

**Simo J. Kalla**  
**Curriculum Vitae**

<b>Address:</b>	160 McNeil Building 3718 Locust Walk Philadelphia, PA 19104-6297 USA	<b>Phone:</b>	+1 (267) 760 7073 (cell)
		<b>E-mail:</b>	kalla@econ.upenn.edu
		<b>Web page:</b>	www.sas.upenn.edu/~kalla/
<b>Personal:</b>	Born: March 28, 1978 Citizenship: Finnish	<b>US Visa Status:</b>	J1

---

**Education:**

Ph.D. in Economics, University of Pennsylvania	December 2008 (expected)
M.A. in Economics, University of Pennsylvania	December 2003
B.A. in Economics & Mathematics, Yale University	May 2001
Second Lieutenant, The Finnish Military Service (mandatory)	July 2001 - July 2002

---

**Dissertation: "Essays in Favor-Trading"**


---

**Abstract:**

My job market paper studies whether and how individuals who stand to gain from trading favors can best form cooperative relationships in an environment with private information about each player's ability and willingness to do favors. Previous models in the favor-trading literature focused on optimizing favor-trading relationships under complete information. This paper introduces incomplete information about player types. The central question addressed is whether cooperation can be maintained in favor-trading relationships after the introduction of non-cooperative players into the pool of potential trading partners, and if so how can the cooperative players separate themselves most efficiently from the non-cooperative types. The main result is that the cooperative players are almost always able to separate from the non-cooperative players at the first available opportunity by using an "equality matching" mechanism if opportunities to do favors (favor opportunities) arrive independently. If favor opportunities are mutually exclusive, separation can be guaranteed if one of the players is designated to do the first favor, though sometimes symmetric strategies that call for the first cooperative player to receive a favor opportunity to separate are more efficient despite not guaranteeing separation with probability one. The various types of equilibria are characterized and compared.

My second favor-trading paper (in preparation) maintains the standard complete information environment, but in contrast to prominent models of favor-trading assumes agents have concave utility functions instead of linear utility functions. Hence favor-trading is a form of insurance. Favors derive their value from risk sharing rather than from intrinsic profitability. With concave utility functions some level of favor-trading is always efficient in contrast to the linear case, in which a particular magnitude discount factor is required for any favor-trading to take place. We also show qualitative differences in some types of equilibria between the concave and linear case. Consequently, the assumption of linear preferences drives some of the results in prominent favor-trading models.

**Committee:** Professors Andrew Postlewaite (chair), George Mailath and Jan Eeckhout.

---

**Research Interests:**

Microeconomic Theory (Game Theory, Auction Theory, Industrial Organization, Public Economics, Social Choice, Contract/Bargaining Theory, Mechanism Design, Information Economics, Political Economics).

---

**Teaching Interests:**


---

Any course as required. Best suited for Microeconomics, Industrial Organization, Game Theory, and related.

**Research Papers:**

---

“Favor-Trading with Incomplete Information,” Job Market Paper, University of Pennsylvania, 2007.  
 “Favor-Trading with Concave Utility Functions,” paper in preparation.

**Fellowships:**

---

Graduate Fellowship, Thanks to Scandinavia Foundation, USA	Fall 2002 - Spring 2003
Graduate Fellowship, University of Pennsylvania, USA	Fall 2003 - Spring 2004
Young Researcher Fellowship, Emil Aaltonen Foundation, Finland	Fall 2004 - Spring 2007

**Teaching Experience:**

---

Undergraduate Recitation Instructor, Managerial Economics, Professor Joel Waldfogel, Wharton, Spring 2008  
 Graduate Teaching Assistant (TA), Public Economics, Professor Andrew Postlewaite, University of Pennsylvania (UPenn), Fall 2004 and Fall 2005  
 Undergraduate TA, Professors W.Ethier, I. Manovskii, Internat'l Finance/Trade, Univ. of Pennsylvania, Spring 2005  
 Undergraduate TA, Professors A. Merlo, N. Persico, Public Economics/Finance, Univ. of Pennsylvania, Fall 2004  
 Undergraduate Teaching Assistant, Introductory Microeconomics, University of Pennsylvania, Spring 2004  
 Undergraduate Recitation Instructor, Introductory Microeconomics, Professor Uri Spiegel, Univ. of Penn., Fall 2003  
 Undergraduate TA, Introductory Operations Research, Professor Eric Denardo, Yale University, Fall 2000

**Other Experiences:**

---

Emerging Markets Risk Management Sector, Citicorp, London, UK, Intern	Aug 1998, Summer 1999
Elimination of Child Labour in Sialkot, International Labour Organization, Pakistan, Intern	June - July 1998

**Additional Skills:**

---

Languages: English (fluent), Finnish (native), French (proficient).  
 Computer: LaTeX (WinEdt), SWP, S-Plus, EViews, Mathematica, MatLab, Maple, Gauss, Java, Visual Basic.

**Employment Interests:****Date of Availability:**

---

Academic and Private Sector

Starting end of 2008

**References:**

---

**For Additional Information Contact:**

---

Professor Andrew Postlewaite  
 Phone: +1 (215) 898 7350  
 E-mail: apostlew@econ.upenn.edu

Professor Steven Matthews  
 Phone: +1 (215) 898 7749  
 E-mail: steavenma@econ.upenn.edu

Professor George Mailath  
 Phone: +1 (215) 898 7908  
 E-mail: gmailath@econ.upenn.edu

**OR:** Professor Randall D. Wright  
 Phone: +1 (215) 898 7194  
 E-mail: rwright@econ.upenn.edu

Professor Jan Eeckhout  
 Phone: +1 (215) 898 2648  
 E-mail: eeckhout@econ.upenn.edu

**Address:** 160 McNeil Bldg. (Department of Economics), 3718 Locust Walk, Philadelphia, PA 19104, USA  
 Phone: +1 (215) 898 7701 Fax: +1 (215) 573 2057