

OFFICE CONTACT INFORMATION

MIT Department of Economics
 77 Massachusetts Ave, E52-301
 Cambridge, MA 02139
<https://economics.mit.edu/people/phd-students/karl-m-aspelund>

CONTACT INFORMATION

Email: kmasp@mit.edu
 Phone: +1 (401) 808-1512

MIT PLACEMENT OFFICER

Professor David Autor
dautor@mit.edu
 +1 (617) 258-7698

MIT PLACEMENT ADMINISTRATOR

Ms. Shannon May
shmay@mit.edu
 +1 (617) 324-5857

DOCTORAL STUDIES

Massachusetts Institute of Technology (MIT)
 Ph.D. in Economics. Expected completion June 2025

COMMITTEE AND REFERENCES

Professor Benjamin Olken
 MIT Economics
 77 Mass. Ave, E52-542
 Cambridge, MA 02139
 +1 (617) 253-6833

Professor Tobias Salz
 MIT Economics
 77 Mass. Ave, E52-460
 Cambridge, MA 02139
 +1 (617) 715-2266

Professor Michael D. Whinston
 MIT Economics
 77 Mass. Ave, E52-533
 Cambridge, MA 02139
 +1 (617) 258-8408

Professor Catherine D. Wolfram
 MIT Sloan School of Management
 100 Main St., E62-514
 Cambridge, MA 02142
 +1 (617) 258-5728

PRIOR EDUCATION

Harvard University
 Bachelor of Arts in Environmental Science and Public Policy,
magna cum laude with highest honors

2017

CITIZENSHIP

United States of America, Iceland

LANGUAGES

English (native), Icelandic (native)

CODING

Julia, Python, Stata, R, ArcGIS. Beginner in SQL.

FIELDS

Major fields: Environmental Economics, Industrial Organization
 Minor fields: Public Economics

TEACHING EXPERIENCE

Microeconomic Theory and Public Policy (14.03),
 Teaching Assistant to Prof. Tobias Salz. Rating 6.8/7.

2023

RELEVANT PRIOR POSITIONS

Research Associate to Profs. Simon Jäger and Benjamin Schoefer,
 MIT

2018-2019

Pre-Doctoral Fellow,
 Education Innovation Laboratory at Harvard University

2017-2018

Research Intern,
 Resources for the Future (for Carolyn Kousky)

2016

Research Intern,
 OECD Nuclear Energy Agency

2015

MIT Economics

KARL M. ASPELUND

NOVEMBER 2024: PAGE 2

FELLOWSHIPS, HONORS, AND AWARDS	MIT Graduate Conference Travel Grant	2023
	US NOAA-Sea Grant Fellowship	2022-2025
	George and Obie Shultz Fund (3x)	2020-2023
	Graduate Fellow, Minda de Gunzburg Center for European Studies at Harvard University	2020-2025
	National Science Foundation Graduate Research Fellowship	2019-2024
	Enel Endowment Prize, Best Undergraduate Thesis in Environmental Economics	2017
	Environmental Science & Public Policy Undergraduate Thesis Prize	2017
	Phi Beta Kappa	2016
PROFESSIONAL ACTIVITIES	Refereeing: <i>American Economic Review: Insights</i>	
	Presentations:	
	Occasional Workshop in Environmental and Resource Economics (2024)	
	University of California, Davis (2024)	
	NMFS Social Science Symposium (2024)	
	NMFS-Sea Grant Fellows Research Symposium (2023, 2024)	
	North American Association of Fisheries Economists Forum (2023)	
	Academic Workshop for Icelandic Economists Abroad (2023)	
	Other Activities:	
	Invited participant, NBER Summer Institute, IO and EEE (2024)	
RESEARCH PAPERS	MIT Application Mentorship Program (2020-2023)	
	Berkeley-Sloan Summer School in Environmental & Energy Economics (2020)	
	Service:	
	Mentor, MIT application mentorship program (2020-2023)	
	Organizer, IO lunch (2021-2023), MIT structural reading group (2022-2023), MIT environmental tea (2022-2023)	
	“Who Gets the Fish? Protecting Firms and Workers from Permit Trade” (Job Market Paper)	
	Regulators often impose trade restrictions in environmental permit markets, lowering gains from trade to redistribute value to groups that do not directly benefit from permit trade, such as labor in harvesting firms. I evaluate the efficiency and distributional impacts of two common trade restrictions in Iceland’s fisheries permit market: segmented trading by firm size and individual production requirements. Through a difference-in-differences analysis, I show that permit trade reallocates increases the harvest share of productive boats by 15 percentage points, shifting income from lower- to higher-income workers and lowering aggregate labor intensity by 12%. I then show that the trade restrictions, designed to counteract the labor impacts, bind and lower productivity. I develop a model of fishery production and permit trading to simulate profits, labor demand, and worker earnings in permit market equilibria without the restrictions and quantify distinct trade-offs from each type of restriction. Per dollar of foregone profit, segmentation increases labor demand by 20 times more than the production requirement, while the production requirement redistributes 14% more	

income to low-income workers than segmentation. Compared to the production requirement alone, implementing both restrictions achieves similar income redistribution per dollar while increasing labor demand sixfold.

“Additionality and Asymmetric Information in Environmental Markets: Evidence from Conservation Auctions”

(with Anna Russo)

Market mechanisms aim to deliver environmental services at low cost. However, this objective is undermined by participants whose conservation actions are not marginal to the incentive — or “additional” — as the lowest cost providers of environmental services may not be the highest social value. We investigate this potential market failure in the world’s largest auction mechanism for ecosystem services, the Conservation Reserve Program, with a dataset linking bids in the program’s scoring auction to satellite-derived land use. We use a regression discontinuity design to show that three of four marginal winners of the auction are not additional. Moreover, we find that the heterogeneity in counterfactual land use introduces adverse selection in the market. We then develop and estimate a joint model of multi-dimensional bidding and land use to quantify the implications of this market failure for the performance of environmental procurement mechanisms and competitive offset markets. We design alternative auctions with scoring rules that incorporate the expected impact of the auction on bidders’ land use. These auctions increase efficiency by using bids and observed characteristics to select participants based on both costs and expected additionality.

RESEARCH IN PROGRESS

“Spatially Managing the Commons”

(with Aaron Berman)

The closure of specific areas to economic activity is a common approach to preventing excessive depletion of renewable natural resources. However, displacement—or “leakage”—of extractive activity to unregulated areas can undermine the effectiveness of such policies by increasing depletion elsewhere. We outline a framework that decomposes the net value of spatial closures into the static costs of congestion and foregone harvests today, the dynamic benefits of resource regrowth in the closed area, and the dynamic costs of increased depletion in unregulated areas. We apply this framework to the spatial regulation of the US Northeast scallop fishery, one of the most valuable fisheries in the country, where regulators have implemented area closures over the last two decades. Using geospatial data on vessel-level harvesting decisions and scallop population estimates, we first document the displacement of activity across space and congestion effects from vessels concentrating in open areas. Next, we estimate profits under observed and counterfactual policies to quantify how closures improve aggregate value and how displacement undermines that improvement. Finally, we test whether “access areas” that allow limited harvesting in closed regions mitigate the negative impacts of displacement and explore how the displacement effects differ under landing fees rather than effort restrictions.

OTHER

RESEARCH

With Michael C. Droste, James H. Stock, and Christopher D. Walker. 2020.

“Identification and Estimation of Undetected COVID-19 Cases Using Testing Data from Iceland.” NBER Working Paper No. 2752.

With Jan-Horst Keppler. 2018. Chapters 5 and 8. In *Full Costs of Electricity Provision*. OECD: Paris, France.