KARL WALENTIN

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Current position

2022-2027 **Uppsala University**, Uppsala, Sweden
Visiting professor at the Department of Economics

Additional affiliations

2022- **Sveriges Riksbank**, Stockholm, Sweden
Visiting scholar at the Research Division

Prior work experience

2021-2022 **Ministry of Finance**, Stockholm, Sweden
Special advisor at the Economic Affairs Department, Division for Economic and Political Analysis

2005-2021 **Sveriges Riksbank**, Stockholm, Sweden
Advisor at the Research Division (2014-2021).
Coordinator of the Research Division's monetary policy work (2018-2021).

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, in particular monetary policy and fiscal policy.

Publications

"Dynamic Macroeconomic Implications of Immigration", 2025, *Journal of Monetary Economics*, Vol. 151, 103747 (with Conny Olovsson and Andreas Westermark).

"The Costs of Macroprudential Deleveraging in a Liquidity Trap", 2023, *Review of Economic Dynamics,* Vol. 51, pp. 991-1011, (with Jiaqian Chen, Daria Finocchiaro and Jesper Lindé).

"Manufacturing Decline and House Price Volatility", 2022, *Review of Economic Dynamics*, Vol. 45, pp. 264-281 (with Isaiah Hull, Conny Olovsson and Andreas Westermark).

"Learning on the Job and the Cost of Business Cycles", 2022, *AEJ: Macroeconomics*, Vol. 14 (4), pp. 341-77 (with Andreas Westermark).

"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 Hirakata, 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).

Work in progress

"The Housing Channels of Monetary Policy" (with Daria Finocchiaro, Ettore Savoia and Andreas Westermark)

"Identifying the Marginal Propensity to Consume" (with Mikael Carlsson, Marco D'Amico, Erik Öberg and Oskar Nordström Skans)

"Does immigration solve the challenges of an aging population?" (with Conny Olovsson and Andreas Westermark)

"Monetary policy in an open economy with high interest rate-sensitivity" (with Martin Flodén and Gabriella Linderoth)

Non-academic publications

Book chapter about the monetary policy advantages for Sweden of remaining outside the Euro, in a book edited by Lars Calmfors, Dec 1st 2025.

"Invandringens makroekonomiska effekter" in the anthology Invandringen och dess effekter på svensk ekonomi – en antologi published by National Institute of Economic Research ("Konjunkturinstitutet)". May 28th, 2025. [in Swedish]

Bolåneregler behövs i en orolig tid, Op-Ed in *Svenska Dagbladet*, February 22nd, 2025 [in Swedish]

Obalanserad utredning om bolånereglering , Column in *Ekonomistas*, January 30th 2025. [in Swedish]

Erik Thedéen bör se upp för myter om penningpolitiken, Op-Ed in *Dagens industri*, August 14th, 2024. (with Henrik Erikson) [in Swedish]

Finanspolitiken bör stabilisera ekonomin, Op-Ed in *Svenska dagbladet*, January 26th, 2024. [in Swedish]

Sverige behöver en systematisk finanspolitik, Op-Ed in *Dagens industri*, December 13th, 2023. [in Swedish]

Penning- och finanspolitisk konjunkturstabilisering, Research report commissioned by the Swedish Ministry of Finance as part of "Långtidsutredningen 2023". December 2023. [in Swedish]
English title: "Business Cycle Stabilization using Monetary and Fiscal Policy".

Dynamic Macroeconomic Implications of Immigration, SUERF Policy Brief No 485, December, 2022, (with Conny Olovsson and Andreas Westermark).

Bristande analys av tillgångsköpen, Op-Ed in *Dagens industri*, June 13th, 2022. [in Swedish]

Manufacturing decline reduces house price volatility, *Vox* column August 23rd 2018, (with Isaiah Hull, Conny Olovsson and Andreas Westermark).

Stabilizing the real economy increases average output, *Vox* column April 2nd 2018 (with Andreas Westermark).

Tillväxten är god jämfört med andra, Op-Ed in *Dagens industri*, February 1st, 2018. [in Swedish]

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

"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?", *Sveriges Riksbank Economic Commentaries*, 2014 (with Hanna Armelius, Paolo Bonomolo, Magnus Lindskog, Julia Rådahl and Ingvar Strid).

"Den finansiella sektorn – Varför ska vi förhindra finansiella kriser?" (with Ola Petterson) 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", *Sveriges Riksbank Economic Commentaries,* 2008 (with Peter Sellin).

External grants while at Uppsala University

2025 Handelsbankens forskningsstiftelser – program: *Demographics, innovation and growth*, 1,4 MSEK
2023 Handelsbankens forskningsstiftelser – program: *Price-setting and market power*, 2 MSEK
2023 Riksbankens Jubileumsfond – Member of a research team lead by Mikael Carlsson, *The macroeconomy and high-dimensional heterogeneity on the micro level*. 36 MSEK

Policy work concurrent with employment at Uppsala University

Member of the Swedish Fiscal Policy Council ("Finanspolitiska rådet") for 2025-2028.
Member of the reference group on macroeconomic and public finance implications of immigration for the National Institute of Economic Research. 2024-2025.

Policy work at the Ministry of Finance

My main policy responsibility was to provide macroeconomic expertise, mainly related to stabilization policy and the interaction between monetary and fiscal policy. I analysed various economic policies to alleviate the negative effects of the COVID-19 pandemic. I assisted in formulating the Swedish position regarding the 2022 revision of the EU Stability and Growth Pact.

Policy work at 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. Topics analyzed included: negative policy rates, house price dynamics and their interaction with the macroeconomy, determination of the level of the natural real interest rate.

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 Banking and Finance, 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, IMF 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, Ecological Economics.

Conference and seminar organization

2024	Organizer of the Lindahl lectures at Uppsala University by Silvana Tenreyro
2022-2024	Coordinator of the macro part of the department seminar at Uppsala University
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

2024-	Second year Master's course, "Macroeconomic Policy" at Uppsala University
2022-2023	Second year Master's course, "Applied Macroeconomics" at Uppsala University
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)
Summer 2004	International Economics, New York University

PhD advising

2025-	Secondary advisor for Gabriella Linderoth
2024-	Secondary advisor for Jakub Lisowski
2024-	Main advisor for Andrii Tymchuk
2023-	Main advisor for Suna Gülümser
2022-	Main advisor for Sebastian Sandstedt

Former PhD students

2021-2026	Main advisor for Alexander Czarnota
2022-2026	Secondary advisor for Maria Elena Filippin
2012-2016	Secondary advisor for Glenn Mickelsson