

Vatsalya Srivastava

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Education

Ph.D. in Economics, Tilburg University (<i>expected 2018</i>)	Since 2014
Visiting Student Researcher, Stanford GSB (Host: Dr. Saumitra Jha)	Jan-Mar 2017
Research Masters in Economics (with <i>distinction</i>), Tilburg University	2012-2014
M.Sc. in Economics (<i>Cum Laude</i>), Tilburg University	2009-2010
B.A. (Hons) in Economics, University of Delhi	2005-2008

Research and Teaching Fields

Primary: Institutional Economics, Law and Economics, Political Economy

Secondary: Applied Microeconomic Theory, Behavioural & Experimental Economics

Job Market Paper

“The Sorry Clause”

This paper shows the existence of a *sorry equilibrium* in a game of imperfect public monitoring. In this equilibrium, a self-imposed costly apology tendered after an accidental defection allows for continued cooperation between players. The cost of such an apology cannot be too high or too low. Efficiency of this sorry equilibrium is evaluated and its welfare outcomes compared to other informal governance mechanisms and the formal legal system. With the possibility of accidental defections, it is shown that informal mechanisms have limitations, while formal legal systems can generate perverse incentives. The analysis shows that apologies serve as a useful economic governance institution.

Work in Progress

“Understanding and Distinguishing Classifications” (with Jens Prüfer and Gillian Hadfield)

Classification institutions – such as social norms, cultural traditions, laws, or regulations assign a normative label, acceptable or not, to human behavior. Thereby, they shape the expectations about other people’s behavior, reduce uncertainty and create trust. This paper constructs a game theoretic model of N players of different types to illustrate and compare classifications emerging from social norms with those from a formal legal system. We show that a strict classification might yield better outcomes when people comply, but will make enforcement more difficult. The central result illustrates that for a given degree of expected compliance, classifications used by social norms (don’t eat meat) with decentralized enforcement cannot be as strict as the one used by a police-action based court system (don’t eat peacock meat).

“A Clash of Classification Institutions” (with Jens Prüfer and Gillian Hadfield)

This paper investigates a situation in which two classification institutions do not conform. For instance, a country with established norms is colonized and new laws are imposed. We construct a dynamic model where social norms clash with legal order. We show that not only is decentralized norm enforcement crowded-out due to a reduction in the incentives to enforce, it is also hindered due to the *sticky nature* of its enforcement strategy. Further, a *clarity* problem arises even while they are still being enforced. The imposition of a new and distinct classification system, can reduce the

effectiveness of norm and law enforcement as players may not always know which action to choose to avoid punishment. In such a case, players may rationally ignore the classification of both norms and laws and engage in novel behavior, implying the breakdown of both governance mechanisms. This might help explain the poor state of contemporary governance in many modern countries, including former colonies and Soviet republics.

“Yes Minister: The Problem of Monitoring the Bureaucracy” (with Ashutosh Thakur)

We show how differences in institutional and contractual design might explain the differences in ease of accountability and monitoring of public servants across civil service agencies. In federal system, politicians at the federal and provincial levels might only be able to contract with bureaucrats at their respective levels. In such a multi-principal, multi-agent setting if both principals care about a single outcome that reflects combined efforts of both agents, the best possible contract between the principals and their respective agents will be sub-optimal. Such a contract makes monitoring agents harder by obscuring measurement of bureaucratic productivity by econometricians, exposing the bureaucracy to political turnover. The central argument made in the paper is that the problem of measuring bureaucratic productivity arises due to the institutional structure. We argue that in the Indian bureaucracy, this makes it possible for Indian Administrative Services (IAS) officers to better avoid accountability compared to officers of the Indian Police Services (IPS).

Teaching Experience

Tilburg University (2014 – Present)

Teaching Assistant	Welfare Economics, B.Sc. Economics (2014-15) Economics for Lawyers, Global Law Program (2015-16, 2016-17) Economics of the European Union, B.Sc Economics (2016-17, 2017-18) Microeconomics 1, B.Sc. Economics (2017-18) Game Theory 2, M.Sc. Economics (2017-18)
Guest Lecturer	Religion and Economics “ <i>Religious Rituals as Elaborate Apologies?</i> ”, University College Tilburg (2016, 2017) Organizational Economics “ <i>Violent Organizations: Creation and Sustainance?</i> ”, CentER Graduate School, Tilburg (2017)

Amity University, NOIDA, India (2011-12)

Lecturer (Undergraduate courses)	Mathematics for Economists Comparative Economic Development Economy, State and Society Resource Economics Introduction to Game Theory
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Honors and Awards

Koopmans Scholarship, Tilburg University (24,000 € + tuition waiver)	2012
TOEFL Scholarship, ETS (\$5,000)	2012
Tilburg University Scholarship (5,000 € + tuition waiver)	2009

Refereed Conferences

“*The Sorry Clause?*”

2015	European School of New Institutional Economics (ESNIE); Competition, Law and Economics European Network Workshop (CLEEN, Tilburg);
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International Society for New Institutional Economics (ISNIE, Harvard); TILEC
Economic Governance Workshop (Tilburg)
2016 ENTER Jamboree (Madrid); Games 2016 (Maastricht); European Economic
Association (EEA, Geneva)

“Clash of Classification Institutions”

2017 Society for Institutional and Organizational Economics (SIOE, Columbia)
Upcoming The Life & Legacy of Douglass North (Mercatus Center), ASREC (Chapman)

Academic Affiliations

Tilburg Law and Economics Center (TILEC) 2014-Present

Professional Training

TiSEM Didactic Teaching Training for PhD-students 2014
The Institute for study of Religion, Economics and Society (IRES) Graduate
Workshop 2017

Community Service

Graduate Student Society (GSS), Tilburg University Ph.D. Representative, 2014-15
Tilburg Student Cricket Association (TSCA), Tilburg Founder and Board member

Non-Academic Positions

Consultant at Mercados EMI, Gurgaon 2010–2011
Associate Analyst at Watson Wyatt Worldwide, Gurgaon 2008-2009
Research Intern at Centre for Civil Society, Delhi May – July, 2006

Personal

Citizenship: Indian
Languages: Hindi/Urdu (native), English (near native)
Technical Skills: Latex, Stata, Matlab, zTree

References

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Saumitra Jha
Associate Professor of Political Economy
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Gillian Hadfield
Richard L. and Antoinette Schamoi
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of Economics
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