

Robert M. Townsend

Massachusetts Institute of Technology

Department of Economics
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Cambridge, Massachusetts 02142
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DATE OF BIRTH April 23, 1948

MARITAL STATUS Married, two children

EDUCATION Ph.D. 1975 University of Minnesota; B.A. 1970 Duke University (Magna Cum Laude)

WORK EXPERIENCE

Elizabeth & James Killian Professor of Economics, Massachusetts Institute of Technology, 2008

Research Associate (Professor), University of Chicago, 2008

Charles E. Merriam Distinguished Service Professor, University of Chicago, 1997–2008

Visiting Professor of Economics, Yale University, 2001, 2003, 2005, 2006

Visiting Professor of Economics, University College London, 2005

Visiting Professor of Economics, MIT, Spring 2001, 2006, Fall 2007

Charles E. Merriam Professor, University of Chicago, 1994 - 1998

Distinguished Visiting Professor, CEMFI, Madrid, Spring 1997

Professor of Economics, University of Chicago, 1985 -1994

STICERD Visiting Professor, London School of Economics, Spring 1995, 1996

Visiting Professor of Economics, University of Chicago, 1984 -1985

Professor of Economics, Carnegie-Mellon University, 1980 -1985

Visiting Scholar, Research Department, Federal Reserve Bank of Minneapolis, 1978-1979

Associate Professor of Economics, Carnegie-Mellon University, 1978 -1980

Assistant Professor of Economics, Graduate School of Industrial Administration, Carnegie-Mellon University, 1975 -1978

Research Fellow, Federal Reserve Bank of Minneapolis, 1974 – 1975

Research Assistant, Board of Governors, Washington, Summer 1974

Teaching Assistant for graduate level microeconomics, University of Minnesota, 1972 -1974

Research Assistant, Duke University, Summer 1970

PROFESSIONAL HONORS

Jacob Marschak Lecture for the Econometric Society, 2007, Bogotá, Colombia
Simon Kuznets Memorial Lecture Series at Yale University, 2005
Frisch Medal, The Econometric Society, 1998 for the paper "Risk and Insurance in Village India"
American Academy of Arts and Sciences
Elected Fellow, The Econometric Society
National Science Foundation Traineeship, 1970-1972
Woodrow Wilson Fellow
Sophomore and Junior Honors, Phi Beta Kappa, Duke University

PROFESSIONAL POSITIONS

Director of Graduate Program, Economics Department, University of Chicago, 2000 – 2001
Executive Board, and Assistant Director, Population Research Center, NORC – 1997-2002
Director of Admissions, Economics Department, University of Chicago, 1992 – 2000
Panel Member of the National Science Foundation, Economics, 1989 – 1991
Editor, Journal of Political Economy, 1987 – 1989
Consultant, Federal Reserve Bank of Chicago, Comptroller of the Currency, Inter-American Development Bank, World Bank, International Monetary Fund, BANSEFI, Banco de España

FELLOWSHIPS/HONORS/RESEARCH GRANTS

National Science Foundation grants for research on Growth, Crisis & Evaluation of Financial Systems: Evaluation of Financial Structure, 8/03 – 12/09, Micro Underpinnings for Macro Models, 7/00 – Present; Credit, Insurance, and Impediments to Trade in Theory and Actual Economies, 7/93 – 6/96; Insurance and Incentives in Poor High Risk Economies, 7/90 – 12/93; for research on Pareto Optimal Organizations and Allocations with Private Information, Limited Communication, and other Impediments to Trade, 7/87 – 7/90; for research on Pareto Optimal and Competitive Equilibrium Allocations with Private Information and Limited Communication, 6/84 – 6/87; for research on Optimal and Equilibrium Allocations with Private Information, 10/80 – 3/84; for research on Resource Allocation Under Asymmetric Information, 1/79 – 10/80 (with Milton Harris). National Institute of Health grant for Interdisciplinary Training in Demography, 7/1/01 – 6/30/06.

Templeton Foundation grant, Discovering the Power of Free enterprise to Create Wealth and Alleviate Poverty Through a New Applied General Equilibrium Enterprise Economics ("AGE3") 2007-2010 (Robert M. Townsend, Project Director and Principal Investigator)

Global Association of Risk Professionals (GARP) 2007 Risk Management Research Program award, for "Design, Takeup and Impact of Rainfall Insurance: Evidence from India"

National Institute of Health grant for Study of Risk, Insurance, and the Family, 9/91, 9/95, 2000; extended 2005, 2007

Principal Investigator for three grants for the Mellon-sponsored training program through the Population Research Center, 1997

Grant from The Rockefeller Foundation to study High-Yielding Rice Varieties in Northern Thailand, 1989 - 1990

Visiting Scientist, International Crops Research Institute of the Semi-Arid Tropics (ICRISAT), India, July 1987, December 1989, and July 1990. Visitor, World Bank, Population and Human Resources, August 1991

Grant from the National Center for Super Computing, 1988, renewed 1989, 1990

Administrator of Grant from The Mellon Foundation to the Department of Economics for graduate student fellowships related to Field Research and Area Studies

Alfred P. Sloan Foundation Grant to sponsor a workshop in Transactions Costs and Related Conceptual Developments Linking Theory to Actual Markets, awarded to Carnegie-Mellon University on a proposal in behalf of the economics faculty (project director). Renewed, June 1984

Grant from the Center for the Study of Futures Markets, Graduate School of Business, Columbia University, for the study of Theories of Contract Design and Market Organization as Conceptual Bases for Understanding Futures Markets

PUBLICATIONS

“Measuring the Impact of Financial Intermediation: Linking Contract Theory to Econometric Policy Evaluation,” with Sergio Urzua. *Macroeconomic Dynamics*, forthcoming.

“Welfare Gains from Financial Liberalization,” with Kenichi Ueda. *International Economic Review*, forthcoming.

“Households as Corporate Firms: An Analysis of Household Finance Using Integrated Household Surveys and Corporate Financial Accounting,” with Krislert Samphantharak. Accepted for publication in the *Econometric Society Monograph Series*.

Financial Systems in Developing Economies: Growth, Inequality and Policy Evaluation in Thailand. Oxford/New York: Oxford University Press, forthcoming.

"Impact of Climate Change on Rice Production in Thailand," with John Felkner and Kamilya Tazhibayeva. *American Economic Review* 99, no. 2 (May 2009): 1-10.

“Endogenous Groups and Dynamic Selection in Mechanism Design,” with Gabriel Madeira. *Journal of Economic Theory* 142, no. 1 (September 2008): 259-93.

"Growth and Inequality: Model Evaluation Based on an Estimation-Calibration Strategy," with Hyeok Jeong. *Macroeconomic Dynamics* 12, Supplement S2 (September 2008): 231-84.

“Introduction to Macroeconomic Dynamics Special Issue: Inequality.” *Macroeconomic Dynamics* 12, Supplement S2 (September 2008): 149-53.

“Statistical Analysis of Rainfall Insurance payouts in Southern India,” with Xavier Giné and

James Vickery. *American Journal of Agricultural Economics* 89, no. 5 (December 2007): 1248-54.

“Sources of TFP Growth: Occupational Choice and Financial Deepening,” with Hyeok Jeong. *Economic Theory Special Edition Honoring Edward Prescott* 32, no. 1 (July 2007): 179-221.

“Using Repayment Data to Test Across Models of Joint Liability Lending,” with Christian Ahlin. *Economic Journal* 117 (February 2007): F11-F51.

“Selection Into and Across Credit Contracts: Theory and Field Research,” with Christian Ahlin. *Journal of Econometrics* 136, Issue 2 (February 2007): 665-98.

“Firms as Clubs in Walrasian Markets with Private Information,” with Edward Simpson Prescott. *Journal of Political Economy* 114, no. 4 (August 2006): 644-71.

“Financial Markets and Poverty: An Algorithm for Policy-based Research and Research-based Policy,” Chapter 1 in Proceedings of 2004 Inter-American Development Bank conference, Mexico City.

“Distinguishing Limited Liability from Moral Hazard in a Model of Entrepreneurship,” with Anna L. Paulson and Alex Karaivanov. *Journal of Political Economy* 144, no. 1 (February 2006): 100-44.

“Credit, Intermediation and Poverty Reduction.” In *Understanding Poverty*, edited by Abhijit Banerjee, Roland Benabou, Dilip Mookherjee, 1-8. New York: Oxford University Press, 2006.

“Dynamic Mechanism Design with Hidden Income and Hidden Auctions,” with Matthias Doepke. *Journal of Economic Theory* 126 (2006) 235-85.

“Financial Deepening, Inequality, and Growth: A Model-Based Quantitative Evaluation,” with Kenichi Ueda. *Review of Economic Studies* 73, Issue 1 (January 2006): 251-93.

“Private Information and Intertemporal Job Assignments,” with Edward Simpson Prescott. *Review of Economic Studies* 73 (2006): 531–48.

“Financial constraints and entrepreneurship: Evidence from the Thai financial crisis,” with Anna L. Paulson. In *Economic Perspectives*, Third Quarter 29, 34-48. Federal Reserve Bank of Chicago, 2005.

“Networks and Finance in Ethnic Neighborhoods, . Chapter 7 in *Credit Markets for the Poor*, edited by Patrick Bolton and Howard Rosenthal, 179-98. New York: Russell Sage Foundation, 2005.

“Policies and Impact: An Evaluation of Village-Level Microfinance Institutions,” with Joseph P. Kaboski. *Journal of the European Economic Association* 3, no. 1 (January 2005): 1-50.

“Sampling design for an integrated socioeconomic and ecological survey by using satellite remote sensing and ordination,” with Michael W. Binford and Tae Jeong Lee. *Proceedings of the National Academy of Sciences* 101, no. 31 (August 3, 2004): 11517-22.

“Entrepreneurship and financial constraints in Thailand,” with Anna L. Paulson. *Journal of Corporate Finance* 10 (2004): 229-62.

“Evaluation of Financial Liberalization: A general equilibrium model with constrained occupation choice,” with Xavier Giné. *Journal of Development Economics* 74 (2004): 269-304.

“Micro Credit and Mechanism Design.” *Journal of the European Economic Association* 1, issue 2 (2003): 468-47.

“Inequality, Risk Sharing, and the Boundaries of Collective Organizations,” with Edward Prescott. *Journal of Economic Theory* 103, Issue 2 (April 2002): 282-310.

“The Credit Risk Contingency System of an Asian Development Bank,” with Jacob Yaron. *Economic Perspectives*, Third Quarter, 25, 31-48. Federal Reserve Bank of Chicago, 2001

“Liquidity Constraints and Incentive Contracts,” with Andreas Lehnert and Ethan Ligon. *Macroeconomic Dynamics* 3, issue 1 (March 1999): 1-47.

“Small Business Finance in Two Chicago Minority Neighborhoods,” with Paul Huck, Sherrie L. W. Rhine and Philip Bond. *Economic Perspectives*, Second Quarter, 23, 46-62. Federal Reserve Bank of Chicago, 1999.

“Mechanism Design and Village Economies: From Credit, to Tenancy, to Cropping Groups,” with Rolf Mueller. *Review of Economic Dynamics* 1, no. 1 (January 1998): 119-72.

“General Equilibrium Models of Financial Systems: Theory and Measurement in Village Economies,” with Youngjae Lim. *Review of Economic Dynamics* 1, no. 1 (January 1998): 59-118.

“Microenterprise and Macropolicy,” *Advances in Economics and Econometrics: Theory and Applications, Seventh World Congress, Volume II*, edited by David M. Kreps and Kenneth F. Wallis. Cambridge University Press, 1997.

“Discrimination in Financial Services: How Should We Proceed?” *Journal of Financial Services Research* 11 (February and April 1997): 215-17.

“Formal and Informal Financial Services,” *Financial Access in the 21st Century, Proceedings of a Forum*, 17-23. Comptroller of the Currency, Washington, D.C., February 11, 1997.

“Formal and Informal Financing in a Chicago Ethnic Neighborhood” with Philip Bond. *Economic Perspectives* 20, no. 4: 3-27. Federal Reserve Bank of Chicago, 1996.

“Consumption Insurance: An Evaluation of Risk-Bearing Systems in Low-Income Economies.” *Journal of Economic Perspectives* 9, no. 3 (Summer 1995): 83-102.

“Financial Systems in Northern Thai Villages.” *The Quarterly Journal of Economics* 110, no. 4 (November 1995): 1011-46.

“Risk and Insurance in Village India,” *Econometrica* 62, no. 3 (May 1994): 539-91.

“Community Development Banking and Financial Institutions Act: A Critique with Recommendations.” In *The Declining Role of Banking, Proceedings of The 30th Annual Conference on Bank Structure and Competition*, 538-46. Federal Reserve Bank of Chicago, May 1994.

“Targeting Credit and Insurance: Efficiency, Mechanism Design, and Program Evaluation,” with Mansoor Rashid. Discussion paper #47, Education and Social Policy Department, World Bank, November 1994.

The Medieval Village Economy: A Study of the Pareto Mapping in General Equilibrium Models. New Jersey: Princeton University Press, 1993.

- “Asymmetric Information in General Equilibrium Models.” In *General Equilibrium 40th Anniversary Conference*, 126-34. CORE, June 3-5, 1993.
- “Understanding the Structure of Village and Regional Economies.” In *Contract Economics*, edited by Lars Werin and Hans Wijkander, 114-48. Oxford: Basil B Blackwell, 1992.
- “Computing Multiperiod Information Constrained Optima,” with Christopher Phelan. *Review of Economic Studies* 58, no. 5 (October 1991): 853-81.
- Financial Structure and Economic Organization: Key Elements and Patterns in Theory and History*. Oxford: Basil Blackwell, April 19, 1990.
- “Comment on Paper by Davis and Haltiwanger.” In *NBER Macroeconomics Annual 1990*, edited by Olivier Jean Blanchard and Stanley Fischer. Cambridge, MA: MIT Press, 1990.
- “Currency and Credit in a Private Information Economy.” *Journal of Political Economy* 97, no. 6 (December 1989): 1323-1345.
- “Models as Economies.” The Frank Paish Lecture. *The Economic Journal* 98, no. 390 (Supplement: Conference Papers, March 1988): 1-24.
- “Information Constrained Insurance: the Revelation Principle Extended.” *Journal of Monetary Economics* 21, issues 2-3 (March/May 1988): 411-50.
- “Asset Return Anomalies in a Monetary Economy.” *Journal of Economic Theory* 41, no. 5 (April 1987): 219-47.
- “Circulating Private Debt: An Example with a Coordination Problem,” with Neil Wallace. In *Contractual Arrangements for Intertemporal Trade*, edited by Edward C. Prescott and Neil Wallace, 105-20. Minneapolis: University of Minnesota Press, 1987.
- “Taking Pure Theory to Data: Arrow’s Seminal Contribution.” In *Arrow and the Ascent of Modern Economic Theory*, edited by George Feiwel. New York University Press, May 1, 1987.
- “Arrow-Debreu Programs as Microfoundations for Macroeconomics.” In *Advances in Economic Theory: The Fifth World Congress*, edited by Truman F. Bewley. Cambridge University Press, 1987.
- “Economic Organization with Limited Communication.” *American Economic Review* 77, no. 5 (December 1987): 954-70.
- “Financial Structures as Communication Systems.” Chapter 5 in *Technological Innovations and the Monetary Economy*, edited by Collin Lawrence and Robert Shay, 163-78. Ballinger, subsidy of Harper & Row, April 1986.
- “General Competitive Analysis in an Economy with Private Information,” with Edward C. Prescott. *International Economic Review* 25, no. 1 (February 1984): 1-20.
- “Pareto Optima and Competitive Equilibria with Adverse Selection and Moral Hazard,” with Edward C. Prescott. *Econometrica* 52, no. 1 (January 1984): 21-45.
- “Theories of Intermediated Structures.” In the *Carnegie-Rochester Conference Series on Public Policy* 18 (1983): 221-72.
- “Equilibrium Theory with Disparate Expectations and Learning: Some Issues and Methods.” In *Individual Forecasting and Aggregate Outcomes: ‘Rational Expectations’ Examined*, edited by

- Edmund S. Phelps and Roman Frydman, 169-97. Cambridge University Press, 1983.
- “Forecasting the Forecasts of Others.” *Journal of Political Economy* 91, no. 4 (August 1983): 546-87.
- “Financial Structure and Economic Activity.” *American Economic Review* 73, no. 5 (December 1983): 895-911.
- “Optimal Multiperiod Contracts and the Gain from Enduring Relationships under Private Information.” *Journal of Political Economy* 90, no. 6 (December 1982): 1166-86.
- “Theories of Contract Design and Market Organization: Conceptual Bases for Understanding Futures Markets.” Prepared for the *Conference on the Industrial Organization of Futures Markets: Structure and Conduct*. Columbia University, November 1982 (Lexington Books).
- “Resource Allocation under Asymmetric Information,” with Milton Harris. *Econometrica* 49, no. 1 (January 1981): 33-69.
- “Equilibrium under Uncertainty: Multi-Agent Statistical Decision Theory,” with Edward C. Prescott. In *Studies in Bayesian Econometrics and Statistics in Honor of Harold Jeffreys*, edited by Arnold Zellner, 169-94. North-Holland, 1980.
- “Models of Money with Spatially Separated Agents.” In *Models of Monetary Economies*, edited by John Kareken and Neil Wallace, 265-303. Federal Reserve Bank of Minneapolis, 1980.
- “Optimal Contracts and Competitive Markets with Costly State Verification.” *Journal of Economic Theory* 21, no. 2 (October 1979): 265-93.
- “On the Optimality of Forward Markets.” *American Economic Review* 68, no. 1 (March 1978): 54-56.
- “Market Anticipations, Rational Expectations, and Bayesian Analysis.” *International Economic Review* 19, no. 2 (June 1978): 481-94.
- “Intermediation with Costly Bilateral Exchange.” *Review of Economic Studies* 45, no. 3 (October 1978): 417-25.
- “The Eventual Failure of Price Fixing Schemes.” *Journal of Economic Theory* 14, no. 3 (February 1977): 190-99.
- “Allocation Mechanisms, Asymmetric Information, and the Revelation Principle,” with Milton Harris. In *Issues in Contemporary Microeconomics and Welfare*, edited by George R. Feiwel, 279-94. London: Macmillan Co., 1985 (1975).

WORKING PAPERS AND BOOKS

- “Heterogeneity and Risk-Sharing in Thai Villages,” with Pierre-Andre Chiappori, Krislert Samphantharak, and Samuel Schulhofer-Wohl, working paper, 2008.
- “Sharing Wage Risk,” with Pierre-Andre Chiappori and Hiroyuki Yamada, working paper, 2008.
- “The Impacts of Credit on Village Economies,” with Joseph P. Kaboski, 2007.
- “Testing a Structural Model of Credit Constraints Using a Large-Scale Quasi-Experimental

Microfinance Initiative," with Joseph P. Kaboski, 2007.

"Enterprise and The Wealth of Villages," with John Felkner, 2007.

"An Evaluation of Safety Nets and Financial Institutions in Crisis and Growth," with Mauro Alem, 2008.

"Households as Corporate Firms: Constructing Financial Statements from Integrated Household Surveys," with Krislert Samphantharak, 2007.

"Tests of Efficient Risk-Sharing and Common Preferences," Pierre-Andre Chiappori, Krislert Samphantharak, and Sam Schulhofer-Wohl, working paper, 2007.

"Firm Dynamics and Finance: Distinguishing Information Regimes," with Alexander Karaivanov, University of Chicago working paper, 2005.

"Commodity Price Shocks, Consumption and Risk Sharing in Rural Thailand," with James Vickery. Chapter 3 in Vickery, James, *Essays in Banking and Risk Management*, Ph.D. dissertation, Massachusetts Institute of Technology, 2004.