

2019 Philip Leverhulme Prize: An interview with Xavier Jaravel

1. Congratulations for winning this year's Philip Leverhulme Prize! How did you feel when you heard the news?

Xavier Jaravel: Thank you, this was wonderful news and I was really surprised! It's a great honour to receive this Prize.

2. The prizes recognise the achievement of outstanding researchers whose work has already attracted international recognition and whose future career is exceptionally promising. Could you tell us about your research?

Xavier Jaravel: My research is primarily empirical and revolves around productivity and inequality. For example, I am interested in better understanding how changes in productivity affect inequality, especially through channels that have been under-explored so far. Some of my recent work documents how consumer prices respond to changes in innovation dynamics and to change in trade, and examines which income groups benefit most from these price effects. In contrast, prior work has focused on how innovation and trade affect inequality through the labor market effect. More broadly, I try to contribute to our understanding of "macro" questions (with the potential to inform important policy questions) using techniques and datasets borrowed from fields like public finance and labor (with the potential to yield robust empirical results).

3. How will you use the Prize to help advance your research?

Xavier Jaravel: The support from the Leverhulme Prize will be very useful to develop the research agenda. It will make it possible to purchase new datasets and recruit a team of research assistants to push the next wave of projects forward.

4. What do you hope the impact of your research will be?

Xavier Jaravel: First, it would be great to help inform current policy debates in a very concrete and direct sense. For example, one of my recent papers documents that in the U.S. inflation has been higher for low-income households, which has direct implications for the way the poverty line and welfare benefits should be indexed. Some of my other work speaks to the costs of the ongoing trade war between China and the United States. Second, I hope to disseminate a range of new databases on consumption and prices. We are currently building a new website for this. I hope these new data could serve as a resource for other research teams to study the effects of policies on consumption and prices. These outcomes are important to inform current policy debates, but due to data limitations we tend to study employment and wages much more often. Third, I hope that the methodologies and approaches used in my work can encourage others to study "macro" questions (with broad policy relevance) using "micro" data and methods (with robust data-driven findings).