

# Stylianos Tsiaras

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**Address** Via dei Roccettini, 9, Firenze, Italy

**Date of Birth** 8<sup>th</sup> May 1990

**Nationality** Greek

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**CV updated** October 2020

## Current Employment

**Present** **Max Weber Fellow,**  
European University Institute, Italy  
Mentor: Ramon Marimon

## Education

**2019** **PhD in Economics,**  
University of Surrey, United Kingdom  
Committee: Morten Ravn (UCL), Paul Levine (Surrey), Martin Kaae Jensen (primary advisor)  
Awarded with no corrections

**2015** **MSc in Specialized Economic Analysis - Macroeconomic Policy and Financial Markets,**  
Barcelona Graduate School of Economics, Spain  
Degree awarded by Universitat Pompeu Fabra and Universitat Autònoma de Barcelona

**2013** **BSc in Economics,**  
University of Piraeus, Greece

## References

**Ramon Marimon**  
Professor of Economics,  
Pierre Werner Chair  
European University Institute (EUI)  
& UPF - Barcelona GSE  
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**Morten Ravn**  
Professor of Economics  
University College London (UCL)  
Email: m.ravn@ucl.ac.uk  
Tel. +44 203 1085 013

**Martin Kaae Jensen**  
Professor of Economics  
University of Nottingham  
Email: martin.jensen@nottingham.ac.uk  
Tel. + 44 115 9515 473

**Paul Levine**  
Professor of Economics  
University of Surrey  
Email: p.levine@surrey.ac.uk  
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## Research and Teaching Fields

**Primary** Monetary Economics, Macro-Finance  
Dynamic Stochastic General Equilibrium (DSGE) Modeling

**Secondary** Time Series Econometrics

## Employment and Teaching History

- April 2020**    **Masaryk University**, Brno, Czech Republic  
*Guest Lecturer, Introduction to Monetary Policy*
- Aug 2018 -  
Jan 2019**    **Bank of Greece**, Athens, Greece  
*PhD Research Scholar*
- Jan 2017 -  
Present**    **University of Surrey**, School of Economics, Guildford, United Kingdom  
*Graduate Teaching Assistant in Economics*  
Principles of Microeconomics (UG) Fall 2019,  
Econometrics 2 (PG), Spring 2018 (4.4/5)  
Topics in Macroeconomics (UG), Fall 2018
- Sep 2015 -  
Dec 2017**    **University of Leicester**, Department of Economics, Leicester, United Kingdom  
*Graduate Teaching Assistant in Economics*  
International Money and Finance (PG), Spring 2017 (4.6/5)  
Intermediate Macroeconomics II (UG), Spring 2016, Spring 2017 (4.3/5)  
Intermediate Macroeconomics I (UG), Fall 2016, Fall 2017 (4.5/5)
- Nov 2011 -  
Feb 2012**    **National Bank of Greece**, Athens, Greece  
*Student Internship*

## Conference and Seminar Presentations

- 2021**            25th Spring Meeting of Young Economists, University of Bologna (scheduled)
- 2019**            Econometric Society European Winter Meeting, Erasmus School of Economics
- 2018**            5<sup>th</sup> ECB Forum on Central Banking, Sintra, Portugal  
Royal Economic Society Annual Conference, Un. of Sussex  
RES Symposium of Junior Researchers, Un. of Sussex  
22<sup>nd</sup> Annual International Conference on Macroeconomic Analysis and International Finance, Un. of Crete  
4<sup>th</sup> International Conference on Applied Theory, Macro and Empirical Finance, Un. of Macedonia  
Macro Group Seminar Series, Un. of Surrey
- 2016**            Annual PhD conference in Economics, Un. of Leicester  
Internal Seminar, Un. of Leicester
- 2015**            II International PhD conference in Economics (Discussant), Un. of Leicester

## Honors, Grants and Scholarships

- 2019-2021**    Pierre Werner Chair grand for Max Weber Fellowship, European University Institute
- 2018-2019**    PhD tuition scholarship, University of Surrey,  
Graduate Teaching Assistant scholarship, University of Surrey
- 2016**            LSE Summer School ESRC scholarship, London School of Economics
- 2015-2017**    PhD tuition scholarship, University of Leicester  
Graduate Teaching Assistant scholarship, University of Leicester
- 2014-2015**    MSc tuition waiver, Barcelona Graduate School of Economics

## Further Academic Education

- 2020 Max Weber Programme Teaching Certificate, EUI
- 2019 Solution Methods for Discrete Time Heterogeneous Agent Models, Bank of England
- 2017 Advanced Topics in DSGE Modeling, Summer Programme, University of Surrey
- 2017 Macroeconomic Forecasting, International Monetary Fund, IMFx
- 2016 Tools for Macroeconomists: The Essentials, Methods Summer Programme, LSE
- 2016 The Economics Network GTA Workshop 2016, Graduate Teaching Assistant Certificate

## Other Academic and Administrative Activities

- 2016 **Organiser.** Inequality and Discrimination Workshop, Max Weber Programme, EUI  
3<sup>rd</sup> International PhD Annual Economics Conference, University of Leicester
- Member,** Royal Economics Society, European Economic Association

## Skills

- **Softwares**

Matlab, Dynare, STATA, EViews, Office package, Gretl,  $\text{\LaTeX}$

- **Languages**

Greek (native), English (fluent)

## Research Papers

### *Job Market Paper*

#### **Asset Purchases, Limited Asset Markets Participation and Inequality**

This paper examines the impact of quantitative easing (QE) on aggregate demand and inequality in a restricted financial participation economy. It shows that when wages are sticky and asset market participation is high, QE stimulates aggregate demand and reduces income and consumption inequality. Conversely, if wages are flexible and asset market participation is low, QE can reduce aggregate demand and raise inequality. To study these phenomena, I firstly build a simple two period model and then develop and calibrate a New-Keynesian dynamic, general equilibrium model with sticky wages for the Euro Area (EA) that incorporates limited assets market participation, financial frictions and allows central bank purchases from banks and households. Bond purchases increase aggregate demand and benefit financially restricted households more due to the dominance of QE's indirect effects, reducing income and consumption inequality. The stimulating effects are conditional on the level of wage stickiness and thus the cyclicity of profits. When wages are flexible and thus profits countercyclical, low financial participation levels invert QE's positive effects. Using an external instrument SVAR, I find that profits in the EA move pro-cyclically supporting the sticky wage specification of the model. This result combined with the high level of asset markets participation in the EA make the QE a stimulating and redistributive tool for the region.

#### **Financial Crisis, Monetary Base Expansion and Risk**

*Finalist at the ECB Forum on Central Banking 2018*

This paper examines the post-2008 European Central Bank's liquidity enhancing policies and provides evidence of risk-taking incentives of monetary policy. I build and estimate a dynamic, general equilibrium model that incorporates financial frictions in both the supply and demand for credit and allows banks to receive liquidity and hold reserves. When the central bank supplies liquidity during turbulent times, banks grant loans to riskier firms. This increases the firms' default on new credit and worsens the performance of the economy. Additionally, I find that borrower's risk increase can explain the recent reserve accumulation

by the banking system. Lastly, I evaluate the effects of negative interest rates on credit and assess the welfare implications of the recent policies.

### **Optimal Liquidity and Monetary Rules in a New Keynesian Model with Financial Frictions**

with Paul Levine (University of Surrey), Maryam Mirfatah (University of Surrey) and Joseph Pearlman (City, University London)

We employ a model with nominal rigidities and financial frictions on the supply and demand side of credit estimated on Euro Area data to assess the optimal structure of a central bank liquidity rule to the banking sector. We find that an increase in risk, a rule that changes solely according to spread deviations is found to reduce the welfare. Liquidity rules that take into account output and inflation deviations, similar to a conventional Taylor rule, provide welfare improvements. We then estimate an optimized liquidity rule alongside with an optimized interest rate rule with a ZLB constraint on the interest rate.

### **The Greek Great Depression through the Lens of a DSGE Model with Financial Frictions**

with Dimitris Papageorgiou (Bank of Greece)

This paper focuses on the performance of the Greek economy during the period 1995-2018. Following the work of Kehoe and Prescott (2002, 2007) the last crisis episode can be characterized as a great depression. We use this methodology and ask whether, given the observed exogenous path of total factor productivity (TFP), a dynamic, stochastic, general equilibrium model with financial frictions in the sense of Bernanke, Gertler, Gilchrist (1999) can generate an equilibrium behaviour that has growth accounting characteristics similar to those in the data. The answer is affirmative: Changes in TFP are crucial in accounting for the Greek great depression. Moreover, the model successfully mimics the actual data with respect to the timing of peaks and troughs and the time paths of most key macroeconomic variables. Lastly, comparing the in sample predictions of the DSGE model with the neoclassical model, the DSGE model manages to fit better with the data.

## **Research Work in Progress**

### **Assessing the interaction of borrower based and capital based measures**

Working Project with Banco de Portugal and the University of Surrey

In this project we build a macroeconomic framework to identify interactions and trade-offs between the countercyclical buffer (CCyB) and the LTV constraints. We do that in a NK closed economy with financial frictions estimated for the Euro Area and Portugal. Banks provide mortgages to households and working loans to the firms. They are subject to capital requirements where a portion of those move countercyclically similarly to the Basel III framework. Households buy real estate and are subject to a borrowing constraint conditionally to their housing value.