

MARIANO A. SOMALE

Office Contact Information

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Employment

Principal Economist. Federal Reserve Board, International Finance Division, 2023 – present.
Senior Economist. Federal Reserve Board, International Finance Division, 2018 – 2023.
Economist. Federal Reserve Board, International Finance Division, 2018 – 2023.

Education

Ph.D. in Economics, Princeton University, June 2015.
Dissertation: “Essays in Technology and International Trade”.
Advisors: Stephen Redding, Esteban Rossi-Hansberg, Gene Grossman.
Graduate Studies in Economics, Universidad Torcuato di Tella, Argentina, 2008.
B.A. in Economics, Universidad Nacional de Córdoba, Argentina, 2005.

Research Interests: International trade, quantitative trade models, technical change, trade and labor markets.

Publications

“Comparative Advantage in Innovation and Production,” AEJ: Macro, 13 (3): 357-96.

Abstract: This paper develops a dynamic model of innovation and international trade in which agents can direct their research efforts to specific goods in the economy. Trade affects the direction of innovation through its impact on the expected market size for an invention, leading to a two-way relationship between trade and technology absent in standard quantitative Ricardian models. Following a theory-consistent strategy to estimate the extent of endogenous adjustments in technology, I find that they can account for about a half of the observed variance in comparative advantage in production in a sample of 29 countries and 18 manufacturing industries. In addition, the model suggests that standard Ricardian models overestimate the reductions in real income from increases in trade costs, and underestimate the rise in real income due to trade liberalizations.

Working Papers

“Trade, Labor Reallocation Across Firms, and Wage Inequality”

Abstract: This paper develops a framework for studying the effects of higher trade openness on the wage distribution in which strong skill-productivity complementarities in production imply that inequality rises as workers reallocate toward more-productive (skill-intensive) firms in the same industry. The model features a large number of skill groups and weaker and more empirically relevant restrictions on firm selection into exporting than standard heterogeneous-firms models. An autarkic economy that opens to trade always experiences a pervasive rise in wage inequality under no firm entry, with wage polarization being another possibility under free entry. Theoretically, more outcomes are possible following a trade liberalization in a trading economy. In a calibrated version of the framework, any increase in trade openness always leads to pervasively higher wage inequality. The analysis highlights the importance of

properly accounting for the role of new exporters (extensive margin) in shaping the aggregate relative demand for skills.

Seminars and Conferences:

2023: "Trade, Labor Reallocation Across Firms, and Wage Inequality": Federal Reserve System Conference on International Economic Analysis; RIDGE Conference in Medellín, Colombia.
2022: "Trade, Labor Reallocation Across Firms, and Wage Inequality": PUC Chile, Federal Reserve System Applied Microeconomics Conference; SEA's Conference in Fort Lauderdale.
2018: "Comparative Advantage in Innovation and Production": IDB's Conference at St. Gallen, Switzerland. Discussions: IDB, Macro Trade Workshop, St. Louis Fed.
2017: "Trade, Matching and Inequality": Federal Reserve Board. SEA's Conference in Tampa.
2016: "Comparative Advantage in Innovation and Production": USITC.
2015: "Comparative Advantage in Innovation and Production": International Trade Conference at Federal Reserve Board; New Faces in International Trade Conference at Penn State University; Federal Reserve Board; Bocconi University; ITAM; FGV-EPGE; FGV-EESP, PUC Rio de Janeiro; Florida International University. Discussions: VI Annual Conference of the Trade Integration and Growth Network.

Refereeing

American Economic Journal: Macroeconomics; Review of Economic Dynamics; International Economic Review; Economic Inquiry.

Honors, Scholarships, and Fellowships

Princeton University. International Economics Section Fellowship. 2012 – 2013.
Princeton University Graduate Fellowship. 2009 – 2014.
Princeton University Summer Fellowship. 2009 – 2014.
National Agency of Science and Technology (Argentina) Scholarship under the PICT program. 2007 – 2008.
Universidad Torcuato Di Tella MA in Economics Scholarship. 2006 – 2008.
Universidad Nacional de Córdoba. "First Academic Olympiads of Students of Economic Sciences". First Place. 2002.

Teaching Experience

ECO 310, "Microeconomics: A Mathematical Approach." Undergraduate, Princeton University. Teaching assistant for Professor Wolfgang Pesendorfer. Spring 2013.
ECO 353, "International Monetary Economics." Undergraduate, Princeton University. Teaching assistant for Professor Mark Aguiar. Fall 2012.
ECO 311, "Macroeconomics: A Mathematical Approach." Undergraduate, Princeton University. Teaching assistant for Professor Theodore Papageorgiou. Spring 2012.
ECO 372, "Topics in Country and Regional Economics - Economics of the European Union and Economies in Europe." Undergraduate, Princeton University. Teaching assistant for Professor Silvia Weyerbrock. Fall 2011.
Tutor. Junior Summer Institute, WWS, Princeton University. Summer 2011.
Tutor. Junior Summer Institute, WWS, Princeton University. Summer 2010.
"Topic on Advanced Microeconomics II." Graduate, Universidad Torcuato di Tella. Teaching assistant for Professor Leandro Arozamena. 2008.
"International Monetary Economics." Undergraduate, Universidad Torcuato di Tella. Teaching assistant for Professor Andrés Neumeyer. 2007.