Shahir Safi

Department of Economics and Economic History
Universitat Autònoma de Barcelona, Edifici B
08193 Bellaterra (Barcelona), Spain
shahir.safi@uab.cat

EDUCATION

PhD in Economics, Universitat Autònoma de Barcelona and Barcelona GSE (2013-2018)
Advisors: Salvador Barberà and Tomás Rodríguez Barraquer

Visiting Scholar, University College London (July - September, 2017)
Supervisor: Antonio Cabrales

Masters in Economics (Doctoral Track), Toulouse School of Economics (2011-2012)

Bachelor of Arts in Economics (Honors), University of Alberta (2007-2010)

RESEARCH
INTERESTS

Microeconomics, Labor Economics, Social Networks, and Applied Theory

REFERENCES

Prof. Salvador Barberà (Advisor)
Department of Economics, Universitat Autonoma de Barcelona
salvador.barbera@uab.cat

Prof. Tomás Rodríguez Barraquer (Advisor)
Department of Economics, Universidad de los Andes
alcaparro@gmail.com

Prof. Antonio Cabrales
Department of Economics, University College London
a.cabrales@ucl.ac.uk

COMPLETED
PAPERS

*The Weakness of Weak Ties in Referrals: An Obstacle for the Upwardly
Mobile Black Men in the Private Sector* **(Job Market Paper)**

I build a model of employee referrals with two main features: unemployed
workers choose which employed workers to as for referrals based on the
type of ties (weak or strong) they have with them, and firms try to infer some
information about the abilities of the unemployed workers through the
recommendations of its employees. The model predicts that the returns to
using a tie vary with the unemployed worker's ability, the tie strength, and
the proportion of workers who have access to different type of ties. I then
develop two applications of this model. (1) There is significant evidence
suggesting that the black-white wage gap widens as one moves up the wage
hierarchies of the private sector in the US. The model shows that the lack of
access to strong ties for blacks can be behind this empirical finding. (2) In
the second application, I explore some implications of the employee referrals
for job search. The model can explain (i) the mixed evidence about the use
of different types of ties in jobs search, and (ii) the mixed evidence about the
wage differentials between workers who found jobs through referrals and
workers who found jobs by formally applying to firms.

*Listen Before You Link: Optimal Consent Rules for Network Formation
in the Presence of Externalities* **(Submitted)**

I consider how communities (such as family) influence the formation of social
networks (for instance, the marriage network) through social pressures. I

study environments in which individuals are restricted to form or break certain relationships/links by members of their communities/groups. I show that these restrictions can help reconcile the tension between stability and efficiency which often exists in the absence of such constraints due to the presence of network externalities. Firstly, I characterize consent rules (group structures and consent requirements) that can optimally lead to the formation of efficient networks. In the optimal consent rules, I find that the size of groups and the consent requirement (group's influence) are positively related. For instance, the optimal consent rules can be big groups with high consent requirement or small groups with low consent requirements. Secondly, I show how the optimal consent rules depend on the form of network externalities. In environments with negative externalities and where the payoff comes from multiple paths, one needs big groups with high consent requirements to stabilize efficient networks. On the other hand, in environments with negative externalities and where the payoff comes form shortest paths, one needs small groups with low consent requirements to stabilize efficient networks.

WORKS IN PROGRESS

Empirical Part of My Job Market Paper

I am using US data from the "Multi-City Study of Urban Inequality, 1992-1994: [Atlanta, Boston, Detroit, and Los Angeles]", a survey particularly well-suited for my study because it contains data on (1) many occupations, and (2) the races of unemployed and employed workers. I have already obtained some preliminary results, but I plan to explore this data set more.

Cross-Sex Ties and Gender Inequality

At this point, little is understood about how cross-sex ties influence labor market outcomes. I want to take a first step towards understanding this relationship. Similar to the black-white wage gap, there is some evidence suggesting that the gender wage gap is also higher for higher earning occupations. I build a model of employee referrals which takes into account the genders of the employed and unemployed workers. I then show that the lower returns to cross-sex ties can explain this finding. The "Multi-City Study of Urban Inequality, 1992-1994: [Atlanta, Boston, Detroit, and Los Angeles]" has data on the genders of the unemployed and employed workers, which allows me to test my theory. I use this data set to further explore the relationship between cross-sex ties and labor market outcomes.

Clientele Networks and Racial Inequality

Although employee referrals have been widely studied, little is understood about other social networks based mechanisms which can influence the labor market. There is evidence suggesting that those occupations with the largest black-white wage gaps are those that are client-based, such as lawyers, physicians, and certain sales occupations. I build a model of clientele networks to explain this finding. I show that employees use their existing social networks to built their clientele networks, and white employees are able to form wealthier clientele because their social networks include wealthier people.

Optimal Design of the Employee Referrals Mechanism

If a firm wants to maximize the information it can extract about the abilities of the unemployed workers, then what is the optimal design of employee referrals? I find that the optimal design is such that the firm can extract more precise information about the abilities of unemployed white workers than

unemployed black workers. As a result, black workers get lower wages than white workers. Thus, there is an efficiency (maximize information extraction) and equality (black-white wage gap) trade-off with the design of employee referrals mechanism.

TAs & RAs	Teaching Assistant for Prof. Antonio Miralles, Microeconomics II, Winter 2017 Universitat Autonoma de Barcelona, Undergraduate Level Teaching Assistant for Prof. Tomas Rodriguez Barraquer, Optimization, Fall 2016 Universitat Autonoma de Barcelona, Graduate Level Research Assistant for Prof. Jordi Caballe on mobility project (2014 - 2016) Universitat Autonoma de Barcelona Tutor for Introductory Level Economics Courses, 2008-2009 University of Alberta, Undergraduate Level
CONFERENCES, SEMINARS, WORKSHOPS, & SUMMER SCHOOLS	**2017** * Brown Bag Theory Seminar (University College London) * 2nd BiNoMa Workshop on Economics of Networks (Universidad de Málaga) * Third Annual Conference on Network Science and Economics (Washington University in St. Louis) * 22nd Coalition Theory Network Workshop (Adam Smith Business School of the University of Glasgow) * ENTER Jamboree (University College London) **2016** * Annual Meeting of the Association of Southern European Economic Theorists (University of Macedonia) * Young Economists Meeting (Masaryk University) * The 27th Jerusalem School in Economic Theory on: "The Theory of Networks" (The Hebrew University of Jerusalem - Israel Institute for Advanced Studies) * Game Theory seminar (Universidad del País Vasco/Euskal Herriko Unibertsitatea) * Brown Bag Seminar (Université de Toulouse 1) * Barcelona GSE PhD Jamboree (Universitat Pompeu Fabra) * ENTER Jamboree (Universidad Carlos III de Madrid) * 4th PhD-Student Workshop in Industrial and Public Economics (CREIP - Universitat Rovira i Virgili) * Student Seminar (Universitat Pompeu Fabra) * Micro-Lab (Universitat Autònoma de Barcelona) **2017/2016/2015/2014** * Student Seminar (Universitat Autònoma de Barcelona)
FELLOWSHIPS, HONORS, & AWARDS	FPI Fellowship: BES-2015-074695, Ministry of Economy, Industry, and Competitiveness (UAB, 2015 - present) Severo Ochoa Program for Centers of Excellence in R&D of the Spanish Ministry of Economy and Competitiveness, Fundación Areces Excellence Distinction, and RecerCaixa project on "Inequality, Social Mobility, Effort, and Education" (UAB, 2014 - 2015) The Jason Lang Scholarship (University of Alberta, 2008 & 2009) The Joseph and Renata Suchocki Scholarship (University of Alberta, 2008)
COMPUTER SKILLS	LaTeX, STATA, MATLAB, and R