

Pablo Herrero Marco

PHD STUDENT · ECONOMICS

European University Institute, Via della Badia dei Roccettini, 9, 50014 Fiesole, Florence, Italy

✉ pablo.herrero@eui.eu

Overview

My research develops quantitative macro models to study the welfare implications of macro-prudential policies.

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-Monetary Policy

RESEARCH ANALYST

Germany

9/2023-present

- Model development in the area of quantitative macro-banking

European Central Bank, DG-Research

CONSULTANT

Germany

5/2023-6/2023

- Model development in the area of quantitative macro-banking

European Central Bank, DG-Research

PHD TRAINEE

Germany

5/2022-4/2023

- Scenario Analysis for the bi-annual QMFA box on Financial Stability Considerations for Monetary Analysis

European Central Bank, DG-Economics

RESEARCH ANALYST

Germany

4/2019-6/2019

- Forecast of Euro-Area household consumption

European Central Bank, DG-Economics

MASTER TRAINEE

Germany

4/2018-3/2019

- Empirical model development to understand and forecast household consumption

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.Supera 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

2024

- Czech National Bank Research Conference
- Essex Finance Centre (EFiC) Conference in Banking and Corporate Finance
- Finance in The Tuscan Hills (Florence School of Banking and Finance)
- Macro-Working Group (European University Institute)
- 4th Year Forum (European University Institute)

2023

- International Conference Computing in Economics and Finance (CEF)
- Annual Central Bank Macroeconomic Modeling Workshop
- Macro-Working Group (European University Institute)
- E&R Working Group (European University Institute)

Skills

- Coding** MATLAB (Advanced), Julia (Advanced), R (Intermediate)
- Languages** Spanish (Native), English (Proficient), Portuguese (Intermediate)

References

Ramon Marimon

POMPEU FABRA UNIVERSITY (UPF) AND EUROPEAN UNIVERSITY INSTITUTE (EUI)
ramon.marimon@upf.edu

Edouard Challe

PARIS SCHOOL OF ECONOMICS (PSE)
edouard.challe@gmail.com

Caterina Mendicino

EUROPEAN CENTRAL BANK (ECB), DG-RESEARCH
caterina.mendicino1@ecb.europa.eu