

# Spotlight 2021

**Knowledge hub**  
The Center's video library includes recordings of all public events, short film summaries of publications, and much more.



## Public dialogue



## In the media

The Center's affiliated researchers actively participate in public discussions on current issues and provide expert advice to government organizations and decision makers.

### Pandemic and Economics

Expert knowledge was once again in high demand in the second year of the pandemic – especially in terms of the crisis's social and economic impact. Florian Scheuer commented in the media on rising inequality as a result of the pandemic, stating that increasing wealth inequality can also be observed in Switzerland. Economic historian Hans-Joachim Voth provided a comparison of the current situation with past pandemics, like the plague and the Spanish flu. While there are many similarities, he considers a similar economic boom – that one following the Roaring Twenties – to be unlikely. An assessment of the global economy was provided by globalization expert David Dorn, who emphasized that free trade has not failed. On the contrary, the global economy was able to play to its strengths during the pandemic. But globalization also creates net losers.

### Who is afraid of high wages?

Do minimum wages really lead to higher unemployment? Are high wages detrimental to productivity or do they pave the way for innovation and creative solutions? Hans-Joachim Voth took a closer look at what higher wages really mean for an economy and whether economic theory reflects real life.

### Global minimum tax effects

Florian Scheuer discussed new proposals for a global minimum tax, possible repercussions and challenges for Switzerland, and what Switzerland can do to remain attractive to big corporations.



## Events 2021

WIRTSCHAFTSPODIUM SCHWEIZ  
APRIL 2021

### Healthcare and pension provision



*"It makes no sense to legally stipulate a conversion rate for the 2nd pillar, which is in fact influenced by financial markets and demographics."*

Monika Bütler, Independent economist

The pandemic is a stress test for the Swiss social systems. How is the healthcare system performing? What does the crisis mean for re-

irement provision – is it even an opportunity for reform? In the two-part online edition of Wirtschaftspodium Schweiz, experts from business, science and politics discussed novel solutions to familiar problems.



### WEBCAST SERIES

## Economics of global challenges

23.6.2021

### Disappearing middle class

Nir Jaimovich

Nir Jaimovich, Affiliated Professor at the UBS Center, showed that in the last four decades, many industrialized economies have experienced the phenomenon of "job polarization," where the fraction of the population working in middle-waged jobs has dropped. This process has been linked to automation, which replaces specific tasks of human labor. What happens to people who possess skills that are being replaced? And what options do governments have for coping with such changes?

8.9.2021

### The economic geography of global warming

Esteban Rossi-Hansberg

In his webcast, Prof. Esteban Rossi-Hansberg (University of Chicago) explained the large heterogeneous impacts of climate change across regions. How people cope with global warming – by migrating, trading, and investing – is crucial for the effectiveness of different policy actions.

23.11.2021

### Do giant firms undermine competition and social welfare?

Jan Eeckhout



*"Fostering competition is the answer. We need more innovation and we need to make sure that startups have the possibility to flourish."*

In an era of technological progress and easy communication, it might seem reasonable to assume that the world's working people have never had it so good. But wages are stagnant, and prices are rising. Economist Jan Eeckhout showed in his webcast how this is due to a small number of companies taking advantage of new technologies to charge ever-higher increasing prices.



FORUM FOR ECONOMIC DIALOGUE  
9.11.2021

## Sustainability and climate change



*"We all want to make this world a better place. We want to make an impact. To do that, we need good information and a good understanding of economic mechanisms."*

Nobel laureate Jean Tirole

Coinciding with COP 26, the UBS Center Forum produced important insights into the climate debate and generated lively discussions among the speakers. While the devastating consequences of global warming – especially for the world's most vulnerable people – were acknowledged by all, there was intense debate about the different measures that can be taken to fight climate change. Which measures are effective, efficient, and socially acceptable – e.g., carbon tax, innovation, or green bonds? How much will they cost and who should pay for them? Here, opinions differed, especially on the question of whether the costs we incur for the measures are proportionate. The highlight and conclusion of the Forum was the Zurich Lecture delivered by Nobel laureate Jean Tirole, who on the one hand emphasized the importance of sustainable policies and on the other voiced criticism of questionable good ideas, such as green central banks or the inclusion of environmental criteria in public procurement.



*"You are not going to change investment behavior of institutions or individuals based on a lie."*

Lasse Heje Pedersen

## Center publications

The UBS Center offers two publication series. The **Public Paper** series makes research on topics of key social relevance available to a broader audience in a simplified, compact, and highly readable format. The **Policy Brief** series can give governments and businesses the rigorous and clear insights necessary for informed debates and decisions. They are a condensed and non-technical version of some of our top research papers.



### PUBLIC PAPER

## Green innovation policies

David Héמוש



Our ability to reduce greenhouse gas emissions will determine how fast we can stop global warming. In his Public Paper, UBS Foundation Professor David Héמוש explains that achieving the necessary reduction in emissions – while maintaining (and improving) worldwide living standards – can only be accomplished through innovation.

Innovation has the potential to combine the necessary decline in greenhouse gas emissions with sustained economic growth; and it responds largely and rapidly to price signals. However, innovation is not a silver bullet. It is conducted by scientists and firms, it reacts to market and policy incentives, and needs therefore to be regulated by governments.

### POLICY BRIEF

## The rise of superstar firms

David Dorn



Over the past 30 years, labor's share of GDP in industrialized countries has fallen. This means that a declining fraction of aggregate income is going to workers, while firm owners obtain more. This Policy Brief by UBS Foundation Professor David Dorn explains this phenomenon by identifying so-called "superstar" firms as drivers of the falling labor share.

### POLICY BRIEF

## Impact of parental leave on companies

Anne Ardila Brenøe



Most of the existing evidence on the effectiveness of family leave policies stems from research on the impact on the families concerned, rather than the effects and costs on employers or fellow workers. In contrast, this Policy Brief by Anne Brenøe, Professor at the Department of Economics, University of Zurich, examines the consequences of a female worker giving birth and taking parental leave on her employer and co-workers.

## Research



## Top five publications

The Center's researchers regularly publish their work in leading economics journals.

Alós-Ferrer, Carlos, Ernst Fehr, and Nick Netzer. 2021. "Time will tell: Recovering preferences when choices are noisy." *Journal of Political Economy*.

Fehr, Ernst, Michael Powell, and Tom Wilkening. 2021. "Behavioral Constraints on the Design of Subgame-Perfect Implementation Mechanisms." *American Economic Review*.

Ambühl, Sandro, Douglas Bernheim, and Axel Ockenfels. 2021. "What Motivates Paternalism? An Experimental Study." *American Economic Review*.

# A closer look

## Center news

### Committed to world-class research

#### Ushering in a new decade

With the end of the year, a whole decade lies behind us – full of enthusiasm and commitment for economic research, for the exchange with experts and the public, and for young talents.

Next year we will celebrate our tenth anniversary. On this occasion, we will look back and take stock of what we have achieved so far. At the same time, we look ahead with curiosity and full of verve, looking forward to further exciting projects, new insights, and inspiring encounters.

This year, our community has gained two more valuable members who support our mission to make Zurich one of the best places for research in economics. Nobel laureate Abhijit Banerjee (MIT) and Prof. Imran Rasul (University College London) join the UBS Center as Advisory Board Members.



*“The promotion of highly qualified scientific talent is of great importance for the innovation potential and competitiveness of a country.”*

Hans-Joachim Voth

#### SOCIAL MEDIA

### Promoting dialogue

The UBS Center sees itself as a platform for dialogue and is active on various channels, creating opportunities for discourse and providing food for thought. Follow us on social media and join the discussion on key topics of our time.



YouTube  
4,500 subscribers



Twitter  
11,700 followers



LinkedIn  
1,000 followers



## About us

### UBS Center at a glance

The UBS Center for Economics in Society, UBS Center in short, is an Associated Institute at the Department of Economics of the University of Zurich. It was established in 2012, enabled by a founding donation by UBS, which the bank made on the occasion of its 150th anniversary. In view of the generous donation, the university named the UBS Center after its benefactor.

The UBS Center serves two main aims. First, it enables world-class research in economics on all levels, to be conducted at the University's Department of Economics. It thereby supports the department's ambition to become one of the top economics departments in Europe and to make Zurich one of the best places for research in economics. The UBS Center's other aim is to serve as a platform for dialogue between academia, business, politics, and the broader public, fostering continuous knowledge transfer. Delivering on these aims will also strengthen the position of Zurich, and Switzerland more generally, as a leading location for education and business.



#### UBS Foundation and management

The UBS Center is governed by and financed through an independent foundation, the UBS Foundation of Economics in Society, chaired by former Federal Councillor Kaspar Villiger.

#### Management and team



Prof. Ernst Fehr  
Director



Prof. Hans-Joachim Voth  
Scientific Director



Dr. Matthias Ammann  
Chief Operating Officer

Stefanie Amstein,  
Event and Office Manager  
Christopher Shenton, Digital Publisher  
and Social Media Producer  
Dr. Maura Wyler,  
Head of Communication

#### YOUNG TALENTS

### Scholarships

The UBS Center Scholarships are scholarships awarded every year to outstanding university graduates at the Graduate School of Economics, run by the Department of Economics at the University of Zurich.

#### Scholarship holders 2021

Chiara Aina  
Agustina Colonna  
Maite Deambrosi  
Christian Decker  
Guohui Jiang  
Ursa Krenk  
Mia Lu  
Ante Malenica  
Gabriele Patete  
Ursina Schaede  
Martin Stancsics  
Garyn Tan  
Julian Teichgräber

## Professors

The UBS Center fosters world-class research in economics on all levels by endowing several permanent professorships and assistant professorships. The thematic focus of the Center's endowed professorships is on interdisciplinary and forward-looking research that covers today's major issues relating to the economy and the financial markets.



Prof. Sandro Ambühl  
UBS Foundation Assistant  
Professor for Behavioral  
Economics of Financial Markets



Prof. Pietro Biroli  
UBS Foundation Assistant  
Professor of Applied Economics



Prof. Gregory Crawford  
Professor of Economics, Affiliated  
Professor at the UBS Center



Prof. David Dorn  
UBS Foundation Professor of  
Globalization and Labor Markets



Prof. Ernst Fehr  
Professor of Economics, Affiliated  
Professor at the UBS Center



Prof. David Hémond  
UBS Foundation Associate  
Professor of Economics of  
Innovation and Entrepreneurship



Prof. Nir Jaimovich  
Professor of Economics, Affiliated  
Professor at the UBS Center



Prof. Dina Pomeranz  
UBS Foundation Assistant  
Professor of Applied Economics



Prof. Florian Scheuer  
UBS Foundation Professor of  
Economics of Institutions



Prof. Hans-Joachim Voth  
UBS Foundation Professor of  
Macroeconomics and Financial  
Markets



Prof. David Yanagizawa-Drott  
Professor of Development and  
Emerging Markets, Affiliated  
Professor at the UBS Center

#### HALLMARK

### Advisory board

The Center's advisory board, comprised of some of the most renowned economists of our time, including several Nobel Prize laureates, ensures the high quality of the work at the UBS Center and provides guidance on all academic matters.

#### Advisory board members

Prof. Philippe Aghion  
Prof. Manuel Arellano  
Prof. David Autor  
Prof. Ernst Baltensperger  
Prof. Abhijit Banerjee\*  
Prof. Marianne Bertrand  
Dr. Mauro Dell'Ambrogio  
Prof. Esther Dufo\*  
Prof. Raquel Fernández  
Prof. Oliver Hart\*  
Prof. James J. Heckman\*  
Prof. Chang-Tai Hsieh  
Prof. Daniel Kahneman\*  
Prof. Ulrike M. Malmendier  
Prof. Joel Mokyr  
Prof. Yingyi Qian  
Prof. Imran Rasul  
Prof. Thomas J. Sargent\*  
Prof. Klaus M. Schmidt  
Prof. Robert J. Shiller\*  
Prof. Kjetil Storesletten  
Prof. Guido Tabellini  
Prof. Harald Uhlig  
Prof. Ekaterina Zhuravskaya

\* Nobel laureates

## Events 2022

The Center's events come in different formats, including two annual conferences with leading representatives from the academic, private, and public sectors debating a key contemporary economic issue. The Opinion events feature top representatives from academia to voice their views in public speeches.



WIRTSCHAFTSPODIUM SCHWEIZ  
7.4.2022 | KONGRESSHAUS ZÜRICH

### Switzerland as a business hub

A successful model in danger?



In the new edition of the UBS Center's very first Podium, we compare the debate's results of that time with the situation today. What has changed? The main question is as topical as it was then: how can we ensure that Switzerland remains one of the leading business hubs in the future? Keynote speeches by Prof. Gerard Roland (UC Berkeley) and Guy Parmelin, Federal Councillor. Further speakers will be announced soon.

INAUGURAL LECTURE  
16.5.2022 | UNIVERSITY OF ZÜRICH

### Behavioral public policy

With application to finance



Sandro Ambühl, UBS Foundation Assistant  
Professor for Behavioral Economics  
of Financial Markets

OPINION EVENT  
20.6.2022 | UNIVERSITY OF ZÜRICH

### Good economics for hard times

Better answers to our biggest problems



Public lecture by Nobel laureates Esther Dufo  
(MIT) and Abhijit Banerjee (MIT)

FORUM FOR ECONOMIC DIALOGUE  
7.11.2022 | KONGRESSHAUS ZÜRICH

### Digital monopolies

The power of tech giants



Economics.  
For Society.

Save  
the dates