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Friday, July 23rd, 2023

TO: The Organizers of the NBER Digital Economics and AI Tutorial

I am writing to enthusiastically support the application of **Kumar Rishabh** for the tutorial on Digital Economics and Artificial Intelligence taking place on September 21, 2023 in Toronto, Canada.

Kumar has been my postdoc for 9 months now. During this time we have been working on multiple projects related to the economics of AI, fintech and new payment systems, including one on cybercrime-driven innovation that we are submitting this weekend to the NBER Economics of Artificial Intelligence Conference taking place rightafter this workshop. In this paper, we develop a growth model of the data economy where data is crucial for businesses to optimize processes, but vulnerable to cybercrime meaning that it can be stolen and destroyed. We examine the relationship between data breaches, digital innovation and their impact on economic growth. Unequivocally, cybercrime results in lower stocks of knowledge, lost productivity and lower growth for all firms in the economy. The silver-lining result is that the risk of data breaches encourages firms to pursue digital innovation that boosts productivity in other domains.

In another project with **Andreas Fuster from EPFL**, we explore the impact of AI-related innovation on a given firm's competitors.

The NBER Digital Economics and AI Tutorial is an important workshop and one from which I benefited a lot in the past. Now, I would like my postdoc, Kumar, to also attend it for the following reasons: (i) in perspective of his upcoming job market, for networking and disseminating the results of his projects – all related to digital economics and AI, and (ii) he would get high quality feedback on several projects from fellow PhD students, postdocs and faculty, and lastly (iii) because Kumar would contribute to a very lively and animated discussion in light of his extensive research on digital economics, AI, and digital payment systems.

Do not hesitate to contact me by email at Roxana.Mihet@unil.ch or at +41 79 481 39 29 if you have any questions.

Sincerely,

Roxana Mihet
Swiss Finance Institute Professor of Finance
Faculty of Business and Economics
HEC Lausanne, University of Lausanne

