

# Department of Economics



## Current Research 2024

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# The Department of Economics at Stockholm University

## - A brief early history

Lectures in Economics at Stockholm University (then Stockholm University College) started in 1888 with Johan Leffler, who had obtained his position as lecturer in competition with Knut Wicksell. In 1904, Gustav Cassel became the first professor of economics. Cassel, who had studied mathematics, is known for his development of general equilibrium theory, the most interesting aspect perhaps being a model of proportional growth. During the 1920's, Cassel was one of the most prominent economists in the world, lecturing widely on monetary issues.

Cassel left his chair in 1933 and his pupil Gunnar Myrdal succeeded him. Myrdal's dissertation, *Pricing and Change*, introduced intertemporal planning and risk into price theory. Erik Lindahl, at the time lecturing at the department, is mentioned in the preface for his advice. Lindahl's development of intertemporal and temporary equilibrium theory in the late 1920's was, in turn, influenced by Myrdal's analysis. In 1921, a second chair was created with Gösta Bagge as its first professor. Bagge's early work concerned wage setting under trade unions. As professor he played an important entrepreneurial role, raising funds from the Rockefeller Foundation to a grand empirical investigation of wages and national income in Sweden.

During the 1930's several members of the department were involved in the development of employment theory. Gunnar Myrdal, Gösta Bagge, Alf Johansson and Dag Hammarskjöld contributed to the Unemployment Commission. Erik Lundberg and Ingvar Svennilson defended doctoral dissertations offering important theoretical contributions to the Stockholm School.<sup>1</sup> Lundberg and Svennilson both became influential professors in the department. Erik Lundberg first took up a position at Konjunkturinstitutet (the National Institute of Economic Research) in 1937 and became its head in 1946. He returned to the department as professor in 1946, acting as a full-time professor after 1955. Lundberg's overview of business cycles and stabilization policy from 1953 (*Konjunkturer och ekonomisk politik*, translated into English as *Business Cycles and Economic Policy*, 1957) influenced a generation of students of Keynesian fiscal and monetary policy. The impact of Lundberg's impressive personality was no less important. Ingvar Svennilson was head of Industriens Utredningsinstitut (The Research Institute of Industrial Economics) in 1942–51 and became professor at the department in 1947. In parallel with his professorship, he played an important role in the development of the Swedish government's Långtidsutredningar (Medium Term Surveys).

The development of the department is described in *Från värde till välfärdsteori – nationalekonomin vid Stockholms högskola/Stockholms universitet 1904–2004*, by Svante Nycander together with Jonas

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<sup>1</sup> The name was coined by Bertil Ohlin in two articles in *Economic Journal*, where he argued that the central themes of Keynes' employment theory had been independently developed by the Swedish economists, most of whom worked in Stockholm.

Agell, Eskil Wadensjö and Hans Wijkander (SNS Förlag, 2005). The book was presented at a seminar on December 2, 2004, celebrating the 100<sup>th</sup> anniversary of Gustav Cassel's appointment as professor.

Two of the department's alumni have been awarded the Nobel Prize, Gunnar Myrdal (1974) and Bertil Ohlin (1977). One alumnus, Dag Hammarskjöld, served as Secretary-General of the United Nations. Several members of the department have played important roles in Swedish politics: Bertil Ohlin and Gösta Bagge were leaders of political parties, and both Bagge and Ohlin, as well as Karin Kock (acting professor 1938–46) and Gunnar Myrdal, also served as Cabinet Ministers. Kjeld Philip, who was professor at the department in 1949–51, later became Minister of Finance in Denmark. The department's tradition of educating prominent civil servants, politicians and business leaders, as well as academic teachers and researchers, continues strongly to the present time.

# The Department of Economics today

Stockholm University offers one of the best environments in Europe for research and education in economics. The Department of Economics has 17 full professors and 9 assistant professors and post-doctoral researchers. The graduate students, around 70 in number, have the department, or the Institute for International Economic Studies (IIES) or the Swedish Institute for Social Research (SOFI), as their place of work. Our bachelor and master students go on to work as economists in a wide range of fields, in national and international organizations, government, business and finance.

## Undergraduate studies

We teach more than 1,000 undergraduate students in Economics; lecturers are the department's faculty together with those from the IIES and SOFI. We have bilateral ERASMUS agreements with close to 20 universities in Europe, and take part in Stockholm University's NORDPLUS and central exchange agreements. Non-European students can apply to study in the department through the Central Level Bilateral Agreements administrated by the Office for International Student Exchange at Stockholm University.

## Advanced level studies

The department offers a two-year Master Program in Economics. The language of study is English and courses start in late August or early September. The program provides a solid preparation for a career as a professional economist in government, international organizations or business, and also provides a good starting point for doctoral studies. The focus is on the use of theoretical and empirical methods in the analysis of economic problems. Students take second-cycle courses and a selection of third-cycle courses in economics. During the fourth semester students write a 30 HEC master thesis. After having completed the program the student may apply for a Master's Degree in Economics or in Econometrics.

## Doctoral studies

The PhD Program in Economics at Stockholm University is broadly considered one of the very best in Europe. The US-style program is fully international in its orientation, and the vast majority of students enter the global economics job market. The PhD Program is organized by the Department of Economics in cooperation with IIES and SOFI. Each year, 10–15 students are admitted each to a four-year, full-time program in English starting in the autumn. The deadline for applications is January 31. The formal requirements are described on our webpage <https://www.su.se/department-of->

[economics/education/courses-and-programmes/application-and-admission-to-the-phd-programme-in-economics-.509370?eventopenforinternationalstudents=true&notforcedreason=0&q=&xpanded=](https://www.economics.su.se/education/courses-and-programmes/application-and-admission-to-the-phd-programme-in-economics-.509370?eventopenforinternationalstudents=true&notforcedreason=0&q=&xpanded=)

The first year of the program consists of courses in mathematics, econometrics, microeconomics and macroeconomics. The second year consists of elective courses, and the third and fourth years are devoted to dissertation work. The course program is part of the Stockholm Doctoral Program in Economics, Econometrics and Finance (SDPE), organized jointly with the Stockholm School of Economics.

## Research

The research environment at the department is dynamic and international. We conduct research in areas such as labor market economics, political economics, development economics, macroeconomics, and financial economics. We sustain a number of research collaborations with scholars around the world, and host numerous international visitors each year. Many researchers are members of networks such as the NBER, CEPR and CESifo\*. The department's researchers regularly publish work in top journals. The department is host to the *Scandinavian Journal of Economics*, and members of our faculty serve as Editors and Associate Editors of leading scientific journals. The department organizes a weekly higher seminar hosting mainly international scholars, and a biweekly Brown-bag seminar mainly for faculty and PhD students.

The Center for Monetary Policy and Financial Stability (CeMoF) is a collaboration between Stockholm Business School (SBS), the Institute for International Economics Studies (IIES), and the Department of Economics (ECON). CeMoF promotes research and learning in the areas of monetary policy and financial stability.

# Publications in print 2024

## Lennart Erixon

1. "Dags för en ny penningpolitik" - The Time is Ripe for a New Monetary Policy (with Samuel Färdow Kasen), *Dagens Industri*, 27 February 2024.
2. "Öka finanspolitikens handlingsutrymme – men behåll Riksbankens oberoende" - Increase the Room to Maneuver for Fiscal Policy – But Maintain the Independence of the Riksbank (with Samuel Färdow Kasen). *Dagens Industri*, 3 October 2024.

The articles suggest an extension of the toolbox and goals of the Riksbank (The Swedish Central Bank) based on sovereign digital money (e-kronan). The proposal does not challenge the independence of the Riksbank or the priority of its inflation goal.

## Rikard Forslid

1. Imports and the CO2 Emissions of Firms. (with A. Akerman, & Prane, O), *Journal of International Economics*, 2024, 104004.
2. Vaccination strategies for different contact patterns: weighing epidemiological against economic outcomes. (with M.Herzing) *International Journal of Health Economics and Management*, 2024, 1-27.
3. Premature agglomeration?: Two phases of development with spatial sorting. (with T.Okubo), *The Manchester School*, 2024.

## Montasser Ghachem

Identifying Information Types in the Estimation of Informed Trading: An Improved Algorithm (with Oguz Ersan) *Journal of Risk and Financial Management* (2024, Vol. 17, Issue 9, pp. 409)

This paper proposes an improved algorithm for detecting distinct information types (layers) in financial markets, addressing the limitations of the classical PIN model. By clustering order imbalances and leveraging confidence intervals for the Skellam distribution, the algorithm accurately identifies information layers, enhancing the estimation of informed trading probability. Through extensive simulations of over 500,000 quarterly datasets, the algorithm demonstrates 86%-95% accuracy across varying market conditions. The findings have significant implications for academics and practitioners, offering a robust framework to navigate the complexities of modern financial datasets and improving the precision of informed trading analysis.

## Andreas Madestam

"Repayment Flexibility and Risk Taking: Experimental Evidence from Credit Contracts" (with Marianna Battaglia and Selim Gulesci), *Review of Economic Studies*, 91(5).

### **Astri Muren**

”Styrning av samhällsvetenskaplig forskning”, kap. 2 i J. Eliasson och M. Vredin (red.) I samhällets tjänst? En ESO-antologi om villkoren för forskning och samverkan, Rapport till Expertgruppen för studier i offentlig ekonomi 2024:2

### **Mårten Palme**

1. [”Identity in court decision-making”](#) (with Ulrika Ahrsjö and Susan Niknami, *American Economic Journal: Economic Policy* 16 (4), 142-164

We explore the role of identity along multiple dimensions in high-stakes decision-making. Our data contain information about demographic and socioeconomic indicators for defendants and randomly assigned jurors in a Swedish court. Our results show that defendants are 4 to 6 percent less likely to get a prison sentence if judged by one more juror belonging to the same identity-forming group. Moreover, they are given 10 percent shorter prison sentences. Socioeconomic background and demographic attributes are equally important for identity effects, and these effects stem from trials of longer duration and where the defendant is present in the courtroom. (JEL *D91, J15, J16, K42, Z13*)

2. [”Components of the evolution of income inequality in Sweden, 1990–2021”](#) (with Arizo Karimi and Charlotte Lucke) *Fiscal studies* 45 (2), 187-204

This paper documents how the inequality of household equivalent disposable income has changed in Sweden over the period 1990–2021. We find that income inequality has unambiguously increased. Measured by the Gini coefficient, inequality increased from around 0.19 to almost 0.3 by the end of 2020. We then analyse the backgrounds to this change by measuring the importance of changes in different components of the overall income distribution: the wage distribution; the distribution of hours of work; capital incomes; income differences between labour market participants and non-participants; income redistribution through income taxes and benefits; and, finally, the effect of increased immigration to Sweden.

### **Mikael Priks**

”Hur påverkar polis och övervakningskameror brottslighet”, SNS

The paper presents evidence on the causal effect of police and surveillance cameras on crime.

### **David Strömberg**

”Social media and collective action in China” *Econometrica*, with Bei Qin and Yanhui Wu.

This paper studies how social media affects the dynamics of protests and strikes in China during 2009–2017. Based on 13.2 billion microblog posts, we use tweets and retweets to measure social media communication across cities and exploit its rapid expansion for identification. We find that, despite strict government censorship, Chinese social media has a sizeable effect on the geographical spread of protests and strikes. Furthermore, social media communication considerably expands the scope of protests by spreading events across different causes (e.g., from anticorruption protests to environmental protests) and dramatically increases the probability of far-reaching protest waves with simultaneous events occurring in many cities. These effects arise even though Chinese social media barely circulates content that explicitly helps organize protests.

## **Ferenc Szucs**

1. “Equilibrium communication in political scandals”, *European Journal of Political Economy*, with Bence Hamrak and Gabor Simonovits

We present a formal model of crisis communication, in which politician's strategies and voter beliefs are determined by the severity of the accusations and the degree of media scrutiny. Our model predicts that incumbents' use of denials even when they face the possibility of detection. In contrast, public apologies increase approval – compared to denial – only when accusations are not very serious and are likely to be proved. We estimate the structural parameters of our model and conduct counterfactual simulations. We find that increasing media scrutiny leads to asymmetric effects on incumbent communication with politicians who are the best at covering up evidence actually benefiting from increased scrutiny.

2. “Why Politicians Won't Apologize: Communication Effects in the Aftermath of Sex Scandals”, *British Journal of Political Science*, with Bence Hamrak, Alex Rusnak, and Gabor Simonovits

A startling feature of the countless recent sex scandals involving politicians has been the almost complete lack of public apologies. This note explores the electoral incentives politicians face when crafting communication strategies in the aftermath of sex scandals. We focus on two communication strategies – denials and apologies – and assess their impact on incumbent support across a wide range of scandals that vary in terms of the seriousness of the charges as well as the availability of evidence. Using data from a series of survey experiments, we find that citizens punish incumbents who apologize, even in the case of accusations that appear the least serious in the eyes of voters.

3. “Discretion and Favoritism in Public Procurement”, *Journal of the European Economic Association*

This paper investigates the consequences of bureaucratic discretion in public procurement. I exploit a Hungarian policy reform, which allows a “high-discretion” procedure below a certain contract value. At the threshold, I document large discontinuities both in procurement outcomes and in the density of contract values, which indicates that buyers manipulate contract values to avoid auctions. I combine the reform and a structural model to find that discretion increases prices and results in the selection of less productive contractors. I use the structural model to document that public buyers are willing to sacrifice more contract value to increase their discretion if more connected firms are operating in the market.

## **Peter Thoursie**

Effects of work-directed interventions on return-to-work in people on sick-leave for to common mental disorders – a systematic review (with Elisabeth Björk Brämberg et al.) *International Archives of Occupational and Environmental Health*. 2024

14,794 articles published between 2015 and 2021 are reviewed. Of these, eight RCTs published in eleven articles were included in the analysis. Population: Working age adults on sick leave due to mild to moderate depression, anxiety, adjustment disorders or reactions to severe stress. Intervention: Work-directed interventions. Overall, the effects of work-focused CBT and work-focused team-based support on RTW resulted in increased or faster return-to-work compared with standard care or no intervention. The effects of Individual Placement and Support showed no difference in RTW compared with standard care. Interventions involving the workplace could increase the probability of RTW.

## **Jonas Vlachos**

Björkegren, Evelina, Svaleryd, Helena and Vlachos, Jonas. (2024). Remote instruction and student mental health: Swedish evidence from the pandemic. *American Economic Journal: Economic Policy*, 16(4), 491-517.

When COVID-19 reached Sweden, upper-secondary students (ages 17–19) transitioned to remote instruction, while lower-secondary schools (ages 14–16) remained open. We use this setting as a natural experiment to analyze how modes of instruction affect student mental health. We find a 4.4 percent decrease in mental health care use from remote instruction, primarily due to fewer diagnoses and prescriptions for depression and anxiety. The reduction persists throughout the study period; 21 months after the initial closure and 9 months after schools resumed usual operations. This suggests potential mental health benefits from remote instruction, at least in the medium term.

# Forthcoming publications including online versions of forthcoming articles

## **Montasser Ghachem**

Estimation of the Probability of Informed Trading Models via an Expectation Conditional-Maximization Algorithm (with Oguz Ersan) *Financial Innovation at Springer*.

## **Thomas Mikaelson**

*How Different Uses of AI Shape Labor Demand: Evidence from France*. With Philippe Aghion, Simon Bunel, Xavier Jaravel, Alexandra Roulet, and Jakob Sjøgaard. Forthcoming in *American Economic Association: Papers and Proceedings*.

## **Claes-Henric Siven**

Ekonomporträttet: Bo Axell, *Ekonomisk Debatt*; joint with Mats Persson

## **Ferenc Szucs**

“Door to door campaigns in an electoral autocracy: Evidence from Hungary”, *Journal of Politics*, with Bence Hamrak and Gabor Simonovits

## **Peter Thoursie**

Taxes, childcare and gender identity norms (with Andrea Ichino, Martin Olsson and Barbara Petrongolo) forthcoming *Journal of Labor Economics*.

We investigate the role of gender norms in shaping parental childcare following changes in the relative take-home pay of mothers and fathers. Exploiting variation from Swedish tax reforms, we estimate the elasticity of substitution in parental childcare for native and immigrant couples from a variety of countries characterized by varying gender norms. Couples originating from countries with relatively conservative norms are more likely to reallocate childcare to mothers following a reduction in the father’s tax rate and less likely to reallocate childcare to fathers following a reduction in the mother’s tax rate, thereby reinforcing a traditional allocation of childcare across parents.

## **Roine Vestman**

“Designing Pension Plans According to Consumption-Savings Theory”, *The Review of Financial Studies*. With Kathrin Schlafmann and Ofer Setty.

# Unpublished works including working papers

## Montasser Ghachem

1. A methodological approach to the computational problems in the estimation of adjusted PIN model (with Oguz Ersan) – Submitted to Quantitative Finance
2. Cumulative performance and discriminatory power in contests
3. Group selection, pro-social norms, and income inequality (with Sten Nyberg and Michael Lundholm)
4. The constructive side of Destructive envy.

## Peter Langenius

1. “Conducting monetary policy by managing private-sector expectations: A theory of central bank transparency”
2. “A New Keynesian Phillips curve on time scales”.
3. “Monetary models on time scales” (with Petr Stehlik).
4. “Information, time and transparency: A trinity in a monetary policy modelling”

## Laura Montenbruck

1. “Fiscal Exchange and Tax Compliance: Strengthening the Social Contract Under Low State Capacity” (2023 JM version, unpublished manuscript)
2. “The Power of Faith: Effects of an Imam-led Information Campaign on Labor Supply and Social Interactions” (2024) with Alexandra Avdeenko, Jakob Gärtner, Marc Gillaizeau, Ghida Karbala, Giulia Montresor, Atika Pasha, and Galina Zudenkova. CEPR Discussion Paper DP19724.

## Mikael Priks

1. “The intergenerational Effects of Parental Incarceration”, conditionally accepted, (with Hans Grönqvist, Susan Niknami and Mårten Palme).
2. “Sentence Length and Recidivism: Court Rulings based on BAC”, (with Björn Tyrefors, Joakim Jansson and Per Pettersson Lidbom).
3. “Improved Police Technology: Effects of Patrolling Police Cars on Crime”
4. “Temporal Displacement of Crime: Empirical Evidence using Youth Discounts in the Swedish Sentencing System” (with Mårten Palme and Björn Tyrefors).
5. “The Effects of Youth Prisons” (with Björn Tyrefors)
6. “Singin’ in the Rain: A Study of Social Pressure on the Soccer Field”

## Claes-Henric Siven

The Recurrence of Economic Theories: from Thornton to Wicksell and Patinkin

**David Strömberg**

“Does Chinese research hinge on US co-authors? Evidence from the China initiative”, with Aghion, Antonin, Paluskiewicz, Wargon, Westin, and Sun.

**Ferenc Szucs**

“Political Economy of Alternative Realities”, with Adam Szeidl

**Peter Thoursie**

1. Parental Leave: Economic Incentives and Cultural Change (Jim Albrecht, Per-Anders Edin, Raquel Fernandez, Jawon Lee and Susan Vroman). NBER Working Paper 32839.
2. Can JSA with Intensified Matching Improve Employment for Newly Arrived Refugees? Evidence from a Swedish Field Experiment (Petter Helgesson, Erik Jönsson, Petra Ornstein, Magnus Rödin and Ulfhild Westin). Submitted to Journal of Population Economics
3. How Men and Women Move up Job and Career Ladders: Explaining Gender Differences in Wage Trajectories (Mary Ann Bronson)

**Roine Vestman**

“The Housing Wealth Effect: Quasi-Experimental Evidence” (with Jesper Böjeryd, Dany Kessel and Björn Tyrefors), Sveriges Riksbank Working Paper No. 361, IFN Working Paper No. 126

**Jonas Vlachos**

1. “Careers of Extremely Intelligent Men”
2. “Standardized Testing and Teacher Burnout”
3. “Effects of Student Composition on Teachers’ Health”

# Participation in conferences

## Rikard Forslid

1. Trade Workshop, Villars, Switzerland, 15-18 February.
2. European Workshop in International Trade (ERWIT), Munich, 5-8 June.
3. Nordic Annual Environmental and Resource Economics (NAERE) Workshop, Bergen, 26-27 June.
4. Nordic International Trade Seminar (NOITS), Oslo, 10–11 October.

## Laura Montenbruck

1. Kiel-CEPR African Economic Development Conference, Sep 2024 (presented “Fiscal Exchange and Tax Compliance”)
2. CEPR/BREAD Conference London, Sep 2024 (presented “Fiscal Exchange and Tax Compliance”)
3. ASWEDE Conference, Nov 2024 (presented “Fiscal Exchange and Tax Compliance”)
4. Zurich Conference on Public Finance in Developing Countries, Dec 2024 (presented “Fiscal Exchange and Tax Compliance”)

## Mikael Priks

1. Swedish Conference in Economics, “Sentence Length and Recidivism: Court Rulings based on BAC”
2. SNS, ”Hur påverkar polis och övervakningskameror brottslighet?”
3. Trygghetnu, ”Hur påverkar polis och övervakningskameror brottslighet?”
4. Internal Conference, Department of Economics, Stockholm University, “The Intergenerational Effects of Parental Incarceration”

## Claes-Henric Siven

NORDOM XVII (History of economic analysis conference in Lund, end of August 2024); The recurrence of Economic Theories: from Thornton to Wicksell and Patinkin

## David Strömberg

Polarize conference, Bergen. Paper presented: “Social media and collective action in China”

## Roine Vestman

1. AEA Annual Meeting (San Antonio, TX): “The Housing Wealth Effect: Quasi-Experimental Evidence”
2. CEPR European Conference and Workshops on Household Finance (Cyprus).
3. Riksbank / CeMoF Third Ph.D. Workshop on Money and Finance

**Jonas Vlachos**

1. Swedish Conference in Economics (Lund, Sweden). Presented "Effects of Student Composition on Teachers' Health".
2. EALE Conference (Bergen, Norway). Participation only.
3. Nordic Summer Institute in Labor Economics (Århus, Denmark). Papers on the program: "Effects of Student Composition on Teachers' Health" (presenter); "Standardized Testing and Teacher Burnout" (co-author presented); "Careers of Extremely Intelligent Men" (co-author presented).

# Seminar presentations

## **Ferenc Szucs**

1. Monash University
2. University of Warwick
3. IFN

## **Roine Vestman**

National Institute of Economic Research (Konjunkturinstitutet)

# Current research projects

## Lennart Erixon

### 1. Economic Growth Models (with Jonas Pontusson)

Developed countries rely on either export or domestic demand as a driving force of their economies. Some national growth models are balanced across sectors. Sweden is often regarded by social scientists as an example of a balanced export-orientated growth model based on advanced technologies, strong innovation systems and a uniform sectorial development. What makes balanced growth possible? What are the main driving forces of different countries and decades? Do the drivers differ in kind? What are the contours and limits of a particular growth model? Has Sweden turned from an export-led to a finance-led growth model during the latest decades?

Keywords: National growth model; Balanced growth; Financialization; Export Orientation

### 2. Reforming the Monetary System of Sweden (together with Samuel Färdow Kasen)

There is a growing discussion in social science and in banking circles outside Sweden on how to reform monetary policy and the monetary system. During the latest decades, the central banks in developed countries have used their conventional means, and also some extraordinary measures, especially during the COVID-19 pandemic, to reach their inflation target and stimulate the economy shedding light on the limitations and negative effects of their current toolboxes. The proposals for a new monetary policy are often based on the introduction by the central banks of digital money (such as e-kronan) and the creation of so-called helicopter money. The aim of the project is to assess the strengths and weaknesses of the different proposals. The ultimate aim of the project is to suggest a monetary reform for Sweden leading inter alia to a better coordination between monetary and fiscal policy.

Keywords: Monetary reform; Monetary policy; Coordination of economic policy; Helicopter money; Digital central-bank money

## Rikard Forslid

### 1. Trade, the Environment and Intermediation: The Effects of Globalization at the Firm-Level (*Handelsbankens forskningsstiftelser*)

This project examines how the responses of firms to globalization affect the environmental pollution. The project makes use of a micro database on Swedish firms that contains information about firms' export and import activity, energy use, emissions, investment in emissions abatement, technology and production. The project also studies the impact of intermediation in international trade.

### 2. Financing for Ph.D. students within the field international trade, environment and firm location (*Handelsbankens forskningsstiftelser*)

This project aims to use Swedish microdata to study how Swedish companies' participation in global value chains is affected by the slowdown in globalization.

## Montasser Ghachem

The R package PINstimation

The PINstimation package was first released on CRAN on May 22, 2022, with the upcoming v0.1.3 scheduled for release in 2025. The package currently has:

- Lines of Code: 16,000+
- Downloads: 8,100+
- GitHub Stars: 36 ([GitHub Repository](#))
- Dedicated Website: <https://pinstimation.com/>

## Jonas Häckner

1. Welfare Effects of Monitoring Oligopolistic Markets (with Mathias Herzing)

This project focuses on inspections and enforcement in the contexts of environmental, public health safety, tax and competition regulations.

2. Which Factors Lead to a High Rate of Adoption of New Technology? (with Mathias Herzing)

This project analyzes firms' strategic incentives to invest in new technology that decreases marginal costs.

## Peter Langenius

1. Conducting monetary policy by managing private-sector expectations: A theory of central bank transparency

In this paper I use a New Keynesian monetary model in which the central bank has only an expectations channel through which it can implement monetary policy. In this extremely expectations augmented economy both the central bank's and society's welfare increase with higher central bank transparency. Keyword: Monetary Policy.

2. A New Keynesian Phillips Curve on Time Scales

In this paper, I derive an optimal monetary policy rule for a New Keynesian Phillips curve on time scales. The rule is tested on data over Swedish forward interest rates. Keyword: Monetary Policy.

3. Monetary Models on Time Scales (with Petr Stehlik)

In this paper we unify three seemingly distinct models of aggregate supply (AS) relations into one model on time scales. The analysis is restricted to a deterministic environment, but consents to an analysis of heterogeneous (non constant) time steps. It is shown that the admission of non constant time intervals significantly improves the ability of the model to explain US post-war data. Keyword: Macroeconomics.

#### 4. Information, Time and Transparency: A Trinity in a Monetary Policy Modelling

In this paper, central bank transparency is connected to the length of a period in the Monetary-policy model. Solving the central bank's optimization problem, one obtains an optimal period length which is shown to be related to the transparency level. Keyword: Monetary Policy.

#### **Laura Montenbruck**

1. "Easy, Informative, and Cheap? On the Effectiveness of Interactive Voice Response Calls" with Alexandra Avdeenko, Jakob Gärtner, Marc Gillaizeau, Ghida Karbala, Giulia Montresor, and Atika Pasha

In collaboration with two NGOs across three provinces in rural Pakistan, we assess the efficiency of telephonic interviews conducted by enumerators versus interactive voice recording. Our results show that interviews led by enumerators largely outperform robocalls in survey quality.

2. "On the Road to Female Empowerment? Female Bus User Discrimination in New Delhi" with Cristina Cibin

We investigate frictions in the implementation of a policy that allows women in Delhi, India, to travel on buses for free. In particular, we plan to measure the extent of discrimination against women in the context of this policy, causally investigate the reasons for discriminatory behavior among male bus drivers, conductors, and passengers, and design an intervention aimed at decreasing discrimination. (Funding application stage)

#### **Astri Muren**

1. Demographic change and the tax vote (with Sten Nyberg)
2. Glass ceiling perceptions (with Anne Boschini)
3. Delegated environmental policy when polluting firms differ in mobility

#### **Mikael Priks**

"Sentence Length and Recidivism: Court Rulings based on BAC",

We exploit a feature in the sentencing for drunk driving in the Swedish court system. Below the BAC-level 1.0, individuals are never sentenced to prison, above 1.0, the number of days sentenced to prison is linearly increasing with the BAC-level. We find that being sentenced to prison reduces future crime.

#### **David Strömberg**

1. The political economy of China (with Bei Qin and Yanhui Wu)
2. Science and Innovation (with Philippe Aghion, Celine Antonin and Xueping Sun)
3. Effects of education and media on innovation and entrepreneurship (with David Seim).

## **Ferenc Szucs**

### 1. Facing the Hard Truth: Evidence from Climate Change Ignorance (with Pamela Campa)

Public ignorance around climate change remains high in many countries. In this project, we show that information avoidance aimed at protecting self-image contributes to explaining climate ignorance. Exploiting mass-layoffs of coal miners in the US and a difference-in-differences design we find that climate ignorance shrinks less in counties not affected by the layoffs as compared to other coal-mining counties. We also employ a triple difference-in-differences strategy that compares layoffs from coal and metal mines or manufacturing to confirm that personal financial exposure to a polluting sector contributes to persistent climate change ignorance.

### 2. Measuring conspiratorial political narratives (with Oliver Kiss and Adam Szeidl)

This project aims to create a comprehensive dataset measuring the prevalence of conspiratorial speech in U.S. politics. We identify conspiratorial statements in individual political speeches, including floor speeches, press releases, and social media posts by U.S. politicians. Our analysis examines trends over time in the use of conspiratorial narratives and explores how politicians' observable characteristics relate to their reliance on conspiracy theories.

### 3. Theory of cognitive dissonance (with Mats Koesler and Adam Szeidl)

In this project, we aim to build a formal model of cognitive dissonance, which captures a tradeoff between motivated beliefs and people's preference to hold a worldview that is consistent with salient evidence. The model may help us to better understand persuasion through evidence and explain how facts can create misspecifications in beliefs not directly relevant for the individual.

### 4. Politics of welfare programs (with Mitch Downey)

This project examines how electoral outcomes respond to the presence or absence of a welfare program, focusing on Medicaid enrollment in the U.S. between 2010 and 2020. We analyze the impact of governors' policy implementation decisions and the salience of these choices to uncover different dimensions of voter reactions.

## **Peter Thoursie**

### 1. Parental Leave: Economic Incentives and Cultural Change

The distribution of parental leave uptake continues to conform to traditional gender roles. In 2002, Sweden added a second "daddy month, which e.g., increased men's share of parental leave. To understand how various factors contributed to these outcomes, we estimate a quantitative model in which preferences towards parental leave respond to peer behavior.

### 2. The Lifecycle Wage Growth of Men and Women: Explaining Gender Differences in Wage Trajectories

Why do women's wages grow more slowly than men's? In this project, we use employer-employee linked data from Sweden to non-parametrically decompose cumulative wage growth of men and women at each age into wage gains associated with firm changes, and within-firm growth.

### 3. Intensified Matching Improve Employment for Newly Arrived Refugees

In this project we conduct a randomized experiment to assess the impact of a job search assistance (JSA) intervention with intensified matching, on the employment opportunities of newly arrived refugees.

**Roine Vestman**

Macroprudential Regulations of Mortgage Contracts (with Matilda Kilström, Kathrin Schlafmann, and Ofer Setty).

We build an incomplete markets model to analyze the costs and benefits of borrower-based macroprudential policies. Costs are measured in consumption equivalents. Benefits are measured in reductions of marginal propensities to consume in response to shocks to income or mortgage interest rates.

**Jonas Vlachos**

1. "Market reforms, school segregation and teachers' work environment". Funded by Vetenskapsrådet (PI). Studies the impact of market-oriented reforms on teacher wellbeing, health, and work-environment.
2. "Who gets vaccinated and who gets ill". Funded by Vetenskapsrådet. Studies the characteristics of those who did and did not get vaccinated against Covid-19, and how this was affected by procurement and provider details.

# Seminars

## Seminar series

22 February: Lorenzo Lagos, Brown University, "Collective Bargaining for Women: How Unions Can Create Female-Friendly Jobs"

7 March: Matti Sarvimäki, Aalto University, "Refining Early Childhood Education: Finland's Two-Year Pre-School Experiment"

14 March: Josep Pijoan-Mas, Center for Monetary and Financial Studies, "Dual Labor Markets and the Equilibrium Distribution of Firms"

21 March: Oskar Nordström Skans, Uppsala University, "The Heterogeneous Earnings Impact of Job Loss Across Workers, Establishments, and Markets"

11 April: Abi Adams-Prassl, University of Oxford, "The Economic Cost of Rape"

18 April: Sydnee Caldwell, University of California, Berkeley, "Wage Premia and Worker Search"

25 April: Matthew J. Wiswall, University of Wisconsin-Madison, "Early Childhood Care and Cognitive Development"

16 May: Eric Chyn, University of Texas, Austin

23 May: Monica Morlacco, University of Southern California

5 September: Laia Navarro-Sola, Institute for International Studies (IIES), "Lowering barriers to remote education: Experimental impacts on parental responses and learning"

12 September: Anne Sofie Beck Knudsen, University of Copenhagen, "From interdependence to independence: Cultural change during the second industrial revolution"

19 September: Mikko Silliman, Aalto University, "Education, gender, and family formation"

3 October: Christiane Szerman, London School of Economics, "The labor market effects of disability hiring quotas"

10 October: Jarkko Harju, Tampere University, "Social insurance for entrepreneurs"

17 October: Lindsey Raymond, Microsoft Research/Harvard University, "Generative AI at work"

7 November: Santiago Hermo, University of Oslo, "Collective bargaining networks, rent-sharing, and the propagation of shocks"

14 November: Girija Borker, World Bank, "Women's urban mobility barriers: Evidence from Delhi's free public transport policy"

21 November: Johanna Möllerström, George Mason University, "Fairness preferences over parental wealth transfer"

28 November: Philippe Aghion, Collège de France, "Transition to green technology along the supply chain"

5 December: Nathan Wilmers, Massachusetts Institute of Technology, "Firms, jobs, and declining inequality"

12 December: Vittorio Bassi, University of Southern California, "Self-employment within the firm"

### **Brown Bag seminar series**

5 March: Giulia Vattuone, SOFI, Stockholm University, "Women in Top Academic Positions: Is There a Trickle-down Effect?"

19 March: Elin Molin, Lund University, "Severe Health Shocks and Financial Well-Being"

9 April: Max Mähr, University of Mannheim, "Tenure(d) Gap: Affirmative Action in Academia"

30 April: Ossian Prane, Stockholm University

7 May: Anne Katrine Borgbjerg, Aarhus University

14 May: Ehsan Sabouri Kenari, Stockholm University

21 May: Nils Landén Mammos, Stockholm University

28 May: Jens Wikström, University of Gothenburg, "The Value and Cost of Private Health Insurance under Universal Coverage"

4 June: Eric Klemm, University College London

10 September: Jacob Lundberg, Research Institute of Industrial Economics (IFN), "Top income taxation: Efficiency, social welfare and the Laffer curve"

24 September: Maren Holthe Hedne, University of Oslo, "Is green technology skill-biased?"

8 October: Jim Markusen, University of Colorado at Boulder, "Exploiting complementarity in applied general-equilibrium models"

Monday 14 October: Jakob Beuschlein, Stockholm University

22 October: Ossian Prane, Stockholm University

19 November: Tim Bayer, University of Gothenburg

3 December: Mathias Klein, Riksbanken, "What flattens the supply curve?"

### **Job Talks: January to February**

11 January: Lukas Leucht, University of California, Berkeley, "Patronage and Performance in Tammany Hall's NYPD"

12 January: Miguel Ortiz, University of California, Berkeley, "Hate, Fear and Intergroup Conflict: Experimental Evidence from Nigeria"

15 January: Clara Sievert, Harvard University, "Supernatural Beliefs about Illness and Use of Modern Medicine: Evidence from the DRC"

24 January: Viola Corradini, Massachusetts Institute of Technology, "Information and Access in School Choice Systems: Evidence from New York City"

25 January: Laura Montenbruck, University of Mannheim, "Fiscal Exchange and Tax Compliance: Strengthening the Social Contract Under Low State Capacity"

26 January: Jesper Böjeryd, University of California, Los Angeles, "Should I stay or should I go?"

29 January: Arnaud Dyèvre, London School of Economics, "Public R&D Spillovers and Productivity Growth"

2 February: Florian Grosset, Columbia University, "Complementarities in Labor Supply"

9 February: Guangbin Hong, University of Toronto, "Two-Sided Sorting of Workers and Firms: Implications for Spatial Inequality and Welfare"

**Final review seminars**

20 May: Nicklas Nordfors

11 June: Miika Päällysaho

14 June: Charlotte Lucke

22 August: Chiara Latour

**Public defenses**

21 May: David Jackson, "Enforcing social norms. How economics shapes reputation and social punishment"

6 September: Nicklas Nordfors, "Essays on development and the environment"

4 October: Charlotte Lucke, "Essays on labour supply and inequality"

11 October: Miika Päällysaho, "Essays in labor, public, and health economics"