

RESEARCH PROJECT

Advances in structural empirical economics: climate change, migration, and economic development

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Research Program

The project has the aim of strengthening the research capacity of the Department (DSE) in the area of empirical economics using structural econometric methods and, ultimately, its ability to contribute to economic policy discussions. A number of DSE initiatives in the recent years have contributed to these aims, ranging from hiring in the area of econometrics to the organization of debates open to the public on current policy issues. More specifically, the project aims at complementing these initiatives through a structural investigation of the nexus between climate change, migration, and economic development, leveraging state-of-the-art structural econometric method, new data sets, as well as development and trade theories. A specific objective of this project is to advance— in a quantitative econometric framework and by building novel data sets — our understanding of how climate change affects the displacement of people in low-income countries and the worldwide geographical distribution of economic activity.

Activity Program

We expect to carry out the specific objective of this project over a three-year horizon, although the broad objective extends even beyond such horizon. The activities include:

1. Studying how climate change can lead to large displacements of people in low-income countries and alter the worldwide geographical distribution of economic activity – within and across sectors – during the XXI century and beyond.
2. Quantifying the impact of climate-related shocks to specific measures of development in agricultural economies.
3. Studying the importance of market reactions in the transmission of climate shocks to health outcomes of children in low-income agricultural economies.
4. Applying modern statistical techniques to build novel data sets that can be potentially used by the research community at large to study climate change, migration, and economic development.

Since this is a Department project requiring some interdisciplinary competences, we expect intensive collaboration with the interested DSE faculty.