Maximiliano Machado

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Research Interests: Industrial Organization, Antitrust and Competition Policy, Applied Microeconomics

Education

Ph.D. in Economics, Rotman School of Management, University of Toronto — 2027 (Expected)
Committee: Victor Aguirregabiria (co-supervisor), El Hadi Caoui (co-supervisor), Heski Bar-Isaac, Yao Luo

M.Sc. in Economics, Universidad de la República — 2020
Dissertation: Heterogeneous Innovation Persistence: Evidence from Uruguayan Firms

Visiting Student Researcher, California Institute of Technology — 2020
Division of the Humanities and Social Sciences

B.Sc. in Economics, Universidad de la República — 2018

Working Papers

Fewer Buyers, Higher Pay? Monopsony and Product Market Power in the U.S. Publishing Industry (JMP)

Gender-Based Price Differences: The Case of Deodorants

When Context Matters: Uneven Firms' Innovation Persistence in Developing Countries. Evidence from Uruguay, Submitted (with Carlos Bianchi)

Work in Progress

Insuring Consumers Against World Energy Shocks: Pass-Through, Market Power, and the Design of Fuel-Price Stabilization

Splitting the Crowd: Network Effects and Welfare Implications of Platform Competition
with Regina Seibel

Does Top-Level Diversity Trickle Down? Evidence from U.S. Literary Prizes
with Yakov Bart, Samsun Knight, Julianna Spahr and Stephanie Young

Publications

Innovation and Organizational Practices: An Analysis of Uruguayan Service Firms (2023), *Technology Analysis and Strategic Management* (with Carlos Bianchi).

El Aprendizaje entre Pares y sus Efectos en el Desempeño de los Estudiantes (2022), *Desarrollo y Sociedad*.

Dependency Change with Aging and Associated Factors in Uruguay: A Cohort Study (2021), *Journal of Aging and Health* (with Alejandra Marroig and Graciela Muniz-Terrera).

Awards and Grants

TD MDAL Research Grant, Rotman School of Management (three projects), CAD $14,000	2023–2025
Institute for Gender and the Economy Grant, CAD $6,000	2023
ANII, Fondo María Viñas for Applied Research (research group)	2022–2025
University of Toronto Fellowship	2021–2026
Fundación Astur, Best Proposal in Sustainable Growth, USD $3,000	2021
Post-graduate Scholarship, Comisión Académica de Posgrados (CAP)	2020
Research Initiation Grant, Comisión Sectorial de Investigación Científica (CSIC)	2020

Presentations

2025: 1st Boston College PhD Conference; EARIE; University of Toronto; 20th Economics Graduate Student Conference (Washington University in St. Louis)

2024: MaCCI Annual Conference; Southern Economic Association; University of Toronto

2023: University of Toronto

Professional Experience

Research Assistant for Professor Ismael Mourifié 2022–2025

Research Assistant for Professor Bernardo Blum 2023–2025

Research Assistant for Professors C. Bianchi & M. Carriquiry 2018–2021

Consultant, Inter-American Development Bank 2021
Climate Change Sector, Uruguay

Teaching Assistant: University of Toronto 2022–2026
Undergraduate: Mergers and Acquisitions; The Economics of Canadian Public Policy;
Regression Analysis (Introduction; Theory and Practice); Principles of Marketing; Business Strategy for the Digital Economy

MBA/EMBA: Decision Making with Models & Data; Economics II; Managerial Economics

Teaching Assistant: Universidad de la República 2017–2021
Mathematics I; Introduction to Methodology of Research

Professional Service

Referee: International Journal of Industrial Organization; Desarrollo y Sociedad
Grant Application Evaluator: CSIC I+D program, Universidad de la República, Uruguay
External Examiner (M.Sc. Thesis Committee): Matías Faggetti, M.Sc. in International Economics, Universidad de la República, 2023

Computer Skills and Languages

Software: Stata, R, MATLAB, Python, LaTeX
Languages: Spanish (native), Portuguese (fluent), English (fluent)

References

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Abstracts

Fewer Buyers, Higher Pay? Monopsony and Product Market Power in the U.S. Publishing Industry

(Job Market Paper)

In 2022, a U.S. federal court blocked the merger of Penguin Random House (PRH) and Simon & Schuster (SS)—the first U.S. merger halted solely on the basis of harm to an input market. Standard monopsony analyses evaluate the input market in isolation and overlook a countervailing force: a merger that raises downstream pricing power also raises the per-book profit a publisher expects to earn, which feeds back into more aggressive bidding for manuscripts. This paper quantifies both channels. Using a new dataset that links retail book sales to the corresponding rights transactions, I first examine the 2013 Penguin–Random House merger as a retrospective benchmark, and document patterns hard to reconcile with a pure-monopsony account. To decompose these effects, I build and estimate a structural model that nests an ascending-bid auction for manuscripts inside a differentiated-products demand-and-pricing model for books, with risk-averse publishers. Simulating the blocked PRH–SS merger, consumer surplus falls by \$4.5 million (-2.1%) while total author compensation rises by \$3.6 million ($+1.8\%$): advances collapse for the narrow set of manuscripts the two firms jointly contested, but rise for the far larger set they did not, where heightened downstream pricing power lifts per-book profit and feeds back into more aggressive bidding. A monopsony-only analysis misses this second channel and can mis-sign the welfare effect on authors—the kind of two-sided assessment the 2023 Merger Guidelines now require.

Gender-Based Price Differences: The Case of Deodorants

This article investigates the causes and consequences of gender-based price discrimination—the "pink tax." Using data from the deodorant market, I document that female-oriented products are priced higher than male-oriented ones, and I estimate a differentiated-products demand-and-supply model under oligopoly to decompose this price gap. The results show that most of the disparity stems from differences in marginal costs. Counterfactual simulations indicate that enforcing gender price parity does not improve welfare for consumers of female-oriented goods as intended; instead, it leaves their surplus unchanged and leads to welfare gains for consumers of male-oriented goods.

Insuring Consumers Against World Energy Shocks: Pass-Through, Market Power, and the Design of Fuel-Price Stabilization

Governments spend enormous sums insuring consumers against international fuel-price shocks, most commonly through state-contingent adjustments to fuel taxes. Because these transfers are delivered through imperfectly competitive retail markets, their incidence is not mechanical: the share reaching consumers depends on pass-through precisely in the states of the world in which the program is active.

I study the incidence, efficiency, and optimal design of such programs using Mexico's *estímulo fiscal*, a weekly rebate of the federal gasoline excise tax whose fiscal cost reached roughly 400 billion pesos (about 10% of federal tax revenue) during the 2022 oil shock. I combine daily station-level retail prices for the universe of Mexican stations, station-level sales volumes, and an essentially observed station-level marginal cost, which lets me test pricing conduct rather than assume it. The central mechanism is general: when pass-through is asymmetric or declining in market power, a subsidy that fires during cost spikes leaks to retail and wholesale margins exactly when the transfer is largest. Counterfactual simulations compare the stimulus against no intervention, an equal-cost lump-sum transfer, and a price cap, and characterize the optimal state-contingent rule.

Splitting the Crowd: Network Effects and Welfare Implications of Platform Competition

(with Regina Seibel)

Estimates of network effects are central to platform antitrust, yet remain scarce. We study competition among game-streaming platforms—Twitch, Kick, and YouTube Gaming—using daily streamer-level data around the 2022 entry of Kick into a market long dominated by Twitch. Exploiting events in which popular streamers switch platforms, we first show that incumbents on the destination platform gain viewership when a large streamer joins—evidence of network effects beyond a standard taste for variety. We then estimate a flexible nested-logit demand model in which a streamer's value depends on how many others share the platform, separately identifying network effects from congestion, and find network effects that overcompensate congestion. Pairing the demand estimates with a supply model of streamers' platform choice, we evaluate in ongoing counterfactuals whether entry by a challenger such as Kick can discipline a dominant incumbent, and how platform competition affects welfare when network effects are strong.

Does Top-Level Diversity Trickle Down? Evidence from U.S. Literary Prizes

(with Y. Bart, S. Knight, J. Spahr and S. Young)

Does diversifying prize-winners diversify the market? This premise motivates many high-profile diversity initiatives in cultural industries, yet is largely untested. Using library-checkout data from the Seattle Public Library covering over 135,000 authors and a staggered difference-in-differences design with matched controls, we estimate the effect of U.S. literary prizes on readership across author race and ethnicity. Prizes raise demand for winners of all backgrounds, but the effect is over twice as large for minority authors (77–97 log points) as for white authors (35–36 log points). Spillovers to non-winning authors of the same race are highly heterogeneous: null or positive for most groups, but significantly negative for Black authors, consistent with demand-side "token consumption" and yielding null net effects on the readership of Black authors overall. Top-down diversity initiatives can thus promote individual winners while doing little to diversify cultural consumption more broadly.