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EDUCATION

Ph.D. in Economics, Tilburg University 2017-2024

M.Sc. Economics, Pontificia Universidad Católica de Chile 2013-2014

B.S. Economics & Business, Pontificia Universidad Católica de Chile 2006-2013

REFERENCES

Prof. Bas Werker Tilburg University B.J.M.Werker@tilburguniversity.edu	Prof. Burak Uras Williams College bu1@williams.edu	Prof. Harry Huizinga Tilburg University H.P.Huizinga@tilburguniversity.edu
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RESEARCH INTERESTS

Macroeconomics, Labor Economics, and Finance

WORKING PAPERS

Flexible Contracts, Macroeconomic Stabilization, and Welfare

Job Market Paper

Abstract: In this paper, I provide a novel insight for understanding the role of flexible contracts in the economy. I draw upon Dutch data to show that the availability of flexible jobs over the business cycle largely influences the unemployment risk of permanent workers. Motivated by the empirical evidence, I build a New Keynesian model in which permanent and flexible jobs coexist. I argue that the interaction between incomplete markets and the endogeneity of labor market transitions generates an important macroeconomic-stabilization hedging role for flexible contracts. However, this comes at a cost to flexible workers in terms of employment fluctuations, resulting in a non-monotonic relationship between welfare and the share of flexible contracts in the economy. My results have important policy implications for a wide range of developed countries that pursue flexicurity through dual labor markets.

Technological Change and the Finance Wage Premium

with Burak Uras, Harry Huizinga, Ata Bertay, and Nathanael Vellekoop

Semifinalist for Best Paper Award in Financial Markets & Institutions at FMA Annual Meetings

Presentations: Tilburg Macro Reading Group; IAAE Conference 2022 in London; IBEFA 2022 in Portland; EEA-ESEM 2022 in Milan; FMA Annual Meeting 2022; Venice Workshop on Labor & Finance 2022; Netherlands Economists Day 2022

Reject and Resubmit @Journal of Financial Intermediation

Abstract: This paper utilizes a comprehensive worker-firm panel for the Netherlands to quantify the impact of ICT capital-skill complementarity on the finance wage premium after the Global Financial Crisis. We apply additive worker and firm fixed-effect models to account for unobserved worker- and firm-heterogeneity and show that firm fixed-effects correct for a downward bias in the estimated finance wage premium. Our results indicate a sizable finance wage premium for both fixed- and full-hourly

wages. The complementarity between ICT capital spending and the share of high skill workers at the firm-level reduces the full-wage premium considerably and the fixed-wage premium almost entirely.

Transitioning into Flexible Contracts: An Explanation for Persistent Earning Losses After Job Displacement

with Burak Uras and Harry Huizinga

Abstract: Flexible contracts have become increasingly prevalent in today's labor markets; however, little is known about the consequences of transitioning to flexible contracts after job displacement in terms of earning losses. Using Dutch data, we show that workers who transition to flexible contracts after job displacement experience earning losses of about 14%, while those who transition to permanent contracts experience significantly lower earning losses of around 1%. We find that these differences can be attributed to workers transitioning to low-paying firms through flexible contracts, with the loss of employer-specific wage premiums accounting for 83% of the earning losses experienced by flexible workers. Leveraging the easily observable nature of contract types, our results offer valuable insights for policymakers in designing effective policies to address the adverse consequences of job displacement on workers.

FORTHCOMING PAPERS

Macro-Welfare Effects of Flexible-Hour Contracts

with Burak Uras

Accepted @European Economic Review

Abstract: We develop a Dynamic-Stochastic-General-Equilibrium model to study the macro welfare effects of flexible labor contracts. Capturing the empirical properties observed in the data, we incorporate two labor sectors in our DSGE framework: a fixed sector and a flexible sector. The fixed sector offers contracts that exhibit rigidities in working-hours and wages while the flexible sector offers flexible contracts in both dimensions. We calibrate the model utilizing Eurozone data and show that in the benchmark currency union economy, welfare would monotonically increase if fixed sector's wage rigidity goes up, while welfare would monotonically decline in wage rigidity if the benchmark economy were to switch to inflation targeting. We also show that it is the working-hour flexibility of flexible labor contracts that reinforces the desirability of wage stickiness in the fixed sector. Finally, we obtain strikingly different optimal flexible sector sizes for economies in currency union and inflation targeting monetary policy regimes: while the optimal flexible sector size for a currency union economy turns out to be 0%, the optimal flexible sector size for an economy with inflation targeting is 100%. These important results prevail because large fluctuations in consumption associated with flexible labor arrangements are too costly for households in a currency union with limited monetary policy flexibility - outweighing the production flexibility gains from flexible labor contracts. In this respect, our paper formalizes the welfare concerns related to the growing flexible labor sector sizes in Eurozone and urge policy makers to pay special attention to regulations that induce more flexible labor arrangements in this region.

PRE-PhD PUBLICATIONS

Banks' Interconnections and Peer Effects: Evidence from Chile

with Paula Margaretic and Rodrigo Cifuentes

Research in International Business and Finance

Identifying Complex Core–Periphery Structures in the Interbank Market

with Rodrigo Cifuentes

Journal of Network Theory in Finance

The Chilean Peso Exchange-Rate Carry Trade and Turbulence

with Paulo Cox

COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

GRANTS AND AWARDS

Doctoral Scholarship, Tilburg University	2019
Doctoral Scholarship, Central Bank of Chile	2017
Master Scholarship, Dominique Hachette	2013

SKILLS

Programming/Statistics: MATLAB, R, STATA, Python

Languages: Spanish (Native), English (Bilingual Proficiency)

PROFESSIONAL ACTIVITIES

Referee Service

Journal of Macroeconomics

Services

Organizer Macro Study Group 2021 - 2022

TEACHING

Ph.D. Macroeconomics 2, Tilburg University

B.Sc. Econometrics, Tilburg University

B.Sc. Programming in R and Python, Tilburg University

B.Sc. Introduction to Economics, Tilburg University

B.Sc. Methods: Econometrics 1, Tilburg University

WORK EXPERIENCE

Rotterdam School of Management, Erasmus University, Part-time Lecturer in Finance	2024
Freedom Learning Group, Freelance Programmer	2019 - Present
Central Bank of Chile, Financial Research Unit, Research Assistant	2014 - 2017