

PUBLICATIONS

*New UBS Center Policy Briefs,
condensed and distilled.*

New policy brief series

We are excited to announce the upcoming publication series titled “UBS Center Policy Briefs.” To get some insights, we sat down with editor-in-chief Florian Scheuer, Professor of Economics of Institutions at the University of Zurich, endowed by the UBS Center.

Florian Scheuer – what is the reason for this publication?

We have a vibrant community of economists here at the Department of Economics, and the scope of the research we produce is vast. It addresses pressing problems, breaks new ground in examining challenges to society and often finds its way into leading academic journals. But it does not always reach decision makers in the public and private sector.

Regardless of whether we are exploring the real-world impact of technological progress, rising inequality, tax and trade policy, or changing social norms: our tools and insights are relevant for governments and businesses. They help design policies and strategies that ultimately benefit millions of people, both in Switzerland and across the world. With the policy briefs, we make this research easily accessible and share it with a broad community.

What topics can we expect?

Our first policy brief will cover the changing gender composition in the most high-paying, cognitive jobs. Over the last decades, we have observed a significant increase in the share of female, college-educated workers in these occupations. The policy brief will examine the role of social skills in explaining this finding.

The second brief will address the widely shared concern that technological change saves labor, e.g. through automation, and could destabilize both social cohesion and the functioning of democracy. The authors go back in history and explore the introduction of a new technology – the threshing machine – which displaced agricultural workers and led to social unrest in 1830’s Britain.

The third policy brief will zoom into Switzerland and highlight how social norms differ, especially regarding the work ethic, between the German and French language areas of Switzerland, and how this

affects labor market outcomes. Other future briefs will cover topics from the best way to provide insurance to farmers and how to enforce taxes in developing countries, to the design of trade policy, and the role of firms in the recent rise in top income inequality.

What opportunities do you see unfold?

I am excited to help my colleagues’ research make its way into the hands of policy makers through this channel. Their expertise can give governments and businesses the rigorous and clear insights needed for informed debates and decisions. We have a chance to influence many of the most important policy issues, make economic policy more effective, and thereby, ultimately, make people better off.

I hope it also encourages researchers, especially the younger ones at the start of their careers and our graduate students, to work on the policy-relevant problems that need to be tackled to strengthen our domestic and the global economy. I view it as a great complement to the many other activities we pursue with the UBS Center, especially our events that bring together scholars, decision makers and our supporters to exchange ideas on the economic challenges of our time.

What is a policy brief, in short?

A policy brief is a condensed and non-technical version of our top research papers. It covers a complex issue in a way that can help readers understand and decide about government policies. Addressees are leaders in the public and private sector, as well as the wider public and journalists. We will publish around eight policy briefs every year and make them available on our webpage and on vox.eu.

One aspect I would like to emphasize is that, even though our goal is to address real-world policy questions, we remain strictly nonpartisan. We see our role as injecting rigorous, objective scientific

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evidence and economic thinking into otherwise – sometimes heated – public debates.

What are your research interests?

Many developed countries have seen a dramatic increase in inequality in the past decades. We have made great progress in empirically documenting these trends, but the open question is: Which policy responses does this trend need? This includes tax policy, which has always taken the center stage in the public policy debate, and which I have focused on in much of my past research. But I also think of institutional responses more broadly, in terms of regulation, education, insurance, industrial policies, or even the role of money in politics.

One example is my work on superstar phenomena, which have been recognized as a key driver of the recent inequality trends (for example with regards to CEO compensation). These effects can generate differences in pay that, as one moves up the scale, eclipse any inherent differences in skill. Does this provide an argument for a more steeply progressive tax code? In my work, I have shown that, in fact, it does not, because while superstar effects make the earnings distribution more unequal, they should also increase the responsiveness of individual incomes to tax changes. Both are two sides of the same coin. This emphasizes that we really need more precise estimates of the elasticity of superstar earners' taxable income, rather than just measuring the change in the distribution of earnings, which has received most of the recent attention.

How can economists influence policy makers?

The policy-making process is a complicated one, and few economists have managed to have their ideas implemented exactly as they had envisioned them. This is by design – ultimately, we live in a democracy and not a technocracy! But I think there is another useful role economists can play in policy-making: Even if we do not manage to have our ideas implemented, at least we can provide arguments to ensure that the really bad policy ideas *do not* get implemented. Many colleagues who have served in policy and business roles have shared the experience that they were much more effective at the latter than the former!



Watch Florian's interview on
www.youtube.com/UBSCenter



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