SMOOTH - Sustainable finance for a smooth low-carbon transition

ERC Starting Grant (853050)

Recruitment plan: research profiles

The aim of the SMOOTH project is to study the dynamic links between macro-financial systems and the transition to a low-carbon society, and to contribute to the design of policies directed at achieving a rapid and smooth decarbonisation. SMOOTH will last five years (2020-2025), and will be conducted by an international interdisciplinary research team at the Department of Economics of the University of Bologna, in collaboration with the RFF-CMCC European Institute on Economics and the Environment, based in Milano.

Given its objectives and activities, the project team requires four main research profiles.

Profile 1: Transition expectations and investment behaviour

Objectives and activities:

- Study how expectations, sentiments and cognitive biases affect the carbon intensity of physical and financial investments.
- Survey and interviews with financial practitioners/regulators on transition expectations, planning horizons and investment behaviour.

Ideal profile:

- Education in economics, finance, behavioural sciences, psychology or related subjects.
- Experience with qualitative/quantitative methods (e.g. survey design, statistical analysis).
- Research experience on behavioural finance and investment psychology.
- Experience/familiarity with sustainable finance and climate economics literature.
- Network of relations with financial industry actors.

Profile 2: Macro-financial dynamic modelling of transitions

Objectives and activities:

- Study the drivers, transmission channels and macro-financial impacts of transition risks, with a particular focus on stranding risk of physical and financial assets.
- Develop dynamic economic models to analyse the implications of the low-carbon transition on macroeconomic and financial stability, and to identify policy responses.

Ideal profile:

- Education in economics, finance or related subjects.
- Experience in developing dynamic economic modelling using R, Matlab or similar software.
- Experience/familiarity in analysing role of expectations/sentiments on aggregate dynamics.
- Experience/familiarity with transition modelling and innovation/diffusion models.
- Experience/familiarity with growth/resource theory and climate economics (e.g. IAMs).
- Experience/familiarity with sustainable finance and climate economics literature.

Profile 3: Asset stranding networks

Objectives and activities:

- Study how economies are exposed to asset stranding risks triggered by the transition to a low-carbon productive systems.
- Analyse multi-regional production and financial networks to provide a quantitative assessment of the exposure to stranding risks.

Ideal profile:

- Education in economics, complexity sciences, resource management or related subjects.
- Experience with multi-regional input-output database (e.g. WIOD, GTAP).
- Experience in analysing and visualising networks; familiarity with network theory.
- Experience with coding software (e.g. R).

Profile 4: Political economy of sustainable finance

Objectives and activities:

- Develop qualitative analyses on the role of policies and institutions in the low-carbon transition, with focus on central banks and financial regulation.
- Discuss the effectiveness of existing and potential governance frameworks in achieving a smooth low-carbon transition, in both high-income and emerging economies.

Ideal profile:

- Education in economics, finance, political science, governance or related subjects.
- Experience in conducting research on governance, institutions and political economy of central banking and financial regulation.
- Experience with comparative political analysis and qualitative methods.
- Experience/familiarity with sustainable finance and climate economics literature.

Salaries and recruitment

Team members will be based in Bologna or Milano. Remote working arrangements will be considered. All positions will be filled through an open public procedure aimed at attracting international talents. Recruitment for postdoctoral positions will take place on the academic job market (e.g. the EEA economics job market).

Salaries will depend on candidates' experience. Indicative annual salary scales are:

- Post-doctoral researcher: 35-40,000€.
- Pre-doctoral researcher: 20-25,000€.
- Student scholarships: 12-15,000€.

Team members will be granted research funds for consumables and participation to conferences. Candidates moving to Italy after at least two years of research experience abroad will benefit from additional government fiscal benefits.

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