

# Markus Kondziella

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## Contact information

University of St. Gallen  
Varnbühlstrasse 14  
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Switzerland

## Personal information

Nationality: German, Swedish

## EMPLOYMENT

### University of St. Gallen

*Assistant Professor of Quantitative Economics (tenure track)*

Fall 2023 –

## EDUCATION

### Institute for International Economic Studies (IIES)

*Ph.D. in Economics*

June 2023

### Stockholm University (SU)

*M.Sc. in Economics*

June 2017

### Mannheim University

*B.Sc. in Economics*

June 2015

## FIELDS

Macroeconomics, Firm Dynamics, Growth, Distribution

## WORKING PAPERS

### Recent changes in firm dynamics and the nature of economic growth

Ola Bengtsson Award for best PhD paper

In line with the US economy, market concentration and dispersion of revenue productivity within industries increased in Sweden from 1997-2017. I document a novel finding in administrative data that provides important insights about the trends: firm size and revenue productivity growth accelerated starting in the 1990s. I reconcile these trends in a dynamic framework. Firms grow in size by expanding into new product markets and increase markups by distancing competitors within their product markets through R&D. The model rationalizes the empirical trends by reducing the R&D cost of distancing competitors and raising the cost of entering new product markets. I estimate that the changes in R&D costs increase long-run growth by 0.5 pp per year, whereas they have a negative effect on the output level through a reduction in allocative efficiency. Lastly, I study the effect of different R&D policies on economic growth. A patent waiver, recently discussed for Covid vaccines, lowers the aggregate growth rate, despite improving allocative efficiency.

### Micro PPI-based real output forensics | Timo Boppart, Mikael Carlsson, Markus Peters

We analyze producer price index micro data on total private goods and services production in Sweden to quantify the implications of methods of price index construction on the measured aggregate inflation rate. We document large quantitative effects of different methods of lower-level aggregation, i.e., the aggregation of price changes of different products into an index at the 5-digit product group level. Moving from an arithmetic index to geometric averaging across items decreases annual goods and services inflation by 0.5 and 0.4 percentage points, respectively. We contrast the results of these statistical indices with an economic theory-based index relying on a nested-CES structure. Estimating elasticities of substitution across goods within industries implies that such a theory-based index results in an annual inflation rate that is 3.9 and 3.1 percentage points lower for goods and services, respectively. Our results pose a challenge for the comparability of inflation rates and real output growth rates across countries as well as a tension between (economic) theory and (statistical) measurement. Therefore, we recommend that statistical offices report three moments for each product group instead of the published single index number. This would allow users to approximate any nested-CES index under the assumption of a joint log-normal distribution of price growth factors and weights.

### Preference heterogeneity and portfolio choices over the wealth distribution | Gualtiero Azzalini, Zoltán Rácz

What are the key elements required to generate portfolio choices over the wealth distribution in line with the data? In this paper, we argue that capturing preference heterogeneity across individuals is one of them. Using a partial equilibrium Bewley-type model with endogenous portfolio choice and cyclical skewness in labor income shocks, we show that heterogeneity in risk aversion, impatience and portfolio diversification is crucial to match the empirical schedules of unconditional risky share, participation and share of idiosyncratic variance in individual portfolios. At the same time, these elements generate dispersion in wealth through their heterogeneous effects on individuals' investment decisions resulting in a cross-sectional wealth distribution that provides a close fit of the data, particularly at the very top.

## PRESENTATIONS (INCL. SCHEDULED)

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**2023:** Aalto University, Banca d'Italia, Danmarks Nationalbank, Labor Firms and Macro Workshop, Midwest Macroeconomics Meetings, Swiss-Swedish Macro Workshop, University of Kent conference on Firm Dynamics, Market Structures and Productivity in the Macroeconomy, University of Mannheim, University of St. Gallen  
**2022:** ENTER Jamboree (Universitat Autònoma de Barcelona), Macro Group (IIES), Nordic Summer Symposium in Macroeconomics (Helsinki GSE), PhD workshop in Finance (Swedish House of Finance), SUDSWEC Conference (SSE), Swedish Conference in Economics (SSE), Stockholm University (Brown bag)  
**2021:** IIES (Macro Group, Speed Brown Bag)  
**2020:** IIES (Macro Group, Speed Brown Bag)  
**2019:** Stockholm University (Brown Bag)

## TEACHING

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<b>Teaching Assistant to Timo Boppart</b> <i>Macroeconomics I (Ph.D. level), IIES</i>	Spring 2019, Spring 2020
<b>Teaching Assistant to Tessa Bold and Alexandre Kohlhas</b> <i>Mathematics III (Ph.D. level), IIES</i>	Fall 2018
<b>Teaching Assistant to Paul Klein and Anna Seim</b> <i>Intermediate Macroeconomics (undergraduate level), SU</i>	Fall 2016, Spring 2017

## HONORS AND GRANTS

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<b>Ola Bengtsson Award for best PhD paper</b> <i>For "Recent changes in firm dynamics and the nature of economic growth"</i>	2022
<b>Stiftelse Siamon</b> <i>Scholarship for conference travels</i>	2022
<b>Jan Wallander and Tom Hedelius Foundation</b> <i>One-year scholarship for Ph.D. studies in the U.S. (declined due to Covid)</i>	2020
<b>German National Academic Foundation</b> <i>Study abroad scholarship</i>	2015 – 2017
<b>German National Academic Foundation</b> <i>Scholar</i>	2012 – 2019

## OTHER EXPERIENCE

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<b>Research Assistant</b> <i>IIES</i>	Aug. 2017 – Jun. 2019
<b>Intern</b> <i>National Institute of Economic Research, Stockholm</i>	Jan. 2017 – Jun. 2017
<b>Intern</b> <i>EY, Transaction Advisory Services: Financial Services, Frankfurt</i>	Jan. 2014 – Feb. 2014

## SKILLS

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**Programming:** Julia, Matlab, Python, R  
**Languages:** German, English, Swedish, Spanish (rusty)