The Effect of Service-led Development on Welfare and Environmental Sustainability

Faculty Member: Fabrizio Zilibotti

Proposal Description:

This research project focuses on the role of the service sector in the process of economic development and its implications for global climate change. Services play a large and growing role in both developed and developing countries today. The traditional view is that the expansion of service sector is corollary of development; the main driver are manufacturing and agriculture. There are also important differences in the level of global emissions associated with the activity of different economic sector. The activity of the service sector is characterized by a lower level of emissions than the industrial sector. This project intends to study whether technical progress in the service sector is an important determinant of economic growth and of the improvement in the living conditions of millions of people. In addition, it aims to quantify the effect of service-led development on environmental sustainability and the role of policy inducing alternative development trajectories.

We plan to collect data on emissions and structural change both at the international level and within the United States. The analysis will be guided by a model that we ultimately plan to structurally estimate.

The project has an international collaborative nature. It involves Michael Peters, Matthew Schwartzman, and Fabrizio Zilibotti at Yale University. The international participants are Prof. Philippe Aghion at College de France and Prof. Timo Boppart at the University of Sankt Gallen.

Requisite Skills and Qualifications:

We invite application from students with a strong background in economics and statistics. Skills and interests in data collection and econometric analysis are important. Knowledge of Stata and the ability to merge datasets are essential skills (please dwell on this in the application). Other quantitative skills (e.g., programming skills) are appreciated but less essential. We expect the students to work in team and assist each other. We also expect them to cooperate with senior research assistants based at the different institutions involved in the project.

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