Kirill Shakhnov

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Last update: October 2014

RESEARCH INTERESTS

Macroeconomics, Development, International Macroeconomics, Quantitative Methods

EDUCATION

2010 – date	**EUROPEAN UNIVERSITY INSTITUTE (EUI)**	**Florence, Italy**
	Ph.D. in economics	
	Dissertation: "Three Essays in Macroeconomics"	
2007 – 2009	**EUROPEAN UNIVERSITY AT ST. PETERSBURG (EUSP)**	**St. Petersburg, Russia**
	Department of Economics	
	Master degree in economics, GPA 4.7 out of 5.0	
	Master thesis: "Economic growth and income inequality with exhaustible natural resources"	
2002 - 2009	**ST. PETERSBURG STATE UNIVERSITY**	**St. Petersburg, Russia**
	Department of Statistical Physics **M.Sc. in physics** GPA 4.8 out of 5.0	
	Master thesis: "Nonlinear theory of slow relaxation in ionic and nonionic micellar solution"	
	Department of Statistical Physics **B.Sc. in physics** GPA 4.6 out of 5.0	
2006-2007	**SOFTJOYS**	**St. Petersburg, Russia**
	Training program Microsoft Certified Systems Engineer (MCSE)	

TEACHING EXPERIENCE

2014	Teaching assistant for Macroeconomics (graduate course by Prof. F. Taddei, **SAIS of Johns Hopkins University**, Bologna)
2013	Teaching assistant for Macroeconomics III: Monetary policy (graduate course by Prof. E. Pappa, **EUI**)
2012	Visiting Lecturer, Economic Integration in Europe (graduate course in **Tartu University**, Estonia)
2011	Teaching assistant for Background course on Mathematics (graduate course by Prof. A. Villanacci, **EUI**)
2009	Teaching assistant for Stochastic models in financial theory (graduate course by Prof. B.A. Lifshits, **EUSP**)
2008	Teaching assistant for Macroeconomics (graduate course by prof. K.Y. Borissov, **EUSP**)

CONFERENCES and SEMINARS

Presenter

2014	seminar at Konstanz University; Rimini Conference in Economics and Finance; 20th Annual Conference on Computing in Economics and Finance (Oslo); Fifth Conference on Recent Developments in Macroeconomics (Mannheim); Central European Program in Economic Theory Workshop (Udine); Belgrade Young Economists Conference; XIX Workshop on Dynamic Macroeconomics (Vigo)
2013	EUI Third year student forum
2012	Annual meeting of Association of Southern European Economic Theorists (Limassol)
2011	Rimini Centre for Economic Analysis Workshop

Discussant

2014	Economic Policy after the Financial Crisis Workshop (EUI, Florence)
2013	Macroeconomics and Financial Frictions Workshop (EUI, Florence)
2012	Workshop on Fiscal Policy and Sovereign Debt (EUI, Florence)

Participant

| 2010/2011 | The Youth International Economic Forum, Saint-Petersburg Russia |
| 2008 | The Youth Innovation Competition on Global Governance, Rome, Italy |

REFEREE ACTIVITY

Journal of Economic Modeling, Czech Economic Review

PUBLICATIONS

- K. Y. Borissov and K. S. Shakhnov "Sustainable Growth in a Model with Dual-Rate Discounting," Journal of economic modelling, Elsevier, 2011, Vol. 28, pp. 2071-2074

- A. K. Shchekin, F. M. Kuni, and K. S. Shakhnov "Power-Law Stage of Slow Relaxation in Solutions with Spherical Micelles," Colloid Journal, 2008, Vol. 70. pp. 270–283

PROFESSIONAL EXPERIENCE

2014　**Research assistant** for prof. Arpad Abraham (EUI) on the project "The Dynamic of plant-level productivity in the US"

2014　**Research assistant** for prof. Fabio Canova (EUI) on the project "Estimating time varying coefficient models"

2013　**Intern**, economic research and statistics of World Trade Organization, Geneva, Switzerland

2012　**Visiting PhD researcher**, the Central Bank of Hungary, Budapest, Hungary

PC SKILLS

- Stata, MATLAB: Dynare, Eviews, SPSS, Maple, Pascal, Fortran, VBA

- OS: Windows 2003 server, FreeBSD 6; Microsoft Office – advanced; Experience in: SQL

LANGUGE SKILLS

- Russian: mother tongue; English: advanced (C2); Italian: conversational; German: basic

AWARDS, GRANTS and SCHOLARSHIPS

- European University Institute, Thesis Completion Grant 2014

- PECO Grant from Italian Ministry of Foreign Affair 2010-present

- The Academic Fellowship Grant of European University at St.-Petersburg 2007-2009

- Scholarship holder of the "Dynasty" Foundation. 2008-2009

- Award of municipal school contests at physics and chemistry 2000-2002

REFERENCES

Prof. A. Abraham,
Professor, Department of Economics,
European University Institute
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PAPERS ABSTRACTS:

- **The allocation of talent: finance versus entrepreneurship (Job Market Paper)**

The rapid growth of the US financial sector has driven policy debate on whether it is socially desirable. I propose a heterogeneous agent model with asymmetric information and matching frictions that produces a tradeoff between finance and entrepreneurship. By becoming bankers, talented individuals efficiently match investors with entrepreneurs, but do not internalize the negative effect on the pool of talented entrepreneurs. Thus, the financial sector is inefficiently large in equilibrium, and this inefficiency increases with wealth inequality. The model explains the simultaneous growth of wealth inequality and finance in the US, and why more unequal countries have larger financial sectors.

Keywords: talent, financial sector, matching, productivity

JEL: J24, G14, E44, L26

- **Sovereign debt issuance and selective default (with Wojciech Paczos)**

We propose a novel theory to explain why sovereigns borrow on both domestic and international markets and why defaults are mostly selective (on either domestic or foreign investors). Domestic debt issuance can only smooth tax distortion shocks, whereas foreign debt can also smooth productivity shocks. If the correlation of these shocks is sufficiently low, the sovereign borrows on both markets to avoid excess consumption volatility. Defaults on both types of investors arise in equilibrium due to market incompleteness and the government's limited commitment. The model matches business cycle moments and frequencies of different types of defaults in emerging economies. We also find, contrary to existing contributions, that secondary markets are not a sufficient condition to avoid sovereign defaults. The outcome of the trade in bonds on secondary markets depends on how well each group of investors can coordinate their actions.

Keywords: sovereign debt, selective default, debt composition, secondary markets

JEL: F34, G15, H63, E43

- **Structural changes and labor income distribution: the importance of educational policies**

This paper explains the simultaneous growth of the services sector and income inequality by studying the impact of an endogenous educational choice on both sectorial composition and labor income distribution. There are two mechanisms of financing higher education: bequests and loans. The model with bequests predicts endogenous and permanent separation of the population between the rich and the poor. The model with loans allows for social mobility, but still generates a persistent level of inequality. On the transition from the traditional economy with bequests to the economy with loans, the model qualitatively reproduces the dynamics of skill supply, the college wage premium, tuition fees and the labor allocation between sectors in the last century in the US.

Keywords: skill premium, tuition fees, bequests, loans, service economy, structural change

JEL: J24, I22, I24, I25