



Stockholm  
University

## Department of Economics



## Current Research 2016

# Contents

The Department of Economics at Stockholm University – A brief early history	2 – 3
The Department of Economics today	4 – 5
Undergraduate studies	4
Advanced level studies	4
Doctoral studies	5
Research overview	5
Publications in print 2016	6 – 10
Forthcoming publications including online versions of forthcoming articles	11 – 12
Unpublished works including working papers	13 – 17
Participation in conferences	18 – 21
Current research projects	22 – 35
Seminars	35 – 39
Doctoral dissertations	40
Research Papers in Economics	41

## The Department of Economics at Stockholm University

### - A brief early history

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

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

During the 1930's several members of the department were involved in the development of employment theory. Gunnar Myrdal, Gösta Bagge, Alf Johansson and Dag Hammarskjöld contributed to the Unemployment Commission. In the second part of the 1930's, Erik Lundberg and Ingvar Svennilson defended doctoral dissertations offering important theoretical contributions to the Stockholm School.<sup>1</sup> Lundberg and Svennilson were both to become influential professors in the department. Erik Lundberg took up a position at Konjunkturinstitutet (the National Institute of Economic Research) in 1937 and became its head in 1946. He returned to the department as professor in 1946, acting as a full-time professor after 1955 when he left Konjunkturinstitutet. Lundberg's overview of business cycles and stabilization policy from 1953 (*Konjunkturer och ekonomisk politik*, translated into English as *Business Cycles and Economic Policy*, 1957) influenced a generation of students of Keynesian fiscal and monetary policy. The

---

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

impact of Lundberg's impressive personality was not less important. Ingvar Svennilson was head of Industriens Utredningsinstitut (The Research Institute of Industrial Economics) in 1942-51 and became professor at the department in 1947. In parallel with his professorship, he played an important role in the development of Långtidsutredningarna (Medium Term Surveys) of the Swedish government.

The development of the department is described in the book *Från värde till välfärdsteori – nationalekonomin vid Stockholms högskola/Stockholms universitet 1904-2004*, by Svante Nycander together with Jonas Agell, Eskil Wadensjö and Hans Wijkander (SNS Förlag, 2005). The book was presented at a seminar on December 2, 2004, celebrating the 100<sup>th</sup> anniversary of Gustav Cassel's appointment as professor. Two of the department's alumni have been awarded the Nobel Prize, Gunnar Myrdal (1974) and Bertil Ohlin (1977). One alumnus, Dag Hammarskjöld, served as Secretary-General of the United Nations. Several members of the department have played important roles in Swedish politics: Bertil Ohlin and Gösta Bagge were leaders of political parties, and both Bagge and Ohlin, as well as Karin Kock (acting professor 1938-46) and Gunnar Myrdal, also served as Cabinet Ministers. Kjeld Philip, who was professor at the department in 1949-51, later became Minister of Finance in Denmark. The department's tradition of educating prominent civil servants, politicians and business leaders, as well as academic teachers and researchers, continues strongly to the present time.

## **The Department of Economics today**

Stockholm University offers one of the best environments in Europe for research and education in economics. The Department of Economics has 18 full professors, 3 associate professors, and 14 assistant professors and post-doctoral researchers. The graduate students, just over 70 in number, have the department or IIES or SOFI as their place of work. Economics at Stockholm University, i.e., the Department of Economics, the Institute for International Economic Studies (IIES) and the Swedish Institute for Social Research (SOFI) together, is ranked no. 19 in Europe and no. 1 in Sweden (no. 59 in the world) in the Tilburg University research ranking of Economics Schools (see <https://econtop.uvt.nl/rankinglist.php>). Former students are employed as economists in a wide range of fields, in national and international organizations, government, business and finance.

### **Undergraduate studies**

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

### **Advanced level studies**

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

## Doctoral studies

The PhD program at Stockholm University is organized by the Department of Economics and run in cooperation with the Institute for International Economic Studies (IIES) and the Swedish Institute of Social Research (SOFI). Approximately 10 students are admitted each year to a four-year, full-time program in English starting in the Autumn. The deadline for applications is February 1. The formal requirements are specified on our web page [www.ne.su.se](http://www.ne.su.se)

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

## Research

The research environment in the department can be described in terms of two broad fields, with several additional and partially overlapping research areas. A strong focus is labor economics and public economics, and research in this area considers, for example, how social insurance systems affect health and early retirement, how monetary policy should be designed in a globalized world, and the effect of education policies. Another strong research area is international economics. Within this field we study how industry location is affected by different types of regulations and economic policies, and the effects of monetary and fiscal policy in small open economies. Other lively areas of research are political economy, empirical macroeconomics, development economics, law and economics, experimental economics, social norms, network theory, game theory, and financial economics.

Research in the department has a strong international focus. It is communicated in international journals with peer review, and many researchers are members of leading research networks like CEPR, IZA and CESifo. We have a number of research collaborations with prominent economists in the world, and visits by as many as thirty international researchers each year. Members of our faculty have recently had long research visits at top universities like Berkeley and Stanford. The department is host for the prominent journal *Scandinavian Journal of Economics*, and our researchers have assignments as editors and associate editors of scientific journals such as *Regional Science and Urban Economics*, *Annales d'Economie et de Statistique*, *Journal of the European Economic Association*, *Journal of Public Economic Theory*, *Scandinavian Journal of Economics* and *Journal of Economic Dynamics and Control*.

## Publications in print 2016

### **Mahmood Arai**

“The Reverse Gender Gap in Ethnic Discrimination: Employer Stereotypes of Men and Women with Arabic Names” (with Moa Bursell and Lena Nekby), *International Migration Review*, Volume 50 Number 2 (Summer 2016): 385–412.

We examine differences in the intensity of employer stereotypes of men and women with Arabic names in Sweden by testing how much work experience is needed to eliminate the disadvantage of having an Arabic name on job applications. Employers are first sent curriculum vitae (CVs) of equal merit in a field experiment setup. Arabic-named CVs are thereafter enhanced with more relevant work experience than Swedish-named CVs. The results indicate a reverse gender gap in employer stereotypes because initial differences in the number of call-backs disappear for female applicants when Arabic-named CVs are enhanced but remain strong and significant for male applicants. Thus, contrary to what is often assumed about the interaction of gender and ethnicity, we find that Arabic men face stronger discrimination in the labor market than Arabic women.

### **Lennart Erixon**

“Is Firm Renewal Stimulated by Negative Shocks? The Status of Negative Driving Forces in Schumpeterian and Darwinian Economics”, *Cambridge Journal of Economics* 40 (2016), 93-121.

### **Rikard Forslid**

“Big is beautiful when exporting” (with T.Okubo), *Review of International Economics*, 24, 2016, pp. 330-43.

This paper starts out from the observation that the export ratios of firms (export to sales ratios) vary greatly among firms, and that they are systematically higher for larger exporters. We relate the difference in export ratios to firm-level differences in transport costs. In accordance with the data, we assume that freight rates are a function of firm-level export volumes. We test our model using Japanese manufacturing firm-level data. We first estimate the elasticity of the freight rate with respect to firm-level export volumes at the sector level. When feeding these estimates back into the model, it can explain more than 50 percent of the variation in firm-level export ratios.

[Sverige bör bygga egen vaccinfabrik](#) (med J.Vlachos), SvD, 2016.

[Dramatisk minskning av nya doktorander i Sverige](#) (med J.Häckner), DN Debatt, 12 april 2016.

[Flyget är en motor för tillväxten](#) (med S.Ferguson), SvD, 2016.

### **Peter Fredriksson**

1. “Parental Responses to Public Investments in Children: Evidence from a Maximum Class Size Rule”. *Journal of Human Resources* 51(4), 832-868, 2016. (with Björn Öckert and Hessel Oosterbeek)
2. Dynamic Treatment Assignment: The Consequences for Evaluations Using Observational Data. In Robert J. LaLonde (ed), *Active Labor Market Policies. The International Library of Critical Writings in Economics series*. Edward Elgar publishing, 435-445, 2016.

### **Montasser Ghachem**

“The institution as a blunt instrument: Cooperation through imperfect observability”. *Journal of Theoretical Biology*, Volume 396, May 2016, Pages 182-190.

We propose an evolutionary model in which an institution aims to label cooperators with a tag to verify their trustworthiness. However, errors in assigning tags inevitably arise: the institution may leave some cooperators untagged or award tags to some defectors. Taking these errors into account, we derive simple analytical conditions under which cooperation becomes stable and is favored by selection. Institutional tagging can lead to non-uniform interaction rates among cooperators and defectors, whereby cooperators benefit disproportionately by playing more games than defectors. This work sheds light on the significant role of institutions in promoting and maintaining societal cooperation.

### **Mathias Herzing**

1. “Welfare Effects of Taxation in Oligopolistic Markets” (with Jonas Häckner), *Journal of Economic Theory* 163, pp. 141-166, 2016  
(<http://www.sciencedirect.com/science/article/pii/S0022053116000089>)

This paper discusses how marginal costs of public funds are related to various market characteristics under imperfect competition. Under a quite general tax scheme, these costs turn out to be lower the wider the firms' product ranges, the lower the degree of market concentration and the lower the degree of product differentiation. Moreover, marginal costs of taxation are lower in Bertrand markets compared to Cournot markets. In cases when marginal costs of public funds cannot easily be assessed we ask if pass-through rates can provide useful information for policy makers. The market characteristics that we analyze are shown to have opposite effects on pass-through and marginal costs of public funds. It is also demonstrated that the marginal cost of public funds is generally lower for ad valorem taxes than for unit taxes. The main results are based on a linear demand system, but a number of extensions confirm that our main results are reasonably robust.



2. *Efficient Environmental Inspections and Enforcement* (ed., with Adam Jacobsson), report 6713, Swedish Environmental Protection Agency, 2016 (English version of *Effektiv miljötillsyn*, report 6558, Swedish Environmental Protection Agency, 2013)

(<http://www.naturvardsverket.se/Documents/publikationer6400/978-91-620-6713-7.pdf?pid=17958> )

This report contains the findings of the research program “Efficient Environmental Inspections and Enforcement”. Reflecting the multi-disciplinary nature of this research program, the report covers a wide range of areas, e.g. the interaction between inspector and inspectee, the professional judgments of inspectors, the conditions for municipal inspections and enforcement, the incentives of inspectees to comply with legislation, and the data and information management of authorities.

### **Björn Hinnerich**

[Skillnader i resultat mellan gymnasieelever i fristående och kommunal skolor](#) IFAU Rapport 2016:10.

Vi finner att elever vid fristående skolor uppnår sämre resultat enligt de externa bedömningarna. Resultatskillnaderna är särskilt stora för elever med relativt låga grundskolebetyg (men inte för elever med utländsk bakgrund). Dessa elever är också de som är mest benägna att studera vid fristående gymnasier. Genom att jämföra interna och externa bedömningar av exakt samma provsvar finner vi vidare att de interna bedömningarna av proven är generösare bland fristående än bland kommunala skolor. Resultaten är konsistenta med att fristående skolor i högre grad än kommunala anpassar sig efter olika elev-gruppers efterfrågan.

### **Jonas Häckner**

“Welfare Effects of Taxation in Oligopolistic Markets”, *Journal of Economic Theory* 163 (2016), 141-166, with Mathias Herzing

This paper discusses how marginal costs of public funds are related to various market characteristics under imperfect competition. Under a quite general tax scheme, these costs turn out to be lower the wider the firms' product ranges, the lower the degree of market concentration and the lower the degree of product differentiation. Moreover, marginal costs of taxation are lower in Bertrand markets compared to Cournot markets. In cases when marginal costs of public funds cannot easily be assessed we ask if pass-through rates can provide useful information for policy makers. The market characteristics that we analyze are shown to have opposite effects on pass-through and marginal costs of public funds. It is also demonstrated that the marginal cost of public funds is generally lower for ad valorem taxes than for unit taxes. The main results are based on a linear demand system, but a number of extensions confirm that our main results are reasonably robust.

### **Adam Jacobsson**

*Efficient Environmental Inspections and Enforcement* (ed., with Mathias Herzing), report 6713, Swedish Environmental Protection Agency, 2016 (English version of *Effektiv miljötillsyn*, report 6558, Swedish Environmental Protection Agency, 2013)

(<http://www.naturvardsverket.se/Documents/publikationer6400/978-91-620-6713-7.pdf?pid=17958> )

This report contains the findings of the research program “Efficient Environmental Inspections and Enforcement”. Reflecting the multi-disciplinary nature of this research program, the report covers a wide range of areas, e.g. the interaction between inspector and inspectee, the professional judgments of inspectors, the conditions for municipal inspections and enforcement, the incentives of inspectees to comply with legislation, and the data and information management of authorities.

### **Jens Josephson**

1. “Costly interviews” (with Joel Shapiro), *International Journal of Industrial Organization* 45 (2016): 10-15.
2. “Insolvency Resolution and the Missing High-Yield Bond Markets” (with Bo Becker), *Review of Financial Studies* 29:10 (2016): 2814-2849.

### **Ann-Sofie Kolm**

1. “*Informal unemployment and education*”, *IZA Journal of Labor Economics* 5:8, (with Birthe Larsen), 2016.

We show that underground activities reduce educational attainments. Also, a more zealous enforcement policy will improve educational incentives as it reduces the attractiveness of remaining low educated. However, unemployment also increases. We find that it is optimal to allocate relatively more audits towards the sector employing low educated workers as otherwise a too low stock of educated workers is materialized.

2. *Labour market policy report – Time for a wider wage distribution?* (Arbetsmarknadsekonomisk rapport – Dags för större lönespridning?) (with Lars Calmfors, Petter Danielsson, Per Skedinger, Tuomas Pekkarinen), Februari, 2016.

We examine three different aspects of relevance for the upcoming wage rounds: 1) Relative wages in occupations that typically suffer from chronic labor shortages, such as teachers, nurses and professional engineers. 2) The connection between changes in the distribution of skills in the labor force, relative wages and employment. 3) The impact of the high collectively agreed minimum wages in Sweden on employment as well as the likely employment effects of changes in the minimum wages.

**Andreas Madestam**

“Medical Abortion Provided by Nurse-Midwives or Physicians in a High Resource Setting”, with Susanne Sjöström, Helena Kopp Kallner, Emilia Simeonova, and Kristina Gemzell-Danielsson, *PLoS ONE*, 2016, 11(6), 1-9.

**Mårten Palme**

1. “Pathways to Retirement and the Role of Financial Incentives in Sweden” (with Lisa Laun and Per Johansson). In David Wise (ed.) *Social Security and Retirement around the World: Disability Insurance Programs and Retirement*. 2016 Chicago University Press: Chicago, 369-410.

2. “Sickness Absence and Local Benefit Cultures” (with Assar Lindbeck and Mats Persson). *Scandinavian Journal of Economics*, 2016, 118(1), 49-78.

**Anna Seim**

“Oligarchies and Development in a Global Economy: A Tale of Two Elites” (with Anders Åkerman and Alireza Naghavi), *Economic Inquiry*, 54(1), 229-246, 2016.

**David Seim**

“Strategic Complementarities, Network Games and Endogenous Network Formation”, with Andreas Lagerås. *International Journal of Game Theory*, 45(3): 497-509, 2016

**Jonas Vlachos**

“One Size Fits All? The Effects of Teachers’ Cognitive and Non-Cognitive Abilities on Student Achievement” (med Erik Grönqvist), *Labour Economics* vol. 42, pp. 138-150.

**Anders Åkerman**

“Oligarchies and Development in a Global Economy: A Tale of Two Elites” (with Anna Seim and Alireza Naghavi), *Economic Inquiry*, 54(1), 229-246, 2016.

## **Forthcoming publications including online versions of forthcoming articles**

### **Mathias Herzing**

“The Effectiveness of Environmental Inspections in Oligopolistic Markets” (with Jonas Häckner), forthcoming in *Resource and Energy Economics*

### **Jonas Häckner**

“The Effectiveness of Environmental Inspections in Oligopolistic Markets”, forthcoming in *Resource and Energy Economics*, with Mathias Herzing

### **Paul Klein**

“Consumption risk sharing with private information and limited enforcement” (with Tobias Broer and Marek Kapička), forthcoming in the *Review of Economic Dynamics*.

### **Mikael Priks**

“Prevention of Football Hooliganism, A Review of the Evidence”, Forthcoming in *The Wiley Handbook of Violence and Aggression, Volume 3, Societal Interventions* (ed. Peter Sturme).

### **David Seim**

1. “Richer (and Holier) Than Thou? The Effect of Relative Income Improvements on Demand for Redistribution”, with Mounir Karadja and Johanna Mollerstrom. *The Review of Economics and Statistics*.
2. “Behavioral Responses to an Annual Wealth Tax: Evidence from Sweden”, the *American Economic Journal: Economic Policy*

### **Claes-Henric Siven**

1. Bo Axell 1945 - 2006 (with Mats Persson)
2. Ingvar Svennilson (for the Swedish National Biography)

**Jonas Vlachos**

1. “The headmaster ritual” (med Anders Böhlmark och Erik Grönqvist), forthcoming in *Scandinavian Journal of Economics*.
2. “The Intergenerational Transmission of Cognitive and Noncognitive Abilities” (med Erik Grönqvist och Björn Öckert), forthcoming in *Journal of Human Resources*.

**Anders Åkerman**

“A Theory on the Role of Wholesalers in International Trade Based on Economies of Scope”, forthcoming in *Canadian Journal of Economics*.

## Unpublished work including working papers

### **Mahmood Arai**

Stereotypes of physical appearance and labor market chances, IFAU WORKING PAPER 2016:20

### **Sergio De Ferra**

1. External Imbalances, Gross Capital Flows and Sovereign Debt Crises.
2. Sovereign Debt Crises, Fiscal Austerity and Corporate Default
3. Endogenous Volatility in Sovereign Interest Rates: The Role of Default Risk

### **Lennart Erixon**

“Building a Path of Equality to Economic Progress and Macroeconomic Stability – the Economic Theory of the Swedish Model”, Working Papers in Economics 2016:3, Department of Economics, Stockholm University.

### **Peter Fredriksson**

Mismatch of talent: Evidence on match quality, entry wages, and job mobility, manuscript, Department of Economics, Stockholm University, 2016, revise and resubmit *American Economic Review*. (with Lena Hensvik and Oskar Nordström Skans)

### **Ines Helm**

1. “Spillover Effects of Mass Layoffs” (with Christina Gathmann and Uta Schönberg), mimeo
2. “National Industry Trade Shocks, Local Labor Markets and Agglomeration Spillovers”, mimeo

### **Björn Hinnerich**

1. Do Parties Matter in Very Small Local Governments?
2. Direct democracy and real outcomes. With Per Pettersson-Lidbom.
3. Sugar and Spice? The Effect of Teacher Bias on Student Outcomes. With Sandra E. Black, Magnus Johannesson and Jonas Vlachos
4. Discrimination at the University: Gender Discrimination and In-group Bias. With Joakim Jansson

5. Do Mild Sentences Deter Crime? Evidence using a Regression-Discontinuity Design. With Per Pettersson-Lidbom and Mikael Priks
6. The impact of upper-secondary voucher school attendance on student achievement. Swedish evidence using external and internal evaluations. With Jonas Vlachos. (Submitted)
7. New insights on gender quotas in board rooms. With Joakim Jansson
8. Revisiting the Housing Wealth Effect: Evidence From an Unanticipated Renewal of an Airport Contract. With Roine Vestman and Dany Kessel
9. Age-Dependent Sentences and Crime Bunching - Empirical Evidences from Swedish Administrative Data. With Mårten Palme and Mikael Priks.
10. Effects of weighted voting. With Per Pettersson-Lidbom and Erik Lindgren

### **Joakim Jansson**

1. "Discrimination at the University: Gender Discrimination and In-group Bias", manuscript (with Björn Tyrefors Hinnerich)
2. "Gender quotas in the board rooms and firm performance: Evidence from a credible threat in Sweden", manuscript (with Björn Tyrefors Hinnerich)

### **Daniel Knutsson**

The Effect of Introducing Clean Piped Water on Mortality in Stockholm: [1850-1872](#). Forthcoming working paper Stockholm University.

### **Peter Langenius**

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

### **Andreas Madestam**

1. "Children of the Pill: The Effect of Subsidizing Oral Contraceptives on Children's Health and Wellbeing" (with Emilia Simeonova)
2. "Contractual Structure, Borrower Selection, and Hypothetical Loan Demand: Survey Evidence from Uganda", (with Selim Gulesci and Miri Stryjan)
3. "Gender Empowerment in 19th Century Sweden: Using Historical Trade Shocks to Assess the Effects of Women's Economic Empowerment" (with Emilia Simeonova)

4. "Sex and Credit: Is there a Gender Bias in Lending?" (with Thorsten Beck and Patrick Behr)
5. "Shaping the Nation: The Effect of Fourth of July on Political Preferences and Behavior in the US" (with David Yanagizawa-Drott)
6. "Surviving the Killing Fields. The cultural and political heritage of the Khmer Rouge" (with Mathias Iwanowsky)
7. "The Social Costs of a Credit Monopoly"
8. "Who Benefits from Free Education? Long-Term Evidence from a Policy Experiment in Cambodia" (with Maria Cheung, Mathias Iwanowsky, and Jakob Svensson)

### **Evangelia Pateli**

Local and Sectoral Import Spillovers in Sweden; CEP Discussion Paper No 1437, June 2016

### **Mikael Priks**

1. "The Effect of Alcohol Availability on Crime and Health", (with Anders Anderson, Per Pettersson-Lidbom and Mårten Palme).
2. "The Effect of Imprisonment on Crime: Evidence using Breathalyzer Test", (with Per Pettersson-Lidbom and Björn T. Hinnerich).
3. "Singin' in the Rain: A Study of Social Pressure on the Soccer Field".
4. "The Effects of Polarization on Government Quality", (with Jakob Svensson).
5. "Optimal Rent Extraction in Pre-Industrial England and France – Default Risk and Monitoring".
6. "Optimal Compensation to Law Firms and the Internal Organization of the Firm".
7. "Ethnicity, Coups and the Fate of Leaders in Africa", (with Ilia Rainer).

### **Theodoros Rapanos**

1. What makes an opinion leader: expertise versus popularity
2. Conformism under incomplete information (*with Marc Sommer [University of Zurich and SOFI] and Yves Zenou [Stockholm University]*)



**David Seim**

“Individual Risk Preferences and the Demand for Redistribution”, with Manja Gärtner and Johanna Mollerstrom, R&R in Journal of Public Economics

**Wei Si**

Diverse Expertise, Peer Effects and Research Productivity: Does diversity in idea space matter? (with Qi Wang)

**Tamara Sobolevskaia**

Working paper 2016 “The labour market and the marriage market in US 1980-2010”

**Johan Söderberg**

1. “Do Sticky Prices Make Sense” (with Nils Gottfries).
2. “Non-Continuous Wage Indexation: Monetary Policy and Welfare”.
3. “Fair prices, sticky information, and the business cycle”. Research Papers in Economics 2015:1, Stockholm University, Department of Economics.
4. “Seasonality in the Frequency of Price Change and Optimal Monetary Policy”. Research Papers in Economics 2015:11, Stockholm University, Department of Economics.

**Peter Thoursie**

1. “Culture, Fertility Choices, and Child Outcomes: Evidence from Swedish Administrative Data.” (with Per Petersson-Lidbom)
2. “Gender based taxation and the division of parental childcare: an empirical test” (with Andrea Ichino and Martin Olsson)

**Anna Tompsett**

1. Bridges: Transport Infrastructure and Economic Geography on the Mississippi and Ohio 1880-2000
2. The long-run economic impacts of transport infrastructure: Urbanization, sorting and spatial equilibrium
3. Community Participation in Decision-Making: Evidence from a Field Experiment in Bangladesh  
with Malgosia Madajewicz and Ahasan Habib
4. The Lazarus Drug: The impact of expansion of access to antiretroviral therapy for HIV/AIDS on economic growth

### **Roine Vestman**

1. "Limited Stock Market Participation Among Renters and Homeowners"
2. "On the Asset Allocation of a Default Pension Fund" (with Magnus Dahlquist and Ofer Setty), Swedish House of Finance working paper 16-02
3. "Swedish Equity Mutual Funds: Performance, Persistence and the Presence of Skill" (with Harry Flam), Swedish House of Finance working paper 14-04
4. "Household Debt and Monetary Policy: Revealing the Cash-Flow Channel" (with Martin Flodén, Matilda Kilström, and Josef Sigurdsson), Swedish House of Finance working paper 16-8
5. "Identifying the Benefits from Home Ownership: A Swedish Experiment" (with Paolo Sodini, Stijn Van Nieuwerburgh, and Ulf von Lilienfeld-Toal), NBER working paper 22882
6. "The Effect of Cognitive and Noncognitive Skills on Investment Behavior" (with Erik Lindqvist)
7. "Revisiting the Housing Wealth Effect: Evidence From an Unanticipated Renewal of an Airport Contract" (with Dany Kessel and Björn Tyrefors Hinnerich)

### **Jonas Vlachos**

1. "Education and criminal behavior: insights from an expansion of upper secondary school" (with Hans Grönqvist, Caroline Hall and Olof Åslund).
2. "Firm and Skills. The Evolution of Worker Sorting" (with Christina Håkanson and Erik Lindqvist).
3. "The Impact of Upper-Secondary Voucher School Attendance on Student Achievement. Swedish Evidence using External and Internal Evaluations" (with Björn Tyrefors Hinnerich),

### **Anders Åkerman**

1. "Outsourcing and the Division of Labor between Firms: Evidence from Swedish Cities" (with Loriane Py)
2. "The Effect of Intra-Industry Trade on Aggregate Productivity: Is there a Bridge between Theory and Data in Oresund?"
3. "Country Size, Productivity and Trade Share Convergence: An analysis of heterogenous firms and country size dependent beachhead costs" (with Rikard Forslid and Toshihiro Okubo)

## Participation in conferences

### **Mahmood Arai**

1. 28th European Association of Labor Economists, EALE, Ghent, Belgium, September 2016.
2. 30th Annual Conference of the European Society for Population Economics ESPE, Berlin, Germany, June 2016.

### **Sergio De Ferra**

1. Conference in honor of Bob Hall, London School of Economics, April 2016. Paper presented: External Imbalances, Gross Capital Flows and Sovereign Debt Crises.
2. Discussant at Research forum on macro-finance, Centre for Central Banking Studies, Bank of England, May 2016
3. Discussant at International Capital Flows workshop, Barcelona GSE Summer Forum, July 2016

### **Lennart Erixon**

1. Seminar on the Swedish Model, Economics Department of the School of Business and Economics (Maastricht University) and UNU-MERIT (United Nations University), Maastricht, 21 September, 2016. Paper presented: “Building a Path of Equality to Economic Progress and Macroeconomic Stability – the Economic Theory of the Swedish Model”.
2. Seminar on “Wage Formation in Sweden”, TCO, Sollentuna, 11 October, 2016.
3. “The Economic Theory of the Swedish Model”, ABF, Stockholm, 5 December, 2016. Paper presented: “Building a Path of Equality to Economic Progress and Macroeconomic Stability – the Economic Theory of the Swedish Model”.

### **Rikard Forslid**

1. 7<sup>th</sup> Villars Research Workshop on International Trade, Villars, February, 2016
2. Nordic International Trade Seminar (NOITS), Oslo, May 2016 (presenter)
3. European Research Workshop on International Trade (ERWIT), Copenhagen, June, 2016

**Peter Fredriksson**

ENTER, Madrid, April 2016. Paper presented: Mismatch of talent: Evidence on match quality, entry wages, and job mobility.

**Paul Klein**

Canadian Macroeconomics Study Group (CMSG), Kingston, Ontario, November 2016. Paper presented: “Making a miracle. Ireland 1980-2005”.

**Daniel Knutsson**

1. Microeconomics workshop, May 2016. SDU Odense. Paper presented: “The Effect of Introducing Clean Piped Water on Mortality in Stockholm: 1850-1872.”

2. Economics seminar, ULB ECARES, November, 2016. Paper presented “The Effect of Introducing Clean Piped Water on Mortality in Stockholm: 1850-1872.”

**Andreas Madestam***Papers presented*

“Surviving the Killing Fields. The cultural and political heritage of the Khmer Rouge”:

- Annual meeting of Association of Swedish Development Economists, (May, 2016)
- Barcelona GSE Summer Forum 2016, Advances in Micro Development Economics (June, 2016)
- Universitat Pompeu Fabra (November, 2016)

“Contractual Flexibility in the Credit Market, Selection into Borrowing and Firm Growth”:

- European Development Network Conference (December, 2016)

*Conferences attended (paper discussant):*

- Economic Policy panel meeting in Amsterdam (April, 2016)
- Economic Policy panel meeting in Florens (October, 2016)

*Conferences/workshops attended (no presentations)*

- ASWEDE workshop (November, 2016)
- CEPR development conference, Milano (September, 2016)

**Evangelia Pateli**

1. 15<sup>th</sup> GEP/CEPR Annual Postgraduate Conference, April 2016 (Nottingham)
2. ENTER Jamboree Annual Postgraduate Conference, April 2016 (Madrid)
3. Royal Economic Society Annual Conference, March 2016 (Brighton)
4. Royal Economic Society Symposium of Junior Researchers, March 2016 (Brighton)

5. International Economics Workshop (LSE/CEP), March 2016 (London)

### **Theodoros Rapanos**

1. 2016 Allied Social Sciences Associations Annual Meeting, San Francisco
2. The Royal Economic Society PhD Meetings 2016, London
  - paper *What makes an opinion leader: expertise versus popularity*

### **David Seim**

NBER Summer Institute 2016.

### **Wei Si**

1. 4th Annual Warwick Economics PhD Conference 2016, Warwick University, February 2016
2. 3rd International Association for Applied Econometrics Annual Conference, Milan, June 2016
3. The Stockholm Uppsala Doctoral Students' Workshop in Economics, Stockholm, September 2016

Paper presented in each conference: “Diverse Expertise, Peer Effects and Research Productivity: Does diversity in idea space matter?”

### **Tamara Sobolevskaia**

Participated in RES Symposium of Junior Researchers 2006 in University of Sussex, Brighton with paper “New Careers, Labor Market Turmoils and Gender: Evidence from Russia”.

### **Anna Tompsett**

American Economic Association Annual Meetings; First Sustainable Development Research Conference & Symposium, New York; European Development Research Network Scientific Conference

- Presented “The Lazarus Drug” at all conferences. (AEA is poster session).

### **Roine Vestman**

1. Greater Stockholm Macro Group, presenting “Revisiting the Housing Wealth Effect: Evidence From an Unanticipated Renewal of an Airport Contract”
2. Uppsala University, presenting “On the Asset Allocation of a Default Pension Fund”

3. CEPR European Conference on Household Finance (Paris), presenting “Identifying the Benefits from Home Ownership: A Swedish Experiment”
4. Stockholm University, Department of Economics, Brown Bag, presenting “Identifying the Benefits from Home Ownership: A Swedish Experiment”
5. Helsinki Finance Summit, presenting “On the Asset Allocation of a Default Pension Fund”
6. CEPR European Workshop on Household Finance (London), presenting “On the Asset Allocation of a Default Pension Fund”
7. Stockholm University, Department of Economics, Brown Bag, presenting “On the Asset Allocation of a Default Pension Fund”

*Discussions at conferences*

- “Individual Investors Information Usage and Financial Decision Making”, by Oscar Stålnacke, SHoF National Ph.D. workshop in Finance
- “Access to Credit and Stock Market Participation”, by Serhiy Kozak and Denis Sosyura, SIFR Conference on Credit Markets After the Crisis

**Jonas Vlachos**

EALE in Ghent, ESPE in Berlin, IFAU Workshop in Uppsala. Presented “The Impact of Upper-Secondary Voucher School Attendance on Student Achievement”

**Anders Åkerman**

1. Visiting Scholar at University of Chicago, Department of Economics: September 2015-June 2016
2. “Understanding Trade Within and Across Countries”, Becker Friedman Institute, University of Chicago

## Current research projects

### **Mahmood Arai**

Gender differences in the labor market: A matter of social and economic class.

Observing more men than women in top positions in most organizations might reflect a differential intergenerational mobility of sons and daughters from different economic backgrounds. Studies of intergenerational mobility have mainly focused on earnings and education. We use inherited wealth as a measure of economic background.

Individuals with similar parental incomes might have different wealth and for thus consumption levels as the result of inherited wealth. While using parents' income will yield same economic background for sons and daughters, using bequests can allow for different types of inherited wealth by sons and daughters. A clear example is properties that are inherited from generation to generation implying low housing costs and income from rents. Another example is family companies that offer high paid job opportunities for heirs. Using bequests as a measure of economic transfers between generations we aim at examining the patterns of within family (sons-daughters) intergenerational mobility for various strata of wealth distribution. To do this we first collect new data on bequests available on inventory sheets at Stockholm's stadsarkiv for male individuals (and their spouses) who died after the age of 50, were born between 1910 and 1919, and died in Stockholm inner city. The specific inheritance information include: the names of the heirs; the share of inheritance; the type of inheritance and its values given to each heir respectively. We will match this information with Flergenerationsregistret. With this new data we intend to dig deeper into the determinants of transmission of human capital and gender roles. In this way we can control for social and economic background and estimate the within family gender gap at the various parts of inherited wealth distribution.

### **Niklas Blomqvist**

1. Getting the chance to work full-time.

I analyse to what extent employees, who work in the municipality sector, have increased their working hours when they get the opportunity to work full-time. Using the fact that municipalities implemented the right to full time employment at different times, I analyse this question using a difference-in-differences design.

2. Part-time employment, female labour supply and the division of family chores (joint with Martin Olsson and Peter Thoursie).

We will analyse if women working part-time in the public sector adjust their working hours if they get the opportunity to do so and if that affects the division of temporary parental leave, our measure of family chores.

## **Lennart Erixon**

1. *Nordic Models Today* (with e.g. Lars Mjøset, Ådne Cappelen, Juhana Vartrianen and Jørgen Goul Andersen)

The work is conducted by economists and sociologists from the Nordic countries. The research group has made contributions to the literature on economic policy and structural changes in the Nordic countries since the early 1980s. The current phase of the project focuses on changes in the Nordic economies in light of globalization, EU integration and new economic thinking in the 1990s and 2000s.

2. *Wage Formation in Sweden 1995-2016*

The project pinpoints the determinants of nominal- and real-wage growth in Sweden since the mid-1990s. It focuses on the introduction of a new wage-policy regime at the end of the 1990s, the so-called Industrial Agreement (IA). The project analyzes the importance of the IA for the wage development and also the macroeconomic performance of Sweden.

## **Rikard Forslid**

*Företagens beteende i en globaliserad värld, klimatpåverkan och mellanhänder*  
(Vetenskapsrådet)

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

## **Peter Fredriksson**

1. Long-run Effects of Educational Interventions (with Per Pettersson Lidbom, Björn Öckert, IFAU, Mårten Palme, and Jonas Vlachos)

We examine the long-run effects of various educational interventions. In particular we look at the effects of: extensions of compulsory schooling; class size changes; school starting age; and changes in the tracking age.

2. The Effects of Environmental Policy on Firm Behavior and Health (with Nanna Fukushima and David Strömberg, IIES)

3. The Rising Return to Noncognitive Skill (with Per-Anders Edin, Uppsala University, Martin Nybom, and Björn Öckert, both IFAU)

4. School Starting Age, Age at Motherhood and Children's Long-term Outcomes (with Kristiina Huttunen, Aalto University, and Björn Öckert, IFAU)

5. The Labor Market Consequences of Advance Notice (with Jonas Cederlöf, Arash Nekoei, IIES, and David Seim)

6. Skill and Cyclical Unemployment (with Andreas Mueller, Columbia Business School, and Björn Öckert, IFAU)



7. Who are the early leavers? Selection on cognitive and non-cognitive skills prior to mass layoff (with Jonas Cederlöf and David Seim)
8. Are Managers Paid for Luck? (with Lena Hensvik, IFAU, and Oskar Nordström Skans, Uppsala University)
9. How does a Declining Sequence of UI Replacement Rates Affect the Hazard to Employment? (with Helge Benmarker, IFAU)
10. The Supply of Skills to the Teacher Profession. (with Erik Grönqvist, Björn Öckert, IFAU, and Jonas Vlachos)

### **Montasser Ghachem**

#### *Cautious cooperators can save cooperation*

We extend the prisoners' dilemma game by introducing a strategy of cautious cooperation where cooperators pay a cost to identify their opponents' strategy and abstain from playing if matched with a defector. If the detection's cost is sufficiently low, cooperation evolves with the help of cautious cooperators.

### **Ines Helm**

“The Dynamics of Local Fiscal Multipliers: Evidence from Germany” (with Jan Stuhler)

### **Mathias Herzing**

1. *Inspections and Enforcement as Instruments for Enhancing Environmental Behaviour* (with Adam Jacobsson et al)

This is a multi-disciplinary research program financed by the Swedish Environmental Protection Agency focusing on the incentives of operators to comply with environmental law and to enhance environmental behavior.

2. *Competition Policy and Inspection* (with Jonas Häckner)

This project focuses on how compliance with competition law should be monitored by inspection authorities.

### **Björn Hinnerich**

1. Tiebout effects when number of jurisdictions is changing. With Per Pettersson-Lidbom.
2. Extension of franchise in Sweden. With Per Pettersson-Lidbom.
3. Crime and culture. With Per Pettersson-Lidbom and Mikael Pricks.
4. Development and institutions. With Andreas Madestam and Anna Tompsett.
5. Integration and incentives. With Peter Skogman-Thoursie and Niklas Blomqvist

**Jonas Häckner***1. Efficient Environmental Inspections and Enforcement*

This multi-disciplinary research program focuses on how compliance with environmental legislation is monitored by inspection authorities.

*2. Competition Policy and Inspection*

This project focuses on how compliance with competition law should be monitored by inspection authorities.

**Adam Jacobsson***1. Inspections and Enforcement as Instruments for Enhancing Environmental Behaviour* (with Mathias Herzing, Jonas Häckner, Astri Muren, Eric Sjöberg et al).

Multi-disciplinary research program financed by the Swedish Environmental Protection Agency (SEPA) focusing on the incentives of operators to comply with environmental law.

*2. Factors Influencing Journalism Performance in Developing and Transitional Countries* (with Lee B. Becker, C. Ann Hollifield, Eva-Maria Jacobsson and Tudor Vlad).

The primary focus of the project is to analyse theoretically and empirically how media market concentration and other factors affect media performance in emerging media markets.

**Joakim Jansson**

1. Online anonymity, political information and hate (with Emma von Essen)
2. Discrimination in Swedish courts

**Jens Josephson**

The determinants of corporate restructurings.

**Dany Kessel**

1. Information and the Gender Bias - An experimental study that aims to shed light on if suboptimal gender norms can be corrected with information about said gender norms.

2. Housing Wealth and Consumption (with Björn Tyrefors and Roine Vestman) - We exploit the exogenous fall in house prices around Bromma airport 2007 to evaluate the effects of a housing shock on consumption.

3. Parental Preferences for school characteristics (with Elisabet Olme) – Using data from paternal school choices we investigate the importance of different school characteristics to different groups of parents.
4. Information and School Choice (with Eliabet Olme) - In a field experiment we investigate the effects of information on school quality.
5. Effects of Extra Recourses on the Weakest Students (with Elisabet Olme and Mattias Hallberg) - In a field experiment we investigate the effects of extra resources allocated to the weakest students.
6. Controlled school choice – What can an algorithm do? (with Elisabet Olme) - We use choice data to investigate how one can reduce segregation by altering the schools priority ordering

### **Paul Klein**

1. *Making a miracle: Ireland 1980-2005* (with Gustavo Ventura). The purpose of this project is to use quantitative macroeconomic theory to assess the importance of various proximate causes of Ireland's transformation from one of Western Europe's poorest countries to one of its richest. We focus especially on the importance of business tax reform.
2. *Dynamic tax competition under the source principle* (with Till Gross and Miltiadis Makris). We investigate the implications of perfect capital mobility in a two-country one-sector growth model when capital income is taxed at source. We analyze, conceptually and quantitatively, the equilibrium of a game where each country's government, independently of the other, can commit to the entire future path of tax rates.
3. *Dynamic tax competition under the residence principle* (with Till Gross and Miltiadis Makris). We investigate the implications of perfect capital mobility in a two-country one-sector growth model when capital income is taxed according to the residence principle. The purpose and method is the same as above, but the conclusions are quite different.

### **Ann-Sofie Kolm**

1. “Earned Income Tax Credits and Educational Attainment”, (with Mirco Tonin).
2. “Obama Care”, (with Birthe Larsen)
3. “Minimum wages”, (with Birthe Larsen)

### **Daniel Knutsson**

1. The effect of delivery care crowding on delivery outcomes. (Joint with Fredrik Ahlsson and Anna-Karin Wikström)

We use daily crowding in deliveries to investigate how resource availability affect infant and maternal health at birth. We find that resource availability decrease at times of high crowding and find robust evidence that mothers, of preterm deliveries, bleed more at times of high crowding.

2. The introduction of universal mother and baby health centers in Sweden. Public health investments and mortality.

Using detailed health center level information on extensive and intensive exposure of mothers and infants, I assess how infant mortality responded to the introduction.

### **Peter Langenius**

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

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

2. A New Keynesian Phillips Curve on Time Scales

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

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

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

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

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

### **Andreas Madestam**

1. "Contractual Flexibility, Firm Growth, and Information Asymmetries in Credit Markets: Experimental Evidence from Bangladesh" (with Marianna Battaglia and Selim Gulesci)
2. "Income, Women's Wellbeing, and the Fertility Transition: Evidence from Trade Shocks in 19th Century Sweden" (with Emilia Simeonova)

3. "Inside the Production Function: the Effect of Financial Contracts on Growing Firms' Technology Use. Evidence from a Randomized Experiment in Uganda" (with Selim Gulesci and Miri Stryjan)
4. "Market Demand and Default Risk in Microfinance: The Effect of the Financial Crisis on Firms' Repayment Behavior" (with Patrick Behr and Simon Sonnekalb)
5. "Workers of the World, Unite: The Economic Effects of Labor Day Demonstrations in Europe" (with Nathan. Lane and David Yanagizawa-Drott)

### **Elisabet Olme**

1. Parental Preferences in the School Market (joint with Dany Kessel)

We use longitudinal data on paternal school choice to determine how important different school characteristics are to different groups of parents.

2. Information and School Choice (joint with Dany Kessel)

In a large randomized experiment in Linköping and Botkyrka we study if information on school quality can improve results and reduce school segregation.

3. Effects of Extra Recourses on the Weakest Students (joint with Dany Kessel and Mattias Hallberg).

In a field experiment we investigate the effects of extra resources allocated to the weakest students.

4. Controlled school choice – What can an algorithm do? (joint with Dany Kessel). We use school choice data to investigate how one can reduce segregation by altering the schools priority ordering.

5. The effects of stricter immigration policies on labour market outcomes (joint with Matilda Kilström and Birthe Larsen)

We model the consequences of stricter immigration policies on asylum seekers' entrance to the labor market in the host country. To examine the effects empirically we exploit a Danish reform which provides exogenous variation.

6. Disability insurance and health effects (joint with David Seim and Laszlo Sandor)

Using exogenous variation in benefit approval, we study how benefit receipt affects health outcomes.

7. The effects of performance based bonuses in the Swedish language training program for immigrants.

The introduction of performance based bonuses in the SFI program is evaluated using a regression discontinuity design.

### **Mikael Priks**

1. "Age-Dependent Sentences and Crime Bunching: Empirical Evidences from Swedish Administrative Data" (With Björn T. Hinnerich and Mårten Palme)

In the Swedish penal code there is a rebate for convicted individuals before the age of 21. We exploit this age-discontinuity to investigate how individuals respond to incentives. We find evidence of “bunching” in the sense that more crimes are committed during the week prior to the birthday, followed by a reduction in crime during the week subsequent to the birthday.

2. “Do Mild Sentences Deter Crime? Evidence using a Regression-Discontinuity Design” (with Björn T. Hinnerich and Per Pettersson-Lidbom)

We study if harsher sentences deter or increase reoffending by exploiting two discontinuities in the Swedish legal system against driving under the influence. Above certain thresholds, individuals tend to be sentenced to prison as opposed to probation. The results show that individuals just above the thresholds commit fewer crimes upon release than those receiving probation.

3. “Targeting Prolific Offenders to Reduce Crime: Theory and Evidence from Two European Experiments” (with Olivier Marie and Steve Machin)

We investigate the impact of targeting the most prolific offenders on area crime rates. We empirically evaluate such schemes which were piloted in different areas of England and Wales between 2000 and 2004 as well as in Sweden from 2012. We find that the policies are successful in reducing burglaries.

4. “Public Order and Private Payments? Policing of Events with Externalities” (with Sten Nyberg)

Should organizers of events, such as sport games or concerts, share the costs of maintaining public order in connection to the events? We model how co-payments can address the under-provision of private effort to reduce unruly behavior. We also provide empirical evidence in line with the model.

### **Theodoros Rapanos**

Debt relief and moral hazard: estimating the effect of bankruptcy protection on loan repayment (*with Theresa Kuchler [NYU] and Constantine Yannelis [Stanford University]*)

Personal bankruptcy provides households with insurance against adverse financial shocks, but also induces moral hazard by alleviating the consequences of non-repayment. Taking advantage of a natural experiment in Greece, we use a mortgage data set from a large bank in order to measure the extent of moral hazard, and estimate its costs.

### **Anna Seim**

1. “Towards a Unified Theory of Income and Democracy” (with Stephen L. Parente and Luis Felipe Sáenz”).

We revisit the relationship between income and democracy and document factors behind transitions from autocracy and the subsequent consolidation of democracy. A theory consistent with the stylized facts is presented.

2. "Systemic Risk in the Swedish Banking Network: A Network Approach" (with Marianna Blix Grimaldi)

The aim of this project is to document interlinkages between Swedish banks and financial institutions and to model potential contagion. We seek to quantify systemic risk following different types of shocks and identify policy implications with regard to resolution measures and regulation.

3. "Leaders and Followers: Heterogeneous Effects of Institutions and Spillovers on Economic Growth" (with Chih Ming Tan).

We estimate latent-class growth models, where countries are endogenously sorted into growth environments and the parameters of the growth process are heterogeneous across groups. Growth in a given environment is driven by factor accumulation, while the sorting into regimes is based on institutions affecting absorptive capacity.

### **David Seim**

1. "On the Accumulation of Wealth: the Role of Inheritance" (with Arash Nekoei).

We estimate the behavioral responses to inheritances in a dynamic perspective. The findings are then used to measure the impact these responses have on consumption and wealth inequality.

2. "Risk-based Selection in Unemployment Insurance: Evidence and Implications from Sweden" (with C. Landais, A. Nekoei, P. Nilsson and J. Spinnewijn)

We estimate how selection into unemployment insurance depends on risk characteristics, such as future and past events of job displacement and unemployment. We investigate how changes in insurance premia influence the probability of taking up unemployment insurance.

3. "Firm Behavior and Payroll Taxes: Evidence from a Young Workers Tax Cut in Sweden" (with E. Saez and B. Schoefer)

We estimate the incidence and efficiency consequences of a payroll tax cut directed to young workers. We study incidence both at the worker- and the firm-level.

### **Wei Si**

1. Health Insurance and the Labor Supply Decisions: Evidence from China's Urban Resident Basic Medical Insurance

In this paper, I evaluate whether a national public health insurance program introduced in China in 2007, the Urban Residence Basic Medical Insurance, has impacts on individuals' labor market outcomes.

## 2. The long-run career effect of early research experience (with Qi Wang)

We exploit evidence from Danish scientists to explore whether doing research abroad during a researcher's postdoc phase would affect his or her long-run career accomplishments.

## 3. Planning for bicycle tourism: Estimating the economic effects of bicycle tourism in two Swedish regions (with Tobias Heldt)

This project aims to estimate the economic contribution of bicycle tourism in two specific destinations in Sweden and to estimate the willingness to pay for changes in key variables of importance for the tourist's choice of bicycle destination.

### **Claes-Henrik Siven**

#### 1. *Analytical aspects of Bent Hansen's theory of inflation*

Bent Hansen's theory of inflation has its roots in the theory of monetary equilibrium by Wicksell, Myrdal and Lindahl. Hansen extended the analysis to cover the labor market as well. The project also investigates how Hansen's theory pointed forwards to the future development of inflation theory.

#### 2. *Marginal deterrence*

Marginal deterrence implies that existing criminality is channelled into less harmful activities. The interaction between preferences and the expected punishment scale tends to diminish differences in the seriousness of crime between different individuals.

### **Johan Söderberg**

#### 1. "Monetary non-neutrality with state-dependent and time-dependent price setting"

#### 2. "Seasonality in the Frequency of Price Change and Fiscal Policy"

### **Peter Thoursie**

#### 1. *The Labor Market Effects of Parental Leave Policy* (joint with Jim Albrecht and Susan Vroman).

Two striking facts about Sweden motivate our interest in this topic. First, the gender gap in Sweden exhibits a pronounced glass ceiling effect. Second, Sweden has an extremely generous parental leave system. Women take more parental leave than men do, and the benefits received while on leave are closely tied to prior earnings. A natural question is whether there is some connection between these two facts. That is, does the Swedish parental leave system contribute to the glass ceiling effect? There are grounds to suspect such a connection. The project will perform two complementary ways to trace out labor market effects of Swedish parental leave policy. A first approach is purely empirical. Over time, both policy and social mores have changed regarding the proper roles of men and women at home and in the labor market. For example, the introduction of the "daddy month" (and the extension to a second month) has changed the average allocation of time of men and women between market work



and childcare (Eriksson 2005). This change in average time allocation behavior over time should have implications for aggregate labor market outcomes — is the wage gap between men and women narrowing in better-paid jobs over time, are the career trajectories of women improving, etc? The second approach is more structural. The idea is to construct an equilibrium model of the labor market that highlights the effects of parental leave policy on wages, wage growth, and patterns of labor force participation by gender. Then, using appropriate micro data, one can estimate the model to identify the equilibrium effects of parental leave policy. Of course, the preliminary data analysis informs the construction of the model.

## *2. Effects of Supported Employment on Employment on Young Disability Pensioners?*

Co-operation with Swedish Social Insurance Board. Using a social randomized experiment we evaluate whether Supported Employment works better than regular rehabilitation.

## *3. Fiscal incentives and gender differences in labour supply and family chores (joint with Martin Olsson and Andrea Ichino).*

Fiscal incentives can be complementary to family policies when trying to create an equal labour market for men and women. Understanding how fiscal incentives affect labour supply decisions and the allocation of family chores therefore has important implications for economic research and for family policies in the future. A well-established result in economics is that wages and taxes influence an individual's decision to participate in the labour market, the so-called extensive margin (see for instance Oettinger 1999). What is less understood is how wages and taxes affect how much effort workers are willing to exert when working, the so-called intensive margin. Studies on the intensive labour supply margin show that cab drivers and bike messengers stop working once they reach their desired incomes, i.e. they are target earners (see Camerer et al., 1997; Fehr and Goette 2007). By using a representative sample of workers and analysing a labour supply margin that workers can decide upon themselves, we aim to extend current literature on how labour supply at the intensive margin is affected by income taxes and whether men and women react differently. We also investigate if workers react differently to taxes depending on whether it is a rise or a cut in the tax, so called asymmetric effects. Due to external validity of the study and the knowledge of asymmetric effects, this project potentially has important consequences for policy questions both at the macro as well as on the micro level.

## *4. Does Privatization of Vocational Rehabilitation Improve Labour Market Opportunities? (joint with Lisa Laun).*

Using a social randomized experiment we evaluate whether private rehabilitation agents are more efficient than the public to get individual on long-term sickness leave back to work.

## *5. Culture differences and utilizations of social insurance systems. (joint with Martin Olsson and Per Pettersson-Lidbom).*

This project deal with the questions to what extent are social instance systems differently utilized depending on the individual's culture?

6. *Part-time employment, female labour supply and the division of family chores* (joint with Martin Olsson and Niklas Blomqvist).

Although the female labour force participation rate increased during the 20th century, women work part time to a large extent. In the past, part-time work has been considered as liberating and enabling women to work. Recently, however, concerns have been raised that it reflects a more constrained labour market for women compared to men, resulting in gender inequality (Burda et al., 2013; Booth and van Ours 2013; Kjeldstad and Nymoen 2012; Manning and Petrongolo 2008). In this project we will study two questions. The first question is whether the labour supply of women in part-time jobs is constrained. By addressing this question we will add to the previous literature on whether women work fewer hours than men because they prefer to do so or if they do so because they are constrained. The second question is if more equal labour supply between parents leads to a more equal sharing of family chores. By answering this question we will get a better understanding on how the division of family chores between parents depends on their labour market opportunities. To address these questions we will analyse if women working part-time in the public sector adjust their working hours if they get the opportunity to do so and if that affects the division of temporary parental leave, our measure of family chores.

7. *Public childcare and female labour market behaviour* (joint with Martin Olsson and Felicia Brismar Lind).

The overall question for this project is how public childcare affects women's situation in the labour market. We will analyse the expansion of the Swedish public childcare system. In the beginning of the 1980s, around 20% of all children one to six years old were registered for public childcare with large variation between municipalities. Today, the same figure is more than 80% with little variation between municipalities. The rapid expansion with great variation between municipalities provides a good opportunity to understand how public childcare affects women's situation in the labour market. The specific questions that we are going to address in the project are: 1) Does public childcare affect women's labour supply in the short- and long-run? 2) Does public childcare affect women's educational choices? 3) Does the mother's labour market behaviour spill over onto the children?

## **Anna Tompsett**

1. Community contributions, participatory decision-making and local public goods: A field experiment in Bangladesh

Policymakers and development practitioners have long advocated that intended beneficiaries should contribute in cash or kind towards the cost of a local public good project. We provide the first experimental evidence on the impact of requiring a community contribution on to a project to provide a local public good.

2. Group size and collective action: Evidence from Bangladesh

There is remarkably little robust empirical evidence on the factors that determine the success or failure of collective action. This project will provide the first real-world causal empirical evidence of the effect of group size on collective action.

### 3. Access to safe drinking water: Experimental evidence from new water sources in Bangladesh

Researchers are uncertain over the most important channels through which drinking water is contaminated. We exploit a randomly-assigned project to provide new water sources and an extensive water testing program to decompose the causal effects of source quality, transport and storage on household water quality.

#### **Roine Vestman**

“The Optimal Combination of Mortgage Contracts and Bankruptcy Law”  
(with Jakob Almerud and Anders Österling)

Inspired by the vast cross-country variation in personal bankruptcy legislation, we are studying its welfare implications. First, we investigate how different bankruptcy procedures affect households’ decision to default on their mortgage. Second, we investigate the interaction between mortgage innovation and bankruptcy procedure.

#### **Jonas Vlachos**

1. Leder projektet “Choice, information and skill returns in the education system” finansierat av Jan Wallander och Tom Hedelius stiftelse, Tore Browalds stiftelse.
2. Sorting in the labor and marriage market.
3. Grading biases.

#### **Hans Wijkander**

The financial crisis 2007-2008 has triggered extensive government efforts on regulation of banks. Yet, few models of dynamic banking exist. We develop a stochastic dynamic model of bank value maximization under limited liability and in which bankruptcy can occur. Risk-taking and bank responses to regulations are explored as well as prolonged credit contraction after credit losses. The model is general equilibrium in the sense that the credit market adjusts the banks borrowing rate to how risky lending to the bank is.

Emphases in the project are solving the dynamic banking problem with capital adequacy constraint; a case where the usual solution method breaks down, the cost of capital adequacy constraint in terms of time delay to dividends and benefits in terms of lower probability of bankruptcy with binding capital adequacy constraint.

#### **Anders Åkerman**

1. “Information Frictions, Broadband Internet and the Relationship between Distance and Trade” (with Edwin Leuven and Magne Mogstad)
2. “Do Technology Differences Drive Measured Differences in Firm Productivity?” (with Ingvil Gaarder)

## Seminars

### Spring 2016

#### January

##### Date

- Tue Jan 12 Job Talk: Dorian Carloni, University of California, Berkeley: "Value Added Tax Changes in Europe: Asymmetric Price Effects and Incidence Analysis".
- Tue Jan 19 Job Talk: Andrei Potlogea, Universitat Pompeu Fabra (UPF), Barcelona: "Trade Liberalization and Economic Development: Evidence from China's WTO Accession".
- Wed Jan 20 Job Talk: Ines Helm, University College London (UCL): "National Industry Trade Shocks, Local Labor Markets and Agglomeration Spillovers".
- Thu Jan 21 Job Talk: Sergio de Ferra, London School of Economics (LSE): "External Imbalances, Gross Capital Flows and Sovereign Debt Crises".
- Wed Jan 27 Job Talk: Bettina Brüggemann, Goethe University Frankfurt: "Higher Taxes at the Top: The Role of Entrepreneurs".
- Thu Jan 28 Job Talk: Zachary Mahone, University of Minnesota: "Move it and Lose it? The Portability of On-the-Job Training".

#### February

##### Date

- Tue Feb 2 Job Talk: Esther Ann Bøler, University of Oslo: "Technology-skill complementarity in a globalized world".
- Wed Feb 3 Job Talk: Camille Terrier, Paris School of Economics: "Giving a Little Help to Girls? Grade Discrimination and Its Effect on Students' Achievement".
- Thu Feb 4 Job Talk: Elena Esposito, European University Institute (EUI): "Side Effects of Immunities: the African Slave Trade".
- Mon Feb 8 Job Talk: Sebastian Axbard, Uppsala University: "Income Opportunities and Sea Piracy in Indonesia: Evidence from Satellite Data".
- Wed Feb 10 Job Talk: Gabriella Santangelo, Yale University: "Firms and Farms: The Impact of Agricultural Productivity on the Local Indian Economy".

Thu Feb 11 Job Talk: Patricia Navarro-Palau, Columbia University, New York: "Effects of Differentiated School Vouchers: Evidence From a Policy Change and Date of Birth Cutoffs".

## March

### Date

Tue Mar 8 Brown Bag: Joakim Jansson (SU): "New insights on increased female representation in the board rooms".

Tue Mar 15 Brown Bag: Roine Vestman (SU): "On the Asset Allocation of a Default Pension Fund".

Thu Mar 17 Steve Pischke (LSE): "Poorly Measured Confounders are More Useful on the Left Than on the Right".

Tue Mar 22 Brown Bag: Matt Delventhal (Barcelona): "A Network Theory of Geography and Income Differences".

## April

### Date

Tue Apr 5 Brown Bag: Dany Kessel (SU): "The Housing Wealth Effect: Evidence Based on an Unanticipated Renewal of an Airport Contract".

Thu Apr 7 Jim Robinson (Chicago): "The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom".

Tue Apr 12 Brown Bag: Jonas Cederlöf (SU): "Unemployment Duration and the Impact of Extended Benefits: A Regression Discontinuity Approach".

Thu Apr 14 John Cochrane (Stanford): "New Approaches to Monetary Policy".

Tue Apr 19 Brown Bag: Elisabet Olme (SU): "School choice and parental preferences for school attributes".

Thu Apr 21 Jordi Gali (CREI): "Insider-Outsider Labor Markets, Hysteresis and Monetary Policy".

Tue Apr 26 Brown Bag: Markus Karlman (SU): "Removing preferential tax treatment of housing: Policies and welfare effects."

Thu Apr 28 Ingvild Almås (IIES): "Are Americans more meritocratic and efficiency-seeking than Scandinavians?"

## May

### Date

Tue May 3 Brown Bag: Albrecht Bohne (Mannheim): "Learning Dynamics in Tax Bunching at the Kink: Evidence from Ecuador".

Wed May 4 Joshua Graff Zivin (UC San Diego): "The effect of pollution on worker productivity: Evidence from call-centre workers in China".

Tue May 10 Brown Bag: Matti Mitrunen (SU): "Long-lasting structural impact of the Finnish war reparations".

- Thu May 12 Mariaflavia Harari (Wharton): "Cities in Bad Shape: Urban Geometry in India".
- Tue May 17 Brown Bag: Matilda Kilström & Serena Coccoiolo (SU): "Social Mobility, Risk Sharing and Innovation: Understanding Cross Country Differences" (Matilda).  
"The value of participatory decision-making: evidence from a lab-in-the-field experiment in Bangladesh" (Serena).
- Thu May 19 Raul Sanchez de la Sierra (UC Berkeley): "The state as organized crime: industrial organization of the police in the Democratic Republic of the Congo".
- Fri May 20 Final seminar: Montasser Ghachem (SU).
- Tue May 24 Brown Bag: Anders Österling (SU): "What is the role of the asking price for homes? Theory and evidence from a natural experiment?"
- Thu May 26 Final seminar: Jürg Fausch (SU).
- Thu May 26 Eric Verhoogen (Columbia): "Organizational Barriers to Technology Adoption: Evidence from Soccer-ball Producers in Pakistan".
- Tue May 31 Brown Bag: Dan Liu (SSE): "Land of Opportunity in Development: City Size and Rural Intergenerational Mobility in China".

## June

### Date

- Thu Jun 2 Raj Chetty (Stanford): "The Impacts of Neighborhoods on Intergenerational Mobility: Childhood Exposure Effects and County-Level Estimates".
- Tue Jun 7 Brown Bag: Erik Lindgren (SU): "Political losers and technological diffusion".
- Tue Jun 14 Brown Bag: Jakob Almerud (SU): "Matching default legislation and macro prudential policy with mortgage products in an incomplete markets model."?
- Thu Jun 16 Alex Solis (UU): "The Price of Inattention: Evidence from the Swedish Housing Market".
- Tue Jun 21 Final seminar: Theodoros Rapanos (SU).

## Autumn 2016

### August

### Date

- Thu Aug 25 Douglas Almond, Columbia University, New York: "Retention Heterogeneity in New York City".

Tue Aug 30 Brown Bag: Roine Vestman (SU): "Identifying the Benefits from Home Ownership: A Swedish Experiment".

## September

### Date

- Thu Sep 1 Simon Jäger, Harvard University: "'How Substitutable Are Workers? Evidence from Worker Deaths".
- Tue Sep 6 Brown Bag: Pathric Hägglund, Riksrevisionen: "Effects of Being Denied Sickness Benefits on Labour Supply and Health".
- Wed Sep 7 PhD defense: Theodoros Rapanos (SU): "Essays on the Economics of Networks Under Incomplete Information".
- Thu Sep 8 Anna Dreber Almenberg (SSE): "Using Replications and Prediction Markets to Estimate the Reproducibility of Science".
- Fri Sep 9 Final seminar: Mengyi Cao (SU)
- Tue Sep 13 Brown Bag: Daniel Knutsson (SU): "Health care resources and delivery outcomes. Does delivery care crowding affect mother and infant health?"
- Thu Sep 15 Robert Fairlie (UCSC): "Black and White: Access to Capital among Minority-Owned Startups".
- Tue Sep 20 Brown Bag: Alex Clymo, University of Amsterdam: "Heterogeneous Firms, Wages, and the Effects of Financial Crises".
- Thu Sep 22 Søren Leth-Petersen, University of Copenhagen: "Is there a housing wealth effect?"
- Tue Sep 27 Vanessa Sternbeck Fryxell (SU): "Comitted Quotes in Interbank Interests Rates".
- Thu Sep 29 Nathaniel Hendren (Harvard): "Knowledge of Future Job Loss and Implications for Unemployment Insurance".

## October

### Date

- Tue Oct 4 Brown Bag: Joacim Tåg (IFN): "Equal Opportunity? Gender Gaps in CEO Appointments and Executive Pay".
- Thu Oct 6 Nathan Nunn (Harvard): "Understanding Cultural Persistence and Change".
- Tue Oct 11 Brown Bag: Arieda Muco (SSE): "Learn from thy neighbour: Do voters associate corruption with political parties?"
- Thu Oct 13 Claudio Ferraz (PUC-Rio): "Can Entertainment Media Undermine Dictatorships? Evidence from Brazil's Novelas".
- Tue Oct 18 Brown Bag: Montasser Ghachem (SU): "A large population fictitious-play model with the single-update property".
- Thu Oct 20 Gaurav Khanna (UCSD): "Large-scale Education Reform in General Equilibrium: Regression Discontinuity Evidence from India".

- Mon Oct 24 Final seminar: Kiflu Gedefe Molla (SU)
- Tue Oct 25 Brown Bag: Anders Österling (SU): "Does the listing price matter? Theory and evidence from a natural experiment in real estate."
- Thu Oct 27 Jonas Hjort (Columbia): "The Arrival of Fast Internet and Skilled Job Creation in Africa".

## November

### Date

- Tue Nov 8 Brown Bag: Laurence Malafry (SU): "Optimal Climate Policy with Household Wealth Inequality".
- Thu Nov 10 Lorenzo Casaburi (Zürich): "Competition and Interlinkages in Agricultural Markets: An Experimental Approach".
- Tue Nov 15 Brown Bag: Johan Almenberg (Riksbanken): "Attitudes toward debt and debt behavior".
- Thu Nov 17 Silvia Helena Barcellos (USC): "Heterogeneous Effects of Education on Health".
- Tue Nov 22 Brown Bag: Eleonora Freddi (SSE): "Do People Avoid Morally Relevant Information? Evidence from the Refugee Crisis".
- Thu Nov 24 Kathrin Schlafmann (IIES): "Overpersistence bias in individual income expectations and its aggregate implications".
- Tue Nov 29 Brown Bag: Nathan Lane (IIES): "Manufacturing Revolutions: Industrial Policy, Networks, & the South Korean Growth Miracle".

## December

### Date

- Thu Dec 1 Joana Naritomi (LSE): "Consumers as Tax Auditors".
- Tue Dec 6 Brown Bag: Tamara Sobolevskaia & Joakim Jansson(SU): "The labour market and the marriage market in US 1980-2010" & "Discrimination in the court room: Is everyone equal before the law?".
- Thu Dec 8 Luca Dedola (ECB): "State-Dependent Pricing and the Paradox of Flexibility".
- Tue Dec 13 Brown Bag: Denni Tommasi (OLB-ECARES): "LATE With Mismeasured or Misspecified Treatment".
- Thu Dec 15 Jaume Ventura (CREI): "Globalization and Political Structure".



## Doctoral dissertations<sup>2</sup>

For a list of previous doctoral theses, and for full-text versions, see <http://www.ne.su.se/english/research/publications/doctoral-theses>

### 2016

- |              |  |
|--------------|--|
| May 23       | Audinga Baltruniate (IIES)<br>“Political Economics of Special Interests and Gender”.   |
| September 5  | Niels-Jakob Harbo Hansen (IIES)<br>” Jobs, Unemployment, and Macroeconomic Transmission”.  |
| September 7  | Theodoros Rapanos (DE)<br>“Essays on the Economics of Networks under Incomplete Information”.                                      |
| September 9  | Miri Stryjan (IIES)<br>“Essays on Development Policy and the Political Economy of Conflict”.                                       |
| September 14 | Mounir Karadja (IIES)<br>“On the Economics and Politics of Mobility”.  |
| September 19 | Shuhei Kitamura (IIES)<br>“Land, Power and Technology”.  |
| December 20  | André Richter (SOFI)<br>“Essays on the Intergenerational Transmission of Disadvantage: The Role of Prenatal Health and Fertility”. |

---

<sup>2</sup> Department of Economics (DE), Institute for International Economic Studies (IIES), Swedish Institute for Social Research (SOFI).

## Research Papers in Economics

For the years 1997 – 2015, and for full-text versions, see <http://swopec.hhs.se/sunrpe/>

- 2016:1 Mikael Lindahl, Evelina Lundberg, Mårten Palme and Emilia Simeonova  
“Parental Influences on Health and Longevity: Lessons from a Large  
Sample of Adoptees”.
- 2016:2 Bjorn Tyrefors Hinnerich and Jonas Vlachos “The impact of upper-  
secondary voucher school attendance on student achievement. Swedish  
evidence using external and internal evaluations”.
- 2016:3 Lennart Erixon ”Building a path of equality to economic progress and  
macroeconomic stability - the economic theory of the Swedish model”.