



Stockholm
University

Department of Economics



Current Research 2019

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The Department of Economics at Stockholm University

- A brief early history

Lectures in Economics at Stockholm University (then Stockholm University College) started in 1888 with Johan Leffler, who had obtained his position as lecturer in competition with Knut Wicksell. In 1904, Gustav Cassel became the first professor of economics. Cassel had studied mathematics and 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 development of intertemporal and temporary equilibrium theory in the late 1920's was, in turn, influenced by Myrdal's analysis. In 1921, a second chair was created with Gösta Bagge as its first professor. Bagge's early work concerned wage setting under trade unions. As professor he played an important entrepreneurial role, raising funds from the Rockefeller Foundation to a grand empirical investigation of wages and national income in Sweden.

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

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

The development of the department is described in *Från värde till välfärdsteori – national-ekonomi 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 100th 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. 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. 23 in Europe and no. 1 in Sweden (no. 53 in the world) in the Tilburg University research ranking of Economics Schools (see <https://econtop.uvt.nl/rankinglist.php>). The Department of Economics has 16 full professors, 6 associate professors, and 7 assistant professors and post-doctoral researchers. The graduate students, around 70 in number, have the department, or IIES or SOFI, as their place of work. Our bachelor and master students go on to work as economists in a wide range of fields, in national and international organizations, government, business and finance.

Undergraduate studies

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

Advanced level studies

The department offers a two-year Master 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 is organized by the Department of Economics in cooperation with IIES and 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

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, 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. The department is host for the prominent journal *Scandinavian Journal of Economics*.

Publications in print 2019

Rikard Forslid

1. Sizing Up the Impact of Embassies on Exports (with S. Ferguson), *Scandinavian Journal of Economics*, 121(1), 2019, pp. 278-297.

The purpose of this study is to test for the effects of trade promotion via the foreign service. We use as a benchmark a Melitz-based model where firms are heterogeneous with respect to productivity and must pay a beachhead cost to enter a foreign market. These costs can be reduced by government spending on trade promotion. The model predicts that unilateral trade promotion allows medium sized firms to export. We investigate the effects of trade promotion using firm-level data and information on the opening and closing of embassies abroad from the very similar neighboring countries Sweden and Norway. We use a difference-in-difference specification where firms from Norway are used as a control group for Swedish firms. Our results show that large firms as well as medium sized firms respond to the opening of embassies. One interpretation of this is that embassies are biased in favour of promoting large firms.

2. Brexit och EUs fortbestånd? (with S. Nyberg), i *EU och nationalstatens återkomst: Europaperspektiv 2019*, Leijon och Oxelheim, red. Santérus förlag

Mathias Herzing

1. "Measuring the Effects of Feedback from Inspections on Cleanliness in Swedish Pre-schools – A Field Experiment" (with Adam Jacobsson), *Journal of Behavioral and Experimental Economics* 78, 1-9, 2019.

This paper uses an experimental design to examine the impact of feedback information following a public health safety inspection on future behavior of pre-schools in three Swedish municipalities. We find no effects of information at the municipality level. However, we find that pre-schools that were informed about a bad result improved more than comparable pre-schools that received no feedback. Conversely, informed pre-schools with a good result worsened their results compared to similarly performing uninformed pre-schools. Our results thus lend support to the so called "boomerang effect".

2. *Tillsynen som styrmedel. Uppföljning av tidigare forskningsprogram ("Inspections and Enforcement as Instruments. Following up on Previous Research Programs")* (with Hans Wickström, Lars Forsberg, Adam Jacobsson and Håkan Källmén), report 6912, Swedish Environmental Protection Agency.

This report contains four studies that were conducted as part of the research program "Evaluating inspections as an instrument for achieving environmental targets", which was financed by the Swedish Environmental Protection Agency.

Adam Jacobsson

1. "Measuring the effects of feedback from inspections on cleanliness in Swedish pre-schools – A field experiment" with Herzing, M., *Journal of Behavioral and Experimental Economics*, Vol 78, February 2019, pp 1-9.

High hygienic standards are essential to avoid the spread of infectious diseases. This paper uses an experimental design to examine the impact of feedback information following a public health safety inspection on future behavior of pre-schools in three Swedish municipalities. We find no effects of information at the municipality level. However, we find that pre-schools that were informed about a bad result improved more than comparable pre-schools that received no feedback. Conversely, informed pre-schools with a good result worsened their results compared to similarly performing uninformed pre-schools. Our results thus lend support to the so called "boomerang effect".

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Ann-Sofie Kolm

1. "Underground Activities and Labor Market Performance", (with Birthe Larsen), *International Tax and Public Finance*, 2019.

We build a general equilibrium search and matching model with an informal sector. We consider the impact of the tax- and punishment system, employment protection legislation, as well as the impact of concealment costs, on labour market outcomes. The model is calibrated to the northern and southern European countries, where countries in the south have significantly higher informal sectors than countries in the north. We conclude that differences in tax- and punishment systems cannot explain the observed difference. Instead, we find that stricter employment protection legislation in southern Europe, as well as the higher tax morale and more extensive use of third-party reporting in northern Europe, are potential candidates for explaining the difference.

2. *Kollektivavtal och lönebildning i en ny tid* (with Lars Calmfors, Simon Ek och Per Skedinger), 2019, Bok, Dialogos.

Boken analyserar förutsättningarna för kollektivavtalens fortlevnad. Hur ska de förbli relevanta och bidra till en väl fungerande samhällsekonomi? Fokus ligger på arbetsgivarnas inställning till avtalen, möjligheterna att ändra relativlöner, sifferlösa avtal samt vilka principer som bör styra lönerna.

Astri Muren

“Gender, Risk Preferences and Willingness to Compete in a Random Sample of the Swedish Population”, (with Boschini, A., Dreber, A., von Essen, E., and Ranehill, E.) *Journal of Behavioral and Experimental Economics* 83, December 2019, 101467

Experimental results from student and other non-representative convenience samples often suggest that men, on average, are more risk taking and competitive than women. We explore whether these gender preference gaps also exist in incentivized tasks in a simple random sample of the Swedish adult population. Our design comprises four different conditions to systematically explore how the experimental context may impact gender gaps; a baseline condition, a condition where participants are primed with their own gender, and two conditions where the participants know the gender of their counterpart (man or woman). We further look at competitiveness in two domains: a math task and a verbal task. We find no gender gap in risk taking or competitiveness in the verbal task in this random sample. There is some support for men being more competitive than women in the math task in the pooled sample, but the effect size is small. We further find no consistent impact of the respective conditions on (the absence of) the gender gap in preferences.

David Seim

1. "On the Incidence and Effects of Job Displacement: Evidence from Sweden", *Labour Economics*, 57:131-145, 2019.

This paper investigates the effects of job displacement on outcomes such as annual earnings, unemployment, wages and hours worked. It relies on previously unexplored administrative data on all displaced workers in Sweden in 2002, 2003 and 2004 which are linked to employer-employee matched data at the individual level. By linking the data to military enlistment records, the paper assesses the selection into displacement and finds that workers with low cognitive and noncognitive skills are significantly more likely to be displaced than high-skilled workers. The analysis of displacement effects suggests large and long-lasting welfare costs of displacement. Moreover, studying the heterogeneous impacts of job displacement across cognitive and noncognitive skills reveals that, although workers with high skills fare better than low-skilled workers in absolute terms, there are no significant differences in the recovery rates across skills. Finally, by using administrative data on displacements, it is possible to assess quantitatively the bias that results from previous studies not being able to separate quits from layoffs.

2. "Payroll Taxes, Firm Behavior, and Rent Sharing: Evidence from a Young Workers' Tax Cut in Sweden", with Emmanuel Saez and Benjamin Schoefer, *American Economic Review*, 109(5): 1717-1763, 2019,

This paper uses administrative data to analyze a large employer-borne payroll tax rate cut for young workers in Sweden. We find no effect on net-of-tax wages of young treated workers relative to slightly older untreated workers, and a 2–3 percentage point increase in youth employment. Firms employing many young workers receive a larger tax windfall and expand right after the reform: employment, capital, sales, and profits increase. These effects appear

stronger in credit-constrained firms. Youth-intensive firms also increase the wages of all their workers collectively, young as well as old, consistent with rent sharing of the tax windfall.

Roine Vestman

Limited Stock Market Participation Among Renters and Homeowners, *Review of Financial Studies*, 32(4), 1494–1535, 2019.

The stock market participation rate among homeowners is twice as high as among renters. This paper builds a life-cycle portfolio choice model with endogenous housing tenure choice. A stylized form of preference heterogeneity generates a substantial difference in participation rates. A majority of households have a large savings motive and choose to be homeowners and participate. A minority of households have a small savings motive and find it less worthwhile to participate. Fewer of these households become homeowners. Difference-in-difference regressions on panel data do not find evidence of a crowding out effect of homeownership on participation, supporting the message that preference heterogeneity matters.

Forthcoming publications including online versions of forthcoming articles

Evelina Björkegren

“Pre-and Post-Birth Components of Intergenerational Persistence in Health and Longevity: Lessons from a Large Sample of Adoptees” *The Journal of Human Resources*

Karolina Ekholm

“Pros and cons of participating in the banking union”, *Nordic Economic Policy Review*

Ines Helm

“National Industry Trade Shocks, Local Labor Markets, and Agglomeration Spillovers, *Review of Economic Studies*, forthcoming.

“Spillover Effects of Mass Layoffs” (joint with C. Gathmann and U. Schönberg), *Journal of the European Economic Association*, forthcoming.

Unpublished works including working papers

Evelina Björkegren

1. Birth Order and Child Health
2. Neighborhoods and Youth Health: Everybody Needs Good Neighbors?

Karolina Ekholm

“Fördelningseffekter av framväxten av en globaliserad finansmarknad och den förda makropolitiken”, bilaga till Jämlikhetskommissionen

Lennart Erixon

1. “The Stockholm School in a New Age – Erik Lundberg’s Changing Views of the Rehn-Meidner Model”, Department of Economics, Stockholm University.
2. “The Nordic Growth Model – A Composite Framework for the Study of the Swedish Economy 1995-2019”.

Rikard Forslid

1. Trade, Location and Multiproduct Firms (with Toshihiro Okubo), CEPR, Discussion Paper 13528.
2. ‘Globotics And Development: When Manufacturing Is Jobless And Services Are Tradable’ (with R. Baldwin), WIDER Working Paper 2019/94. Helsinki: UNU-WIDER.

Ines Helm

1. The Dynamic Response of Municipal Budgets to Revenue Shocks (with Jan Stuhler)
2. Displacement Effects in Manufacturing (with Alice Kuegler and Uta Schönberg)
3. The Effects of Cash for Clunkers on Local Air Quality (with Nicolas Koch and Alexander Rohlf)

Mathias Herzing

1. “The Equilibrium Compliance Rate among Regulated Firms” (with Jonas Häckner)
2. “Monitoring Cartels: An Equilibrium Approach” (with Jonas Häckner)
3. “Equilibrium Outcomes of Environmental Regulations and Enforcement”

4. "The Impact of Inspections and Motivational Interviewing on Compliance with Waste Sorting Regulations" (with Hans Wickström, Lars Forsberg, Adam Jacobsson and Håkan Källmén)

Adam Jacobsson

"The Impact of Inspections and Motivational Interviewing on Compliance with Waste Sorting Regulations" (with Mathias Herzing, Hans Wickström, Lars Forsberg and Håkan Källmén)

Paul Klein

1. Residence-based capital taxation in open economies with infinitely-lived consumers (with Till Gross and Miltos Makris)
2. Taxation, Expenditures, and the Irish Miracle (with Gustavo Ventura)
3. Dynamic Capital Tax Competition under the Source Principle (with Till Gross and Miltos Makris)

Ann-Sofie Kolm

Health Care Financing and Labor Market Performance (with Birthe Larsen)

Louise Lorentzon

1. "Long-Term Effects of Cash Transfers: Evidence from Sweden"
2. "Inertia of Dominated Pension Investments: Evidence from an Information Intervention" (with Karin Kinnerud)
3. "Screening Hassle: Evidence from Swedish Sickness Insurance"
4. "Midwives and Maternal Mortality: Evidence from a Midwifery Policy Experiment in 19th Century Sweden" (with Per Pettersson-Lidbom)

Anna Seim

1. "Income, Education and Democracy" (with Stephen L. Parente and Luis Felipe Sáenz). Revise and resubmit, *Journal of Economic Growth*
2. "Institutions, Technological Diffusion and Economic Performance: A Latent-Class Approach" (with Chih Ming Tan). Submitted.

David Seim

1. "How do inheritances shape wealth inequality? Theory and evidence from Sweden", with Arash Nekoei. Revise and Resubmit at *Review of Economic Studies*.
2. "Income Mobility, Luck/Effort Beliefs, and the Demand for Redistribution: Perceptions and Reality", with Manja Gärtner and Johanna Mollerstrom.

3. "Hysteresis from Employer Subsidies", with Emmanuel Saez and Benjamin Schoefer.
4. "Risk-based Selection in Unemployment Insurance: Evidence and Implications", with C. Landais, A. Nekoei, P. Nilsson and J. Spinnewijn. Revised and Resubmitted to *American Economic Review*.

Peter Skogman Thoursie

1. "Is Supported Employment Effective for Young Disability Pensioners? Evidence from a Randomized Experiment" (with Mattias Fogelgren, Petra Ornstein and Magnus Rödin), Revise and Resubmit, *Journal of Human Resources*
2. "Economic incentives, home production and gender identity norms" (with Barbara Petrongolo, Andrea Ichino and Martin Olsson)
3. "Restricting Residence Permits Short-Run Evidence From A Swedish Reform" (with Niklas Blomqvist and Björn Tyrefors)
4. "How Men and Women Move up Job and Career Ladders: Explaining Gender Differences in Wage Trajectories" (with Mary Ann Bronson)

Roine Vestman

1. "Identifying the Benefits from Home Ownership: A Swedish Experiment" (with Paolo Sodini, Stijn Van Nieuwerburgh, and Ulf von Liliensfeld-Toal), NBER Working Paper No. 22882, Revise & Resubmit *American Economic Review*
2. "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, CEPR Discussion Paper No. 12270, Sveriges Riksbank Working Paper No. 342, Revise & Resubmit, *Economic Journal*
3. "Attitudes Toward Debt and Debt Behavior" (with Johan Almenberg, Anna-Maria Lusardi and Jenny Säve-Söderberg), NBER Working Paper No. 24935, Revise & Resubmit *Scandinavian Journal of Economics*
4. "The Effect of Cognitive and Noncognitive Skills on Investment Behavior" (with Erik Lindqvist and Fredrik Paues)
5. "The Housing Wealth Effect: Quasi-Experimental Evidence" (with Dany Kessel and Björn Tyrefors)

Participation in conferences

Evelina Björkegren

1. The social gradient in human capital formation. Paper presented: “Neighborhoods and Youth Health: Everybody Needs Good Neighbors?”
2. EALE. Paper presented: “Neighborhoods and Youth Health: Everybody Needs Good Neighbors?”

Rikard Forslid

1. Nordic International Trade Seminar (NOITS), Copenhagen, 24-25 May 2018.
2. The European Trade Study Group (ETSG), Bern, 12-14 September
3. Conference on European Integration, Lund, 13-14 November 2018.

Ines Helm

1. Conference on Technology, Demographics, and the Labor Market (Cologne) - Displacement Effects in Manufacturing;
2. European Meeting of the Urban Economic Association (Amsterdam) – The Effects of Cash for Clunkers on Local Air Quality;
3. Workshop on Natural Experiments and Controlled Field Studies (Ohlstadt) - The Dynamic Response of Municipal Budgets to Revenue Shocks;
4. Spatial Dimensions of the Labor Market Workshop (Marseille) - Displacement Effects in Manufacturing;
5. CEPR Conference on Urban and Regional Economics (London) – discussed paper;
6. ESMT Workshop on the Future of Labor (Berlin) - Displacement Effects in Manufacturing
7. BENA Labor Market Workshop (Berlin) - Displacement Effects in Manufacturing
8. Urban Economics Conference (Zurich) - The Dynamic Response of Municipal Budgets to Revenue Shocks;
9. ECB/CEPR Labor Market Workshop (Frankfurt) – discussed paper

Paul Klein

1. Conference in Honor of José-Víctor Ríos-Rull, April 2019. Discussant.
2. Midwest Macro Meetings, April 2019. Co-author presented “Residence-based capital taxation in open economies with infinitely-lived consumers”.
3. Vienna Macro Café, October 2019. Discussant.
4. Canadian Macro Study Group, November 2019.

Louise Lorentzon

ASWEDE, Stockholm School of Economics, December 2019, I presented “Long-Term Effects of Cash Transfers”

Nicklas Nordfors

ASWEDE Conference, 4-5 April 2019

Anna Seim

Annual meeting of the European Economic Association, Manchester, England. Paper presented: “Income, Education and Democracy”.

David Seim

NBER Summer institute

Roine Vestman

1. Discussant of “Designing Mandatory Pension Plans” at PerCent, Copenhagen Business School.
2. Presentation of “The Housing Wealth Effect: Quasi-Experimental Evidence” at the SED Annual Meeting and Day Ahead SED conference, St. Louis.
3. Presentation of “Identifying the Benefits from Home Ownership: A Swedish Experiment” at CEPR Workshop on New Consumption Data, University of Copenhagen.

Seminar presentations

Evelina Björkegren

Stockholm University, Department of Economics, department seminar. Paper presented: "Pre-and Post-Birth Components of Intergenerational Persistence in Health and Longevity: Lessons from a Large Sample of Adoptees"

Ines Helm

1. Linneaus University
2. Halle Institute for Economic Research
3. University College Dublin
4. Berlin Applied Micro Seminar
5. LSE Urban and Regional Economics Seminar

Paul Klein

1. ESRI, Dublin, May 2019. Taxation, Expenditures, and the Irish Miracle.
2. Oxford University, November 2019. Taxation, Expenditures, and the Irish Miracle.

Louise Lorentzon

1. Stockholm University (Nek), brown bag, October 2019, I presented "Long-Term Effects of Cash Transfers"
2. Uppsala University (Nek), seminar, August 2019, I presented "Inertia of Dominated Pension Investments: Evidence from an Information Intervention"

Astri Muren

Stockholm University, Department of Law, October 2019. Title of talk: Rättsekonomi – några reflexioner utifrån (svensk) nationalekonomi.

David Seim

University of Milan

Current research projects

Evelina Björkegren

1. Selection and Causation in the Parental Education Gradient in Child Health

We use data from a large sample of adoptees born in Sweden to study the background to why children of parents with better educational attainments have better health.

2. Consequences of Health at Birth

We use high-quality administrative data for Sweden on a sample of births between 1973 and 1979 to investigate the short, medium and long-term consequences of neonatal health.

3. Understanding Disparities in Immigrant Welfare

We analyze broad patterns in contemporaneous health status across immigrant and native groups over time, as well as life-course and intergenerational health and labor market outcomes in immigrants and their children.

4. Interpregnancy interval by delivery mode and associate morbidity

Using Swedish registry data, combining multiple registries including the Medical Birth registry, National Patient registry, we assess the association between adverse health outcomes and interpregnancy intervals.

Monir Bounadi

1. Islam and Fertility in Africa. Muslims are the fastest-growing religious group in Africa.

African Muslims give birth to 1.1 more children per woman than African Christians. African Muslim-Christian fertility differentials remain when numerous covariates are controlled for. There is little consensus on if there is a “Muslim effect” on fertility. I will leverage sub-national data on fertility and the Islamic legacy in Africa to provide more credible evidence.

2. The Front-Door Criterion in an Econometric Context.

The front-door criterion (FTC) is an identification strategy that uses mediators to pin down causal estimands. I aim to assess the finite-sample and asymptotic properties of FTC estimators under various conditions. This may inform the recent debate on the potential use of the FTC in economics.

3. Domestic Outsourcing and Wage Inequality in Sweden, joint with August Torngren Wartin and Max Thaning.

Firms increasingly rely on third parties rather than hiring employees directly. We use Swedish register data to study domestic outsourcing in Sweden. A crucial goal is to improve on recent attempts in labor economics to measure domestic outsourcing.

Lennart Erixon

1. Nordic Growth Models (with Jonas Pontusson)

Some countries do not rely on one component of aggregate demand to drive their growth model. Some are balanced across sectors. What makes balanced growth possible? What are the components of aggregate demand that are being stimulated? Do they differ in kind from other growth models? What are the contours and limits of such a model? What makes it politically possible?

2. Wage Formation in Sweden 1995-2019

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

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

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

Mathias Herzing

1. The Effectiveness of Monitoring Oligopolistic Markets (with Jonas Häckner)

This project, financed by the Swedish Competition Authority, focuses on how compliance with competition law should be monitored by inspection authorities.

2. Welfare Effects of Monitoring Oligopolistic Markets (with Jonas Häckner and Sten Nyberg)

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

Jonas Häckner

1. The Effectiveness of Monitoring Oligopolistic Markets (with Mathias Herzing)

This project, financed by the Swedish Competition Authority, focuses on how compliance with competition law should be monitored by inspection authorities.

2. Welfare Effects of Monitoring Oligopolistic Markets (with Mathias Herzing and Sten Nyberg)

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

Adam Jacobsson

1. "Effects of a parallel or sequential course structure on gender differences in learning outcomes of university undergraduates" (with Peter Skogman Thoursie and Lars Vahtrik).

Using a natural experiment design we investigate the effects of changing the course structure from being parallel into being sequential on gender differences in learning outcomes of university undergraduates.

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 analyze theoretically and empirically how media market concentration affects media performance in emerging media markets.

Roza Khoban

1. The Impact of Trade Liberalization in the Presence of Political Distortions (joint with Sebastian Jävervall)
2. Politicians' ability to respond to trade shocks

Paul Klein

1. Earnings and income inequality in Sweden 1986-2016 (with David Domeij)

The main purpose of the project is to document changes in the distribution of earnings and disposable income in the aftermath of the global financial crisis of 2008. In particular, we are interested in focusing on those that entered the labour market just after the crisis broke out. Can the effects of the crisis still be seen in this group. Beyond documenting facts, we are interested in analyzing the consequences of the changes in income inequality for consumption, asset accumulation and welfare.

2. Consumption risk sharing and the business cycle (with Tobias Broer)

The purpose of this project is to (i) document whether, in U.S. data, the sensitivity of consumption to idiosyncratic earnings changes is procyclical, countercyclical or acyclical and (ii) investigate the implications of a set of models for this aspect of the data. In particular, we look at an environment where risk sharing is limited by borrowing constraints and incomplete markets and an environment where risk sharing is hampered by limited enforcement.

Ann-Sofie Kolm

1. Health Care Financing and Labor Market Performance (with Birthe Larsen)

2. EITCs and poverty reduction
3. Social housing and the labor market

Louise Lorentzon

1. Long-Term Effect of Cash Transfers: Do short-term cash transfers to the poor deliver long-term benefits? This paper studies a unique program introduced in Sweden in the 1930s.
2. Inertia of Dominated Pension Investments: In this paper we empirically investigate potential causes of imperfect competition in the fund market, as characterized by high price dispersion among comparable funds. We discriminate between three main hypotheses on the demand side: lack of awareness of price dispersion, search costs, and financial illiteracy.
3. Screening Hassle: This project study the effect of hassle cost on screening efficiency in sickness insurance. I make use of a reform that decreased the hassle cost to stay on sick leave.
4. Midwives and Maternal Mortality: This paper estimates the effect of a historical midwifery policy experiment on maternal mortality, infant mortality, and stillbirth during the period from 1830 to 1894 in Sweden.

Nicklas Nordfors

60 years of global environmental change 1939-1999: digitization of 1.6 million historical aerial photographs.

Sten Nyberg

Welfare Effects of Monitoring Oligopolistic Markets (with Mathias Herzing and Jonas Häckner)

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

Anna Seim

1. "Exchange-Rate Cyclicalities and Country Size" (with Anders Akerman)

We study the relationship between exchange rates and financial-market developments over the business cycle, and assess whether there are heterogeneous effects in this regard, with respect to e.g. country size.

2. "Systemic Risk and Contagion in the Swedish Financial System" (with Marianna Blix Grimaldi)

The aim of this project is to document interlinkages in the network of Swedish banks and financial institutions. We seek to model potential contagion, quantify systemic risk following

different types of shocks, and identify policy implications with regard to resolution measures and regulation.

3. “Wages and Hours Worked under Collective Bargaining” (with Lars Calmfors)

We explore whether the high degree of collective bargaining in Europe, may help explain why Europeans work so little. We develop a general-equilibrium model of the joint determination of wages and hours under collective bargaining, and consider the effects of changes in bargaining structure and various shocks on wages, hours worked and employment.

David Seim

1. Bounds on a Slope from Size Restrictions on Economic Shocks, with Marco Stenborg Petterson and Jesse Shapiro
2. How does advance layoff notice affect the labor market prospects for workers? With Jonas Cederlöf, Peter Fredriksson and Arash Nekoei

Peter Skogman Thoursie

1. Effect of temporary residence permits. Together with Björn Tyrefors Hinnerich (IFN) and Niklas Blomqvist (Stockholm University).

The Swedish government decided that from July 20, 2016, asylum seekers should be granted temporary rather than permanent residence permits. However, if a residence permit application is registered before November 24, 2015 a permanent permit is granted. This allows us to analyse consequences of being granted a temporary rather than a permanent residence permit on intermediate labour market outcomes among immigrants.

2. The Labour Market Effects of Parental Leave Policy. Together with Jim Albrecht, Susan Vroman (Georgetown University) and Per-Anders Edin (Uppsala University).

In this project we analyse how parental leave take-out affect men and women’s career opportunities.

3. Effects of Supported Employment on Employment on newly arrived immigrants.

A co-operation with Swedish Employment Service. Using a social randomized experiment, we evaluate whether Supported Employment works better than regular interventions.

4. Long-run effects of privatization of rehabilitation services targeted at individual on long-term sickness leave.
5. Effects of a parallel or sequential course structure on gender differences in learning outcomes of university undergraduates (with Adam Jacobsson and Lars Vahtrik).

Using a natural experiment design we investigate the effects of changing the course structure from being parallel into being sequential on gender differences in learning outcomes of university undergraduates.

Tamara Sobolevskaia

1. Childlessness, Number of Children and The Labor Market in the Time of New Technology, US 1980-2018

In this paper I build on the previous literature and analyze the relationship between commuting zones' historical specialization in routine task intensive occupations and change in family fertility outcomes in US 1980-2018.

2. Earnings polarization and marital economic homogamy, US 1960-2015

In this paper I analyze what impact polarization of earnings had on a rise in economic resemblance of marriage partners ages 27-36 in US 1960-2015.

3. New Careers, Labor Market Turmoil and Gender: Evidence From Russia 2000-2016

In this paper I study an effect of graduating from institutes of higher education in a bad economy in Russia 2000-2016. In particular I study: joint effects for highly educated men and women, gender difference in the effect and potential mechanisms behind the estimated effects.

Lars Vahtrik

“Effects of a parallel or sequential course structure on gender differences in learning outcomes of university undergraduates” (with Adam Jacobsson and Peter Skogman Thoursie).

Using a natural experiment design we investigate the effects of changing the course structure from being parallel into being sequential on gender differences in learning outcomes of university undergraduates.

Roine Vestman

“Optimal Defined Contribution Pension Plans: “One-Size Does Not Fit All” (with Kathrin Schlafmann and Ofer Setty)

We build a quantitative model to study the optimal design of a defined contribution pension plan. We find that commonplace designs, with a fixed contribution rate for all individuals at all times, are unnecessarily rigid. We propose a design where the contribution rate is a function of individuals' age, income, and stock market participation status. Compared to a typical rigid rule for the replacement rate, our rule leads to the same average replacement rate but less cross-sectional dispersion. The average welfare gain is three percent.

Anders Åkerman

1. “Exchange-Rate Cyclicalities and Country Size” (with Anders Åkerman)

We study the relationship between exchange rates and financial-market developments over the business cycle, and assess whether there are heterogeneous effects in this regard, with respect to e.g. country size.

2. "Information Frictions, Broadband Internet and the Relationship between Distance

and Trade" (with Edwin Leuven and Magne Mogstad). Revision requested by the *American Economic Journal: Applied Economics*.

3. "The Relative Skill Demand of Superstar Firms and Aggregate Implications"
4. "Do Technology Differences Drive Measured Differences in Firm Productivity?" (with Ingvil Gaarder and Magne Mogstad)
5. "Commuting and Product Market Integration: A Natural Experiment" (with Stephen Redding, Esteban Rossi-Hansberg and Sharon Traiberman)

Seminars

Spring 2019

January

- Thu Jan 17 Philippe Martin (Sciences Po): "The Economics of Sovereign Debt, Bailouts and the Eurozone".
- Tue Jan 22 Stefano Lombardi (UU): "Threat Effects of Monitoring and Unemployment Insurance Sanctions: Evidence from Two Reforms".
- Thu Jan 24 Mathias von Buxhoeveden (UU): "Unemployment Insurance and Wage Formation".
- Tue Jan 29 Maksym Khomenko (GU): "Private Information and Design of Unemployment Insurance".
- Thu Jan 31 Paula Roth (UU): "The Relationship Between Inequality and Financial Distress - Evidence from Swedish Register Data"

February

- Thu Feb 14 Heather Sarsons (Harvard): "Interpreting Signals in the Labor Market: Evidence from Medical Referrals".
- Wed Feb 20 Final Seminar: Vanessa Sternbeck-Fryxell (SU)
- Thu Feb 21 Diego Battiston (SU): "Productivity in the Open Plan Workplace".
- Tue Feb 26 Brown Bag: Mårten Palme (SU): "Dynastic Human Capital, Inequality and Intergenerational Mobility".

March

- Tue Mar 5 Brown Bag: Ines Helm (SU): "Do Car Scrappage Schemes Improve Local Air Quality? Evidence from Germany".
- Thu Mar 7 Andrea Weber (CEU): "Job Displacement, Family Dynamics and Spousal Labor Supply".
- Fri Mar 8 Final seminar: Elisabet Olme (SU)
- Tue Mar 12 Brown Bag: Sebastian Hohmann (SITE): "Intergenerational Mobility in Africa".
- Thu Mar 14 Ruben Enikolopov (UPF): "Social Media and Xenophobia: Evidence from Russia."
- Tue Mar 19 Brown Bag: Ursula Mattioli Mello (ENTER/UC3M): "Affirmative Action, Centralized Admissions and Inequality in Access to Higher Education: Evidence from Brazil".

- Tue Mar 26 Ben Lockwood (Wharton): "Regressive Sin Taxes, with an Application to the Optimal Soda Tax".
- Thu Mar 28 Costas Arkolakis (Yale): "The Welfare Effects of Transportation Infrastructure Improvements" .

April

- Tue Apr 2 Brown Bag: Karl Walentin (Riksbank): "Skill Loss, Job Mismatch and the Slow Recovery from the Great Recession".
- Thu Apr 4 Claudio Michelacci (EIEF): "The Extensive Margin of Aggregate Consumption Demand".
- Tue Apr 9 Brown Bag: Luca Repetto (UU): "Divided they fall. Fragmented Parliaments and Government Stability".
- Thu Apr 11 Juan Carlos Suarez- Serrato (Duke): "Tax Policy and Lumpy Investment Behavior: Evidence from China's VAT Reform " .
- Tue Apr 16 Brown Bag: Sergio de Ferra (SU): "Sudden Stops and Export Growth: The Case of Greece".
- Tue Apr 23 Brown Bag: Erika Färnstrand Damsgaard (Konj): "SELMA – A Business Cycle Model".
- Tue Apr 30 Brown Bag: Anna Tompsett (SU): "Group Size and Collective Action: Evidence from Bangladesh".

May

- Thu May 2 Roman Sustek (Queen Mary): "MoNK: Mortgages in New-Keynesian Models".
- Tue May 7 Brown Bag: Valentine Gavazza (SU): "Fear of Secular Stagnation and the Natural Interest Rate".
- Thu May 9 Taryn Dinkelman (Dartmouth): "Labor migration, capital accumulation, and the structure of rural labor markets".
- Tue May 14 Brown Bag: Fabian Greimel (ENTER/Mannheim): "Falling behind: Has rising inequality fueled the American debt boom 1980--2007?"
- Thu May 16 Petra Todd (U Penn): "Personality Traits, Job Search and the Gender Wage Gap".
- Tue May 21 Brown Bag: Benedetta Lerva (SU): "Strategic Behavior and Learning".
- Thu May 23 David Atkin (MIT): "A New Engel on Price Index and Welfare Estimation".
- Tue May 28 Robert McMillan (Toronto): "Teacher Value-Added and Economic Agency".
- Wed May 29 PhD Defense: Elisabet Olme (SU)

June

- Tue Jun 4 Brown Bag: Frederik Plum Hauschultz (CPH): "Linking patient beliefs and adherence: A structural learning model on antidepressant, antipsychotics and ulcer".

Fri Jun 7	Final seminar: Mathias Pronin (SU)
Tue Jun 11	Brown Bag: Markus Kondziella & Sebastian Tebbe (SU): "Estimating MPCs in a Bewley Model with Heterogeneous Income and Returns" & "In the Long Run We All Coordinate".
Fri Jun 12	PhD Defense: Vanessa Sternbeck Fryxell (SU)
Thu Jun 13	Giovanni Mastrobuoni (Carlo Alberto): "Police Patrols and Crime".

Autumn 2019

September

Thu Sep 5	Abi Adams (Oxford): "Preferences and Beliefs in the Marriage Market for Young Brides".
Tue Sep 10	Brown Bag: Per Pettersson Lidbom (SU): "The Political Economics of Growth, Labor Control and Coercion: Evidence from a Suffrage Reform".
Thu Sep 12	Yimei Zou: "Endogenous Production Networks and Gains from Trade".
Tue Sep 17	Brown Bag: Nanna Fukushima (SU): "The UK Clean Air Act, Black Smoke, and Infant Mortality Rate".
Thu Sep 19	Paola Conconi (ECARES): "Globalization for Sale".
Tue Sep 24	Brown Bag: Maria Olsson (UU): "Labor Cost Adjustments During the Great Recession".
Thu Sep 26	Andrea Lanteri (Duke): "Preferences and Beliefs in the Marriage Market for Young Brides".

October

Tue Oct 1	Vincent Sterk (UCL): "Stock Market Participation, Inequality, and Monetary Policy".
Thu Oct 3	Brown Bag: Has van Vlokhoven (SU): "The Cost of Capital and the Profit Share".
Tue Oct 8	Brown Bag: Yadi Yang (ENTER): "Can strategic delegation solve the hold-up problem? An experimental study?"
Thu Oct 10	Fabian Waldinger (LMU): "Women in Science".
Tue Oct 15	Brown Bag: Louise Lorentzon (SU): "Long-Term Effects of Cash Transfers - A Natural Experiment in Sweden".
Thu Oct 17	Benjamin Schoefer (Berkeley): "Labor in the Boardroom".
Fri Oct 18	PhD Defense: Mathias Pronin (SU)

- Tue Oct 22 Brown Bag: Daniel Almén (SU): "Citizenship, Social Capital and the Role of Conscriptio: Evidence from Sweden".
- Thu Oct 24 Zsofia Barany (Sciences Po): "Engines of Sectoral Labor Productivity Growth".

November

- Tue Nov 5 Brown Bag: Soledad Giardili (SU): "Single-Sex Primary Schools and Student Achievement: Evidence from Admission Lotteries".
- Thu Nov 7 Sydnee Caldwell (Berkeley): "Outside Options, Bargaining and Wages: Evidence from Coworker Networks".
- Tue Nov 12 Brown Bag: Ferenc Szucs (SU): "Facing the Hard Truth: Evidence from Climate Change Ignorance".
- Thu Nov 14 Winnie van Dijk (Chicago): "Does eviction cause poverty? Quasi-experimental evidence from Cook County, IL".
- Tue Nov 19 Brown Bag: Richard Foltyn (SU): "Experience-based Learning, Stock Market Participation and Portfolio Choice".
- Tue Nov 26 Brown Bag: Ines Helm (SU): "Displacement Effects in Manufacturing".
- Thu Nov 28 Andreas Kostøl (Carey): "How Broadband Internet Affects Labor Market Matching".

December

- Thu Dec 12 Evelina Björkegren (SU): "Intergenerational Transmission of Health: Lessons from a Large Sample of Adoptees".
- Tue Dec 17 Owen Zidar (Princeton): "Evaluating State and Local Business Tax Incentives".

Doctoral dissertations²

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

2019

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| May 17 | Jaakko Meriläinen (IIES)
Essays in Political Economics |
| May 29 | Elisabet Olme (DE)
Essays on Educational Choices and Integration |
| June 7 | Jósef Sigurdson (IIES)
Essays on Labor Supply and Adjustment Frictions |
| June 12 | Vanessa Sternbeck Fryxell (DE)
Essays on Interbank Markets |
| August 23 | Serena Cocciolo (IIES)
Participatory Governance and Public Service Provision |
| September 6 | Matti Mitrunen (IIES)
Essays on the Political Economy of Development |
| September 25 | Charlotta Boström (SOFI)
Education, skills and gender: The impact of a grading reform and the business cycle on labor market outcomes |
| October 4 | Jonna Olsson (IIES)
Work, wealth, and well-being: Essays in macroeconomics |
| October 18 | Mathias Pronin (DE)
Essays in Macroeconomics and Political Economy |
| October 25 | Saman Darougheh (IIES)
Search and Mismatch |

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

Research Papers in Economics

For the years 1997 – 2018, and for full-text versions, see <http://swopec.hhs.se/sunrpe/>

No. 2019:4: Banking, Capital Regulation, Risk and Dynamics - Bo Larsson and Hans Wijkander

No. 2019:3: Income, Education and Democracy - Stephen L. Parente, Luis Felipe Sáenz and Anna Seim

No. 2019:2: Dynastic Human Capital, Inequality and Intergenerational Mobility - Adrian Adermon, Mikael Lindahl and Mårten Palme

No. 2019:1: National Industry Trade Shocks, Local Labor Markets, and Agglomeration Spillovers - Ines Helm