

EUROPEAN UNIVERSITY INSTITUTE

Department of Economics
European University Institute
Villa La Fonte, Via delle Fontanelle 18
50014 San Domenico di Fiesole (FI), Italy

Email: andrej.mijakovic@eui.eu
Phone: +39 351 758 8189

EDUCATION

2019 - Present	PhD in Economics, European University Institute Supervisors: Edouard Challe, Russell Cooper
2022	Visiting Student, New York University Host: Simon Gilchrist
2016 - 2017	MSc in Economics, Barcelona Graduate School of Economics
2012 - 2016	BSc in Economics, Vienna University of Economics and Business Erasmus Exchange: Nova School of Business and Economics (2014-2015)

RESEARCH INTERESTS

International Macro-Finance, Household Finance, Behavioural Macroeconomics

PUBLICATIONS

The reliability of equilibrium exchange rate models: A forecasting perspective, *with M. Ca'Zorzi, A. Cap and M. Rubaszek*, International Journal of Central Banking, 2022

WORKING PAPERS

Marginal propensities to consume with behavioural agents

Abstract: The empirical literature studying marginal propensities to consume (MPCs) has identified a set of puzzles that are difficult to reconcile with traditional theories of consumption behaviour. This paper develops a model of dissaving-averse households, a behavioural feature consistent with mental accounting, that addresses several of these puzzles at once. The model generates low MPCs out of wealth, low MPCs out of income news, and high MPCs out of income gains for households that are not liquidity-constrained. Beyond that, the model also produces asymmetric MPCs, i.e. stronger consumption responses to income losses than to income gains. It does so irrespectively of the household's position in the wealth distribution or the degree of liquidity constraints, which is a distinctive feature of this class of models. In support of this prediction, I provide empirical evidence for the existence of broad-based MPC asymmetries. I show through the lens of a quantitative life-cycle model with mental accounting preferences that asymmetric MPCs dampen the effectiveness of redistributive fiscal policy.

WORK IN PROGRESS

The macroeconomic implications of coholding liquid assets and debt, *with M. Boutros*

Abstract: We study the role that the joint distribution of liquid assets and credit card debt plays in the aggregate marginal propensity to consume. We show that grouping households across the distribution of liquid wealth, as is typically done, confounds two very different types of households: true hand-to-mouth households with low liquid wealth due to low liquid assets, and households with low liquid wealth due to high debt. This latter type displays a high marginal propensity to repay debt and a low marginal propensity to consume. To quantify the impact of unsecured credit card debt on stimulative fiscal transfers, we add a cash-in-advance constraint to a standard consumption-savings model. The model

generates the co-holding of liquid assets and debt observed in the data and matches the empirically observed marginal propensities to consume and repay debt.

Domestic inequality and global imbalances, with J. Mazza

Abstract: We document that higher income inequality is associated with higher current account balances for a large set of countries. A 1 percentage point increase in the share of income earned by the top 1 percent is associated with a 0.4-0.8 percentage point higher current account balance. This relation is driven by differences in saving rates but not investment. We rationalize this finding through a two-country heterogeneous agent model and show that, all else equal, capital flows from unequal to equal countries. Non-homotheticities in preferences generate higher saving rates by rich households which translate into current account surpluses under international capital mobility. The model also incorporates an explicit role for financial markets. We illustrate how financial forces can offset the effects of inequality and induce current account deficits in unequal countries such as the United States.

Equity duration and monetary policy transmission, with J. Graeb

POLICY PUBLICATIONS

Services trade liberalisation and global imbalances: a critical review of the empirical evidence, with G. Georgiadis, ECB Economic Bulletin Box, Vol. 5, 2019

WORK EXPERIENCE

2023	Senior Associate, Bank for International Settlements Monetary and Economic Department
2019 - 2021 (with gaps)	Research Analyst, European Central Bank Directorate General International, International Policy Analysis
2018 - 2019	Trainee, European Central Bank Directorate General International, International Policy Analysis
2017 - 2018	Policy Assistant/Trainee, European Commission Directorate General Economic and Financial Affairs
2017	Research Assistant, Banco Sabadell Macroeconomic and Financial Markets Research
2016	Intern, i5invest Corporate Development and Mergers & Acquisitions
2015 - 2016	Intern, Raiffeisen Bank International Mergers & Acquisitions
2015	Research Assistant, Vienna University of Economics and Business WU Institute for International Economics
2015	Intern, UBS Data & Document Management, Accounting

TEACHING EXPERIENCE

2023	Macroeconomics II - New Keynesian Economics Teaching Assistant for Edouard Challe
2023	Advanced Monetary Economics Teaching Assistant for Edouard Challe
2021, 2023	Econometrics III - Time Series Analysis Teaching Assistant for Jesus Bueren

PRESENTATIONS

2023	European Central Bank, IPA Economic Meeting; Bank for International Settlements Research Seminar (2x); Vigo Workshop on Dynamic Macroeconomics; European Economic Association; European Meeting of the Econometric Society
2022	4th Behavioural Macroeconomics Workshop; 53rd Annual Conference of the Money, Macro and Finance Society; CEPR European Conference on Household Finance; 15th VPDE PhD Workshop; NOeG Winter Workshop
2021	International Symposium on Forecasting
2019	European Central Bank, DG-I/IPA Research Seminar

HONORS, SCHOLARSHIPS AND VOLUNTEERING

2022	US department visiting grant, EUI
2019 - 2022	PhD Scholarship, Austrian Agency for International Cooperation in Education and Research
2014 - 2015	WU Top League, Honours programme, Vienna University of Economics and Business
2014	Erasmus Scholarship, European Commission
2014	National Merit Scholarship, Austrian Government
2013 - 2014	Volunteer, Caritas
2013	National Merit Scholarship, Austrian Government

OTHER

Languages:

English (fluent), German (fluent), Croatian (fluent), Spanish (intermediate), Italian (basic)

Software:

Matlab, Stata, Julia, Python, Latex