Contact information:
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3012 College Ave., 94705 Berkeley, CA

Faculty Reference:
Gabriel Zucman

Dear workshop organizers,

I hope this letter finds you well. My name is Carmen Durrer, and I am a 3rd year economics PhD student at the University of California, Berkeley, under the supervision of Prof. Gabriel Zucman. My research interests broadly encompass topics in corporate finance and inequality. The NBER Summer Workshop on Executive Compensation hence presents a unique opportunity to learn in depth about a topic that is at the center of my personal interests and research agenda.

I am particularly drawn to understanding the determinants of the labor share and the wage distribution within firms, with a current focus on the impact of managers' preferences. I am also widely interested in topics related to coordination across firms, and the impact of common ownership on competition, particularly in labor markets. Consequently, I chose to specialize in the fields of Finance and Public Finance, while taking additional courses in Industrial Organization and Labor Economics. In parallel to my coursework and research projects, I have been working as a research assistant for my Prof. Gabriel Zucman on projects related to the taxation of MNCs. Throughout my coursework and research endeavors, the topic of executive compensation has been regularly present, and I expect it will remain highly relevant going forward.

My main current research project, described in more detail in the statement below, explores the impact that exposure to socioeconomic diversity and economic adversity during childhood have on firm managers' decisions. In a second project, I study intra-industry board overlaps, in the context of the recent DOJ crackdown on interlocking directors. Specifically, I seek to detail the time trends of intra-industry board overlaps before and after the DOJ's intervention, and asses the balance between anticompetitive concerns and corporate governance advantages of these interlocks. Both these projects would significantly benefit from this workshop, as a having good grasp of executive compensation is central to both.

I sincerely believe that better understanding the determinants and consequences of executive compensation would not only enrich my ongoing research projects but also serve to inspire future endeavors. Participating in the workshop offers a unique opportunity to gain insights from top researchers in the field and forge connections with peers who share a deep interest in this area of study. I thank you for the opportunity and remain at your disposal to provide any additional information.

Sincerely,

Carmen Durrer

CARMEN DURRER

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EDUCATION

CURRENT

PHD IN ECONOMICS, UNIVERSITY OF CALIFORNIA, BERKELEY

- Specialized in Finance and Public Finance
- Advisor: Gabriel Zucman

List of courses: Applied Econometrics, Empirical and Theoretical Corporate Finance, Empirical and Theoretical Asset Pricing, Industrial Organization, Public Finance, Econometric Theory, Macroeconomics, Microeconomics.

JUNE 2021

MS. IN ECONOMICS, PARIS SCHOOL OF ECONOMICS

- Specialized in Public Finance and Econometrics
- Master's Thesis Advisor: Thomas Piketty
- GPA 16/20 (equivalent to A / A+)

List of courses: Machine Learning for Economics, Econometrics, International Macroeconomics, Game Theory, Economic History, Public Economics, Political Economy, Macroeconomics, Microeconomic Theory, Python.

JUNE 2019

B.A. IN ECONOMICS AND PUBLIC POLICY, SCIENCES PO PARIS

- GPA 1st and 2nd year: 18/20 (Major), 16.2/20 (Cumulative)
- GPA 3rd year (U.C. Berkeley): 3.9/4 (Major), 3.8/4 (Cumulative)

PROFESSIONAL RESEARCH POSITIONS

JULY 2023 – PRESENT

GRADUATE STUDENT RESEARCHER, PROF. GABRIEL ZUCMAN - UC BERKELEY

- Ongoing project on American multinational oil corporations.
- My current work includes identifying and retrieving sources of relevant company to better our understanding of the geographic distribution of their economic activities and fiscal liabilities.

JULY 2022 – OCTOBER 2022

GRADUATE STUDENT RESEARCHER, PROF. NINA ROUSSILLE - M.I.T.

- Project on firm hiring behavior exploiting microdata from a job-posting platform.
- My main contribution was identifying changes in firm behavior following a modification on the platform that allowed potential employers to view candidates' existing offers.

AUGUST 2021 – JUNE 2022

GRADUATE STUDENT RESEARCHER, PROF. GABRIEL ZUCMAN - UC BERKELEY

- Several projects on corporate taxation and tax evasion.
- I identified and characterized changes in tax avoidance/evasion behavior of large U.S. multinationals after the TCJA exploiting information on firms' public reports to find anomalies in corporate profit reporting.
- The results are included in the paper "Did the Tax Cuts and Jobs Act Reduce Profit Shifting by US Multinational Companies?" which can be found at: https://www.nber.org/papers/w30086

DECEMBER 2019 – JUNE 2021

RESEARCH ASSITANT, PROF. THOMAS PIKETTY - WORLD INEQUALITY LAB

- Member of the research center for economic inequalities led by Prof. Thomas Piketty.
- I co-developed a methodology to micro-simulate incidence of government taxes and transfers in absence of high-quality microdata, mainly targeting developing countries.
- I co-wrote two chapters in a book on economic inequalities and political outcomes.

TEACHING

JANUARY 2023 – MAY 2023

PUBLIC ECONOMICS - GRADUATE INSTRUCTOR, UNIVERSITY OF CALIFORNIA, BERKELEY

- Weekly teaching in Public Economics for undergraduate students, lectures taught by Prof. Emmanuel Saez.
- The course covers key public finance topics: incidence of fiscal policy, optimal taxation, correction of market failures, inequality and redistribution, intergenerational mobility.
- All course materials are publicly available on: https://eml.berkeley.edu/~saez/course131/course131.html

AUGUST 2022 – DECEMBER 2022

GLOBAL INEQUALITY AND GROWTH - GRADUATE INSTRUCTOR, UNIVERSITY OF CALIFORNIA, BERKELEY

- Weekly teaching on the economics of inequalities for undergraduate students.
- All course materials are publicly available on: https://gabriel-zucman.eu/econ133/

RESEARCH

- Durrer, C., Fisher-Post, M., & Gethin, A. (2023), "Government Redistribution Over the Course of Development Fiscal Progressivity in 174 Countries, 1980-2019", Working paper (available upon request).
- Durrer de la Sota, C., Gethin, A., & Martínez-Toledano, C. (2021), "Party System Transformation and the Structure of Political Cleavages in Austria, Belgium, the Netherlands, and Switzerland, 1967-2019" in Piketty, T., Gethin, A., & Martínez-Toledano, C. (Eds.), *Political cleavages and social inequalities: A study of fifty democracies, 1948–2020*, Cambridge, MA: Harvard University Press.
- Durrer de la Sota, C., Gethin, A. (2021), "Inequality, Identity, and the Structure of Political Cleavages in South Korea, Taiwan, and Hong Kong, 1996-2016" in Piketty, T., Gethin, A., & Martínez-Toledano, C. (Eds.), *Political cleavages and social inequalities: A study of fifty democracies, 1948–2020*, Cambridge, MA: Harvard University Press.

PROGRAMMING SKILLS

- **STATA** (Expert)
- **PYTHON** (Advanced)
- **R STUDIO** (Advanced)
- **MATLAB** (Intermediate)

Advanced data analysis, use of machine learning tools, calibration and estimation of structural models, web scraping.

LANGUAGES

- **ENGLISH** (Full Professional Proficiency)
- **FRENCH** (Full Professional Proficiency)
- **ITALIAN** (Conversational)
- **SPANISH** (Native)
- **GERMAN** (Native)
- **ARABIC** (Fundamentals)

AWARDS

- **2020 ECB WOMEN IN ECONOMICS SCOLARSHIP**

OTHER ACTIVITIES

Travel enthusiast, amateur volleyball player, fond of classical music, jazz and folk. Former volunteer assisting refugee rescue operations in the Mediterranean.

Dear organizers,

My motivation for attending this workshop is driven both by my long-lasting intellectual curiosity for the topic of executive compensation and by a sincere believe that it can significantly impact my current and future research projects.

As with many in my generation, when I first decided to dedicate myself to economic research, I was drawn by the idea of studying economic inequalities, their drivers, and the policy tools we can use to curb them if they are deemed too high. It was through the lens of the rise of top incomes in the US over the last decades that I first came across the study of executive compensation. Within the field of public economics, it is often suggested that the steep rise in executive compensation over the 1990s was a consequence of the Reagan tax cuts, and in particular, the massive reduction in the top marginal tax rate. The pay increases are then ascribed mainly to rent seeking by executives, rather than to changes in productivity. It was only after I took courses in corporate finance, that I started to understand the complexity of the field of executive compensation. The theory and empirical between pay-performance sensitivity

The topic of executive compensation continues to fascinate me to this day, for its implications for the wider economy, and its complexity. There is still, however, plenty I would like to learn. For example, to gain a better understanding of the market for executives and to get more clarity on the often-complex pay structures. Looking through the research of the faculty that will participate in the workshop, I came across a paper by Professor Shue, which shows that most of the increase in executive pay in the 1990s was due to number rigidity in option compensation. This finding contrasts starkly with the narrative I had heard throughout most of my studies, that the pay rises were driven mainly by the 1980s tax cuts. I am eager to continue learning about these particularities of executive pay, that make it different from any other labor compensation topic and that may, as in this case, be behind of the trends we seek to explain.

This is workshop is particularly relevant to me right now, as both my current research projects touch directly or indirectly on the topic of executive compensation. My main research project explores the impact that exposure to socioeconomic diversity and economic adversity during childhood have on firm managers' decisions. In particular, I hope to shed light on how these early experiences, which have been shown to affect preferences for redistribution, impact choices of profit-sharing among workers, executives and shareholders. For this project, I am working with Finnish administrative data, and I exploit a large school reform from the 1970s to identify the effects of exposure to socioeconomic diversity. To study the impact of exposure to economic adversity, I focus on the unprecedented crisis the country suffered in the early 1990s, which saw a fall of almost 40% in GDP per capita over three years, and use exposure to trade with the USSR as an instrument for identification. I am convinced that gaining a deeper knowledge of the potential confounding factors affecting executive pay would greatly enrich the project.

In a second project, still in its very early stages, I explore the effects of breaking intra-industry board overlaps on competition and corporate governance, within the context of the recent DOJ crackdown on interlocking directors. Better understanding the market for directors and the structure and determinants of their compensation seems indispensable to the success of the project. This workshop presents, as I have hopefully conveyed throughout this statement, a unique opportunity for this endeavor.

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Phone: 1 510 643 0687

March 5, 2024

Dear Colleague:

This letter is to recommend **Carmen Durrer de la Sota** for the workshop for graduate students and junior scholars on the Economics of Executive Compensation that will take place on June 17-18, 2024, in Cambridge, MA.

Carmen is a third-year graduate student in the economics department at Berkeley and I am a member of her PhD dissertation committee. Carmen is an extremely promising young scholar with interest in inequality, firm behavior, and applied microeconomics more broadly. She has a remarkable project using administrative micro-data in Finland to better understand the deep determinants of compensation inequality and CEO pay.

Thus Carmen would benefit immensely from the workshop and I recommend her to you in the strongest possible terms.

Sincerely,
Gabriel Zucman