

STEFANIA GARETTO

5550 S.Dorchester Ave. apt.1409
Chicago Illinois 60637
+1 773 9360277

garettos@uchicago.edu
<http://home.uchicago.edu/~garettos/>

EDUCATION	Ph.D. in Economics	University of Chicago	(expected) June 2008
	M.A. in Economics	University of Chicago	June 2004
	Laurea Summa cum Laude in Economics and Social Sciences	Università Bocconi, Milan, Italy	December 2001

RESEARCH FIELDS International Trade, Macroeconomics, Economic Growth.

JOB MARKET PAPER **“Input Sourcing and Multinational Production”(2007)**
I propose a new general equilibrium framework where firms decide the location of production, and whether to outsource to unaffiliated suppliers or to integrate input production. Multinational corporations arise endogenously when firms decide to integrate facilities in foreign countries. The novelty of this approach is that the optimal sourcing strategy is achieved as a market equilibrium. The incentive to become multinational arises due to technology heterogeneity and market structure. Technology heterogeneity makes profitable to avoid outsourcing by allowing to match high domestic productivity with low foreign factor costs. The imperfectly competitive market structure implies that - by integrating - firms are able to avoid the mark-ups charged by the outside suppliers. Imperfect competition establishes a link between trade liberalization and optimal pricing: suppliers find optimal to reduce their prices in response to the possibility of integrated production on the side of their potential buyers (the “pro-competition effect” of multinationals). The model is calibrated to match aggregate U.S. trade data, and used to quantify the gains arising from multinational production. The computed gains are small (about 1% of consumption per capita) but the model shows that further liberalization can increase them substantially.

WORKING PAPERS “Multinational Production and Industry Reallocation”(work in progress)
“Firms’ Trade Options and Incomplete Pass-Through” (2007)
“Heterogeneous Barriers to Technology Adoption: How They May Arise and their Effects on Growth” (2005)

PRESENTATIONS Federal Reserve Bank of Chicago, International Economics Seminar (2007)
Money and Banking Workshop, University of Chicago (2006, 2007)
Midwest Economics Association Annual Meeting, Minneapolis (2007)
Capital Theory Working Group, University of Chicago (2005-2007)

AWARDS	Esther and T.W. Schultz Endowment Fund Dissertation Fellowship	2007-2008
	F.W. Immasche Endowment Fund Dissertation Fellowship	2006-2007
	University of Chicago Unendowed Fellowship	2002-2006

REFeree Journal of Political Economy, International Journal of Industrial Organization

WORK EXPERIENCE	Economic advisory and reporting for the Italian Mission at the United Nations, UNCTAD, Geneva, Switzerland	2001
------------------------	---	------

TEACHING	Lecturer, University of Chicago	
	Intermediate Microeconomics (undergraduate)	2006-2007
	Teaching Assistant, University of Chicago	
	International Trade (T.Chaney, graduate)	2006
	Macroeconomics (S.Davis, Executive MBA)	2005-2006
	Macroeconomics (R.Lucas, C.Syverson, A.Sanderson, undergraduate)	2004-2007
	Microeconomics (B.Szentes, A.Sanderson, undergraduate)	2004

REFERENCES	Robert E. Lucas, Jr. (chair)	773-702-8191	relucas@uchicago.edu
	Fernando Alvarez	773-702-4112	f-alvarez1@uchicago.edu
	Christian Broda	773-834-1990	Christian.Broda@chicagogsb.edu
	Thomas Chaney	773-702-5403	tchaney@uchicago.edu
	Nancy Stokey	773-702-8250	n-stokey@uchicago.edu