

# Gabriele Guaitoli

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## FIELDS OF INTEREST

MACROECONOMICS, LABOUR ECONOMICS, SPATIAL ECONOMICS

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## EDUCATION

2019-2023 (exp.) PHD IN ECONOMICS, **University of Warwick**  
*Supervisors:* Roberto Pancrazi, Thijs Van Rens, Federico Rossi  
2017-2019 MASTER OF RESEARCH (ECONOMICS), **University of Warwick**  
2015-2017 MSC IN ECONOMICS AND PUBLIC POLICY,  
**University of Modena and Reggio Emilia**  
2012-2015 BSC IN ECONOMICS AND FINANCE,  
**University of Modena and Reggio Emilia**

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## ACADEMIC REFERENCES

<b>Roberto Pancrazi</b> Associate Professor, Department of Economics, University of Warwick <a href="mailto:r.pancrazi@warwick.ac.uk">r.pancrazi@warwick.ac.uk</a>	<b>Thijs Van Rens</b> Professor, Department of Economics, University of Warwick <a href="mailto:J.M.van-Rens@warwick.ac.uk">J.M.van-Rens@warwick.ac.uk</a>	<b>Federico Rossi</b> Associate Professor, Department of Economics, University of Warwick <a href="mailto:federico.rossi@warwick.ac.uk">federico.rossi@warwick.ac.uk</a>
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## JOB MARKET PAPER

### 1. **FIRM LOCALNESS AND LABOUR MISALLOCATION**

**Abstract:** Limitations to workers' spatial job mobility reduce access to productive jobs, misallocating labour and lowering output and welfare. Several policies aim to mitigate this misallocation by bringing workers closer to productive firms. Nevertheless, they substantially differ in how they affect the local costs firms face. For example, reducing planning regulations in productive locations lowers local rental costs. In contrast, making productive locations more attractive increases them by fostering congestion. I show that the effectiveness of these policies crucially depends on which firms are more sensitive to changes in local costs. I call this sensitivity *localness*. Using UK microdata, I find that productivity and localness are negatively correlated. I evaluate the effectiveness of different types of policies using a spatial general equilibrium model that, as a novelty, accounts for the observed joint distribution of productivity and localness. I find that accounting for localness heterogeneity dampens, by up to 35%, the aggregate welfare gains from policies that decrease costs in productive locations. Intuitively, lower rental costs lead to the creation of low-productivity jobs rather than productive ones, as productive firms are less local. Conversely, policies that indirectly increase local costs in productive locations are more effective, since not many productive jobs are destroyed. Finally, I show that localness heterogeneity has broader implications for how these policies shape the distribution of wages.

## PUBLICATIONS

1. **THE POWER OF TEXT-BASED INDICATORS IN FORECASTING THE ITALIAN ECONOMIC ACTIVITY (2023)** - with Valentina Aprigliano, Simone Emiliozzi, Andrea Luciani, Juri Marcucci, Libero Monteforte - *International Journal of Forecasting*, Volume 39, Issue 2, April–June 2023, Pages 791-808.

**Abstract:** Can we use newspaper articles to forecast economic activity? Our answer is yes; and, to this end, we propose a high-frequency Text-based Economic Sentiment Index (TESI) and a Text-based Economic Policy Uncertainty (TEPU) for Italy. Novel survey evidence regarding Italian firms and households supports the rationale behind studying text data for the purposes of forecasting. Such indices are extracted from approximately 1.5 million articles from 4 popular newspapers, using a novel Italian economic dictionary with valence shifters. The TESI and TEPU can be updated daily for the whole economy and for specific sectors or economic topics. To test the predictive power of our indicators, we propose two forecasting exercises. Firstly, we use Bayesian Model Averaging (BMA) techniques to show that our monthly text-based indicators greatly reduce the uncertainty surrounding the short-term predictions of the main macroeconomic aggregates, especially during recessions. Secondly, we employ these indices in a weekly GDP tracker, achieving sizeable gains in forecasting accuracy, both in normal and turbulent times.

2. **COVID-19: REGIONAL POLICIES AND LOCAL INFECTION RISK: EVIDENCE FROM ITALY WITH A MODELLING STUDY (2021)**, with Roberto Pancrazi - *Lancet Regional Health: Europe*, Volume 8, September 2021, 100169

**Abstract:** *Background:* Policy-makers have attempted to mitigate the spread of covid-19 with national and local non-pharmaceutical interventions. Moreover, evidence suggests that some areas are more exposed than others to contagion risk due to heterogeneous local characteristics. We study whether Italy's regional policies, introduced on 4th November 2020, have effectively tackled the local infection risk arising from such heterogeneity. *Methods:* Italy consists of 19 regions (and 2 autonomous provinces), further divided into 107 provinces. We collect 35 province-specific pre-covid variables related to demographics, geography, economic activity, and mobility. First, we test whether their within-region variation explains the covid-19 incidence during the Italian second wave. Using a LASSO algorithm, we isolate variables with high explanatory power. Then, we test if their explanatory power disappears after the introduction of the regional-level policies. *Findings:* The within-region variation of seven pre-covid characteristics is statistically significant (F-test  $p$ -value  $< 0.001$ ) and explains 19% of the province-level variation of covid-19 incidence, on top of region-specific factors, before regional policies were introduced. Its explanatory power declines to 7% after the introduction of regional policies, but is still significant ( $p$ -value  $< 0.001$ ), even in regions placed under stricter policies ( $p$ -value = 0.067). *Interpretation:* Even within the same region, Italy's provinces differ in exposure to covid-19 infection risk due to local characteristics. Regional policies did not eliminate these differences, but may have dampened them. Our evidence can be relevant for policy-makers who need to design non-pharmaceutical interventions. It also provides a methodological suggestion for researchers who attempt to estimate their causal effects.

## WORKING PAPERS

1. **GLOBAL TRENDS IN INCOME DISTRIBUTION ACROSS AGE GROUPS? (2023)** - with Roberto Pancrazi

**Abstract:** We document the evolution of the income distribution across age groups using harmonised microdata from 28 countries at different stages of economic development. The average disposable income of late-career age group relative to early-career age group has increased by 20 per cent in richer countries, and it has declined by 15 per cent in poorer countries in the last 20 years. These opposite trends are strong and statistically significant. We highlight that the main contributors of those shifts relate to labour market dynamics. Specifically, in rich countries, employment rates and salaries are disproportionately augmenting the income of the old compared

to the young, while in poorer economies, salaries are growing faster for the young. These results do not depend upon the composition of the workforce (gender and education). Through a panel regression, we suggest the relevance of three main forces related to ageing, education, and political economy factors.

2. **DO LOCALISED LOCKDOWNS CAUSE LABOUR MARKET EXTERNALITIES? (2022)** - with Todor Tochev

**Abstract:** The business restrictions introduced during the Covid-19 pandemic greatly affected the labour market. However, quantifying their costs is not trivial as local policies affect neighbouring areas through spillovers. Exploiting the U.S. local variation in restrictions and commuting, we estimate the causal direct and mobility spillover impacts of lockdowns. Mobility spillovers alone account for 10-15% of U.S. job losses at peak. We corroborate these results with causal evidence for a consumption-based mechanism: shops whose clients reside in higher proportion in neighbouring areas under lockdown experience larger employment losses. Not accounting for mobility spillovers leads to overestimating direct lockdown effects, but underestimating total ones.

## WORK IN PROGRESS

1. SOURCES OF LABOUR MARKET AGE INEQUALITIES
2. "SPATIAL EQUILIBRIUM AND AGE INCOME INEQUALITY," with Roberto Pancrazi and Damiano Raimondo.
3. LOCAL MONOPSONY POWER WITH OLIGOPOLIES (long-term)
4. "ENDOGENOUS AMENITIES AND AGE-GROUP DISTRIBUTION IN THE UK," with Roberto Pancrazi and Marta Santamaria (long-term)

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## TEACHING

*University of Warwick*    Mathematical Techniques B (2019, 2022)  
   Microeconomics (PhD) (2020, 2021)  
   Mathematical Economics (undergraduate micro) (2020)  
   Mathematical Techniques A (2018)

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## CONFERENCE PRESENTATIONS

2022                            RGS Conference 2022; Royal Economics Society Conference 2022;  
   European Economics Association Meeting 2022; RES Urban Economics  
   Easter School.

2021                            Royal Economics Society Conference 2021

2020                            Bank of England - Modelling with Big Data and Machine Learning

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## FELLOWSHIPS, HONORS AND AWARDS

*Scholarships*                ESRC Doctoral Training Program Studentship 2019-2023  
   BANCA D'ITALIA First Training Research Scholarship June-September  
   2018, June-August 2020  
   BANCA D'ITALIA "Giorgio Mortara" Scholarship 2018  
   UNIVERSITY OF WARWICK, Full Scholarship 2017 - 2023

*Awards* FOND. CASSA DI RISPARMIO DI CARPI, MSc Degree Award - 2018  
ARCA - GRUPPO ENEL, studentship Award - 2013 to 2018  
FOND. CASSA DI RISPARMIO DI CARPI, BSc Degree - 2016  
UNIMORE, Top student Award - 2013, 2014, 2015, 2016, 2017  
UNIMORE, Freshman top student tuition waiver - 2012, 2015

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## SKILLS

*Computational* R, Matlab, Stata, Julia, Ms Office, L<sup>A</sup>T<sub>E</sub>X, Python  
*Languages* Italian (native), English (fluent)

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## FURTHER ACTIVITY

*University of Warwick* Co-Organiser, Warwick Urban-Spatial Reading Group 2022, 2023  
Co-Organiser, Royal Economics Society Symposium 2022  
Co-Organiser, Warwick Economics PhD Conference 2020, 2021

*UniMoRe* *Since 2021* - Member of the Steering Committee for MSc in Data Analysis for Economics and Management  
The Steering Committee (“*Comitato di Indirizzo*”) is composed of external academics, professionals and private employers who provide feedback regarding the competencies and professional figures the course should train.  
*2014-2017* - Member of the Board of Directors, University of Modena and Reggio Emilia  
I have been a member of the Board of Directors of the University of Modena and Reggio Emilia, elected for two 2-years mandates.

*Bank of Italy* 2018, 2020 - Summer Internship  
*Tutor:* Simone Emiliozzi, Bank of Italy

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## FURTHER EDUCATION AND CERTIFICATES

*University of Warwick* Preparing to Teach in Higher Education Certificate  
*LSE* Tools for Macroeconomics - Advanced

November 5, 2023