

# David Francisco Morales Ruiz

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## Education

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### Toulouse School of Economics (TSE) – Ph.D.

Toulouse, FR

- Main advisor: Matteo Bobba ([matteo.bobba@tse-fr.eu](mailto:matteo.bobba@tse-fr.eu)).
- Topics of research: Informality, financial frictions and labor.

2023-2027 (exp)

### Yale University – Visiting student

New Haven, US

- Host: Costas Meghir

Winter 2025

### Toulouse School of Economics (TSE) – Master's in economics

Toulouse, FR

- Master: Economic Theory and Econometrics.
- Thesis: “Taxation, minimum wage, unemployment, and informality. The 2019 reforms in the north of Mexico”.

2020-2022

### Center for Research and Teaching in economics (CIDE) – Bachelor

Mexico City, MX

- Graduated with honors.
- Thesis: “The importance of start-up capital. The impact on technical efficiency microenterprises in Mexico”. Written in Spanish.

2012-2016

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## Job Market Paper

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### [Financial frictions and informality](#) (With Daniela Puggioni).

This paper shows that expanding bank credit in developing economies stimulates firm activity but tilts its composition toward informality. Using matched administrative records on 1.7 million Mexican firms and 127 banks over 2004–2024, we identify bank-specific credit-supply shocks within firms across banks and construct a leave-one-market-out shift-share instrument for local credit growth. A one-percent credit expansion raises the local stock of firms with an elasticity of 0.18, and the response is statistically indistinguishable across the formal and informal sectors (0.20 vs. 0.17). Entry, exit, and informal-to-formal transitions move together; informal employment responds more than formal employment; and average value added per firm falls by 0.07 percent. A dynamic model of firm entry, exit, and sector choice under sector-specific financial frictions reproduces these patterns through a single mechanism: relaxing credit constraints disproportionately admits low-productivity entrants into the informal sector, expanding aggregate activity while lowering average productivity. Financial development in emerging economies therefore confronts a fundamental trade-off, better credit access stimulates firm activity but reshapes it toward informality.

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## Working paper

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### **Labor market power, informality, and firm-worker fixed effects** (With Matteo Bobba, Tim Ederer, Luca Flabbi, and Daniela Puggioni).

This paper investigates the puzzle of why the share of wage dispersion explained by firm fixed effects is larger in developing countries than in advanced economies. We argue that this difference is driven by the informal sector. Using the economic census and matched employer-employee data from Mexico's manufacturing sector, we estimate AKM two-way fixed effects model à la Abowd et al. (1999) within Local Labor Markets (LLM) stratified by quintiles of worker informality. We address the limited mobility bias of AKM estimations by leave-one-out correction à la Kline et al. (2020). We document that labor

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markets with higher informality exhibit firm effects with greater variance, account for a larger share of log wage variance, and have lower average levels. Motivated by this evidence, the next step is to develop an equilibrium model of the labor market featuring imperfect competition, compensating differentials, and the presence of the informal sector. The informal sector crucially shapes both the supply and the demand of the labor market.

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## Relevant professional experience

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| <b>TSE - Research assistant for Matteo Bobba</b>  | Toulouse, FR    |
| <ul style="list-style-type: none"><li>Implemented a wage variance decomposition for matched employer-employee administrative data from Mexico.</li></ul>  | 2024            |
| <b>TSE - Research assistant for Takuro Yamashita</b>  | Toulouse, FR    |
| <ul style="list-style-type: none"><li>Proofread and propose ideas for his working papers in game theory.</li></ul>  | 2021            |
| <b>Mexican Ministry of Finance and Public Credit (SHCP) – Deputy Director at the office of the chief economist</b>  | Mexico City, MX |
| <ul style="list-style-type: none"><li>Elaborated technical analysis on macroeconomic, financial, and fiscal topics, which serve as a base for the decision making of the Ministry.</li></ul>    | 2016-2020       |
| <b>CIDE – Research assistant for Fausto Hernández Trillo</b>  | Mexico City, MX |
| <ul style="list-style-type: none"><li>Applied Stata tools to analyze data from the Mexican National Banking and Securities Commission, improving time, efficiency, and replicability.</li></ul> | 2015            |
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## Teaching experience

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- TA of Public Economics (TSE Master level) for Helmuth Cremer. (2024-2026).
  - TA of Intermediate Econometrics (TSE Bachelor level) for François Poinas. (2024).
  - TA of Intermediate Microeconomics (TSE Bachelor level) for Philippe Alby. (2023).
  - TA of Macroeconomics II (CIDE Bachelor level) for Arturo Antón Sarabia. (2015).
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## Presentations (Including scheduled)

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- TSE: BID, Empirical Micro, Macro, and Finance Workshops.
  - Yale University: Development and Labor breakfasts.
  - ENTER Jamboree at Stockholm.
  - NOVAFRICA PhD Workshop.
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## Professional Services

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- PhD Coordinator of the European Network for Training in Economic Research (ENTER).
  - Co-organizer of the Yinghua He Empirical Micro Workshop at TSE.
  - Co-organizer of the Behavioral, Institutions, and Development Workshop at TSE.
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## Awards and skills

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### Awards

- Mobility grant for visiting Yale University (2025)
  - Grant to participate at the Dynamic Structural Econometrics summer school at the University of Wisconsin-Madison
  - Merit/geographical-based **Jean-Jacques Laffont Scholarship** for my M2 ETE (2021-2022).
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- Merit-based **Adolf Horn scholarship** from MOB (non-profit organization) for master studies.
  - **Excellence scholarship** for best semester GPA in the cohort (Aug – Dec 2013).
  - **Written recognition** for collaborating in IMF's Fiscal Transparency Evaluation for Mexico.

**Skills**

- **Computer skills:** Stata, LaTeX, R, MATLAB, SAS, EViews, Bloomberg Terminal, Office, and Python.

**Languages:** Spanish (Native), English (TOEFL IBT: 105/120), French (B2), Italian (basic).

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