NICOLA LIMODIO

LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE **Department of Economics**

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GENDER: M

CITIZENSHIP: Italian

PRE-DOCTORAL STUDIES:

2011-2013 Master of Research in Economics, Merit, LSE
2005-2010 Certificate in Economics, cum laude, Scuola Superiore Sant'Anna
2008-2010 Master in Economics, cum laude, University of Pisa
2005-2008 Bachelor in Economics, cum laude, University of Pisa
2003-2005 International Baccalaureate, United World College of the Adriatic

DOCTORAL STUDIES: London School of Economics

DATES: 2013 - present

THESIS TITLE: "Essays in Development Economics"

EXPECTED COMPLETION DATE: June 2017

THESIS ADVISOR AND REFERENCES:

Professor Tim Besley (Advisor)
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DESIRED TEACHING AND RESEARCH:

Primary Field: Development Economics

Secondary Fields: Finance, Organisational Economics

TEACHING EXPERIENCE:

2013-2016	Microeconomic Principles, II EC202, LSE
2013-2014	Advanced Econometrics, EC312, LSE
2013-2014	Introduction to Stata, Msc Economics, LSE
2013-2014	Introduction to Quantitative Methods, EC408, LSE
2012-2013	Introduction to Econometrics, EC220, LSE

RELEVANT POSITIONS HELD:

2015-2016	Research Assistant, Prof Ricardo Reis, LSE
2015-2016	Consultant, EBRD
2013-2016	Research Assistant, Prof Tim Besley, LSE
2013-2016	Consultant, World Bank
2012-2016	Graduate Teaching Assistant, LSE
2010-2011	Junior Professional Associate, World Bank

LANGUAGES

Italian	Native
English	Proficient
French	Intermediate
Romanian	Beginner

HONORS, SCHOLARSHIPS AND FELLOWSHIPS:

2016	Unicredit & Universities 2016 Best Presentation, Petralia Applied Economics Workshop
2016	Research Grant, STICERD, LSE
2015	Junior Fellowship, Royal Economic Society
2014	Highly Commended for Innovative Teaching, LSE-SU Teaching Excellence Award
2014	Regulation and Development Grant, RSB-DEC, World Bank
2012	Departmental Scholarship, LSE
2011	Stefano Pieracci Prize, AISRE
2010	Marco Fanno Scholarship, Unicredit & Universities Foundation

COMPLETED PAPERS:

Job Market Paper:
"Deposit Volatility, Liquidity and Long-Term Investment: Evidence from a Natural Experiment in Pakistan" (with M. A. Choudhary, State Bank of Pakistan) – Available Here

Deposit volatility lowers loan maturities in presence of costly bank liquidity, which in turn reduces long-term investment and output. We formalise this mechanism in a banking model and analyse exogenous variation in deposit volatility induced by a Sharia levy in Pakistan. Data from the universe of corporate loans and a firm-level survey show that deposit volatility and liquidity cost: 1) reduce loan maturities and lending rates; 2) leave loan amounts and total investment unchanged; 3) redirect investment from fixed assets toward working capital. A targeted liquidity program is quantified to generate yearly output gains between 0.042% and 0.205%.

Other Papers:

"The Development Impact of Financial Regulation: Evidence from Ethiopia"
(with F. Strobbe, World Bank) – World Bank Policy Research Working Paper 7734 (2016)

In absence of deposit insurance, underdeveloped financial systems can exhibit a coordination failure between banks, unable to commit on safe asset holding, and depositors, anticipating low deposit repayment in bad states. We show conditions under which a government can solve this failure by imposing safe asset purchases, which boosts deposits by increasing depositor repayment in bad states. In so doing, financial regulation stimulates bank profits if subsequent deposit growth exceeds the intermediation margin decline. As a result, it also promotes lending and branch installation. We present empirical evidence exploiting a unique policy change by the National Bank of Ethiopia in 2011. Analysing high-frequency bank balance sheets and long-term branch installation, we isolate the regulation effects, exploiting heterogeneity in bank size, and find increases in branches, deposits, loans, and safe assets, with no decline in overall profits.

"Manager Assignment and Project Returns: Evidence from the World Bank"
STICERD – EOPP Discussion Papers Series 61 (2016)

I study the impact of World Bank managers on project success through the value-added method. Manager effects are interpretable as performance indices and are more volatile than country effects. Both correlate positively with determinants of productivity (i.e., schooling and institutions respectively) and provide evidence of a negative assortative matching, with high-performing managers assigned to low-performing countries. Exploiting a novel variation for World Bank board access, I find a significant manager premium for countries in the board. All of these results are consistent with the World Bank behaving as a planner which assigns its managers as project inputs to client countries.

"Media, Demonstrations, and Public Good Delivery: Evidence from World Bank Projects during Natural Disasters"
STICERD – EOPP Discussion Papers Series 62 (2016)

Media can affect governments and public policy by promoting anti-government demonstrations. Under media pressure, a multitasking government might reallocate effort across tasks, rather than increase the total aggregate, resulting in ambiguous welfare effects. In this paper, I test such a hypothesis using a database of World Bank project indicators, which measures government performance in implementing capital projects. Disasters offer an ideal case study because citizens and the government can differ particularly in their preferences between public capital (reconstruction) and consumption (relief). Therefore, at times of disasters, media might be especially effective in shaping public policy by promoting anti-government demonstrations. Joining capital project indicators with data on disasters, media, and demonstrations, I present the following: (1) within-state variation in floods and media activity for Indian states; (2) within-country variation in disasters and media freedom for 135 countries; (3) a case study using anecdotal and archival evidence on flood response in Ghana, Togo, and Ivory Coast in 2007/2008. In all cases, media activity during disasters is associated with lower capital project performance, higher relief/anti-poverty efforts, and more anti-government demonstrations.

"Financial Regulation and Government Revenue: The Effects of a Policy Change in Ethiopia"
(with F. Strobbe, World Bank) – World Bank Policy Research Working Paper 7733 (2016)

Financial regulation affects government revenue whenever it imposes both the mandatory quantity and price of government bonds. This paper studies a banking regulation adopted by the National Bank of Ethiopia in April 2011, which forces all private banks to purchase a fixed negative-yield government bond in proportion to private sector lending. Having access to monthly bank balance sheets, a survey of branch costs and public finances documentation, the effect of the policy on government revenue can be tracked.

This is compared to three plausible revenue-generating alternatives: raising funds at competitive rates on international markets; distorting the private lending of the state-owned bank; and raising new deposits through additional branches of the state-owned bank. Three main results emerge: the government revenue gain is moderate (1.5--2.6% of the tax revenue); banks comply with the policy and amass more safe assets; banks' profit growth slows without turning negative (from 10% to 2%).

RESEARCH IN PROGRESS:

"Institutions, Competition and Growth" (with T. Besley)

"The Intensive and Extensive Margins of Financial Access: Survey Evidence from the Universe of Ethiopian Branches" (with F. Strobbe)