Virginia M. Olivella Moppett

Curriculum Vitae

Personal Information

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EDUCATION

- **PhD. in Economics,** University of California, Los Angeles, 2006-2011 (expected)
  Dissertation: "Essays on Frictions, Resource Misallocation and Aggregate Productivity"
- **B.A. in Economics,** Universidad de la República, Uruguay, 1998-2004 (Graduated top 1% of class)

ACADEMIC REFERENCES

Prof. Lee E. Ohanian (Advisor)
Professor, UCLA Economics
8391 Bunche Hall
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Prof. Christian Hellwig
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Prof. Mark L.J Wright
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Prof. Arnold C. Harberger
Distinguished Professor of Economics, UCLA Economics
8375 Bunche Hall
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FIELDS

- Primary Field: **Macroeconomics**
- Secondary Fields: **International Economics, Development**

RESEARCH

- **"Expropriation Risk and Aggregate Productivity with Heterogeneous Firms,"** (2010) **Job market paper**
  In this paper, I propose a general equilibrium model featuring heterogeneous firms and a government that is both unable to commit and relatively more impatient than firms. I find that, as predicted by theoretical papers on limited commitment, the threat of expropriation alone is enough to distort capital accumulation. Moreover, I show that the fact that the government is more

impatient than firms induces additional growth dynamics by determining that distortions to capital do not completely go away once the long run stationary equilibrium has been reached. This is because the relative impatience of the government leads not only to decreases in promised utility by the firm when constraints do not bind, but also makes it very costly for a firm to increase its promised utility and capital when a constraint binds. Thus, promised utility will not increase as much as in the case where government and firms discount at the same rate, resulting in a stationary equilibrium level of capital that is less than optimal. Finally, when embedding the contracting problem between a firm and the government in a GE model with heterogeneous firms, I find that expropriation risk is capable of endogenously generating misallocation of resources across firms, with more productive firms being affected the most by the contracting frictions, thus leading to losses in aggregate output and total factor productivity in the long run stationary equilibrium.

- **"Re-examining the Role of Financial Constraints in Business Cycles: is something wrong with the Credit Multiplier?"** (2009) with Jessica Roldan

  A large theoretical literature suggests that financial frictions provide a mechanism which amplifies and propagates macroeconomic shocks, and thus have an important effect on business cycles and productivity. However, quantitative papers that embed the credit multiplier into standard dynamic stochastic general equilibrium models conclude that although credit constraints delay the velocity at which productivity shocks propagate into the economy, they have no significant amplification effects, with the exception of special cases. Motivated by these results, in this paper we re-examine the quantitative role of financial frictions in business cycles to address the following question: is there something wrong with the credit multiplier? Our answer is no. In coming to this answer, we work with a model with reproducible capital and collateral constraints within two setups, a general and a partial equilibrium. Our results from the first model in terms of propagation and amplification do not differ from previous quantitative papers. However, our main finding is that it is not the credit multiplier what fails in this type of models, but rather their ability to produce sufficient variability in prices. In particular, in a model with reproducible capital, general equilibrium dynamics counteract the logic of price fluctuations described by theoretical models, thus preventing the credit multiplier from being triggered. The partial equilibrium setup allows us to confirm our previous claim: absent the general equilibrium effects, the credit multiplier is indeed an effective amplifying mechanism of productivity shocks into the economy.

- **"Determinants of Economic Growth in Uruguay, 1955-2003: a Total Factor Productivity Analysis,"** (2006) with Federica Fossati and Rafael Mantero

FELLOWSHIPS AND AWARDS

- **Dissertation Year Fellowship**, UCLA Graduate Division, 2010-2011
- **The Bradley Foundation Fellowship,** 2008-2010
- **Teaching Fellowship Award,** UCLA, 2007-2010

PRESENTATIONS

- **European Economic Association Congress,** Glasgow, August 2010
- **Annual Meeting of the Society for Economic Dynamics (SED),** Montreal, July 2010
- **XXth Annual Economic Conference at the Central Bank of Uruguay,** Montevideo, August 2005
- **DEGIT X** (Dynamics, Economic Growth and International Trade), CIDE (Center for Research and Teaching in Economics), Mexico, June 2005

RESEARCH EXPERIENCE

- Research Assistant for Prof. Arnold Harberger, 2008-present
- **CERES** (Center for the Study of Economic and Social Affairs), Uruguay, Research Assistant, 2004-2006

TEACHING EXPERIENCE

- Lecturer, Principles of Macroeconomics (Undergraduate), **UCLA**, Summer 2009, 2010
- Head TA, Macroeconomic Theory (Undergraduate), **UCLA**, Spring 2010
- Head TA, Principles of Macroeconomics (Undergraduate), **UCLA**, Fall 2009-Winter 2010
- Teaching Assistant, Principles of Macroeconomics (Undergraduate), **UCLA**, Fall 2007-Spring 2009
- Mathematics Professor for the International General Certificate of Secondary Education (IGCSE) and the International Baccalaureate (IB), **The British Schools, Uruguay,** 2003-2004
- Teaching Assistant, Mathematics (Undergraduate), **Universidad de la Republica, Uruguay**, 2002-2004

REFEREE

- Journal of Economic Theory

LANGUAGES

- **Spanish** (Native)
- **English** (Certificate of Proficiency in English)