

Pablo Herrero Marco

PHD STUDENT · ECONOMICS

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Overview

My research develops quantitative macro models to study the welfare implications of macro-prudential policies. My professional experience has focused on developing and applying similar models to help inform policy decisions of the ECB.

Education

European University Institute

PHD IN ECONOMICS

Italy

9/2019 - present

Warwick University

MSc IN ECONOMICS

United Kingdom

9/2016 - 9/2017

Manchester University

BA IN ECONOMICS AND SOCIAL SCIENCES

United Kingdom

9/2013 - 9/2016

Professional Experience

European Central Bank, DG-Research

PHD TRAINEE AND CONSULTANT

Germany

5/2022-6/2023

European Central Bank, DG-Economics

MASTER TRAINEE AND RESEARCH ANALYSTS

Germany

4/2018-7/2019

Research Projects

Assessing Options for Deposit Insurance Reform: An Infinite-Horizon Approach

Studies the design of Deposit Insurance (DI) in a dynamic infinite-horizon model featuring both panic and fundamentally driven banking crises. DI helps prevent panics, but it removes a layer of market discipline and makes fundamental crises more severe. Discusses the implications of the speed of bank-runs for the desirability of fixed and state-contingent DI limits.

The Foreign Liability Channel of Bank Capital Requirements

(with L.Falasconi, D.Sopera and C. Mendicino)

Studies the design of bank Capital Requirements (CR) in emerging market economies through a quantitative small open economy model. Argues that higher CR induce banks to borrow more from abroad which makes the economy more vulnerable to foreign shocks. Empirical micro-banking evidence from Peru validates the underlying mechanism of the model.

Loan-to-Value Shocks and Aggregate Demand

(with C.Schang, and C. Mendicino)

Studies the effects of contractionary Loan-to-Value (LTV) shocks in a Heterogeneous Agent New-Keynesian model with housing. Aggregate demand greatly amplifies the aggregate effects of LTV shocks. Highly leveraged home-owners are the most affected. Expansionary monetary policy mitigates the effects of LTVs and benefits highly leveraged home-owners the most.

Awards & Grants

- 2019-2024 **Salvador Madariaga PhD Scholarsip**, Spanish Government
2016 **Dean's Award for Academic Achievement**, Manchester University

Presentations

** presented by co-author*

2024

- Czech National Bank Research Conference
Essex Finance Centre (EFiC) Conference in Banking and Corporate Finance
CEPR European Summer Symposium in International Macroeconomics (ESSIM)*
Annual Meeting of the Midwest Finance Association (MFA)*
Luiss Finance Workshop*

2023

- International Conference Computing in Economics and Finance (CEF)
Annual Central Bank Macroeconomic Modeling Workshop
Society for Economic Dynamics Meeting (SED)*
Midwest Macro Meetings*
North American Summer Meeting (NASM) of the Econometric Society*

Skills

Coding MATLAB (Advanced), Julia (Advanced), R (Intermediate)

Languages Spanish (Native), English (Proficient), Portuguese (Intermediate)

References

Ramon Marimon

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Caterina Mendicino

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