

Statement of Purpose: NBER Digitization Tutorial

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To whom it may concern

I am writing you to propose my candidacy for the NBER Digitization Tutorial that will take place at Stanford University in March 2016.

I am a student in the Economics Ph.D. at Harvard University where I am currently enrolled in the second year. I am attending classes in Market Design, Contract Theory and Labor Economics, taught by Prof. Scott Kominers, jointly by Prof. Oliver Hart and Philippe Aghion, and by Prof. Larry Katz respectively. In the spring I will conclude my coursework with classes in Industrial Organization (Prof. Lee), Corporate Finance (Prof. Stein), Big Data (Prof. Mullainathan) and Public Economics (Prof. Rothschild). I designed my coursework in order to build a set of theoretical and empirical skills that will be useful in my future research where I aim to combine the two approaches.

Among general interests in Labor and Public Economics, I would like to work at the intersection between Industrial Organization and Public Economics in order to study innovation and internet markets. Specifically, I am fascinated by the positive and normative analysis of internet market actors. I believe one of the main challenges in economics in the next decades is to understand how to regulate the flows of private information that generate on the internet. This market is characterized by relatively few agents offering services that allow them to collect rich data about users. This information is potentially very useful from the point of view of policy design and can be employed to conduct economic research. For instance, internet data provide information about consumer preferences that can guide the analysis of several markets as well as help the design of interventions that aim at correcting market imperfections. The study of big data is becoming pervasive in current empirical research and this is one of the reasons why I will attend Prof. Mullainathan class in the spring term.

On the other hand, however, private information on the internet is gathered by private agents who might use it to increase their market power and create barriers

to entry that reduce competition and can in turn harm final consumers. This opens some normative questions about whether a regulator should intervene and what are the best instruments to employ. Also, the internet economy is progressively changing the concept of capital and this might have implications for welfare and redistribution that a social planner might want to correct. The answers to these problems are hard to find and beyond the scope of a single research agenda, but I believe there is a strong need for work in this area and I would love to explore the topic more and give some contributions to the field.

For these reasons, I believe that the NBER workshop would perfectly fit into my research interests and would be a valuable step for my personal and professional growth. Besides giving me the opportunity to interact with top scholars in the field, it would allow me to meet outstanding fellow students from the best programs in the country. I have already experienced the importance of interacting with students with similar research interests in the Price Theory Summer School I attended this summer at the University of Chicago. I am sure the NBER workshop would provide me another opportunity to discuss research ideas and possibly setting the base for future collaborations. Last but not least, I would be honored to study at Stanford, one of the top economics departments and one of the most distinguished institutions in the world.

Sincerely,

Matteo Paradisi