

Paolo Masella

OFFICE ADDRESS, TELEPHONE & E-MAIL:

University of Sussex
Department of Economics
Jubilee Building, Falmer BN 19SL UK, room 271
Mobile Phone: +44 7976969665
pm295@sussex.ac.uk

DATE OF BIRTH: 11-7-1979

SEX: M

CITIZENSHIP: Italian

CURRENT POSITION:

2012 – present LECTURER University of Sussex (Department of Economics)

OTHER AFFILIATIONS:

2013 – present IZA, Fellow

2012 – present CEP, London School of Economics, Research Associate

PAST POSITIONS

2009 – 2012 RESEARCH FELLOW University of Mannheim (Department of Economics)

2008 – 2009 MAX WEBER FELLOW European University Institute

EDUCATION:

2002 – December 2007 Phd in Economics, London School of Economics and Political Sciences
THESIS TITLE: “The role of ethnic diversity and education in determining national identity and political behavior”
ADVISOR: Prof. Maitreesh Ghatak

2001-2002 Msc in Economics (with distinction), Universitat Pompeu Fabra, Barcelona, Spain

1997-2001 BA (Laurea) in Economics, 110/110 cum laude, Università di Pisa, Italy

TEACHING EXPERIENCE:

GRADUATE

2008-2009, 2010-2011 and 2011-2012	Economics and Culture, University of Mannheim (Lecturer)
2010-2011 and 2011-2012	Development Economics, University of Mannheim (Lecturer)
2006-2007	Political Economy, LSE (Teaching Assistant)
2006-2007	Economic Policy Analysis, LSE (Teaching Assistant)

UNDERGRADUATE

2012-2013	Development Economics, University of Sussex (Lecturer)
2002-2006	Economics B (1 st year course), LSE (Teaching Assistant)

OTHER RELEVANT POSITIONS HELD:

2006-2007 Tutorial Fellow, Department of Economics, London School of Economics
June 2004 and 2005 Examiner of Microeconomics, University of London. External Program

SEMINAR AND CONFERENCE PRESENTATIONS:

University of Warwick, workshop on Human Capital and Productivity (2013), University of Bristol (2013), IWH, Halle (2012), University of Surrey (2012), University of Sussex (2012), WZB, Berlin (2012), University of Southampton (2011), Bocconi University (2011) Lausanne University (2011) Queen Mary, University of London (2011), NBER Summer Meeting (2010), CEPR Meeting, Milano (2010), Università di Bologna (2009) Mannheim University (2008, 2009, 2010), North American Summer Meeting, Pittsburgh (2008), European University Institute (2008) IMT Lucca (2008), Università di Pisa (2008), European Economic Association Congress, Budapest (2007) *invited session*, Universitat de Barcelona (2007) "Polarization and conflict" meeting, Cordoba (2006) NEUDC conference, Ithaca, NY (2006), EOPP Seminar LSE/STICERD (2003-2006, and 2009).

CONFERENCE COMMITTEE:

2008 Asset, Firenze, paper selection committee

REFeree ACTIVITY:

Review of Economic Studies, Economica, Journal of Population Economics, Journal of Development Economics, Scandinavian Journal of Economics, Journal of European Economic Association, Journal of Economics, Journal of Economic Theory, Applied Economics Quarterly, Journal of Labor Research, Journal of Public Economics, Journal of Development Studies, Kyklos

HONORS, SCHOLARSHIPS AND FELLOWSHIPS:

2004-2005 LSE studentship

PUBLICATIONS:

"Compulsory Language Educational Policies and Identity Formation" (with O. Aspachs, I. Clots and J. Costa) *Journal of European Economic Association*, 6 (2-3), April-May 2008

Education can be at the root of the process of identity formation. Using survey data from Catalonia and the Basque Country, where in 1983 the education system became bilingual, we study how parental choices and schooling interact with each other and contribute to the development of individual identity. The difference between the reforms implemented in the two Spanish regions is that whereas in Catalonia the reform was compulsory, in the Basque Country parents could choose the language used to educate their children. Results show a significant effect of the compulsory language policy implemented in Catalonia on identity, whereas the non-compulsory language policy implemented in the Basque Country does not have any effect.

“Markets and Jungles” (with Thomas Gall) *Journal of Economic Growth*, 17 (2), 103-141, June 2012

Economic institutions determine prospects for growth and development. This paper examines necessary conditions for an economy to support institutions that implement markets. Agents differ in land holdings, skill, and power. A competitive market assigns land to the skilled, not necessarily to the powerful. Therefore a market allocation needs to be robust to coalitional expropriation. In a dynamic setting, market payoffs may induce sufficient inequality in next period's endowments for markets to alternate with expropriation in a limit cycle, decreasing efficiency and amplifying macroeconomic fluctuations. Long run stability of markets is favored by higher social mobility, more initial equality, and less mismatch between demand and supply.

“National Identity and Ethnic Diversity” *Journal of Population Economics*, 26(2), 437-454, April 2013

In countries with high levels of ethnic diversity "nation building" has been proposed as a mechanism for integration and conflict reduction. We find no evidence of lower intensity of national sentiment in more ethnically fragmented countries or in minority groups. National feelings in a minority can be higher or lower than in a majority, depending on the degree of ethnic diversity of a country. On the one hand, in countries with high ethnic diversity, nationalist feelings are less strong in minority groups than in the majorities; on the other hand, in countries with low ethnic diversity, the reverse is true.

“Education, Language and Identity” (joint with Irma Clots) *Economic Journal*, 123: F332-F357, August 2013

The process of individual identity formation is still an enigma, as it is the capacity of public bodies to intervene on it. In 1983 the Catalan education system became bilingual, and Catalan, together with Spanish, was taught in schools. Using survey data from Catalonia and exploiting within and between cohort variation in exposure to Catalan language at school, results show that individuals who have experienced greater exposure to teaching in Catalan are more likely to say that they feel more Catalan than Spanish. Interestingly, the effect appears to be present also among individuals whose parents do not have Catalan origins. In addition, the reform also affects actions, as individuals exposed to greater teaching in Catalan are more likely to vote in regional elections and vote for Catalan regionalist parties. To the best of our knowledge, this is the first paper to analyze how policies affect individual identity.

Media Coverage: El Pais, *Espanolizar ya lo hizo Franco.. y fracaso´*, October 2013

“The Effect of Birthright Citizenship on Parental Integration Outcomes” (joint with Ciro Avitabile and Irma Clots), *Journal of Law and Economics*, forthcoming

The integration of immigrants is constantly a subject of public debate, and measures to foster assimilation of newcomers are central in the political agenda of many countries. This paper focuses on the legal institution of citizenship and analyzes the consequences of the introduction of birthright citizenship in Germany. Exploiting the exogenous variation provided by the 1999 reform of the German nationality law, we study the effect of child legal status on the cultural integration of immigrant parents. We find evidence that foreign born parents are more likely to interact with the local community and use German language when their children are entitled to German citizenship at birth.

Media Coverage: Handelsblatt, *Das Rätsel der Integration*, November 2010,

“Citizenship, Fertility and Parental Investment” (joint with Ciro Avitabile and Irma Clots), *American Economic Journal: Applied Economics*, Accepted

Legal status is associated with better economic opportunities for immigrants. This paper studies how immigrants' fertility responds to a change in child legal status at birth. The introduction of birthright citizenship in Germany, following the reform of the German nationality law in 1999, represented a positive shock in the return to the investment in child human capital. Consistent with the Becker "quantity-quality" model of fertility, we find that birthright citizenship determined i) a reduction in immigrants' fertility, ii) an increase in the time spent with their children and iii) a reduction in childhood obesity among children affected by the reform.

WORKING PAPERS:

Incentives and Group Identity (joint with S. Meier and P.Zahn), IZA Discussion Paper No. 6815

Groups and teams are very prevalent in society and organizations. Our paper investigates in a principal-agent environment whether and how group membership influences the effectiveness of incentives and when incentives can have "hidden costs", i.e., when they result in reduced effort. We show experimentally that whether the principal and agent belong to and identify with the same group or with different groups changes how incentives, i.e. control mechanisms, are perceived. Control as an incentive has detrimental effects in in-group interactions because the agent doesn't expect to be controlled and reacts negatively when being controlled after all. If agents and principals don't share the same group identity, agents perceive control more hostile conditional on their beliefs about principal's behavior. As a result, in all interactions, control can have "hidden costs" but for reasons specific to group membership. Our finding contributes to the micro-foundation of psychological effects of incentives.

The Long Lasting Effects of Socialist Education (joint with N. Fuchs-Schündeln)

Political regimes influence the contents of teaching and the criteria used to select and evaluate students. We study the impact of a socialist education on the likelihood of obtaining a college degree, as well as on several labor market outcomes, by exploiting the reorganization of the school system in East Germany after reunification. Our identification strategy relies on the following consideration: within the same cohort of individuals from the East who were still in education at reunification, the ones born earlier in the year started school at a younger age and had thus received one more year of socialist education at reunification. We find that an additional year of socialist education substantially decreases the probability of obtaining a college degree. We also provide evidence that, among male respondents, (i) the abolishment of non meritocratic restrictions to access to college allowed students to invest more in their human capital and therefore achieve a better occupational status (ii) the elimination of any part of the curricula directed towards the transmission of socialist values encouraged participation in the labor market and effort in the workplace.