Maren Vairo

Northwestern Economics

Placement Director:	Professor Alessandro Pavan	847-491-8266	alepavan@northwestern.edu
Placement Administrator:	Lola May Ittner	847-491-5694	econjobmarket@northwestern.edu

Contact Information

Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208

Mobile: 872-806-8117
mvairo@u.northwestern.edu
www.sites.northwestern.edu/mvairo
Citizenship: Uruguayan, Italian

Fields

Research: Microeconomic Theory
Teaching: Microeconomics, Game Theory, Information Economics

Education

Ph.D., Economics, Northwestern University — (anticipated) 2024
Committee: Eddie Dekel (co-chair), Bruno Strulovici (co-chair), Piotr Dworczak, Yingni Guo, Asher Wolinsky

M.A., Economics, Northwestern Univesity — 2019

M.A., Economics, Universidad Carlos III de Madrid — 2018

B.A., Economics, Universidad de la República Uruguay — 2014

Fellowships & Awards

Journal of Industrial Economics Fellowship — 2023

Dissertation University Fellowship, Northwestern University — 2023–2024

Robert Eisner Graduate Fellowship, Northwestern University — 2021

Graduate Fellowship, Universidad Carlos III de Madrid — 2016-2018

Fellowship for Masters Abroad, Agencia Nacional de Investigación e Innovación, Uruguay (Declined) — 2016

Introduction to Research Scholarship. Agencia Nacional de Investigación e Innovación, Uruguay — 2013

Teaching Experience

Teaching Assistant, Northwestern University — 2019-2021
Introduction to Applied Econometrics (undergraduate), Microeconomics II: General Equilibrium (graduate), Microeconomics III: Game Theory (graduate), Math Camp (graduate), Foundations of Strategy (MBA)

Teaching Assistant, Universidad Carlos III de Madrid — 2017
Microeconomics (undergraduate), Policy Evaluation (undergraduate)

Teaching Assistant, Universidad de la República Uruguay — 2014
Microeconomics (undergraduate)

Research Experience

Research Assistant, Eddie Dekel, Northwestern University — 2022

Research Assistant, Harry Pei, Northwestern University — 2021

Research Assistant, Center for Economic Theory, Northwestern University — 2021

Research Assistant, Centro de Investigaciones Económicas Uruguay — 2013-2016

Refereeing

American Economic Review, Theoretical Economics

Job Market Paper

"Robustly Optimal Income Taxation"

Abstract: We study the design of a tax rule to optimally redistribute income across heterogeneous workers. The social planner faces uncertainty about the possible labor choices that are available to each type of worker, and therefore cannot perfectly predict the income distribution that is induced by a given tax rule. In the face of this uncertainty,

the planner maximizes her worst-case payoff. We show that using a tax rule with increasing marginal rates is optimal regardless of the planner's preference for redistribution, and that it is uniquely so under an additional richness assumption on the set of income choices that the social planner knows is available to workers. This result stands in contrast to the familiar zero-taxation-at-the-top result that arises generally (absent specific distributional assumptions) in the Bayesian optimal taxation model of Mirrlees (1971). To that extent, our robust approach to uncertainty about workers' income possibilities provides a new foundation for progressive income taxation—a feature that is prevalent in most existing tax systems—that does not rely on parametric assumptions on the distribution of workers' productivity, or on the social planner's attitude toward income inequality.

Other papers

"The Value of Information in Delegation"

Abstract: We study an optimal delegation problem in which the principal can jointly design a signal that may be used by the agent before making his decision (an information policy), together with the set of actions that the agent can choose from after observing the information disclosed by the principal (a delegation policy). Transfers are not allowed. We find that the optimal joint information and delegation policy features a double-censorship structure, in which the principal censors both the realizations of the state that she discloses and the actions available to the agent. We show that information and discretion serve as substitutes: the principal gives less discretion to the agent after realizations of the state that are fully disclosed, and vice versa. The intuition is that more discretion makes the agency problem more salient and thus lowers the principal's gains from information disclosure. We apply these findings to a monopoly regulation setting where the regulator can jointly regulate the market segmentation (i.e., by limiting the extent to which the monopolist can engage in third-degree price discrimination), and the set of (segment-specific) prices that the monopolist can use.

"What Type of Transparency in OTC Markets?" with Piotr Dworczak

Abstract: Financial over-the-counter markets have been traditionally very opaque. Recent regulation promotes transparency in some of these markets by lowering search costs, allowing traders to request quotes from multiple dealers at the same time (pre-trade transparency), and requiring public disclosure of past transactions (post-trade transparency). We evaluate these policies using a dynamic trading model with adverse selection. We show that post-trade transparency improves upon the opaque market but is dominated by pre-trade transparency; moreover, adding post-trade transparency to a pre-trade transparent market offers no benefits and can be harmful. We identify cases in which lowering search costs can be detrimental to market efficiency. Finally, relying on a mechanism-design approach, we characterize the optimal trading mechanism in our framework.

"Reputational Bargaining and Inefficient Technology Adoption" with Harry Pei

Abstract: A buyer and a seller bargain over the price of an object. Both players can build reputations for being obstinate by offering the same price over time. Before players bargain, the seller decides whether to adopt a new technology that can lower his production cost and the buyer cannot observe this adoption decision. We show that players' reputational incentives can lead to inefficient adoption and significant delays in reaching agreement, and that these inefficiencies arise in equilibrium *if and only if* the social benefit from adoption is large enough. As a result, an increase in the social benefit from adoption may lead to a lower adoption probability and a longer expected delay.

Works in progress

"Dynamic Delegation with Limited Commitment"

Abstract: We examine a dynamic game in which a principal repeatedly delegates decision-making to an agent with private information. In each period, the principal commits to a 'delegation set,' which constrains the set of actions the agent can choose from. The agent selects an action from this delegation set, after which the principal observes the agent's chosen action. The agent's private information is perfectly persistent, and the principal has limited commitment—i.e., she can commit to the mechanism within a period but not across them. We provide a revelation principle for this environment, and demonstrate that the presence of limited commitment leads to a specific form of unraveling. Unlike the case of full commitment, the optimal dynamic mechanism involves both upper and lower censorship of actions. The intuition follows from the fact that, in the presence of limited commitment, granting the agent discretion is costly because the agent's chosen action leaks information and therefore tightens the principal's future sequential rationality constraint.

Languages

English (fluent), Spanish (native)

References

Professor Eddie Dekel
Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208
847.491.4414
dekel@northwestern.edu

Professor Bruno Strulovici
Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208
847.491.8233
b-strulovici@northwestern.edu

Professor Piotr Dworczak
Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208
847.491.8203
piotr.dworczak@northwestern.edu

Professor Yingni Guo
Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208
847.491.8260
yingni.guo@northwestern.edu

Professor Asher Wolinsky
Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208
847.491.4415
a-wolinsky@northwestern.edu