

# KARL VALENTIN

Sveriges Riksbank  
Research Division  
103 37 Stockholm  
Sweden

Phone: +46-73-80 14 341  
E-mail: [karl.valentin@gmail.com](mailto:karl.valentin@gmail.com)  
Homepage: [www.riksbank.se/research/walentin](http://www.riksbank.se/research/walentin)

---

## Work experience

- 2021- **Ministry of Finance**, Stockholm, Sweden  
Special advisor at the Economic Affairs Department, the Division for Economic and Political Analysis
- 2005-2021 **Sveriges Riksbank**, Stockholm, Sweden  
Advisor at the Research Division (since 2014).  
Coordinator of the Research Division's macroeconomic policy work (since 2018).
- May-July 2020 **Ministry of Finance**, Stockholm, Sweden  
Visitor at the Economic Affairs Department  
Analyzed and proposed a stimulus package for recovery from the Covid-19 crisis
- Sep-Dec 2012 **Federal Reserve Bank of San Francisco**, CA, USA  
Visitor at the Economic Research Department.
- November 2008 **Federal Reserve Board**, Washington, DC, USA  
Visitor at the Trade and Financial Studies section, International Finance division.
- 

## Education / Academic title

- 2019- **Stockholm University**, Stockholm, Sweden  
Associate Professor ('Docent'), Department of Economics.
- 2000-2005 **New York University**, New York, USA  
Ph.D. in Economics.
- 1994-1999 **Stockholm School of Economics**, Stockholm, Sweden  
M.Sc. in Economics and Business Administration.
- 

## Fields of Interest

Macroeconomics, macro-labor, financial frictions.

---

## Publications

- "Involuntary Unemployment and the Business Cycle", 2021, *Review of Economic Dynamics*, Volume 39, pp. 26-54 (with Lawrence Christiano and Mathias Trabandt).
- "Financial Frictions, Investment and Tobin's  $q$ ", 2019, *Journal of Monetary Economics*, Volume 103, pp. 105-122 (with Dan Cao and Guido Lorenzoni).
- "Refining Stylized Facts from Factor Models of Inflation", 2015, *Journal of Applied Econometrics*, Vol. 30, pp. 1192-1209 (with Ferre De Graeve).
- "Business Cycle Implications of Mortgage Spreads", 2014, *Journal of Monetary Economics*, Vol. 67, pp. 62-77.
- "Expectation Driven Business Cycles with Limited Enforcement", 2014, *Economics Letters*, Vol. 124, pp. 300-303.
- "Housing Collateral and the Monetary Transmission Mechanism", 2014, *Scandinavian Journal of Economics*, Vol. 116(3), pp. 635-668.
- Discussion of "Capital Injection, Monetary Policy, and Financial Accelerators" by Hidakata, Sudo and Ueda, 2013, *International Journal of Central Banking*, Vol. 9(2), pp. 147-154.

“Introducing Financial Frictions and Unemployment into a Small Open Economy Model,” 2011, *Journal of Economic Dynamics and Control*, Vol. 35(12), pp. 1999-2041 (with Lawrence Christiano and Mathias Trabandt).

“DSGE Models for Monetary Policy Analysis,” 2011, *Handbook of Monetary Economics*, Vol. 3A, edited by B. M. Friedman and M. Woodford. (with Lawrence Christiano and Mathias Trabandt).

“Earnings Inequality and the Equity Premium,” 2010, *B.E. Journal of Macroeconomics*, Vol. 10(1) (Contributions), Article 36.

“Block Kalman filtering for large-scale DSGE models,” 2009, *Computational Economics*, Vol. 33(3), pp. 277-304 (with Ingvar Strid).

---

### **Research, under review for publication**

“Learning on the Job and the Cost of Business Cycles” (with Andreas Westermark). Resubmitted to *AEJ – Macroeconomics*

“Manufacturing Decline and House Price Volatility” (with Isaiah Hull, Conny Olovsson and Andreas Westermark). Resubmitted to *Review of Economic Dynamics*.

“The Costs of Macroprudential Deleveraging in a Liquidity Trap” (with Jack Chen, Daria Finocchiaro and Jesper Lindé).

---

### **Work in progress**

“Dynamic Macroeconomic Implications of Migration” (with Conny Olovsson and Andreas Westermark)

“Skill Loss, Job Mismatch and Slow Recoveries from Large Recessions” (with Andreas Westermark)

---

### **Non-academic publications**

“Manufacturing decline reduces house price volatility”, Vox column Aug 23<sup>rd</sup> 2018, (with Isaiah Hull, Conny Olovsson and Andreas Westermark). <https://voxeu.org/article/manufacturing-decline-reduces-house-price-volatility>

“Stabilizing the real economy increases average output”, Vox column April 2<sup>nd</sup> 2018 (with Andreas Westermark). <https://voxeu.org/article/stabilising-real-economy-increases-average-output>

“Tillväxten är god jämfört med andra”, Op-Ed in *Dagens industri*, February 1<sup>st</sup> 2018. <https://www.di.se/debatt/karl-walentin-tillvaxten-ar-god-jamfort-med-andra/> [in Swedish]

“Is a bubble forming in Swedish housing prices?” (with Emilio Dermani and Jesper Lindé), *Sveriges Riksbank Economic Review*, 2016:2, Sveriges Riksbank.

“Quantifying the macroeconomic effects of large-scale asset purchases”, column in Vox, 2014 and chapter in the Vox e-book “Quantitative Easing - Evolution of economic thinking as it happened on Vox”, edited by Wouter Den Haan, 2016, CEPR Press.

“Lower neutral interest rate in Sweden?” (with Hanna Armelius, Paolo Bonomolo, Magnus Lindskog, Julia Rådahl and Ingvar Strid) published in *Sveriges Riksbank Economic Commentaries*, 2014.

“Den finansiella sektorn – Varför ska vi förhindra finansiella kriser?” (with Ola Pettersson) in “Nationalekonomi för vänstern”, edited by Peter Gerlach, 2011. [in Swedish]

“Vad bestämmer bankernas utlåningsräntor?” (with Magnus Karlsson and Hovick Shahnazarian), *Ekonomisk debatt*, 2009, No. 7. [in Swedish]

“House prices and the economy” (with Peter Sellin) published in *Sveriges Riksbank Economic Commentaries*, 2008.

---

### **Policy work for the Riksbank**

Coordinator of the Research Division’s macroeconomic policy work. Analysis of special topics and model development and estimation for the Riksbank, including the DSGE model Ramses II. Some examples of topics analyzed are: negative policy rates, the relationship between Riksbank forecasts of foreign and domestic variables, house price dynamics and their interaction with the macroeconomy, the importance of mortgage spreads for the business cycle, determination of bank funding costs and lending rates, determination of the level

of the natural real interest rate and some macroprudential issues, as well as analyzing the role of monetary policy in ensuring financial stability. Most recently I have studied the contractionary effects of various macroprudential tools, macroeconomic implications of immigration and the effects for monetary policy of wage setting norms that tie nominal wage growth to foreign wages.

---

## **Seminars and conference presentations**

### **2020**

CEBRA Annual Conference, Finansinspektionen

### **2019**

University of Edinburgh, T2M conference (Nuremberg), Stockholms universitet, Third conference of the CEPR Network on Macroeconomic Modelling and Model Comparison, New York University Doctoral Alumni Conference, Federal Reserve Bank of Cleveland, Berlin School of Economics - Schumpeter Macro Seminar, Fourth ECB Macroprudential Policy and Research Conference.

### **2018**

Bank of Estonia, 8<sup>th</sup> European Search and Matching Annual Conference, Science Po, New Developments in the Macroeconomics of Labor Markets (Vienna), Greater Stockholm Macro Group.

### **2017**

University of Cambridge, Greater Stockholm Macro Group, Royal Economic Society (Bristol), Barcelona GSE Summer Forum/7<sup>th</sup> European Search and Matching Annual conference, Federal Reserve Board, Georgetown University, New York University Doctoral Alumni Conference.

### **2016**

Narodowy Bank Polski, Nordic Data Meeting in Sandbjerg, Bank of England, Conference on Markets with Search Frictions, Essex Search and Matching workshop.

### **2015**

Nordic Summer Symposium in Macroeconomics, Uppsala universitet.

### **2014**

American Economic Association meetings (Philadelphia), Universitat Pompeu Fabra, Stockholms Universitet, Universität Hamburg, Society for Computational Economics (Oslo), Banco de España, Universidad Carlos III de Madrid, Bank of England.

### **2013**

Federal Reserve Bank of New York, New York University Doctoral Alumni Conference, Federal Reserve Board, Econometric Society European Meeting (Gothenburg).

### **2012**

Norges Bank, EIEF, Institute for Financial Research (SIFR), Federal Reserve Bank of San Francisco, UC Santa Cruz, UC Santa Barbara/LAEF, Federal Reserve Bank of Richmond.

### **2011**

Federal Reserve Bank of New York, New York University Doctoral Alumni Conference, Nordic Summer Symposium in Macroeconomics, Econometric Society European Meeting (Oslo), Bank of Italy.

### **2010**

JEDC/Bank of Japan conference on Frontiers in Structural Macroeconomic Modeling, National Conference of Swedish Economists, Uppsala University, Stockholm School of Economics in Riga.

### **2009**

University of St. Andrews, University of Amsterdam, ECB workshop on The Housing Market and the Macroeconomy.

### **2008**

Stockholm School of Economics, European University Institute, Society for Economic Dynamics (Cambridge, MA), Federal Reserve Board.

### **2007**

ECB/CFS/Bundesbank joint lunch seminar, Université du Québec à Montréal, Society for Computational Economics (Montréal), Central Bank Macroeconomic Modelling Workshop (Oslo), CEPR-Bank of Finland conference on Expectations and Business Cycle Dynamics, Federal Reserve Bank of Philadelphia, Federal Reserve Board.

### **2006**

Uppsala University, Norges Bank, Society for Economic Dynamics (Vancouver), European Economic Association (Vienna), CEPR-Bank of Finland conference on Credit and the Macroeconomy.

### **2005**

Oslo University, European Economic Association (Amsterdam), Sveriges Riksbank.

### **2004**

New York University, Stockholm School of Economics.

---

### Other conferences attended, mainly as a discussant

Bank of Ukraine's annual research conference 2020, "Macroeconomics and the Labour Market" at ZEW in Mannheim, First Annual Workshop of the ESCB Research Cluster 1 on Monetary Economics, "Heterogeneity in Firms, Households and Financial intermediaries: New Developments in Business Cycle Analysis" at Bank of Denmark, Annual research conference of IJCB 2017, "The interplay between Monetary Policy and Fiscal Policy", Second BIS Research Network meeting on macroeconomics and global financial markets, Conference in Memory of Dale T. Mortensen, Nordic Summer Symposium in Macroeconomics (2013, 2014), Central Bank Macroeconomic Modelling Workshop (Istanbul), IJCB conference on 'New Frameworks for Monetary Policy Analysis in an Era of Crises' (2012), 'Macroprudential Policies, Regulatory Reform and Macroeconomic Modelling' at Bank of Italy (2011), MONFISPOL final conference (2011), ONB conference 'Analyzing the Macroeconomy: DSGE vs Agent based modelling' (2011), EABCN Conference 'Advances in Business Cycle Research - Directions Since the Crisis' (2010), Banco de Portugal Conference on Monetary Economics (2010), JME-Gerzensee conference on 'Monetary Policy under Imperfect Information' (2008), National Bank of Belgium conference on 'Towards an integrated macro-finance framework for monetary policy analysis', NBER Summer Institute (2007-2010, 2012, 2016, 2018), Carnegie-Rochester Conference on Public Policy (2005).

---

### Referee

American Economic Review, American Economic Review – Insights, Quarterly Journal of Economics, Review of Economics and Statistics, Journal of the European Economic Association, Journal of Monetary Economics, Journal of International Economics, Journal of Economic Theory, AEJ Macroeconomics, Economic Journal, Journal of Economic Dynamics and Control, Journal of Financial Stability, Review of Economic Dynamics, European Economic Review, Journal of Money, Credit and Banking, Labour Economics, Macroeconomic Dynamics, Journal of Macroeconomics, Journal of Housing Economics, Economic Inquiry, Scandinavian Journal of Economics, Computational Economics, B.E. Journal of Macroeconomics, Economics Letters, Empirical Economics, Applied Economics Quarterly, Manchester School.

---

### Conference and seminar organization

2020	Co-organizer of conference on 'Exchange Rates and Monetary Policy' at Sveriges Riksbank
2019	Co-organizer of conference on 'New Developments in the Macroeconomics of Labor Markets' at Sveriges Riksbank
2018	Co-organizer of conference on 'Housing, Credit and Heterogeneity: New Challenges for Stabilization Policies' at Sveriges Riksbank
2015	Co-organizer of conference on 'Deflation – Causes, Consequences and Policies' at Sveriges Riksbank
2013	Co-organizer of New York University Economics Doctoral Alumni Conference
2011-2015	Co-organizer of seminar series 'Greater Stockholm Macro Group'
2010	Co-organizer of conference on 'The Labor Market and the Macroeconomy' at Sveriges Riksbank
2009	Co-organizer of conference on 'Financial Markets and the Macroeconomy: Challenges for Central Banks' at Sveriges Riksbank
2008	Co-organizer of conference on 'Household Indebtness, House Prices and the Economy' at Sveriges Riksbank
2006-2008	Coordinator of the research seminars at Sveriges Riksbank

---

### Teaching

Aug 2016	Mini-course on DSGE model estimation at the Central Bank of Iceland
2015-2017	First year PhD course, "Macro II", at Stockholm University (half of the course)
2012-2016	Secondary PhD advisor to Glenn Mickelsson at Uppsala University
2019	Member of PhD committé for Jonna Olsson (IIES)
2020	Member of PhD committé for Maria Olsson (UU) och Kasper Kragh-Soerensen (IIES)
Summer 2004	International Economics, New York University