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University

Institute for  
International  
Economic  
Studies

Annual Report  
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© Institute for International Economic Studies (IIES)

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*Photo: Ingmarie Andersson.*

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# About the IIES

The Institute for International Economic Studies (IIES) is a research institute at Stockholm University. Founded in 1962, it has become one of Europe's leading institutions in advanced research in economics, broadly defined.

The mission of the IIES condenses the three broad goals of Stockholm University at a top level: to train PhD economists, conduct cutting-edge research, and actively engage in high-level public policy discussions in Sweden and beyond.

**The three aims** of the IIES are tightly interconnected. For the training of future PhDs and to ensure that any policy advice is updated and based on sound empirical and theoretical grounds, an ongoing close engagement with the international research frontier is necessary. To this end, the IIES researchers themselves engage in research projects aimed at broad international impact.

**The PhD students** based at the IIES are an integral part of its research environment. A defining feature of the PhD training, which is part of a Stockholm-wide program involving other institutions, is to encourage the students to take on ambitious and challenging questions of broad value to society. Upon graduation, IIES students go on to tenure-track jobs at universities worldwide or positions in government and other organizations. The list of leading Swedish decision makers with an IIES background is long.

**The IIES has a global aim with its research.** However, its international profile is broader than that. A significant fraction of the faculty as well as the PhD students, along with visiting seminar speakers and researchers, come from a wide variety of countries. The working language at the IIES is English.



*Photo: Ingmarie Andersson/Stockholm University.*

## Board of Directors

Being a research institute, the IIES has an external Board of Directors consisting of the directors of the IIES, other representatives from Stockholm University and external members. The Board meets twice a year.

**Jakob Svensson** (Chair), Professor of Economics, IIES Director

**John Hassler**, Professor of Economics, IIES Deputy Director

**Susanne Ackum**, Dean at the School of Business, Linnaeus University

**Karin Bäckstrand**, Professor of Environmental Social Science, Stockholm University

**Harry Flam**, Professor Emeritus, IIES

**Lars Heikensten**, Former CEO of the Nobel Foundation

**Mia Horn af Rantzien**, CEO of the Center for Business and Policy Studies (SNS)

**Kerstin Lidén**, Professor of Archaeology, Stockholm University

**Jonas Nycander**, Professor of Meteorology, Stockholm University

**Michael Sohlman**, Former CEO of the Nobel Foundation



*José-Elías Gallegos and Claire Thürwächter were two of the ten finalists for the ECB's Young Economist Prize 2022.*

## News at the IIES

**Ingvild Almås** was reappointed member of the Committee for Monetary Policy and Financial Stability at the Norwegian Central Bank. She was also the Program Chair, Econometric Society Summer Meeting (ESSA).

**Anton Arbman Hansing** and **Leiv Storesletten** joined the IIES as Research Assistants.

**Huen Tat Au-Yeung**, **Tiago Bernardino**, **Chek Yin Choi**, **Merve Demirel**, **Martina Dossler**, **Ida Kristine Haavi**, **Juan Llavador Peralt**, **Jinci Liu**, **Thore Petersen**, and **Jonatan Riberth** joined the IIES as graduate students.

**Tiago Bernardino** is spending the academic year 2022/2023 at the London School of Economics and Political Science (LSE) on a Hedelius scholarship.

**Dominik Biesalski** is visiting Harvard University from August 2022 until March 2023.

**Tobias Broer** is currently part-time at the Institute (20 percent), working mostly at the Paris School of Economics.

**Lars Calmfors** gave presentations of the report on the Balance between Fiscal and Monetary Policy at the Ministry of Finance, the Swedish Riksbank, the National Institute of Economic Research, the Financial Supervisory Authority and the National Debt Office. He also gave a large number of lectures on various economic-policy issues at various organizations and government authorities. Lars also gave a speech on Economic Research and Economic Policy: A Problematic Relationship, Symposium on Opening the Ivory Tower Wide, Swedish Collegium for Advanced Studies (SCAS), Uppsala University.

**Amanda Dahlstrand-Rudin** is a postdoc at Microsoft Research in 2022/2023. During 2022 she was also awarded the Sir John Hicks award for Outstanding Doctoral Thesis in 2022, as well as the ReStud North America Tour and the China Star Tour.

**José-Elías Gallegos and Claire Thürwächter** were two of the ten finalists for the European Central Bank's Young Economist Prize.

**John Hassler** was appointed as new member of the advisory council to the Swedish Minister of Finance.

**Alexandre Kohlhas** visited Boston College in April 2022.

**Markus Kondziella** won the Ola Bengtsson Award for best PhD paper - "Recent Changes in Firm Dynamics and the Nature of Economic Growth".

**Per Krusell** gave a number of keynote talks/public lectures – all of them on climate change and economics – in the United States,

India, Spain, Norway, and online. He was elected member of Academia Europaea. The activities at the Center for Monetary Policy and Financial Stability (CeMoF) at Stockholm University, where Per is the director, have also intensified.

**Carolina Lindholm** took leave from the IIES in October 2022 to join Sweden's Ministry of Finance as State Secretary, with responsibility for tax issues.

**Francesco Loiacono** held presentations at OXDEV, University of Oxford and CSAE, PhD workshop, September 2022, Helsinki-Stockholm PhD workshop in Helsinki, November 2022, North East Universities Development Consortium (NEUDC) 2022, Yale Economic Growth Center, Yale University, November 2022, as well as at European Winter Meeting of the Econometric Society 2022, Berlin School of Economics, December 2022.

**Stefan Maukner** joined the IIES for one year as a Research Assistant/Data Analyst.

**Kurt Mitman** visited CEMFI as a Maria de Maeztu Visitor in April 2022. He also delivered the keynote address at the V Workshop of the Spanish Macroeconomics Network in Barcelona in October 2022 as well as at the Annual Meeting of the Austrian Economics Association in Vienna in September 2022. Furthermore, Kurt delivered the 2nd Invited Lecture Series at the Bank of Lithuania in Vilnius, September 2022.

**Laia Navarro-Sola** was a visiting researcher at Universitat Pompeu Fabra in the fall of 2022.

**Arash Nekoei** visited the London School of Economics and Political Science (LSE) in November 2022.

**Chloé Nibourel** visited the London School of Economics and Political Science (LSE) between September 2022 and January 2023.

**Torsten Persson** was elected board member of Riksbankens Jubileumsfond (Bank of Sweden Tercentenary Foundation).

**Ciaran Rogers** joined the IIES for a one-year postdoc financed by the Center for Monetary Policy and Financial Stability (CeMoF).

**David Schönholzer** was appointed Visiting Assistant Professor at Stanford University's Institute for Economic Policy Research (SIEPR) from October 2022 to January 2023.

**Fabian Sinn** is visiting Opportunity Insights at Harvard University during the academic year 2022/2023.

**Jakob Svensson** visited the World Bank for a month during 2022.

**Claire Thürwächter** visited Harvard University between January and May 2022.

# People at the IIES

There are around 80 people at the IIES consisting of research staff, administrative staff, graduate students and visiting researchers from all over the world.

## Administration



**Christina Lönnblad**  
Head of Administration



**Karl Eriksson**  
IT Manager/  
Systems  
Administrator



**Ulrika Gålnander**  
Administrator



**Tove Happonen**  
Administrator



**Hanna Weitz**  
Administrator &  
Communications officer



**Stefan Maukner**  
Research Assistant/  
Data Analyst

## Research Assistants



**Anton Arbman Hansing**

Areas of research: Political, public, and behavioral economics.



**Maija Kaartinen**

Areas of research: Macroeconomics and environmental economics in an international context. Special focus on the interplay between innovation, trade, and climate policy.



**Isabella Maassen**

Areas of research: Macroeconomics, AI, labor markets, and public policy.



**Vaibhav Rathi**

Areas of research: Applied microeconomics, political economy, and growth, with a focus on interaction of growth and inequality.



**Leiv Storesletten**

Areas of research: Quantitative macroeconomics and labor market economics.

## Researchers

Here you will find information on the IIES researchers and their different research areas. More extensive information can be found on our web.



**Jakob Svensson**, Professor, Director of the IIES  
Areas of research: Development economics.



**John Hassler**, Professor, Deputy Director of the IIES  
Areas of research: Macroeconomics and climate change, climate policy.



**Ingvild Almås**, Professor  
Areas of research: Development economics: early childhood development, cash transfer schemes, and household economics.



**Sebastian Axbard**, Visiting Researcher  
Areas of research: The intersection of political economy, development, and environmental economics.



**Almut Balleer**, Affiliated Researcher  
Areas of research: Macroeconomics: Macro-labor, monetary economics, and applied macroeconomics.



**Tessa Bold**, Associate Professor  
Areas of research: Development economics. Currently mainly working on modernization of agriculture.



**Timo Boppart, Associate Professor**

Areas of research: Macroeconomics with a particular emphasis on long-run macroeconomic questions involving growth, structural change, technological change, labor supply, firm dynamics and economic development.



**Tobias Broer, Associate Professor**

Areas of research: Heterogeneous-agent macroeconomics, consumption, saving, and risk-sharing, expectation-formation, monetary policy, and investor disagreement.



**Konrad Burchardi, Associate Professor**

Areas of research: Understanding the process of productivity growth at early stages of development, and the constraints that keep this process from unfolding. The economic effect of immigration.



**Bet Caeyers, Affiliated Researcher**

Areas of research: Policy and programmatic approaches to scaling social protection and human development services in low- and middle-income countries, with a focus on early childhood development.



**Lars Calmfors, Professor Emeritus**

Areas of research: Macroeconomics: Fiscal and monetary policy, and labor economics: Wage bargaining, employment.



**Amanda Dahlstrand-Rudin, Affiliated Researcher**

Areas of research: Health, labor and development economics.



**Mitch Downey, Assistant Professor**

Areas of research: Political economics (political polarization, public administration, and bureaucratic performance), economics of crime (behavior of police and prosecutors), and labor economics (wage inequality, unions, employer power, and labor market frictions).



**Harry Flam**, Professor Emeritus

Areas of research: European economic integration, EU economic policy, and trade.



**Alexandre Kohlhas**, Assistant Professor

Areas of research: What survey data on expectations can tell us about data-consistent models of expectation formation, and how systematic differences in people's expectations interact with their economic choices to shape income inequality and mobility in the macroeconomy.



**Per Krusell**, Professor

Areas of research: Macroeconomics broadly defined: long-run analysis on technological change, sustainability, climate change, agriculture and its role in development, inequality, and labor supply as well as short-run analysis on fiscal and monetary multipliers, and labor markets.



**Kieran Larkin**, Assistant Professor

Areas of research: Macroeconomics, macro-labor, and consumption.



**Kurt Mitman**, Associate Professor

Areas of research: Macroeconomics. Particularly the interplay between heterogeneity and aggregate fluctuations. Current focus on monetary and fiscal policy, consumer default policy, asset pricing, sudden stops and housing, and on integrated assessment models of the macroeconomy and pandemics.



**Laia Navarro-Sola**, Assistant Professor

Areas of research: Human capital, education, and labor in developing countries.



**Arash Nekoei**, Assistant Professor

Areas of research: Public and labor economics, and economic history.



**Peter Nilsson, Professor**

Areas of research: Labor and health economics: human capital formation, child health, labor market outcomes, and unemployment insurance.



**Victoria Osuna Padilla, Visiting Researcher**

Areas of research: Macroeconomics and labor market policies.



**Mats Persson, Professor Emeritus**

Areas of research: Macroeconomics and public economics.



**Torsten Persson, Professor**

Areas of research: Political economics: theoretical research on the dynamics of culture, institutions and policy, and empirical research on the selection of Swedish politicians. He also leads SWECOV, a cross-disciplinary research program on the COVID-19 pandemic and its consequences in Sweden.



**Jonathan de Quidt, Assistant Professor**

Areas of research: Behavioral and development economics.



**Ciaran Rogers, Post Doc**

Areas of research: Monetary policy and household finance.



**Kathrin Schlafmann, Researcher**

Areas of research: Household finance, macroeconomics, and real estate.



**David Schönholzer**, Assistant Professor

Areas of research: Primarily public economics and political economy, with further interests in development, urban, and history. Studies the role of governance, household preferences, and state capacity in the efficient provision of public goods.



**Gustavo de Souza**, Assar Lindbeck Fellow

Areas of research: Macroeconomics, labor economics, development, and public finance. More specifically, how fiscal policy and technological progress affect the labor market.



**Peter Svedberg**, Professor Emeritus

Areas of research: Development economics.



**Lars E.O. Svensson**, Affiliated Professor

Areas of research: Monetary policy, macroprudential policy, and housing.



**Anna Tompsett**, Affiliated Researcher

Areas of research: Development economics, environmental economics, public goods provision, infrastructure.



**Joshua Weiss**, Assistant Professor

Areas of research: Focus on the incentives of large firms relative to their smaller competitors, and the implications for industry and macroeconomic outcomes, as well as the effects of policy.



**Yimei Zou**, Assistant Professor

Areas of research: International trade and macroeconomics (growth and structural change).

## Graduate Students

All our graduate students spend their final years of study at the IIES writing their doctoral dissertations.



**Anna Aevarsdottir**

Areas of research: Development economics and political economics.



**Mattias Almgren**

Areas of research: Macroeconomics: labor, growth, structural change, and monetary economics.



**Märta Almgren**

Areas of research: Macroeconomics: monetary- and fiscal policy, housing markets, and wealth inequality.



**Huen Tat Au-Yeung**

Areas of research: Political and behavioral economics.



**Gualtiero Azzalini**

Areas of research: Macroeconomics: macro-labor, household finance, heterogeneous agents macro, and wealth inequality.



**Agneta Berge**

Areas of research: Macroeconomics, labor markets, firms, and inequality.



**Tiago Bernardino**

Areas of research: Macroeconomics with a focus on heterogeneous agents, monetary economics, and energy.



**Iacopo Bianchi**

Areas of research: Applied microeconomist with a strong interest in development economics, with a particular focus on Sub-Saharan Africa.



**Dominik Biesalski**

Areas of research: Development economics with a focus on the behavioral drivers and effects of poverty.



**Monir Bounadi**

Areas of research: Political Economics and development economics



**Tillmann von Carnap**

Areas of research: Development economics and economic geography.



**Chek Yin Choi**

Areas of research: Macroeconomics. In particular production networks and allocation of resources across firms.



**Merve Demirel**

Areas of research: Development economics, gender, and migration.



**Martina Dosser**

Areas of research: Macroeconomics. In particular macro-labor, macroeconomic policy and inequality.



**Mohammadreza Farajpour**

Areas of research: Macroeconomics. Especially climate change, and energy.



**Mattias Folkestad**

Areas of research: Political selection, democratization, education policy, and renewable energy.



**José-Elías Gallegos**

Areas of research: Macroeconomics, monetary, and information frictions.



**Ida Kristine Haavi**

Areas of research: Macroeconomics, with a special focus on monetary policy, international macroeconomics and climate economics.



**Stefan Hinkelmann**

Areas of research: Climate change and environmental macroeconomics, and macro-housing.



**Philipp Hochmuth**

Areas of research: Macroeconomics: inflation and how this is different for households with different incomes, and monetary economics and financial frictions: how consumption basket heterogeneity interacts with monetary policy.



**Markus Kondziella**

Areas of research: Macroeconomics broadly, with a particular focus on firm dynamics, economic growth and wealth inequality.



**John Kramer**

Areas of research: Monetary economics and macro labor.



**Carolina Lindholm**

Areas of research: Macroeconomics and finance.



**Evelina Linnros**

Areas of research: Health and gender. Particular interest in how reproductive health affects the lives of women.



**Jinci Liu**

Areas of research: Labor and applied microeconomics with a focus on understanding labor participation innovation. An interest also in using structural modeling to perform policy evaluation.



**Juan Llavador Peralt**

Areas of research: Macroeconomics, in particular input-output production networks and heterogeneous agents models.



**Francesco Loiacono**

Areas of research: Development economics. In particular how to integrate forced migrants into local labor markets in low-income countries, increase transparency in public procurement in contexts of low-state capacity, and how credit affects small and medium businesses' growth in poor economies.



**Patrizia Massner**

Areas of research: Applied microeconomics, labor and public economics with a focus on gender, sources of inequalities, and equality of opportunity.



**Chloe Nibourel** (Visiting Graduate Student from SSE)

Areas of research: Political economics mostly from an empirical perspective. Interested in understanding the political system in well-functioning democracies and how they can be developed to tackle current challenges.



**Fredrik Paues**

Areas of research: Macroeconomics with a particular focus on household finance, fiscal policy and housing.



**Markus Peters**

Areas of research: Macroeconomics and household finance.



**Thore Petersen**

Areas of research: Macroeconomics with a focus on resources and climate.



**Jonatan Riberth**

Areas of research: Intergenerational mobility, health economics, and economic history.



**Sreyashi Sen**

Areas of research: Development economics, political economy, and macro-development.



**Fabian Sinn**

Areas of research: Labor economics, health economics, and inequality.



**Xueping Sun**

Areas of research: Political economy of innovation, and China's development.



**Sebastian Tebbe**

Areas of research: The intersection of public and behavioral economics, with a focus on environmental applications.



**Claire Thürwächter**

Areas of research: Macroeconomics, monetary policy, and firm heterogeneity.



*Mariajose Silva Vargas has spent several years at the IIES as a Visiting Graduate Student. Her time with us has now, sadly, come to an end.*

## Visitors

Each year the IIES welcomes researchers and graduate students from all over the world to visit our vibrant research environment. They get to meet and interact with IIES staff as well as get a glimpse of Stockholm and all it has to offer.

### Visiting Graduate Students

In the spring of 2022, [Stephan A. Schneider](#) (ETH Zurich) visited the IIES as a PhD guest researcher for five months. After having to work a lot from home previously, during the COVID pandemic, he found it inspiring to be able to interact with the researchers at the IIES in-person. Stephan joined several PhD classes (among others “Publish or Perish”, “Political Economics III”, and “Design-Based Research Using Observational Data”) as well as the informal weekly research group meetings “Development Tea”, “Advising Political Economics”, and the group of his thesis co-supervisor Anna Tompsett (which he still joins regularly via video call). He made use of the opportunity to present new research ideas and work-in-progress in these different set-

tings and very much appreciated how active the IIES faculty is in providing advice and feedback. His research on the political bias in disaster relief allocation after hurricanes, which he discussed with several faculty members during his stay, has recently been accepted for publication in the *Review of Economics and Statistics*. In November 2022, Stephan returned to Stockholm for one month to con-

tinue working on a new research project on the allocation of wind turbines in Sweden together with

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### “Inspiring to interact with researchers at the IIES”

IIES graduate student Mattias Folkestad. He also presented the progress of his work on long-term political influence of migration experience at the Association of Swedish Development Economists annual conference (ASWEDE). Stephan is grateful for all the experiences and the new friends he made in Stockholm. He is looking forward to stay in contact and to come back to Sweden in the future – both for academic research and to put in an even better performance in the Vasaloppet.

In 2022 [Mariajose Silva-Vargas](#) (Maastricht University) had the pleasure to extend her visit at the IIES for another great and final year. Her time, as usual, was very productive. First, she worked with her co-authors Jonathan de Quidt and graduate student Francesco Loiacono on finishing the articles of several projects related to land markets and refugees’ integration in a low-income country. Second, she was able to attend the “Development Tea”, a weekly meeting to share research ideas, receive feedback and talk about recent trends in development research. Finally, she had the pleasure to attend and present at the Association of Swedish Development Economists (ASWEDE) where, beyond learning new and relevant research in the field, she also learned that traveling during a snow storm is quite an interest-

ing experience. She would like to thank the IIES for hosting her over all these years. All the academic and administrative staff treated her like one of their own, making her feel welcome and supported. The resources and facilities available at the IIES were exceptional and provided her with the necessary tools to carry out her research successfully. She is grateful for the opportunity to work with such a talented group of researchers and students, and for the valuable feedback and guidance she received throughout her stay. Without the IIES, her research would not have been possible, and she is thankful for the university's continued support and commitment to excellence. She will always remember her time at the IIES with fondness and appreciation, and looks forward to staying in touch with her colleagues and friends at the university.

**Aapo Stenhammar** (Aalto University) visited the IIES from April to June 2022. He had many productive discussions during his visit and his research progressed well. He took part in weekly meetings with an applied micro group at the IIES and presented his work at the Labor Fika. He also took part in the economists' weekly "innebandy" (floorball) games.



## Visiting Researchers

**Sebastian Axbard** (Queen Mary, University of London) is visiting the IIES during the 2022/2023 academic year. He has worked on several different research projects, including work on judicial accountability in the Philippines, air-pollution monitoring in China and on firms' response to migration incidents in the

Mediterranean. Sebastian also started up new work on the Chinese bureaucracy and judicial system. He has much enjoyed the welcoming atmosphere at the IIES and appreciated many helpful and constructive conversations with members of the political economy, development and labor groups.

**Victoria Osuna Padilla** (Pablo de Olavide University) is spending the academic year 2022/2023 at the IIES. She has so far attended high-quality seminars and several PhD courses. She has also had the opportunity to meet outstanding professors and researchers such as Per Krusell, Kurt Mitman, Kieran Larkin and Arash Nekoi. The time spent at the IIES has contributed to substantially improve the quality of her research.

# Center for Monetary Policy and Financial Stability (CeMoF)

CeMoF is a collaboration between Stockholm Business School, the IIES, and the Department of Economics at Stockholm University.

Formed in the Spring of 2021, its main mission is to promote the education of graduate students in the areas of monetary policy and financial stability.

CeMoF is generously supported by a grant from the Bank of Sweden Tercentenary Foundation of SEK 60 million with the objective of consolidating the PhD program and the research environment within the fields of monetary policy and financial stability. The grant was obtained in an open call, involving a competitive process.

CeMoF is governed by a director (Professor Per Krusell at the IIES) and a deputy director (Associate Professor Anna Seim at the Department of Economics), a management team, and a board. There is also a number of researchers and graduate students affiliated with the Center.

## Meet Ciaran Rogers, Post Doc at the IIES, financed by CeMoF

Ciaran was born and raised in Dublin, Ireland, and moved to the UK for his undergraduate, and then worked as a fixed income trader at a bank in London. He subsequently moved to San Francisco to embark on his PhD at Stanford University.

### Why CeMoF and the IIES?

“It was a very easy decision to make. Not only am I excited to converse with so many talented economists here, it became immediately apparent to me when I visited early this year, how friendly and welcoming the economics community at Stockholm University is.”



*Ciaran Rogers*

Ciaran’s research interests focus on monetary policy and household finance. His first line of work investigates different monetary policy regimes and the resulting set of feasible policy tools. He also works with life-cycle models that incorporate portfolio choice to try and understand household financial decisions observed in survey data (for example, health insurance products and financial asset portfolios).

# Seminars

Each semester the IIES invites prominent researchers from all over the world to hold seminars. The following seminars were held during 2022.

## Job Talks

Ciaran Rogers, Stanford University

“Quantitative Easing and Local Banking Systems in the Euro Area”

Amanda Dahlstrand, London School of Economics

“Defying Distance? The Provision of Services in the Digital Age”

Diego Känzig, London Business School

“The Unequal Economic Consequences of Carbon Pricing”

## Seminars in the IIES Seminar Series

### Spring 2022

Joachim Hubmer, University of Pennsylvania

“Not a Typical Firm: The Joint Dynamics of Firms, Labor Shares, and Capital-Labor Substitution”

Peter André, Briq Institute

“Shallow Meritocracy”

Davide Cantoni, LMU Munich

“The Rise of Fiscal Capacity” with Cathrin Mohr and Matthias Weigand

**Niklas Engbom, NYU**  
“Misallocative Growth”

**Jonathan Lehne, SITE SSE**  
“Incumbents, Minorities, and Voter Purges: Evidence from 120 Million Voters’ Registrations in India”

**Anna Sandberg Trolle-Lindgren, SOFI at Stockholm University**  
“The Impact of PhD Studies on Mental Health Care Uptake”

**Florin Bilbiie, University of Lausanne**  
“Inequality and Business Cycles” with Giorgio Primiceri and Andrea Tambalotti

**Vincent Sterk, UCL**  
“Startup Types and Macroeconomic Performance in Europe” with Ralph de Haas and Neeltje van Horen

**Thomas Le Barbanchon, Bocconi University**  
“How Do Women and Men Search for Jobs over the Unemployment Spell?” with Lena Hensvik and Roland Rathelot

**Carolyn Stein, Stanford University/UC Berkeley**  
“Race to the Bottom: Competition and Quality in Science” with Ryan Hill

**Paolo Sodini, SSE**  
“From Saving Comes Having? Disentangling the Impact of Saving on Wealth Inequality” with Laurent Bach and Laurent E. Calvet

**Christopher Roth, University of Cologne**  
“Narratives about the Macroeconomy”

**Imran Rasul, UCL**

“The Search for Good Jobs: Evidence from a Six-year Field Experiment in Uganda” with Oriana Bandiera, Vittorio Bassi, Robin Burgess, Munshi Sulaiman and Anna Vitaliy

**Claudia Allende Santa Cruz, Stanford GSB**

“Search Costs, Biased Beliefs and School Choice under Endogenous Consideration Sets”

**Tommaso Porzio, Columbia Business School**

“Self-Employment within the Firm” with Vittorio Bassi, Jay Lee, Alessandra Peter, Ritwika Sen and Esau Tugume

**Cynthia Kinnan, Tufts University**

“Propagation and Insurance in Village Networks”

**Gabriel Chodorow-Reich, Harvard University**

“The 2000s Housing Cycle with 2020 Hindsight: A Neo-Kindlebergerian View” with Adam M. Guren

**Maryam Farboodi, MIT Sloan**

“Cleansing by Tight Credit: Rational Cycles and Endogenous Lending Standards” with Peter Kondor

**Lena Edlund, Columbia University**

“The State and the Family”

**Michael Peters, Yale University**

“Growing Like India: The Unequal Effects of Service-Led Growth” with Tianyu Fan and Fabrizio Zilibotti

**Hans-Joachim Voth, University of Zurich**

“New Deal, New Patriots: How 1930s Government Spending Boosted Patriotism during WW II” with Bruno Caprettini

Attila Lindner, UCL

“Quality Complementarity in Supplier-Client Networks”

Elisa Rubbo, Chicago Booth School of Business

“Monetary Non-neutrality in the Cross-section”

Gaetano Gaballo, HEC Paris

“Spending Allocation under Nominal Uncertainty: A Model of Effective Price Rigidity”

Moritz Kuhn, University of Bonn

“Worker Careers and Life-Cycle Wage Dynamics”

## **Fall 2022**

Xavier Gabaix, Harvard University

“In Search of the Origins of Financial Fluctuations: The Inelastic Markets Hypothesis”

Marcella Alsan, Harvard Kennedy School

“Representation and Legitimacy: Evidence from Clinical Trials”

Johannes Spinnewijn, London School of Economics and Political Science (LSE)

“Predicting Long-term Unemployment Risk” with Andreas Mueller

Raul Sanchez de la Sierra, University of Chicago

“Who Becomes a Militia Combatant? Inside the Nduma Defense of Congo-Renove”

John Van Reenen, London School of Economics and Political Science (LSE)

“The Impact of Regulation on Innovation”

Sara Lowes, UC San Diego

“The Origins and Consequences of Communal Property Rights”

Francis Kramarz, CREST

“Matching Workers’ Skills and Firms’ Technologies: From Bundling to Unbundling” with Philippe Choné

Paula Onuchic, University of Oxford

“Signaling and Discrimination in Collaborative Projects”

Raul Santaaulalia-Llopis, Barcelona School of Economics

“Excess of Transfer Progressivity in the Village” with Francesco Carli and Albert Rodriguez-Sala

Daniel Chen, Toulouse School of Economics

“Data Science for Justice: Evidence from a Randomized Judicial Reform in Kenya”

Amma Panin, UC Louvain

“Using Religious Participation to Insure Mental Health in Ghana”

Cezar Santos, Inter-American Development Bank

“Dispersion in Financing Costs and Development” with Tiago Cavalcanti, Joseph P. Kaboski and Bruno Martins

Karthik Sastry, Massachusetts Institute of Technology (MIT)

“Attention Cycles” with Joel Flynn

Jacob Moscona, Harvard University

“Inappropriate Technology: Evidence from Global Agriculture” with Karthik A. Sastry

Dajana Xhani, Tilburg University

“Correcting Market Power with Taxation: A Sufficient Statistic Approach”

Janet Currie, Princeton University

“Medication of Postpartum Depression and Maternal Outcomes: Evidence from Geographic Variation in Dutch Prescribing”

Joseba Martinez, London Business School

“Short-Term Tax Cuts, Long-Term Stimulus”

Gharad Bryan, London School of Economics and Political Science (LSE)

“Big Loans to Small Businesses: Predicting Winners and Losers in an Entrepreneurial Lending Experiment” with Dean Karlan and Adam Osman

Jonas Hjort, University College London (UCL)

“Input Sourcing in Lopsided Low-income Economies” with Alan Griffith and Yue Yue

Thomas Lemieux, Vancouver School of Economics

“Who Benefits from Place-based Policies? Evidence from Matched Employer-Employee Data”

Isaac Baley Gaytan, Universitat Pompeu Fabra

“The Macroeconomics of Partial Irreversibility” with Andres Blanco

Edoardo Teso, Kellogg School of Management at Northwestern University

“State Capacity as an Organizational Problem. Evidence from the Growth of the U.S. State over 100 Years”

## IIES/SNS International Policy Talks

The IIES/SNS International Policy Talks is a collaboration with SNS (Centre for Business and Policy Studies) where the mission is to bring insights from leading international economists to the Swedish policy debate. These talks are hosted by the SNS.

### Spring 2022

#### Consequences of Refugee Immigration

Sascha Becker, Monash University and University of Warwick

Participants: Henrik Andersson, researcher at the Institute for Housing and Urban Research (IBF), Uppsala University, and Annika Sundén, PhD in Economics and member of The Migration Studies Delegation

Seminar led by IIES Associate Professor Tessa Bold

#### After Work Seminar on the Value of Big Data

Maryam Farboodi, MIT Sloan

Participants: Anna Albinsson, CEO Whispr Group, and Sven Törnkvist, Head of EQT Digital

Chaired by IIES Associate Professor Tessa Bold

### Fall 2022

#### The Case for Growth

John Van Reenen, London School of Economics and Political Science (LSE)

Participants: Sven-Olov Daunfeldt, chief economist at the Confederation of Swedish Enterprise (Svenskt Näringsliv), and Laura Hartman, chief economist at the Swedish Trade Union Confederation (LO)

Chaired by Ilinca Benson, CEO of SNS



## Nobel Symposium on Inequality

August 27-28, 2022

### Selected Research

The IIES annually produces research of the utmost quality with areas of research covering a wide spectrum. This year's selection of research projects gives further proof of the diverse and vibrant research environment at the IIES.

#### Global Evidence on the Selfish Rich Inequality Hypothesis

Researchers: Ingvild Almås, with Alexander W. Cappelen, Erik Ø. Sørensen and Bertil Tungodden.

A review of a study from over 60 countries shows that people perceive the rich's fortunes as a result of selfish behavior, that inequality is unfair, and that there is strong support for income redistribution.

This view is highly polarized in many countries, causing political disagreement that could be detrimental to economic development. Systematic differences between countries in the extent to which people believe that selfishness is a source of inequality

highlight international differences in moral, civic virtues and redistributive policies.

The researchers investigated whether people believe that selfish behavior among rich people is a contributing cause of inequality - something they call “the selfish rich inequality hypothesis”. In short, the hypothesis states that the rich are richer than the poor because they have been more selfish in their lives than the poor.

Globally, 52% of respondents agree with the hypothesis that rich people are richer than poor people because they have been more selfish in life. The strongest support for the hypothesis is in South America, southern Europe, Africa and parts of Asia, while in North America, northern Europe and Australia there is less support. In all 49 of the 60 countries in the study, the hypothesis is agreed with on average, while only 11

countries on average do not agree. In fact, 39 countries strongly agree with the hypothesis, while only 7 countries do not agree at all. The hypothesis has the most support in India and Pakistan, and the least support in the US and Canada.

Belief in the hypothesis is significantly stronger in countries with extensive corruption and weak institutions

“Belief in the hypothesis is significantly stronger in countries with extensive corruption and weak institutions, and less strong among people with higher incomes,” says Ingvild Almås. “This can inform us about people’s political views on inequality and income redistribution: for example, a belief in the hypothesis seems to mean that one perceives inequality in one’s country as unfair, and that one’s government should invest in reducing this inequality.”

The research used data from a global study with a sample of more than 26,000 individuals in 60 countries (implemented as part of the 2018 Gallup World Poll), each respondent was asked if they agreed with the following statement: “In [the name of the respondent’s country], one of the main reasons for the rich being richer than the poor is that the rich have been more selfish in life than the poor.” The data were collected on a discrete 5-point ordinal scale from “strongly agree” to “strongly disagree” and were assigned numerical values from 1 (strongly disagree) to 5 (strongly agree). In the analysis, the researchers also looked at questions about whether the people surveyed believe that the rich are richer than the poor because they have been more involved in illegal activities, if they think inequality in their society is unfair, if they support a redistribution of capital, and a set of individual background variables, and a set of country background variables.

## Market Access and Quality Upgrading: Evidence from Four Field Experiments

Researchers: Tessa Bold and Jakob Svensson, with Selene Ghisolfi and Frances Nsonzi.

Recent research looking at smallholder maize farmers in Uganda suggests that improving smallholders’ access to markets where high-quality crops are rewarded and more generally linking farmers to value chains has a large potential.

The researchers investigated the barriers and potential of quality upgrading among smallholder maize farmers in rural Uganda.

Smallholder farmers in low income countries produce and sell output of low quality. Low quality limits the price farmers can command and can help explain why the returns to smallholder farming are low. At the same time, many experts and policy makers argue that quality-upgrading is key to raising income

and productivity, yet few farmers upgrade the quality of their produce. Why is this?

Through a series of experiments among smallholder maize farmers, the researchers do indeed confirm that the quality of maize is poor, but they also show that even after assisting the farmers to achieve higher quality produce, traders still pay the same price as they did for lower quality produce. Thus the market for quality maize is effectively missing. By giving farmers access to a market for premium quality maize, combined with training on agricultural best-practices, they found a large increase in both farm productivity and income. Agricultural training alone, however, does not seem to affect agricultural outcomes.

“It is important to note that constraints in demand limit rural income and productivity growth for these farmers”, according to Tessa Bold. “Access to a market for premium quality maize is essential”.

## Economic and Social Outsiders but Political Insiders: Sweden’s Populist Radical Right

Researchers: Torsten Persson, with Ernesto Dal Bo, Federico Finan, Olle Folke and Johanna Rickne.

The proportion of local politicians with weak ties to the labor market and to the nuclear family is a good deal higher among populist, radical-right Sweden Democrats than among other parties in Sweden. The Sweden Democrats’ support is also significantly higher in precincts where many voters have weak ties to the labor market and the nuclear family.

The researchers used data from 1979 to 2014 to compare the Sweden Democrats’ (SD) municipal politicians with other parties’ municipal politicians – as well as SD’s voters with other parties’ voters. SD’s politicians (both elected and nominated)

are less likely to have stable jobs, and are also at greater risk of losing their jobs, than politicians from other parties. They also more often live alone. The differences between the parties are great – tens of percentage points – and they concern the politicians themselves, as well as their parents during the time when the politicians grew up. SD has also received more votes in constituencies where fewer people have permanent jobs and have a greater risk of losing their jobs.

“Sweden’s rich micro data provide a unique opportunity to shed light on these issues, as we have access to detailed (though anonymized) measures of the living conditions of all politicians, voters and their parents”, says Torsten Persson.

In the last two decades, many democracies have seen populist radical right-parties grow stronger. The research in the paper is based on two clear features of these parties’ policies: the critique of society’s establishment and of immigration. The afore-

mentioned results rhyme well with the hypothesis that criticism of the establishment makes it easier for the party to mobilize politicians and voters among individuals who themselves are on the fringes of society in terms of work and family. On the other hand, the researchers find no or weak support for a similar hypothesis: that SD’s critical attitude to immigration attracts voters who live in areas with a large foreign-born population, or who work in a profession with a large proportion of foreign-born in the work force.

SD’s entry into Swedish politics has increased the proportion of elected politicians with first-hand experience of a weaker connection to the labor market and nuclear family in their own or

Vulnerable groups seem to be better represented, but by politicians with fewer qualifications and weaker motives for community service

their parents' lives. The researchers also compared SD's politicians with those in other parties when it comes to several other personal characteristics. They measured these characteristics with the help of various registers, as well as a special survey of all Swedish local politicians. The data from these sources show that SD's politicians have lower formal qualifications from education and the labor market, poorer trust in others, poorer motives for community service and - to some extent - poorer private morale.

One interpretation of the results is that vulnerable groups are now better represented, but by politicians with fewer qualifications and weaker motives for community service — something that can affect how the new politicians succeed in carrying out their tasks.

## (S)Cars and the Great Recession

Researchers: Kieran Larkin, with Orazio Attanasio, Morten O. Ravn and Mario Padula.

The paper is about understanding the drivers of the Great Recession. The researchers show how atypical patterns in car spending in the US during the recession can be informative about the underlying shocks hitting households. This is especially true once the impact across households at different points of the life cycle is considered. In particular, the cross-cohort spending patterns are consistent with a decline in how quickly younger households expected their income to grow during their career after the Great Recession hit.

They make a useful distinction between the extensive (probability of purchase) and intensive margin (size/value conditional on purchase) of household car spending. They try to match what we see in the data with our model of the economy. These choices

can be informative about different types of economic shocks, that in our context are faced by households. However, you could equally apply such a distinction to other “lumpy” choices such as housing or the investment decisions of firms. Hopefully future research will be able to use these two margins with new data to better understand the decision-making process of economic agents and what is happening in the economy.

“This paper emerged from my PhD, when we observed an interesting feature of the data that the Great Recession was unusual in that people reduced spending on cars, conditional on the fact they chose to buy one”, says Kieran Larkin. In US recessions prior to this, most of the changes were on the choice of whether or not to purchase. This fact told the researchers that a new source of shocks was needed to try to match these patterns. The rest of the work was trying to figure out what they were and how to put them in a realistic model.

Interestingly, they end up attributing a fairly small role to the cost of car loans in explaining the patterns we see for car spending. Clearly, financial frictions are important for understanding the Great Recession (as the literature and Kieran’s other work have shown) and they attribute a role for wealth shocks which captures this channel. Yet it is possible that policy makers might want to weigh the importance of narrower credit supply causes a little lower. The research also serves as a reminder of the usefulness of car spending as a leading indicator.

“I think the facts we establish go some way to clarifying why the Great Recession had such a persistent effect on the economy. At the time it can be unclear why a recession is more or less severe and why its impact lasts so long. Our paper provides the broader audience with an explanation”, says Kieran.



*Our faculty are very active both in and outside the office. Here's a group of them at the race "Hässelbyloppet".*



*Graduate student Sebastian Tebbe completed an IronMan in Hamburg.*

# Graduate Student Research

In the years leading up to their thesis defense, graduate students at the IIES conduct research in several fields within economics. During 2022, these were their research projects.

**Mattias Almgren** has focused on three papers; (1) “How Should I Spend my Time and Money? A Theory with Home Production that Can Account for the Data”: At least since the mid 1940’s, an ever increasing share of aggregate expenditures are allocated towards service consumption. In this project Mattias investigates to what extent considering home produced services can help understand the data. In (2) “Monetary Policy and Liquidity Constraints: Evidence from the Euro Area” (with José-Elías Gallegos, John Kramer and Ricardo Lima) Mattias and his co-authors investigate whether economies in the euro area respond differently to monetary policy. Then they investigate the causes behind these differences. (3) “The Misallocation of Men’s Talent”. There is a positive correlation between children’s and parents’ earnings. This project is about understanding the drivers behind this correlation.

The focus of **Märta Almgren’s** research has been on two projects: (1) “The EU ETS Regime and Effects on Firm Investments” (with Ida Haavi and Maija Kaartinen). In this project they investigate the link between prices on European Emission Allowances and structural change for firm dynamics. In an open economy with a unilateral climate policy, the implications for different sectors’ output and technological development are ambiguous. They build a quantitative model to understand the size and sign of these effects at the sector and aggregate levels over time. In (2) “Design of Mortgage Forbearance Policies” (with Nils Landén Mammos and Matthias Hänsel) they study how a mortgage forbearance policy can be optimally designed

in an economic downturn to limit mortgage default in a heterogeneous agent setting. With such a model at hand they can do counterfactual policy experiments and they believe that their project generally speaks to the issue of designing ex-post mortgage policies.

**Huen Tat Au-Yeung** has mainly worked on his paper (1) “Political Participation in Different Forms: Evidence from the Hong Kong 2019 Movement”. In this paper he studies the interactions of the three main ways to participate in politics for the public: protest, boycott and vote. By exploiting the difference in their feature, he hopes to understand what motivates people to participate in politics and the method they choose.



**Gualtiero Azzalini** has focused on four papers during the year. In a first paper (1) “Business Cycle Asymmetry of Earnings Pass-through”, he documents in Swedish registry data that idiosyncratic firm productivity shocks are passed through workers’ earnings asymmetrically. In non-recessions, firms are good insurers against negative shocks. In downturns, they pass through a larger share of their shock. Positive shocks, on the other hand, are not significantly passed through regardless of the state of the economy. He shows that a search and matching model of the labor market can well rationalize these findings. In a second strand of work, Gualtiero investigates what can be learned about the income process from agents’ revealed choices. In the paper (2) “Inferring Income Properties from Portfolio Choices” he studies what can be learned about the persistence of income shocks and the heterogeneity across individuals of life-cycle income profiles from portfolio allocation decisions. In another paper, (3) “Human Capital Inference” (with Zoltán Rácz) they look at to what extent saving choices are informative

about individuals' perceptions on their future income. Finally, in the paper (4)“A Bewley Model with Portfolio Choice” (with Markus Kondziella and Zoltán Rácz), they analyze the role of income risk and preference heterogeneity in determining consumption/saving and portfolio choices and thus, the properties of the wealth distribution.

**Tiago Bernardino** joined the IIES in September 2022 and has primarily been working on three research projects. In (1)“The Fiscal Burden of Aging: Can Opening Borders Close the Gap?” (with Francesco Franco and Luís Teles Morais), Tiago and his co-authors assess the potential of immigration to mitigate the fiscal burden that an aging population brings. They find that the tax rate increase needed to rebalance the intertemporal government budget decreases with more immigration, at a diminishing rate, i.e. there are positive but diminishing returns to increasing immigration in closing the fiscal gap created by aging. In (2)“Non-homothetic Preferences and Relative Price Shocks” (with Pedro Brinca, Saman Darougheh and Márcia Silva-Pereira), they investigate how non-homothetic preferences (preferences where the consumption shares change along the income distribution) affect macroeconomic outcomes after a relative price shock of essential goods vs non-essential goods, as the price shock that developed economies are now facing. In (3)“Energy Use over the Business Cycle”, Tiago has been working together with fellow graduate student Thore Petersen to understand how energy use and technology investment change along the business cycle. Their empirical results show that the response of energy consumption and energy intensity to a positive GDP shock is also positive, but heterogeneous across sectors as the industrial sector is more responsive than the commercial and the transportation sector. They are now working on a theoretical framework that can reproduce these patterns.

**Iacopo Bianchi** has been working on five projects. The first, with Dominik Biesalski, (1)“Clustering at the Business Level: Micro-Firm Markets, Competitive Forces, and Innovation” investigates

how market structure and imitation threats influence small entrepreneurs' decision to innovate. In a second project; (2) "Different Return for the Same Agricultural Hired Labor: Evidence from Uganda" (with Cristina Clerici and Stefano Tripodi) they look at labor market frictions in rural agricultural markets. In a third project titled (3) "Imported Homophobia? The Role of British Colonization in Shaping Attitudes toward Homosexuals in Sub-Saharan Africa" (with Dominik Biesalski and Cristina Clerici) they are investigating whether British colonial rule fostered homophobic sentiments in Sub-Saharan Africa. In a fourth project titled (4) "What Drives Sex Segregation in the Labor Market? Evidence from Ugandan Students" they will investigate the main barriers that prevent women from working in more profitable male-dominated occupations. Finally, together with Jakob Svensson, Tessa Bold, Selene Ghisolfi and Frances Nsonzi, in a project titled (5) "Quality Control and Value Creation: An Experimental Study" they test whether it is possible for coffee farmers to retain a larger share of value creation when the quality of processed products is verifiable.



**Dominik Biesalski** has worked on four projects. In the first project titled (1) "Improving Precarious Working Conditions in the Informal Economy" Dominik studies how reducing exposure to risks at the workplace affect the economic and social behavior of informal workers in Uganda. Second, in a joint project with Iacopo Bianchi, they investigate the barriers that prevent firms in the Ugandan shoemaking industry from innovating. Third (with Jonathan de Quidt, Gharad Bryan and Tom Wilkening) the researchers work on a project that uses market design methods to address the problem of land fragmentation, which is a prevalent problem for smallholder farmers in low-income countries.

Lastly, in a project titled (2)“Yes, Women Can: The Role of Information, Preferences and Beliefs for Occupational Gender Segregation” (with Cristina Clerici and Iacopo Bianchi) they explore the constraints which young women in the Ugandan labor market face when trying to enter male-dominated occupations.

**Monir Bounadi** uses history to study how social mobilization comes about and its cultural and political consequences. He has two ongoing projects. In one of the projects, (1)“Estimating the Impact of the Imperial Hajj” he studies the cultural and political impacts on the origins of pilgrims performing the Hajj during colonialism. For most pilgrims who went to Mecca during this era, it was their first time meeting people of other ethnic backgrounds. Their consequent exposure to new ideas helped them form anti-colonial movements back home. Monir’s second project is titled (2)“The Struggle for Female Suffrage in Sweden” (with Mattias Folkestad). It studies who became involved in the struggle for female suffrage, the female networks that drove the movement, and its contemporary and long-run political effects. For this project, they have started a citizen science project with the National Archives of Sweden in which hundreds of people help them transcribe the Swedish petition for female suffrage in 1913-1914 — one of the largest petitions in Swedish history.

**Tillmann von Carnap’s** research aims to understand how remote, rural regions in developing countries can be integrated with the rest of the economy, and what stimulates a transition towards non-agricultural employment and market-oriented agriculture. This is a classical question in development economics, but high costs of collecting data mean that we often rely on theoretical results with only limited empirical evidence. In his projects, Tillmann leverages satellite imagery to fill this gap, using it both in tailoring existing approaches such as agricultural monitoring to my contexts of interest as well as developing new approaches,

including a project on detecting rural marketplaces and tracking their activity over time as a high-frequency, real-time indicator of economic conditions. Together with Anna Tompsett and Jakob Svensson, this work recently received 7.5M SEK in funding from Riksbankens Jubileumsfond

**Chek Yin Choi** has mainly worked on two projects. The first project (1) “Market Power in Supply Chain” is about decisions in supply chains and their aggregated effects. As companies nowadays are highly connected through the supply chain, their decisions, such as pricing and hiring, will affect other producers in different industries. In the end, all these small decisions together will have a big aggregate economic impact on inflation, unemployment etc. The project aims at estimating such effects with a quantitative model. The second project (2) “Demographic Changes and Wealth Inequality” (with Martina Dossler and Juan Llavador Peralt) studies the impact of declining population growth and demographic change. In the project, they study how these changes affect wealth inequality.

**Merve Demirel’s** research focuses on understanding how international educational migration impacts migrants, as well as their families and peers in low-resource settings. International migration might substantially increase the income and consumption levels of students, while at the same time providing migrants with a more global outlook and a new perspective through exposure to a different economic and political system and culture, potentially affecting their attitudes, preferences, and aspirations. It could also result in spillover effects on migrants’ families and friends who stay behind, through increased remittances and information transfers, leading to a brain drain or gain. Migrants might experience negative effects due to adjusting into



*Merve Demirel*

new environments, feeling homesick, socio-cultural isolation, or the potential of experiencing racial discrimination abroad. Therefore, the goal of her research is to paint a comprehensive and nuanced picture of the effects of international educational migration on migrant students and their home communities.

**Martina Dosser** has mainly been working on her project (1)“Downward Wage Rigidity and the Intensive and Extensive Margin of Labor Adjustments” (with Alexandre Mendonça). Empirical evidence shows that nominal wage cuts are relatively less frequent than wage increases, supporting the notion that nominal wages are not easily adjusted downwards. In periods of economic downturn, firms might therefore have to resort to alternative ways of reducing their labor costs. For instance, they may lay off part of their employees, but they may also ask their employees to work less. These two margins of labor adjustments are at the center of Martina’s current project. That is, she and her co-author are investigating the role of lay-offs and reductions in working hours when firms cannot simply reduce their labor costs by cutting wages. They are also aiming to quantitatively evaluate how changes in wages and working hours contribute to changes in labor earnings and how their relative importance varies over the business cycle.

**Mohammadreza Farajpour’s** research has centered around two papers. (1)“Natural Disasters and Environmental Policies”: The aim of this paper is to explore the potential relationship between the incidence of natural disasters and the adoption of environmental policies. Despite the widespread awareness of environmental risks, including droughts, floods, and storms, it is unclear whether policymakers are more likely to enact new policies after such disasters. Specifically, this study will examine the role of policymakers’ expectations regarding the likelihood of natural disasters, as well as how their expectations may be affected by the occurrence of such events. By analyzing these factors, we may gain a deeper understanding of the circumstances



under which new environmental policies are passed. (2) "Energy Intensity" (with Stefan Hinkelmann): Over the past five decades, the energy intensity of the economy, which measures the amount of energy consumed per unit of GDP, has declined. Their research aims to investigate

the extent to which various energy sources have contributed to this trend, and to predict whether this decline will continue in the future. Given that energy consumption is the primary contributor to carbon emissions in the atmosphere, identifying the key factors that have contributed to the decrease in energy intensity could inform strategies to accelerate this trend and mitigate carbon emissions.

In **Mattias Folkestad's** research he tries to answer empirical research questions related to the political and educational sectors. Mattias specializes in using both modern registry data, and to digitize archival resources. In (1) "The Struggle for Female Suffrage: Evidence from Sweden" (with Monir Bounadi) they study the expansion of national voting rights to Swedish women in 1921. This historic event was predated by a 20-year period of petitioning and collective actions of organized women. By digitizing archival material, they will be able to make the first quantitative analysis of the causes, drivers and effects of the movement. In (2) "Does Money Matter? Impact of a Redistributive School Funding Formula on School Spending and Student Outcomes" (with Lisa Laun and Lena Hensvik) they estimate the causal effect of implementing a redistributive funding formula that redistributed resources to socioeconomically disadvantaged schools. By building a dataset of school level revenue and spending while leveraging the information about the exact funding formula they isolate the exogenous shock to the school budget. Ultimately,

they estimate the impact on the cognitive and non-cognitive outcomes of the students and through what mechanisms the effect operates.

**Ida-Kristine Haavi** has mainly worked on two projects. In (1)“Foreign Currency Shocks in Small Open Economies” (with Yijia Chen) they study firm level and aggregate responses to a contraction in foreign currency supply when firms hold some share of debt denominated in foreign currency. They further evaluate whether in circumstances where firms are highly exposed to such shocks, it can be optimal for monetary authorities to run a fixed exchange rate regime. In (2)“The EU ETS Regime and Effects on Firm Investments” (with Märta Almgren and Maija Kaartinen) they study the link between increasing carbon emissions prices and structural change for firm dynamics. In an open economy with a unilateral climate policy, the implications for different sectors’ output and technological development are ambiguous. They build a quantitative model to understand the size and sign of these effects at the sector and aggregate levels over time.



*Ida-Kristine Haavi*

**Stefan Hinkelmann** has, in addition to continued work on (1)“Reluctant Savers and Mortgage Subsidies” (with Andrés Bellofatto and Sevin Yeltekin) and (2)“Scrutinizing the US Energy Intensity Decline” (with Mohammadreza Farajpour), started working on (3)“(Be-)Coming Clean: A Simple Model of Decarbonization for the U.S.”: Substituting away from the use of fossil fuels is key in the fight against climate change. How and how easily it can be done is, however, still very much in question. In this project, Stefan first documents some trends in the use of fossils and electricity as end-use energy in production in the US and shows how they are complementary in

the short run but more substitutable in the long run. He then builds a model that can quantitatively reproduce these facts through a directed technological choice mechanism. He extends the framework to a general equilibrium setting including electricity production and shows how the decarbonization of the economy hinges on three main mechanisms endogenous to the model: First, electrification of the production process; second, technological progress and more efficient use of fossil resources; and third, capacity building for “green” electricity production. Stefan then uses the model to evaluate decarbonization policies and their costs and benefits.

During the year, **Philipp Hochmuth** has worked on the following projects: In the paper (1) “A Nonhomothetic Price Index and Inflation Heterogeneity” (with Markus Pettersson and Christoffer J. Weissert) they seek an answer to the question whether and by how much inflation differs along the income distribution. The paper focuses on the US and shows that substantial differences between the poor and rich can arise in the short run and that is predominantly due to fluctuations in prices of energy and other necessity goods. This hurts low-income consumers more as they consume a higher share of necessity goods. Closely related to this is another paper (with Per Krusell and Kurt Mitman), in which they attempt to gauge the effects of an energy price shock on the welfare of households along the wealth and income distribution. In the paper (3) “Household Heterogeneity, Demand Composition, and the Transmission of Monetary Policy” (with Lukas Boehnert, Sergio De Ferra, Kurt Mitman and Federica Romei) they show that the demand composition of households and their debt position can explain why we see a smaller response to interest rate surprises in countries that have a higher aggregate share in non-tradable goods consumption. This is something that standard theory cannot explain. In another single-authored paper in progress, Philipp looks at how credit supply affects the decision for some workers to start a business and become an entrepreneur. Further, he plans to investigate

the quantitative effects of changes in credit-supply on aggregate employment and growth at a medium-run horizon.

**Markus Kondziella** is generally interested in the interaction between heterogeneity at the micro level (firms and households) and economic aggregates. In the paper (1)“Recent Changes in Firm Dynamics and the Nature of Economic Growth”, Markus links the recent rise in market concentration and misallocation of production factors across firms to an acceleration in firm size and markup growth that he documents in Swedish administrative data at the micro level. He studies potential drivers behind the empirical trends and quantify their implications for aggregate output. In another paper, titled (2)“Micro PPI-based Real Output Forensics”(with Timo Boppart, Mikael Carlsson and Markus Peters) they show that different computation methods used in practice lead to sizable differences in the aggregate inflation rate. This difference grows even larger when they measure the aggregate inflation rate with a price index derived from economic theory and estimated elasticities of substitution. On the household side of the economy (with Gualtiero Azzalini and Zoltan Racz) Markus has worked on the paper (3)“A Bewley Model with Portfolio Choice”, in which they show that accounting for how individuals with different attitudes towards risk make investment decisions helps to rationalize observed wealth inequality.

**Carolina Lindholm’s** research fields are macroeconomics and finance. In 2022, she completed work on (1)“How Individual Savings Respond to Pension Reform: Implications for Models of Savings Behavior” with Markus Peters and Maria Sandström. The paper presents a model of savings behavior that can account for responses observed in data to a reform of public pensions in Sweden. After some parental leave after the birth of her second child, Carolina continued work on (2)“Recourse Regimes and Bank Default Risk” in which she aims to measure the change in bank default risk to a change in recourse regime using a struc-

tural credit risk model. In October 2022, Carolina was appointed State Secretary at the Swedish Ministry of Finance, and is since then on leave from IIES.

**Evelina Linnros** has worked on (1) “The Social Consequences of Infertility: Evidence from Madagascar” where she documents that a parasitic disease - Schistosomiasis - is related to infertility in Madagascar. However, this is only true for a specific species of the parasite. Evelina demonstrates that in communities that are endemic with this particular species of Schistosomiasis, women get married younger but have smaller family sizes, which she attributes to the risk of impaired fertility. In (2) “Birth Injuries and Maternal Labor Supply” (with Ulrika Ahrsjö) they study how maternal labor supply and earnings are affected by experiencing a severe birth tear during childbirth. In the paper (3) “Locust” the impact of desert locust infestations on nutritional outcomes for children is studied.

**Jinci Liu** has worked on multiple projects, each exploring different topics. The project (1) “The Anatomy of Teamwork: Evidence from Github” focuses on teamwork, which is a crucial component for a firm’s success. However, there is little knowledge about the common attributes of highly productive teams. To address this issue, they use microdata from GitHub to estimate the causal impact of the conflict between Russia and Ukraine in 2022. Specifically, they study the types of teams that are likely to recover from a negative shock. The paper (2) “The Conservative Tax: Political Preferences and Migration of College Educated Workers” (with Mitch Downey) studies the consequences of political polarization along educational lines in the United States. They develop a model to simulate various counterfactual changes in political control. Lastly, Jinci worked



with Arash Nekoei, Josef Sigurdsson and Fabian Sinn on (3)“The Rise of Women in the Labor Market” to investigate the structural drivers of the rise of female labor force participation in economics.

During 2022, **Juan Llavador Peralt** has worked on (1)“Granular Fiscal Multipliers” (with José Elías Gallegos and Luis Pérez). The paper studies the impact of government spending in a disaggregated economy with price adjustment frictions and input-output networks. Juan has also worked on (2)“Demographic Transitions and Wealth Inequality” (with Martina Dosser and Chek Choi), a project which aims at studying the impact of demographic transitions on intergenerational wealth inequality.



*Juan Llavador Peralt*

**Francesco Loiacono** has spent the year focusing his attention on (1)“Matching with the Right Attitude: The Effect of Matching Firms with Refugee Workers” (with Mariajose Silva-Vargas), which is also his job market paper. They study whether exposure to a refugee increases firms’ demand for refugee workers. They design and test the effect of an experiment in Kampala, the capital city of Uganda. The experiment randomly pairs skilled refugee workers and local employers for an internship of one week. They find that exposure to a refugee increases firms’ hiring of refugees, especially so when both the employer and the worker have positive attitudes towards each other. In (2)“Information Frictions in Government-Firms Relationships” (with Emanuele Colonnelli and Edoardo Teso) they study how to improve transparency in the public procurement sector in Uganda. In collaboration with the main governmental anti-corruption agency, they evaluate the effect of providing large government providers with detailed information about public procurement

over time. The paper (3) “Inside the Production Function: the Effect of Financial Contracts on Growing Firms’ Technology Use. Evidence from a Randomized Experiment in Uganda” (with Andreas Madestam, Selim Gulesci, and Miri Stryjan) studies how credit affects SMEs business growth in Uganda. They collaborate with a large NGO with active branches in the whole country. They propose different micro-loans contracts and follow these firms over a period of 5 years. They evaluate the effect of these contracts on business profits, revenues, employment and capital, as well as household income and consumption. The final paper Francesco has worked on is entitled: (4) “Economic Success through Salvation? Experimental Evidence from the Evangelical Movement” (with Andreas Madestam and Jakob Svensson). A vast literature has documented the importance of cultural beliefs and norms for economic performance. In search of the ultimate link between beliefs and prosperity, an obvious role has been suggested for religion. Evangelicalism is among the most dynamic religious movements in the world and is the fastest growing portion of Christianity. Yet despite this expansion, little is known about the evangelical movement’s expansion, especially at the individual level. This project examines the causal impact of joining the evangelical movement on economic well-being and various other socioeconomic outcomes. The impact will be assessed using a randomized-control encouragement design in Uganda.

During the year, [Patrizia Massner](#) has worked on projects related to the financing of elderly care in Sweden, perceptions of skills and occupational sorting, the role of childcare in female labor supply, as well as the career-family trade-off. For example, in one of her projects (1) “Does it Matter Who Cares? Formal vs. Informal Care of the Elderly” (with Jens Wikström), they investigate the implications of subsidizing elderly care in Sweden. Using a policy reform that aimed at providing care independently of income, they find that seniors increase the utilization of formal care services when exposed to a decrease in the price of

elderly care. Furthermore, these seniors experience fewer in-patient hospital events when shifted into formal care. Lastly, they find that close relatives increase their labor supply in response to reduced prices of formal care services. This response is driven by daughters being less likely to leave the labor market for retirement.

**Chloe Nibourel** has primarily worked on two papers; (1) “Data-driven Governance: An Evaluation of the Use of Algorithms on the Quality of Financial Audits (with Mitch Downey). Every year, the Office of Labor-Management Standards decides how to allocate hundreds of audits to detect embezzlement and racketeering among the United States’ 20,000 labor unions. They evaluate the impact of the use of algorithms to allocate audits on their probability to find fraud. They find that a more data-driven approach systematically leads to lower quality audits. In (2) “The Impact of Radical Right Candidates on Election Outcomes” Chloe explores how voters strategically respond to the emergence of Radical Right-wing candidates by using data on parliamentary and local elections in France. She shows that Radical Right candidates increase the turnout. The analysis at the precinct level reveals that neighborhoods supporting the Radical Right parties are mainly responsible for the increase in mobilization but conventional ones also contribute.

**Fredrik Paues** has primarily been working on a project investigating the welfare effects of deregulation on the market for rental housing. To this end, Fredrik develops a theoretical model with heterogeneous agents that should allow him to look at both the aggregate and disaggregate while simultaneously allowing the agents to respond to changes in their environment. He has calibrated the model using Swedish data and is currently analyzing the effects of different deregulation reforms.

**Markus Peters** has worked on two projects for his thesis in macroeconomics and household finance. (1) “How Individual Savings Respond to Pension Reform: Implications for Models of

Savings Behavior” (with Carolina Lindholm and Maria Sandström) uses administrative data on asset holdings and a structural life cycle model to understand how individuals adjust savings in response to a pension reform. In (2) “Structural Change in Production Networks”, Markus documents trends in the use of different intermediate inputs across sectors and constructs a model that can account for these trends.



**Thore Petersen** has focused on two papers during the year. In (1) “Energy Use over the Business Cycle” (with Tiago Bernardino) they aim to understand how energy use and investment in energy saving technology change over the business cycle. Their empirical results show that both energy consumption and energy intensity co-move with GDP. The effects are largest in the industrial sector. They are currently working on a theoretical framework to replicate these patterns. The second project that Thore has focused on has the working title (2) “Resource Dependence: Was Europe Overly Dependent on Russian Gas Because the Market Selected Firms that Underestimated the Risk?”. The probability of rare events like the shutting off is impossible to know, but firms have beliefs about it. Do firms with optimistic beliefs crowd out firms that think a shut off is more likely? Thore is working on a theoretical model to understand under which conditions this is the case.

**Jonatan Riberth** has been working on three projects. In one project (1) “Family Wealth and Gender Gap in Life-time Labor Earnings” (with Mahmood Arai, Emma von Essen and Michael Lundholm) they explore gender differences in intergenerational mobility and quantify the implications for the gender income gap. They draw on literature in sociology, arguing that gender

roles are more pronounced among the wealthy. In another project, (2)“Dynastic Human Capital and Ethnic Capital and Intergenerational Mobility of Immigrants” (with Adrian Adermon, Mikael Lindahl and Mårten Palme) they look at mobility among



immigrants to Sweden. They hypothesize that immigrants are subject to peer effects from immigrants of the same background. They quantify these peer effects by augmenting standard models of intergenerational mobility with proxies for what is commonly referred to as ‘ethnic capital’. In a third project; (3)“Medical Scandals and Vaccine Hesitancy” (with Svenja Miltner) they look at the relationship between vaccine hesitancy and previous health scandals. Specifically, they look at the COVID vaccine uptake among individuals that developed narcolepsy during the mass vaccination campaign against the swine flu pandemic 2009-2010.

**Sreyashi Sen** has been working on topics related to barriers to firm growth in developing countries, industrial policy and the institutional determinants of allocative efficiency. In the paper (1)“Labor Regulations and Industrial Performance: Evidence from India”, she studies the impact of 14 state-level reforms to a central law on industrial relations on plant outcomes in the formal manufacturing sector in India. Using a matched difference-in-differences design comparing plants in treated states to similar ones in untreated states, she finds that three reforms raise plant output significantly by about 7%, and these are pro-employer reforms. She also finds that pro-worker reforms do not adversely affect plant performance, and that there is heterogeneity in treatment effects for a given class of reform. She then explores institutional mechanisms to account for the heterogeneity in treatment effects. In another project (2)“Parameter Search for

Poverty Traps: A Quantitative Exploration”, she investigates how the initial conditions matter for long-run economic outcomes when there are capital market imperfections using a model of occupational choice with financial frictions. She explores what initial conditions and parameter values lead to aggregate poverty traps, where the trap arises out of general equilibrium effects of wages adjusting to individual occupational choices. She finds that initial conditions do not matter for productive efficiency when capital markets are perfect, while individual and aggregate poverty traps can arise when there are market frictions.

**Fabian Sinn** has primarily been working on his job market paper that attempts to estimate the effect of coworkers on your own earnings. He finds that the quality of your coworkers matters as much for your earnings as your own abilities. In a separate project (with Miika Päällysaho) they are analyzing the spread of new medical innovations. In Sweden some hospitals adopt newly invented medication faster than other hospitals. They try to quantify the benefits and costs of speedy adoption in terms of health and labor market outcomes.

**Sebastian Tebbe** has kept his focus on one paper in particular; (1)“Peer Effects in Electric Car Adoption: Evidence from Sweden”. In this paper, Sebastian studies peer effects in the diffusion of electric cars in Sweden. To identify peer effects, he uses a shift-share IV design that links the renewal of elapsing individual-level, car leasing contracts (i.e., shift) with the propensity to acquire an electric car based on individual traits (i.e., share). He studies three different peer groups: co-workers, family members, and neighbors. One new electric car causes, in the next quarter, an additional .077 new electric car acquisitions in the workplace, .014 in the family, and .111 in the neighborhood. These peer effects generate persistent shifts in the demand for electric cars rather than pulling forward future planned purchases. Sebastian shows that the new electric cars obtained by peers largely crowd

out diesel and petrol cars and that peer effects are associated with the transmission of information. Peer effects reduce carbon emissions by encouraging peers to acquire electric and cleaner cars, drive less, and lower the number of cars. Finally, he documents how the empirical findings alter the design of optimal environmental policies.

In **Claire Thürwächter's** research projects she investigates how different dimensions of firm heterogeneity matter for the transmission of monetary policy. Her first paper (1) "Heterogeneity in Corporate Debt Structures and the Transmission of Monetary Policy" (with Frédéric Holm-Hadulla) looks at differences in debt structures, in particular whether firms borrow more with banks or bond markets. In a second paper (2) "Firm Heterogeneity and

Monetary Policy Transmission" Claire uses a machine learning algorithm on a large firm-level dataset and finds that firm age is the most important characteristic for predicting differences in responses across firms. Specifically, investments of young firms respond more strongly than investments of old firms. She rationalizes this pattern in a model with capital adjustment costs. In a third project (with Frédéric Holm-Hadulla) they try to estimate differences in aggregate transmission of monetary policy when firms are more or less vulnerable, measured through higher corporate debt levels. In addition, they investigate how changes in the indebtedness of firms affects the macroeconomy.



*Claire Thürwächter*



*Our new graduate students. Clockwise from top left: Jonatan Riberth, Ida-Kristine Haavi, Huen Tat Au-Yeung, Martina Dossler, Thore Petersen, Chek Yin Choi, Merve Demirel, Juan Llavador Peralt, Tiago Bernardino, and Jinci Liu.*



*Completed theses 2022.*

# Publications

One of the main objectives of the IIES is to produce outstanding research for publication in leading international journals. In addition, IIES researchers publish reports, books and chapters in books as well as working papers.

## Accepted for Publication

### Journals

Almut Balleer

“Environmental Quality and Welfare Accounting”, *Macroeconomic Dynamics* (with M. Endrikat).

Almut Balleer

“Demand or Supply? Price Adjustment during the COVID-19 Pandemic”, *International Journal of Central Banking* (with S. Link, M. Menkhoff and P. Zorn).

Timo Boppart

“A Theory of Falling Growth and Rising Rents”, *Review of Economic Studies* (with P. Aghion, T. Bergeaud, P. Klenow and H. Li).

Tobias Broer and Alexandre Kohlhas

“Forecaster (Mis-)behavior”, *Review of Economics and Statistics*.

Tobias Broer and Per Krusell

“Macroeconomic Dynamics with Rigid Contracts”, *American Economic Review: Insights* (with K. Harmenberg and E. Öberg).

**Bet Caeyers**

“Labeled Loans and Human Capital Investments”, *Journal of Development Economics* (with B. Augsburg, S. Giunti, B. Malde and S. Smets).

**Mitch Downey**

“Congressional Elections and Union Officer Prosecutions”, *Review of Economics and Statistics*.

**Mitch Downey**

“The Effect of Import Competition on Unionization”, *American Economic Journal: Economic Policy* (with J. Ahlquist).

**Mitch Downey**

“Adjusting to Rain before It Falls”, *Management Science* (with N. Lind and J. Schrader).

**Per Krusell**

“A World Equilibrium Model of the Oil Market”, *Review of Economic Studies* (with G. Bornstein and S. Rebelo).

**Laia Navarro-Sola**

“What Is a Good School and Can Parents Tell? Evidence on the Multidimensionality of School Output”, *Review of Economic Studies* (with D.W. Beuermann, C. K. Jackson and F. Pardo).

**Arash Nekoei**

“How Do Inheritances Shape Wealth Inequality?”, *Review of Economic Studies* (with D. Seim).

**Torsten Persson**

“Organizational Dynamics: Culture, Design, and Performance”, *Journal of Law, Economics & Organization* (with T. Besley).

**Torsten Persson**

“Norms, Enforcement, and Tax Evasion”, *Review of Economics and Statistics* (with T. Besley and A. Jensen).

**Torsten Persson**

“Economic and Social Outsiders but Political Insiders: Sweden’s Populist Radical Right”, *Review of Economic Studies* (with E. Dal Bo, F. Finan, O. Folke and J. Rickne).

**David Schönholzer**

“Dividing Lines: Racial Segregation across Local Government Boundaries”, *Journal of Economic Literature* (with T. Monarrez).

## **Books and Chapters in Books**

**Ingvild Almås**

“Household Decisions and Intra-household Distributions”, in Lundberg, S. and Voena, A. (eds.), *Handbook of the Economics of the Family*, Elsevier (with O. Attanasio and P. Carneiro).

**Torsten Persson**

“Motivated Scientists, Green Innovation and Values”, in Akgigit, U. and van Reenen, J. (eds.), *The Economics of Creative Destruction*, Harvard University Press (with T. Besley).

## **Published**

### **Journals**

**Mattias Almgren, José-Elías Gallegos, John Kramer and Ricardo Lima**

“Monetary Policy and Liquidity Constraints: Evidence from the Euro Area”, *American Economic Journal: Macroeconomics*, 14(2): 309-340.

**Ingvild Almås**

“Global Evidence on the Selfish Rich Inequality Hypothesis”, *Proceedings of the National Academy of Sciences (PNAS)*, 119(3): e2109690119 (with A. W. Cappelen, E. Ø. Sørensen and B. Tungodden).

**Tessa Bold and Jakob Svensson**

“Market Access and Quality Upgrading: Evidence from Four Field Experiments”, *American Economic Review*, 123(8): 2518-2550 (with S. Ghisolfi and F. Nsonzi).

**Timo Boppart**

“A Theory of Structural Change that Can Fit the Data”, *American Economic Journal: Macroeconomics*, 14(2): 106-206 (with S. Alder and A. Mueller).

**Timo Boppart and Per Krusell**

“Integrated Epi-econ Assessment of Vaccination”, *Journal of Economic Dynamics and Control*, 140(Jul): 104308 (with K. Harmenberg and J. Olsson).

**Tobias Broer, Alexandre Kohlhas, Kurt Mitman and Kathrin Schlafmann**

“On the Possibility of Krusell-Smith Equilibria”, *Journal of Economic Dynamics and Control*, 141(Aug): 104391.

**John Hassler and Per Krusell**

“Finite Resources and the World Economy”, *Journal of International Economics*, 136(May): 103592 (with C. Olovsson).

**Alexandre Kohlhas**

“Learning by Sharing”, *American Economic Journal: Macroeconomics*, 14(3): 324-364.

**Kieran Larkin**

“(S)cars and the Great Recession”, *Econometrica*, 90(5): 2319-2356 (with O. Attanasio, M. Ravn and M. Padula).

**Arash Nekoei**

“The Measurement of Labor Supply Using March CPS: A Cautionary Tale”, *Economics Letters*, 216(Jul): 110512.

**David Schönholzer**

“The Impact of School Facility Investments on Students and Homeowners: Evidence from Los Angeles”, *American Economic Journal: Applied Economics*, 14(3): 254-289 (with J. Lafortune).

**David Schönholzer**

“Ethnic Violence across Space”, *Economic Journal*, 132(642): 709-740 (with H. Mueller and D. Rohner).

**Jakob Svensson**

“Can Good Products Drive out Bad? A Randomized Intervention in the Antimalarial Medicine Market in Uganda”, *Journal of the European Economic Association*, 20(3): 957-1000 (with M. Björkman-Nykvist and D. Yanagizawa-Drott).

## **Books and Chapters in Books**

**Lars Calmfors**

“Valrörelsen 2022 - ett sammanbrott för dialogen mellan ekonomer och politiker” (The 2022 Election Campaign - A Breakdown in the Dialogue between Economists and Politicians), in Bohlin, N., Falasca, K., Grusell, M. and Nord, L. (eds.), *Snabbtänkt 2.0 - Reflektioner från valet 2022 av ledande forskare* (Quick thinking 2.0 - Reflections from the 2022 Election by Leading Scholars), Sundsvall: Mittuniversitetet.

**Lars E.O. Svensson**

“Monetary Mystique and the Fed’s Path toward Increased Transparency”, in King, R.G. and Wolman, A.L. (eds.), *Essays in Honor of Marvin Goodfriend: Economist and Central Banker*, Richmond, VA: Federal Reserve Bank of Richmond.

## Working Papers

**Timo Boppart**

“A Theory of Falling Growth and Rising Rents”, NBER Working Paper No. 26448 (with P. Aghion, T. Bergeaud, P. Klenow and H. Li).

**Tobias Broer, John Kramer and Kurt Mitman**

“The Curious Incidence of Monetary Policy Shocks across the Income Distribution”, CEPR Discussion Papers No. 14158.

**Amanda Dahlstrand-Rudin**

“Defying Distance: The Provision of Services in the Digital Age”, CEP Discussion Paper No. CEPDP1889.

**Laia Navarro-Sola**

“Lowering Barriers to Remote Education: Experimental Impacts on Parental Responses and Learning”, IZA Discussion Paper No. 15596 and HCEO Working Paper No. 2022-030 (with E. Beam and P. Mukherjee).

**Jakob Svensson**

“Rethinking the Human Resource Crisis in Africa’s Health Systems: Evidence across Ten Countries”, medRxiv Working Paper No. 2022.06.17.22276571 (with K. G. Andrews, R. Conner, D.K. Evans, L. Di Giorgio, R. Gatti, M. Lindelow, J. Sharma, A. Sheffel, W. Wane and A. Welander).

## Reports

**John Hassler and Lars Calmfors**

*Samspel för stabilitet - en ESO-rapport om rollfördelningen mellan finans- och penningpolitik* (Stability in the Balance: A Report on the Roles of Fiscal and Monetary Policy), Expertgruppen för Studier i Offentlig Ekonomi, 2022:3 (with A. Seim).

### Torsten Persson

*Sverige under pandemin* (Sweden during the Pandemic), Statens offentliga utredningar, SOU 2022:10 (with M. Melin, S. Ahlbäck Öberg, A. Enander, V. Jovic, C. Lif, J. Sonnergård, G. Stiernstedt and M. Thorslund).

### Torsten Persson

*Företagsstöden under pandemin* (Firm Support Schemes during the Pandemic), Report to the Corona Commission (with K. Ekholm, O. N. Skans and A. Åkerman).

### Torsten Persson

*Pandemins effekter på svensk ekonomi under 2020* (The Effects on the Swedish Economy during 2020), Report to the Corona Commission (with K. Ekholm, O. N. Skans and A. Åkerman).



*Our annual Crayfish Party had to take a two-year break due to the pandemic, but this year we were thrilled to welcome this tradition back with the games, the crayfish and, most importantly, great company!*





## Completed Doctoral Theses

Graduate students continuously produce research of high quality during their time at the IIES. This research culminates in their thesis, of which a number are published and defended each year. During 2022 the following theses were successfully defended at the IIES:

**José-Elías Gallegos:**  
*Essays on Macroeconomics*

José's thesis studies different financial and informational frictions in the economy, and how they affect the transmission of monetary policy. In terms of results, he finds a very strong relationship between inequality and the power of monetary policy, and evidence of significant information frictions and their consequences for the macroeconomy. One surprise is a strong finding on financial frictions, and with the consistence of the predictions of the information frictions setup and the data.



*José-Elías Gallegos*

John Kramer:

*Essays on Macroeconomics, Monetary Policy and Mobility*

John's thesis consists of four self-contained chapters. Each of them focuses on a separate economic question, but they are still closely related. Chapters 1 and 3 investigate how earnings behave differently along the income distribution, Chapters 2 and 3 both deal with questions related to monetary policy, but all four chapters are broadly related to inequality in the macroeconomy. Throughout the thesis, John conducts empirical research and



presents theoretical models which can provide quantitative answers to important macroeconomic questions. In the first chapter John studies how booms and recessions affect people's labor earnings. Understanding fluctuations in earnings can better help guide politicians when they design stabilization policies (such as social safety nets), which in turn can make economies more resilient overall.

The second chapter analyzes, in the context of the euro area, how differences in portfolio choices across countries affect the potency of monetary policy. John, together with his coauthors, find that countries with a higher share of liquidity constrained households, those who do not have a great deal of money left over to save each month, are more affected by the same shock. The third chapter tries to understand how monetary policy affects earnings differently for the rich and the poor. Together with his coauthors, he documents that after an expansionary monetary policy surprise, the earnings growth rises much more at the low end of the income distribution, compared to the top. They show that this has important implications for the potency of monetary policy in general, as well as its distributional consequences.

The final chapter is about intergenerational mobility. A lot of children follow their parents' career paths and find jobs in their parents' occupations. Will talent be allocated efficiently in an economy in which children pick their parents' occupations? John and co-authors build a model to answer that question and find, somewhat surprisingly, that children following their parents seem to represent them sorting into good occupational matches. Hence, removing parental influences does not really affect aggregate productivity or intergenerational mobility.

**Xueping Sun:**

*Essays on China's Economic Development: Innovation, Public Debt and Social Connections*

Xueping's thesis is about China's economic development on three topics: innovation, public debt and social connections. In the chapter on innovation, she investigates the effect of bureaucrat's incentive on innovation-led growth and finds that fast promotion leads to the policy pursuit of sacrificing innovation for short-term growth. Next, in the chapter on public debt



*At Xueping Sun's defense.*

financing, Xueping studies the effect of public debt financing on firms' financing and finds that bank loan and bond issuance as two public debt financing alternatives have the opposite impact: while bank debt crowds out firms' borrowing, bond issuance improved the credit allocation among firms. In the last chapter she studies how social connections can be used to study the spread of COVID-19 in China in the early 2020 and finds that social media connections is not only a better measure of social interaction proximity but also a conduit of information compared with travel connections.

### Placements of IIES Graduate Students 2022

- José-Elías Gallegos - Bank of Spain
- John Kramer - University of Copenhagen
- Xueping Sun - Postdoc at Stanford GSB



## Teaching

In addition to conducting research, the faculty at the IIES also undertake teaching at the Undergraduate, Masters and Graduate levels at Stockholm University. These are the courses that have been taught by IIES faculty during 2022.

### Spring 2022

#### Undergraduate level

- Makroteori med tillämpningar  
John Hassler

#### Masters level

- Climate and the Economy  
John Hassler and Per Krusell

## PhD level

- **Applied Macroeconomic Research**  
Per Krusell, Kurt Mitman and Yimei Zou
- **Climate Economics**  
John Hassler and Per Krusell
- **Design Based Research**  
Arash Nekoei and Torsten Persson
- **Econometrics II**  
Konrad Burchardi and David Schönholzer
- **From Idea to Paper**  
Anna Tompsett
- **Labor Economics IV**  
Mitch Downey
- **Macroeconomics II**  
Per Krusell and Kurt Mitman
- **Monetary Economics**  
Per Krusell and Kurt Mitman
- **Political Economics II**  
Torsten Persson
- **Political Economics III**  
Mitch Downey, Torsten Persson and David Schönholzer
- **Publish or Perish?**  
Ingvild Almås, Tessa Bold and Jakob Svensson
- **Topics in Growth and Trade**  
Per Krusell

### Undergraduate level

- Intermediate Development Economics  
Konrad Burchardi
- Introduction to Quantitative Methods  
Tessa Bold
- Makroteori med tillämpningar  
John Hassler

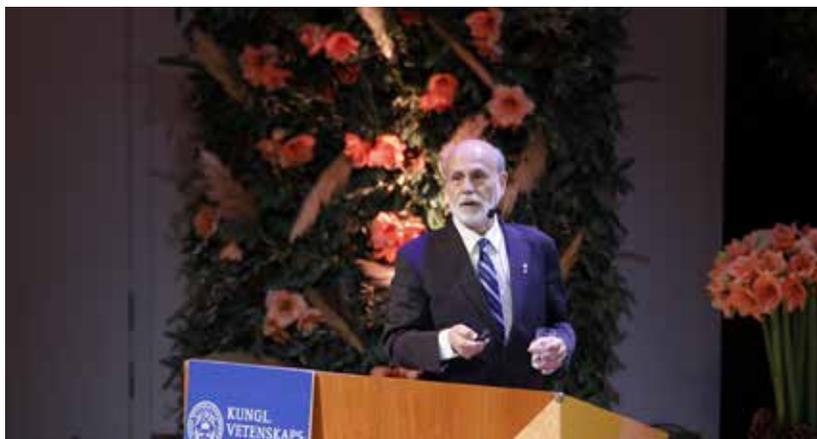
### Masters level

- Environment and Local Communities  
Anna Tompsett
- Environment, Markets and Policies  
Anna Tompsett
- Policy Analysis in Labor Economics  
Arash Nekoei and Peter Nilsson

### PhD level

- Behavioral Economics I  
Ingvild Almås and Jonathan de Quidt
- Development Economics  
Tessa Bold
- Development Economics I  
Ingvild Almås and Anna Tompsett

- **Development Economics II**  
Ingvild Almås, Konrad Burchardi, Laia Navarro-Sola and Jonathan de Quidt
- **Labor Economics I**  
Arash Nekoei
- **Mathematics II**  
Tessa Bold
- **Publish or Perish?**  
Ingvild Almås and Tessa Bold
- **Quantitative Macroeconomic Methods I**  
Per Krusell and Kieran Larkin
- **Quantitative Macroeconomic Methods II**  
Joshua Weiss and Kurt Mitman



*Nobel laureate Ben Bernanke at the Nobel lecture in Aula Magna at Stockholm University. Photo: Eva Nevelius/ Royal Swedish Academy of Sciences.*

## Extramural Activities

Several members of the IIES faculty take part in public affairs and influence public policies. They often appear in the media, participate prominently in the public economic discourse, serve in government commissions of inquiry, and more.

### Ingvild Almås

- Member of the committee for Monetary Policy and Financial Stability at the Norwegian Central Bank.

### Almut Balleer

- Research Affiliate at Center for Economic Policy Research (CEPR).
- Research Professor at ifo Institute in Munich.
- Managing Editor *German Economic Review*.
- Member of the Scientific Advisory Board at German Institute for Economic Research (DIW).

- Member of the Extended Executive Council of the German Economic Association (VfS).

### Timo Boppert

- Member of the editorial board of the *Review of Economic Studies*.
- Associate Editor of *Quantitative Economics*.
- Professor at the University of St Gallen.

### Konrad Burchardi

- Associate Editor of the *Review of Economic Studies*.
- Associate Editor of the *Scandinavian Journal of Economics*.
- Associate Editor of the *Journal of Development Economics*.
- Associate Editor of *Economica*.

### Lars Calmfors

- Member of the Swedish Minister for Finance's Economic Council.
- Leader of project on Economic Policy beyond the Pandemic in the Nordics at Nordregio on behalf of the Nordic Council of Ministers.
- Expert in the Ministry of Finance's Long-term Planning Commission (Långtidsutredningen).
- Chair of Scientific Advisory Council at FORES (Forum for Reforms, Entrepreneurship and Sustainability).

### Harry Flam

- Editor of *Nordic Economic Policy Review*.

### Mattias Folkestad

- Member of the Advisory Council of the National Library of Sweden.

### John Hassler

- Chair of the Scientific Council on Climate at AP7.
- Member of the board of Stockholm Resilience Center.

- Member of the board of FORES (Forum for Reforms, Entrepreneurship and Sustainability).
- Member of the board of SNS (Center for Business and Policy Studies).
- Member of the academic advisory board at the National Institute of Economic Research (Konjunkturinstitutet).
- Member of the academic advisory board at the Swedish National Audit Office (Riksrevisionen).
- Member of the prize committee for the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.

#### Per Krusell

- On the macro board of the National Institute of Economic Research (Konjunkturinstitutet).
- Secretary of the prize committee for the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.

#### Kurt Mitman

- Member of the Center for Monetary Policy and Financial Stability (CeMoF) management team.
- Managing Editor of the *Review of Economic Studies*.
- External Expert to the European Commission.
- Visiting scholar at Danmarks Nationalbank.

#### Peter Nilsson

- Co-editor of *The Economic Journal*.

#### Torsten Persson

- Member of the Swedish Corona Commission.
- Centennial Professor at the London School of Economics.
- Co-Director of Institutions, Organizations, and Growth program (previously funded by CIFAR, but from 2019 by the Becker-Friedman Institute at the University of Chicago).

### Jakob Svensson

- Member of the prize committee for the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.
- Member of the Service Delivery Indicators' (SDI) Steering Committee.
- Member Europe's Advisory Group, Center for Global Development (CDG).
- Chairman of the Board, Association of Swedish Development Economists (ASWEDE).
- Member of the Board of Trustees, SNS (Center for Business and Policy Studies).
- Member of the Technical Advisory Board for the Global Education Policy Dashboard.

### Lars E.O. Svensson

- Member of Advisory Scientific Committee, European Systemic Risk Board.

# The IIES in the Media

Stockholm University has an explicit so-called ‘third aim’ which calls for research to be spread outside of academia. IIES researchers frequently appear in both national and international media through interviews, written pieces and more. The IIES is also very active through its social media accounts on Facebook, Twitter and LinkedIn.

**Ingvild Almås** had a media buzz on a press release on her research on the selfish rich hypothesis across the globe. The research was mentioned in Swedish and Finnish media; *Nyheter 24*, *SvD Näringsliv*, *MSN News*, *Vasabladet*, *Hallandsposten*, *Skånska Dagbladet*, *Östersunds-posten*, *Piteåtidningen*, *Österbottens tidning*, *Västerbottens-kuriren*, *Corren*, *Motala-Vadstena tidning*, *Kinda-posten*, *Ttela*, *Sydsvenskan* and *Aftonbladet*.

**Almut Balleer** appeared in several German media outlets, such as *Westdeutscher Rundfunk (WDR)*, *RTL Aktuell*, *n-tv*, *NDR Radio*, *WDR* and *Süddeutsche Zeitung*, providing commentary on subjects such as the effects of the pandemic on the German economy and the rising energy prices.

**Tobias Broer** was interviewed by various media outlets, most recently BBC News (in December 2022).

**Lars Calmfors** was a regular columnist in the largest Swedish daily *Dagens Nyheter* where he focused on topics such as fiscal and monetary policy, inflation, the energy crisis and the war in Ukraine. He also gave a large number of interviews on TV, radio podcasts and in newspapers, speaking about inflation, monetary and fiscal policy, the coming wage bargaining round, fuel and energy prices, energy taxation and compensation for high energy prices.

**John Hassler** wrote several op-eds in newspapers and magazines such as *Dagens Nyheter*, *Svenska Dagbladet*, *Dagens Industri*, *Aktuell Hållbarhet* and *Kvartal*. He also appeared on numerous occasions on Swedish TV and radio (Sveriges Television and Sveriges Radio).

**Tillmann von Carnap** wrote a guest post on the World Bank Blog on how marketplaces shape rural development.

**Laia Navarro-Sola** wrote a blogpost for VoxDev on the multi-dimensionality of school choice.

**Peter Nilsson** was interviewed by *Dagens Nyheter* on whether children were the driving factor behind the spread of COVID-19.

**Lars E.O. Svensson** wrote regular blogposts for the Swedish economics blog Ekonomistas.

**Anna Tompsett** appeared in *Röda Korset Magasin* speaking about the reasons behind the rising food prices globally.

**Dagens Nyheter** | Politik | Sverige | Världen | Ekonomi | Kultur | Sport | Nyheter | Läsare | Om oss | Kontakt

**Lars Calmfors: Politikernas elnuffjarder förvärrar krisen i både Sverige och Europa**



Storvårdspolitikerna förvärrar ekonomiska sambandet ett litet, stort och stort samband på led av landets utvalda politiker. Just så som man ville på sig.

**BRÅ UPPGÅTT:** Lars Calmfors är professor i ekonomi / ekonomiskvetenskap vid Stockholms Högskola

WORLD BANK BLOGS

**EXPRESSEN**

**Klimataktivisterna har fel, vi gör faktiskt tillräckligt**

En kommentar av Lars Calmfors



Det är lätt att få uppfattningen att politiken för att stoppa klimatförändringarna är helt otillräcklig. Ökningen av vad som är på gång är färdigt! För att är sedan föreslag EU regler som kraftigt minskar utsläppen, skriver John Hassler, professor i nationalekonomi med fokus på klimatekonomi.

**D** Debatt

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Published on Development Impact

**Focal points of market access: how marketplaces shape rural development over 50 years: Guest post by Tillmann von Carnap**

Guest post by Tillmann von Carnap | September 11, 2018

- 1 This is the content of the paper's series of posts by PhD students on the job market
- 2 Rural areas in low-income countries rarely look like centres of economic dynamism, in some places, however, this changes drastically if you visit at the right time. On market days, busy villages awake into bustling hubs where farmers sell their produce, local entrepreneurs offer services and transient traders display goods that are otherwise unavailable. As places where buyers meet sellers, such periodic gatherings are focal points of the market access often argued to be a driver of improved rural welfare.

Yet, neither do we know how marketplaces shape their surroundings - because we lack data on markets' locations as well as long-term development indicators - nor how they interact with other means of market access, because canonical spatial models abstract from trade happening at

**VoxDev**

Health & Education



**The multidimensionality of school choice: Evidence from Trinidad and Tobago**

Author: **Stefan W. Brander**

Author: **Elaine Jackson**

Author: **Luis Herrera-Soto**

Project: **Project: School Choice**

Shows that income policies subsidies are not those that improve. Related content

## Rika uppfattas som egoister



Rika människor uppfattas som egoister, enligt en global studie. Artikelförf. Foto: Björn Larsson/Åke/SHUTTY

Är rika människor rikare än fattiga för att de har varit mer själviska i livet? Den hypotetiska frågan har ställts i en studie med över 60 länder – och svaret är övervägande ja.

APPOINTMENT

Näringslivet

## Rika uppfattas som egoister

av TT

18 maj 2020

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Businessgesellschaften verkehr24.net

## So groß ist der Corona-Schaden

23 April 2020, 12:19 Uhr | heise.de



Der Schaden ist so groß, wie niemand hätte erwarten können. Die Corona-Krise hat den Schaden an den deutschen Wirtschaft mehr als verdoppelt.

Die Pandemie hat die deutsche Wirtschaft heftig getroffen. Nun zeigen amtliche Daten, wie schlimm die vergangene Monate waren. Die Zahlen liefern auch ein neues Verständnis der Covid-19-Krise.

Die Zeitungsbranche

SVENSK

# Fakta i frågan: Har barn varit drivande i smittspridningen?

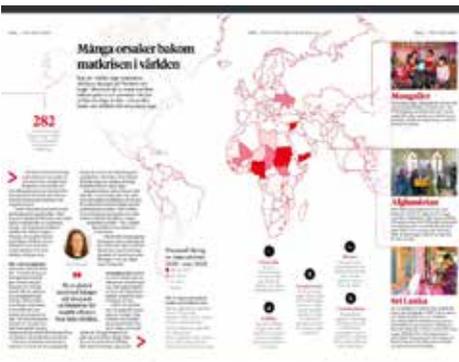


Barn med covid-19 får i regel enbart milda symtom. Men vilken roll har barnen haft i den senaste smittspridningen under pandemin?



## Ekonomiprofessorn: "Vi har ingen bostadsbubbla i Sverige"

Bostadspriserna i Sverige väntas falla sedan Riksbanken nyligen höjde den viktiga styrrätsan. Men vilken roll har barnen haft i den senaste smittspridningen under pandemin?



svtplay SVT Nyheter SVT Lokalt SVT Sport SVT Play SVT

### Professorn om partiernas elmljardar: "Förvärrar problemet"

15 maj 2022 10:00

Enligt professorerna i ekonomiska vetenskaperna vid Göteborgs universitet har de svenska partierna gjort ett stort misstag när de har beslutat om att höja skatten på arbetslösa. Detta kan förvärra problemet med arbetslösheten i Sverige.

### EKONOMISTAS

Centrum VS Ekonomisternas

#### Skattelindat i ett lag: Hur partierna och riksdagen har beslutat om skatt

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