first glance one would think no, but it actually does, and to a great extent).

Suppose one of the many talented undergraduate Bocconi students stops by your office and asks for advice to enter academia in economics. What advice would you give to him or her?

Studying economics is like learning karate, or any art of self-defense. For one, it is much more exciting and deeper than usually appreciated. But most importantly, it teaches you the clarity of thought on a far reaching set of questions and problems of our life. This is an indispensable tool to defend oneself from the sometimes unbearable cloud of unstructured propositions and illogical reasoning about "social events" that derives from our contemporary media, public opinions, and political pundits.



At Bocconi University, you are the director of the Bachelor program in Economics and Social Sciences (CLES). This has been and still is a very successful bachelor program that prepares students to both academic and professional careers in the corporate world. We know you are a committed and enthusiastic director of this program. Tell us why a student currently enrolled in high school should consider enrolling in CLES? What are the strengths of the program?

Most importantly, economics does not teach you what to think but how to think. This is the most valuable asset in the advanced and globalized labor market our students should aim at, and exactly what CLES tries to teach its students.

Whether employed for a manufacturing firm, an investment bank, or for an international organization, there is one thing our students will have to face for sure in the future: an increasing degree of complexity. That complexity can be dealt with only with a robust methodological background and a well-developed human capital.

In a nutshell: if all a talented youngster aims at is to become a manager or the marketing director in a multinational firm, does it matter to (have the tools to) understand, e.g., why Italian women work so little, why Argentina was richer than the US in the 19th century and is so much poorer now, why unemployment rises and fall, or whether more immigrants lower or rise the wage of domestic workers? My answer is yes, and a resounding one.

Imagine yourself travelling back in time and being offered the possibility of being Alexander the Great, David Ricardo, or Pelè. Which one would you pick and why?

I would pick Ricardo, so that probably I would finally, and once and for all, fully understand his “labor theory of value”...

What is the thing you never did and you would love to do in the future? Singing “Nessun dorma” in the role of Calaf at La Scala? Playing one match at San Siro in the Inter team against Milan? Climbing the Kilimangiaro? Something else?

In the unfeasible set: compose and play a piano concert. In the (hopefully) feasible one: ski downhill from the Mont Blanc, and have my three small boys tell me: let’s do it once again! (As for my soccer fantasies, it’s been way more than enough having been in Madrid on May 22, 2010).

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