Carmelo Genovese

December 16, 2024

Dear selection committee, I am Carmelo Genovese, PhD candidate at Luiss Guido Carli University (Rome). My email is [cgenovese@luiss.it]. I am currently waiting for the thesis defence and recently won a research fellowship to continue my research on the impact of artificial intelligence in economics. The fellowship focuses on recommender systems, and the main sponsor is Professor Emilio Calvano (Luiss), an active researcher in the field. Regarding the graduate study pursued, I have completed my course phase in the first two years of the PhD. The focus of my studies was on macroeconomic theory, industrial organization, and econometrics.

The main macroeconomic courses were Advanced Macroeconomics I & II (P. Benigno, F. Piguillem), Monetary Economics (F. Lippi), Monetary Theory (F. Mattesini), and Dynamic Macroeconomics (C. Michelacci). For Industrial Organization: Topics in Industrial Organization (E. Tarantino), Information Design (A. Vigier), Topics in Game Theory (X. Venel). For econometrics: Statistical Learning I & II (M. Patnaik), Macroeconometrics (M. Lippi), Topics in Macroeconomics (Bayesian Macroeconomics, G. Primiceri).

My research interests are in macroeconomics and artificial intelligence in economics. I have research in progress in monetary economics (Corporate liquidity management) and empirical IO. My first project deals with the liquidity decision at the firm level. In the literature, it has been proven that standard theories fail to rationalize the dynamic patterns of corporate liquidity. I take a different perspective on the topic and propose a different measure of corporate liquidity, which is stable over the business cycle. Then, I estimate a structural model and perform counterfactual analysis to understand how costs/uncertainty affect the optimal liquidity management policy.

I am also working on a coauthored project (E. Sette, E. Tarantino, and F. Schivardi) that aims to evaluate the impact of pricing algorithms in financial markets with selection. We estimated a structural empirical banking model in the spirit of Crawford, Pananini, & Schivardi (2018), and we are running a counterfactual analysis to assess the interaction between market power, algorithmic pricing and asymmetric information. The idea is to evaluate the impact of AI pricing tools on market equilibria when prices affect the quality of the borrowers. To identify these interactions, we exploit the structural model, that we estimate with microdata about credit lines provided by the Bank of Italy. We then simulate the equilibrium when algorithms price the banking contracts and assess the impact on prices. We replicate the results by Calvano, Calzolari, Denicolò, & Pastorello (2020), but we find more heterogeneity, that we link to banks' differentiation and selection. Finally, I am working with E. Calvano to assess the impact of recommender systems on households' choices. I can provide a draft for the first two projects, while the third one is still a work in progress. The members of my committee F. Lippi and E. Tarantino. My research fellow is sponsored by E. Calvano.