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Personal

Born on October 1, 1993. Citizen of Switzerland and Uruguay.

Current Appointments

Postdoctoral Fellow, Harvard Business School, Sep 2024– Present.

References

Sarah M. Lein

University of Basel
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Alberto Cavallo

Harvard Business School
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Harvard University
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Research Interests

Macroeconomics, Firm Dynamics

Education

PhD Program in Applied Economics, University of Basel, Sep 2019– Aug 2024.

Advisors: Sarah M. Lein, Raphael Schoenle.

Visiting Scholar, Harvard University, Aug 2022– July 2023.

Swiss Program for Beginning Doctoral Students, Study Center Gerzensee, Switzerland, 2019– 2020.

Econometrics taught by Bo Honoré and Mark Watson.

Macroeconomics by Fernando Álvarez, Jordi Galí, Sergio T. Rebelo and Ricardo Reis.

Microeconomics by Piero Gottardi, Johannes Hörner, John H. Moore and Klaus Schmidt

M.S. Business and Economics, University of Basel, 2016-2018 (Major in Quantitative Methods).

B.A. Business and Economics, University of Basel, 2013-2016 (Major in Economics).

B.A. Law, University of the Balearic Islands, 2012 (Two Semesters Completed).

Previous Positions

PhD Candidate and Assistant in Macroeconomics, University of Basel, Sep 2019– Sep 2024.

Collaborator, Pricing Lab, Harvard Business School, Sep 2023– Sep 2024.

Senior Associate, PhD Fellowship Programme, Bank for International Settlements (BIS), Feb 2022– Apr 2022.

General Manager at the CEBRA Office in Basel, Central Bank Research Association (CEBRA), Sep 2020– Dec 2021.

Pre-doc (Intern) at the Inflation Forecasting Unit, Swiss National Bank (SNB), Aug 2018– Jul 2019.

Research Assistant at the Bank for International Settlements (BIS), Nov 2017–Jun 2018.

Junior Research Assistant at the Macroeconomics Department, University of Basel, Aug 2017– Jun 2018.

Junior Research Assistant at the Public Finance Department, University of Basel, Mar 2015– Jan 2018.

Working Papers

Inflation and Price Dispersion: New Cross-sectoral and International Evidence (Job Market Paper).

This paper investigates the relationship between price dispersion and inflation, shedding light on one major source of the cost of high inflation. By analyzing novel product-level web-scraped data from over 40,000 restaurants and supermarkets across 16 countries facing high and low inflation periods, I uncover new evidence of a significant positive correlation between inflation and price dispersion. My findings reveal that the average weekly inflation, ranging between zero and 15 percentage points across countries within a condensed time frame, is significantly associated with higher price dispersion in both the restaurant and supermarket sectors. The estimates indicate that the marginal effect of suboptimal inflation on product-level distortions is positive, economically significant and heterogeneous across sectors. Cross-sectionally, I find that an increase of annualized inflation from zero to 10 percent increases inefficient price dispersion for restaurants by 17% and for supermarkets by 29%. Finally, my results suggest that the relation of inflation and price dispersion does not disappear even at high levels of inflation, maintaining a distinct “V” shape around zero inflation inconsistent with standard menu cost models. This indicates a sustained impact of inflation on price dispersion, implying that accommodating higher inflation levels incurs substantial welfare costs.

Markups and Cost Pass-through Along the Supply Chain, with A. Cavallo, A. MacKay and P. Mengano.

We study markups and pricing strategies along the supply chain. Our unique dataset combines detailed price and cost information from a large global manufacturer with matched retail prices collected online for the period July 2018 through June 2023. We show that total markups—reflecting the difference between retail prices and production costs—are stable over time, despite the inflationary period at the end of the sample. Along the supply chain, manufacturer and retail markups are negatively correlated. For the most part, we find similar patterns across countries, though there is substantial heterogeneity in the split of markups between the manufacturer and retailers. Our analysis also reveals divergent pricing behaviors in response to cost shocks. The manufacturer adjusts prices more quickly than retailers and appears to more fully incorporate idiosyncratic cost shocks to specific products. Both types of firms respond more quickly to expected costs than to unexpected costs.

The Granular Origins of Inflation, with R. Auer, S. Lein and A. Levchenko.

This paper uses barcode-level price data for 16 advanced and emerging market countries over the period 2008-2022 to investigate the role of individual firms and product categories in aggregate inflation. We implement a decomposition of inflation into the components due to aggregate shocks, and the granular residuals capturing the impact of individual firms and product categories, respectively. In advanced economies, the firm granular residual accounts for 40% of the variance of overall inflation, while the category granular residual accounts for another 16%. Most of the variation in the firm granular residual is due to idiosyncratic shocks rather than to higher sensitivity of larger firms to aggregate shocks. Large retailers also contribute to the granularity of inflation. In emerging markets, the granular components together account for 12% of the total inflation variance, indicating that granular forces are weaker in higher-inflation environments where aggregate shocks matter more. Lastly, granularities contributed substantially to the post-COVID inflation surge.

Publications

Tracking Inflation on a Daily Basis (2020) with S. Lein, *Swiss Journal of Economics and Statistics*, 156(1), 1-13.

Using online data for prices and real-time debit card transaction data on changes in expenditures for Switzerland allows us to track inflation on a daily basis. While the daily price index fluctuates around the official price index in normal times, it drops immediately after the lockdown related to the COVID19 pandemic. Official statistics reflect this drop only with a lag, specifically because data collection takes time and is impeded by lockdown conditions. Such daily real-time information can be useful to gauge the relative importance of demand and supply shocks and thus inform policymakers who need to determine appropriate policy measures.

Work in progress

Import Demand and Supply Elasticities, with E. Kammerlander, work in progress.

Presentations

ASSA Annual Meeting (2022), BIS research seminar (2022), CEPR IMF Annual Meeting (2022), CEBRA Annual Meeting (2022), Harvard Macro Lunch Workshop (2022), Inflation: Drivers and Dynamics Conference, Cleveland Fed and ECB (2022), JME-SNB-SCG Conference (2022), PSE-CEPR Policy Forum (2023), Gerzensee Alumni Conference (2023), University of Basel Economics Lunch (2023), Sectoral Inflation Dynamics: Lessons for Monetary Policy Workshop, Banque de France (2023), ECONDAT Spring Meeting (2024), Young Economists' Seminar at the Dubrovnik Economic Conference (2024), NBU-NBP Annual Research Conference (2024), CEBRA Annual Meeting (2024), International and Intra-national Comparison of Prices and Income Conference, HBS (2024), JME-SNB-SCG Conference (2024), Society of Economic Dynamics SED Winter Meeting (2024), SEA (2024), American Economic Association Annual Meeting (2025)

Fellowships and Awards

Doc.Mobility Fellowship, Swiss National Science Foundation (Harvard University, 2022).

Johann Jakob Speiser Research Visit Scholarship, Harvard Business School (2024).

Honourable Mention at the Young Economists' Session, Dubrovnik Economic Conference (JMP, 2024).

Best Dissertation Award, Faculty of Business and Economics, University of Basel (2024).

Teaching Experience

Advanced Macroeconomics, Master's Course, University of Basel

Monetary Macroeconomics, Master's Course, University of Basel

Bachelor Thesis Seminar in Applied Macroeconomics, University of Basel

Referee Services

Review of International Economics.

Languages and Skills

Languages

Spanish (native), Catalan (native), English (very good command), German (very good command).

Programming and software skills

Stata, Python, R, Matlab.