

DEPARTMENT OF ECONOMICS

YEAR IN REVIEW

2024 - 2025

SciencesPo



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Word from Emeric Henry, Chair of the Department of Economics



"This annual review is... an opportunity to celebrate... I truly believe that it is the department's unique collegiality and caring atmosphere... that make (it) such a special place."

The Department of Economics at Sciences Po is still relatively young, yet it has already established itself as a leading department on the international stage.

Created in 2009, it has grown rapidly. In 2009 we were only 10 full-time faculty members and were working on 5 ERC projects. In 2024-2025 we counted 36 faculty members, as well as 47 PhD students, 44 Master's students, and 5 postdoctoral researchers. We have 9 ongoing ERC projects - 19 in total since 2009 which accounts for 30% of all ERCs (SH-1) in France.

This academic year, we welcomed four new faculty members. Axelle Ferrière and Kevin O'Rourke joined us as senior professors, bringing valuable expertise and international experience. Suzana Khalifa and Justine Knebelmann strengthened our vibrant development economics group.

The 2024–25 academic year has been rich in achievements for the department.

Jean-Marc Robin was elected Vice-President of the *Econometric Society*. Julia Cagé received the *EEA Best Young Economist Award*. Axelle Ferrière was awarded the *CNRS Bronze Medal*. We warmly congratulate them for these remarkable distinctions.

Our department also continues to thrive thanks to its partnerships. The agreement with the *Banque de France* remains a key instrument of our colleagues' work in macroeconomics. The *Kellen Foundation* has provided crucial support for the activities of our junior members and has helped deepen our collaboration with colleagues at *Columbia University*.

FOUNDATION

We also greatly benefited this year from the presence of the *Centre for Economic Policy Research* (CEPR) in Sciences Po and the organization of our flagship Winter Symposium.

This annual review is also an opportunity to **celebrate our Master's and PhD students who graduated this year**. A team of four talented Master's students represented Sciences Po in the finals of the *Econometric Game*, a remarkable accomplishment. Our PhDs continue to be placed in leading international universities.

This has also been a year of deep sadness, as **we lost our dear friend and colleague Ghazala Azmat**. She was an exceptional researcher, whose work spanned labour, gender, and organizational economics. The event in her honour, held in December 2025, paid tribute to her many contributions.

She was also a wonderful colleague and friend. Her passing comes only a short time after the loss of Philippe Martin. Any department would have been shaken by the loss of such key members. I truly believe that it is the department's unique collegiality and caring atmosphere that helped us through these dark moments, and that continues to make this department such a special place.

Ecofin to Department

Economics is a core discipline at Sciences Po since its founding, taught with an emphasis on applied knowledge and policy-making.

In the 2000s, Sciences Po's educational project underwent a profound transformation with its ambition to become a world-class university.

This institutional ambition led to the creation of the Department of Economics in 2009 to develop and innovate fundamental research in economics at an international level so as to foster dialogue between the scientific community and the policy-makers.

2009 - 2013

Chair : Philippe Martin
18 faculty members

- Restructuring of undergraduate and graduate programmes in economics;
- Creation of joint Master of Economics and Public Policy with *Ecole Polytechnique* and ENSAE;
- Signature of the first institutional agreement (3 years) with the *Banque de France*;
- 8 ERC and FP7 Marie Curie projects, 4 ANR projects

2014 - 2018

Chair : Jean-Marc Robin
29 faculty members

- Department is awarded the CNRS denomination "Unité Mixte de Recherche" in 2016 - UMR 8259;
- Affiliation to the *Association pour le développement de la recherche en économie et en statistiques* (ADRES), a CNRS Research Group;
- Signature of the second institutional agreement (3 years) with the *Banque de France*;
- Host of the 20th Annual Conference of the *Society for Institutional and Organizational Economics* (SIOE);
- 3 ERC projects, 4 ANR projects

2019 - 2023

Chair : Thierry Mayer
35 faculty members

- Signature of the third institutional agreement (6 years) with the *Banque de France*;
- Signature of a partnership agreement between Sciences Po and the *Centre for Economic Policy Research* (CEPR) October 1st, 2021 - two thirds of the Department's faculty members are CEPR affiliates;
- Host of the 2019 European Restud Tour;
- Host of the 71st Congress of the French Economic Association (AFSE);
- 8 ERC projects, 7 ANR projects

2024 - present

Chair : Emeric Henry
36 faculty members

- Host of the World Bank Group's 2024 *International Finance Corporation* (IFC) Annual Flagship Conference;
- Partner in 2024 (host in 2025) of the *Kiel-CEPR Conference on Geoeconomics*;
- 6 ANR projects (and 9 ongoing ERCs).

GROWTH

FACULTY HONOURS THIS YEAR

Jean-Marc Robin elected Second Vice-President. of the Econometric Society

On October 11th, 2024 the *Econometric Society* (ES) announced the election results of its Officers and Council.

Jean-Marc Robin was elected Second Vice-President. He will serve as of 2025 and presumably become First Vice-President in 2027. Jean-Marc, winner of the 2006 *Frisch Medal* (with co-author Fabien Postel Vinay), has been an ES Fellow since 2007 and he has also been elected to ES' Council twice (in 2009 and 2020).

Jean-Marc Robin will be the first faculty member of Sciences Po's Department of Economics to serve the society.

"The ES is one of the oldest international societies in economics. Indeed, looking at the list of past presidents is humbling." – Jean-Marc Robin

Jean-Marc Robin joined us in 2010 as Professor of Economics and served as Head from 2013 to 2018. Since 2019, he is a Senior Member of the *Institut universitaire de France* (IUF).

His research interests focus on microeconometrics, labour microeconomics and search and matching. He has been awarded two important ERC Advanced Grants, in 2010 and another, ongoing, in 2020 for his project "Bipartite Network Models for Marriage and Labour Markets" (MARNET).



Julia Cagé, winner of the EEA-Yrjö Jahnsson Prize

The *Yrjö Jahnsson Foundation* and the *European Economic Association* (EEA) awarded the 2025 edition of the Yrjö-Jahnsson Prize to Julia Cagé, and David Yanagizawa-Drott (University of Zurich) *ex aequo*. The co-laureates were distinguished for their "work on political economy and the media, based on deep historical research in France, the USA, and Africa".

The 2025 Award's Selection Committee highlighted the importance and the timeliness of the co-laureates' findings on the critical role of media and social media in shaping political beliefs and influencing political action "as well as the dangers posed by controlled media.", concluding "(t)heir findings underscore the importance of media independence for a healthy democracy".

Dubbed the "best European economist award", Julia Cagé, already the 2023 *Best Young French Economist laureate*, becomes the first economist from the Department to win the prestigious prize. The Department is only the third French university, alongside the *Toulouse School of Economics* (TSE) and the *Paris School of Economics* (PSE), to count a Yrjö-Jahnsson Laureate among its faculty members.

Julia Cagé joined the Department in 2014 and was Co-director of the "Evaluation of Democracy" Research Group at the *Laboratory for Interdisciplinary Evaluation of Public Policies* (LIEPP) from 2018 to 2023. She also leads the *Centre for Economic Policy Research* (CEPR) Research and Policy Network on "Media Plurality".

Julia Cagé's work focuses on media economics, political participation and electoral behaviour. In 2021 she was awarded an ERC Starting Grant for her ongoing 5-year project "Campaign Finance, Information and Influence: A Comprehensive Approach Using Individual-Level Data and Computer Science Tools" (PARTICIPATE) on the behaviour of small donors in Western Europe and North America, as well as on the lack of representativeness of candidates and elected officials. Her parallel research projects explore issues related to information in the digital age (the spread of disinformation on social media and online news) but also look at resolving them.



FACULTY HONOURS THIS YEAR

Axelle Ferrière, recipient of the CNRS Bronze Medal



The *Centre national de la recherche scientifique* (CNRS) awards a Bronze Medal every year to one economist - in 2025 it was awarded to Axelle Ferrière for her work on tax policy and redistribution which is helping to develop theoretical frameworks in economics, while at the same time providing concrete tools to guide public decision-making.

At the intersection of macroeconomics and public finance, Axelle's research uses cutting edge quantitative methods, i.e. computational models, to shed light on the redistributive effects of economic policies. *"I build economic models that make it possible to accurately evaluate the benefits - in terms of redistribution - and the costs - in terms of distortions of economic behaviour - that are associated with social welfare transfers and the taxes that finance them"*. These models are veritable laboratories for testing the impact of policies on a national scale: *"There are few reforms that benefit the entire population, so the role of the researcher is often to identify the winners and losers associated with a given policy"*.

She is particularly interested in the differentiated reactions of households to tax reforms, as well as 'ambiguity aversion' - the difficulty of making decisions in a context of uncertainty - which can amplify economic crises and have profound implications for stabilization policies.

"During recessions", she explains, *"it is common to propose an increase in government spending to stimulate economic activity. The ability of this spending to stimulate growth is known as the multiplier effect"*. Axelle has shown that this multiplier effect is stronger when the stimulus is financed by more progressive taxation. In the economic history of the United States in particular, stimulus packages financed by more progressive taxes have had a greater impact on growth.



Antoine Ferey was triply rewarded this year

In 2025, Antoine Ferey was the laureate of the Distinguished CESifo Affiliate Award, *Aix-Marseille School of Economics'* (AMSE) Carine Nourry Best Doctoral Dissertation Prize, and the *Association Française de Science Économique's* (AFSE) Edmond Malinvaud Prize.

CESifo distinguished Antoine for his paper *Redistribution and Unemployment Insurance* which studies interactions between redistribution and social insurance policies, more often treated as separate questions by academics and policymakers alike, in the context of unemployment insurance.

Both the AMSE and AFSE honoured Antoine for his article *Nonlinear Tax Systems with General Across-Income Heterogeneity* (joint with Ben Lockwood and Dmitry Taubinsky) based on his PhD thesis and published in the *American Economic Review* in 2024.

For the AFSE jury, the paper "... put(s) forward a comprehensive approach to quantifying optimal commodity and savings taxes by developing sufficient statistics that capture various sources of income heterogeneity, extending the standard Atkinson-Stiglitz framework, and providing practical guidance for policy design and empirical estimation."

The continued achievements of our faculty in a variety of fields showcases the Department's contributions to contemporary economics and fulfill our mission to bridge the gap between research and policy in these crucial times by confirming the depth of our scholarship.

The Department's permanent and affiliated faculty hold notably:

- 2 German research prizes (2022 *Leibniz Prize* and 2018 *Gossen Prize*);
- 2 European Economic Association prizes (2025 *EEA-Yrjö Prize*, 2016 *EEA Young Economist Award*);
- 6 French Best Young Economist prizes (and an additional 7, finalists);
- 3 CNRS Bronze Medals (2025, 2016, 2006) ;
- 3 AFSE Edmond Malinvaud Prizes (2025, 2021, 2019).

Additionally:

- 6 of our researchers are elected Fellows of the *Econometric Society*;
- Kevin H. O'Rourke is an Elected Member of the *Royal Irish Academy*, Elected Fellow of the *British Academy* and of the *Academy of Social Sciences*;
- Jean-Marc Robin was awarded the 2022 *Prix de la Revue économique* in recognition of his major contributions to economics.

OUR LATEST PROJECTS



Projects at a glance

9 European Research Council (ERC) projects ongoing this year

Since the creation of the Department's 19 of our researchers have received funding through the ERC. The Department accounts for 30% of the total number of ERC SHS-1 projects awarded to French research institutions. Given our modest size, our ratio of ERC projects to researchers (1 : 4) is unparalleled in France and Europe.

8 ANR projects **5** SAB projects **6** Exploratory research with external funding

2024-2025 was a banner year for national and institutional support of the Department's research. Sciences Po's Scientific Advisory Board awarded 3 out of 12 seed grants to projects proposed by the Department (Julia Cagé, Suzanna Khalifa, and Thierry Mayer) as well as to one in which our Bruno Latour Postdoctoral Fellow (Oda Nedregard) is participating. And the Agence nationale de la recherche (ANR) awarded our researchers funding for six new projects.

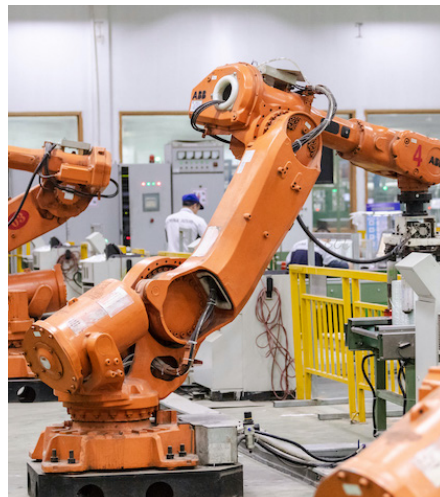
New ANR projects in 2024-2025



COMPLEX DECISION MAKING (CDM)

Grantee: Junnan He

Decision-making is influenced by preference and complexity which are both rooted in the differentiation the individual or organisation perceives among choice alternatives. Understanding the role of this differentiation in shaping decisions is crucial for both personal and organizational decision-making processes. With this ANR Young Researcher (JCJC) project, Junnan would like to develop a decision theory model for measuring preference and decision complexity among differentiated alternatives.



WHAT MAKES FIRMS GROW BIG? FIRM SIZE AND LABOR MARKET FRICTIONS (FIRMSIZE)

Grantee: Kerstin Holzheu

In labour economics, significant attention has focused on labour market frictions affecting the matching of workers and firms. These frictions impose costs on workers and firms (prolonged unemployment duration for workers or missed business opportunities for firms). While it's widely recognized that these frictions can negatively impact average firm sizes and overall productivity in the economy, their quantitative effects have often been deemed relatively modest. With this ANR Young Researcher (JCJC) project she would like to explore the interaction between labour market frictions and other frictions (e.g. financial frictions) that hold back firms and workers in different economic settings.



PRESERVING AFRICA'S FORESTS ALONGSIDE ECONOMIC DEVELOPMENT (AfrForDev)

Partner: Clément Imbert

This ANR Collaborative Research Project (PRC) tackles the thorny question of whether growth in Africa (population, structural change) must necessarily come at the cost of devastating deforestation.

Clément will be specifically working on the question of the impact of rural-to-urban migration on deforestation in Africa over the last two decades. This will help us to understand when structural change will likely worsen deforestation, and when it may reduce it, providing a framing structure for the overall project.

OUR LATEST PROJECTS

STATE CAPACITY AND DIGITIZATION IN AFRICA (AFREGOV)

Grantee : Justine Knebelmann

With this ANR Young Researcher Grant (JCJC) Justine aims to investigate the potential of digitalization to strengthen government capacity in low-income countries, both on the taxation and service delivery sides. She will work with two government partners in Senegal and rely on unique at-scale randomized experiments. Digitalization can have transformative effects on the work of administrations, but research is needed to document its impacts for governments and citizens.

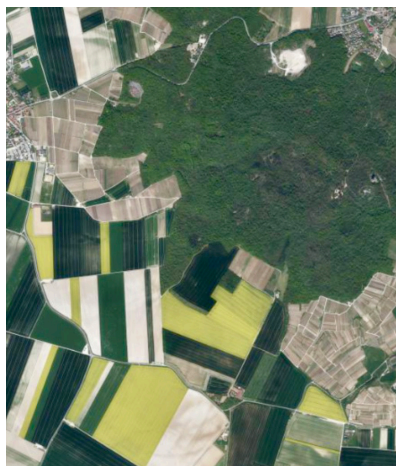


LAND USE AND CARBON EMISSIONS (LUCE)

Grantees : Nicolas Cœurdacier, Emeric Henry

Land use and the distribution of economic activity are key determinants of a territory's GHG emissions.

This ANR Collaborative Research Project (PRC) studies the historical evolution of land-use and carbon emissions in France since 1840, analyzing the policy tools that can be used at different stages of development to reduce emissions. The design of these policies is of crucial importance for global emissions as many emerging countries are expected to witness rapid urbanization in the future.

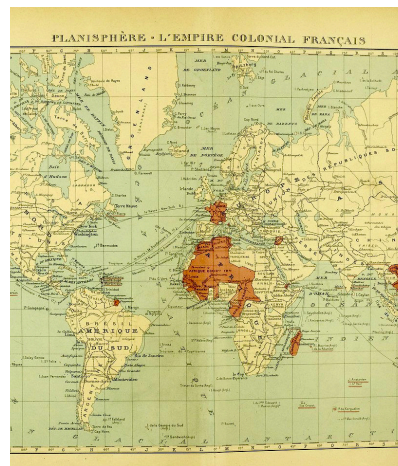


TRADE, PROTECTION, AND DEVELOPMENT IN THE INTERWAR EMPIRE (TPADIE)

Grantee : Kevin H. O'Rourke

This ANR Collaborative Research Project (PRC) will explore the relationships between trade, trade policies, other government policies, and economic development in the interwar French, Dutch, and Japanese empires.

It will also study the nature and implications of changing trade policy in China at this time, as an example of an underdeveloped country which, while formally independent, faced severe outside constraints on its ability to choose its own trade policy before it regained tariff autonomy in 1929.



**Completed
ERC projects
2024-2025**

Historical Migrations, Trade, and Growth (HMTG)

ERC Advanced Grant 2020 (Grant agreement ID: 884847)

Grantee : Thomas Chaney (Affiliated Professor)

Results (CORDIS): The project is going beyond the state of the art in several dimensions. It offers novel tools to collect, organize, and use novel sources of historical data, using state-of-the-art methods in machine learning and natural language processing. Moreover, it shows how to combine experimental, observational, and structural estimation techniques together to shed light on unconventional questions.

Housing, Finance, and the Macroeconomy, 1870-2015 (SAFEHOUSE)

ERC Consolidator Grant 2017 (Grant agreement ID: 772332)

Grantee : Moritz Schularick

Results (CORDIS): The project has advanced our understanding of long-run price trends in housing markets. It provided the important new result that returns on housing investment were not only high in the large cities, but equally high and sometimes even higher in smaller towns. The reason is that investors are compensated for additional risks that exists in more remote locations: markets are less liquid and shocks more frequent. This is an important new insights that challenges the way economists think about the attractiveness of investment locations.



European Research Council
Established by the European Commission

GROWING OUR COMMUNITY: NEW FACES

The Department welcomed two new senior faculty members.

Axelle Ferrière and Kevin Hjortshøj O'Rourke, CNRS Professors



Axelle Ferrière joined us as CNRS *chargée de recherche* and Associate Professor. Prior to that she was a Chaired Professor at the *Paris School of Economics* (PSE) and taught at the *European University Institute* (EUI). She is also a Research Affiliate at the *Centre for Economic Policy Research* (CEPR).

Her research primarily focuses on fiscal policy and redistribution, through the lens of heterogeneous-agent models. She is also interested in the quantitative effects of uncertainty. Her work has been published in journals such as *Review of Economic Studies*, *American Economic Journal : Macroeconomics* and *Journal of Monetary Economics*.

In June 2025 she was awarded the CNRS Bronze Medal which rewards excellent and impactful early work that helps establish a researcher as a specialist in their field.

Axelle holds a PhD in Economics from New York University's *Stern School of Business*, a Master in Economic Analysis and Policy from PSE and a Master in Quantitative Economics and Finance from *École Polytechnique* (X).



Kevin Hjortshøj O'Rourke joined us as CNRS *Directeur de recherche* and Professor. Prior to that he held faculty positions at New York University at Abu Dhabi and at Oxford where he was the Chichele Professor of Economic History and a Fellow of All Souls College. He is also a Research Fellow at the *Centre for Economic Policy Research* (CEPR).

His research lies at the intersection of economic history and international economics. In particular, he has done a lot of work on the history of globalization and deglobalization, and is still working on these themes.

Globalization and History (co-authored with Jeffrey G. Williamson) won the 1999 *American Association of Publishers/PSP Award* for the best scholarly book in economics. **Power and Plenty: Trade, War and the World Economy in the Second Millennium**, co-authored with Ronald Findlay, was published by *Princeton University Press* in 2007; **The Cambridge Economic History of Modern Europe** (co-edited with Steve Broadberry) was published in 2010; **The Spread of Modern Industry to the Periphery since 1870** (co-edited with Jeffrey G. Williamson) was published by *Oxford University Press* in 2017; and **Une brève histoire du Brexit** was published by *Odile Jacob* in 2018. A revised version, **A Short History of Brexit**, was subsequently published by *Penguin* in 2019.



The *Centre national de la recherche scientifique* (CNRS) is a public organisation under the responsibility of the French Ministry of Education and Research .

The Department of Economics became a CNRS UMR in 2016. This status is not only a mark of recognition in the world of research, but has provided the Department with important resources to fulfill its mission including through the recruitment of top-level scientists such as Axelle Ferrière and Kevin H. O'Rourke.

This year's faculty, a snapshot :

36 Permanent faculty

6 CNRS **6** IUF **1** ANR Junior Chair **1** Kiel Institute Fellow

41% Gender ratio (66% for junior faculty; 23% for senior faculty)

36% Internationalization ratio (58% for junior faculty; 29% for senior faculty)

11 Affiliated faculty

3 Postdoctoral Researchers

7 Teaching Fellows (ATERS)

GROWING OUR COMMUNITY: NEW FACES

The Department welcomed two new junior faculty members.

Suzanna Khalifa and Justine Knebelmann, tenure track assistant professors



Suzanna Khalifa joined us in the Fall as an Assistant Professor (tenure track). Prior to joining Sciences Po, she was a Postdoctoral Fellow at Princeton University. She is also an Invited Researcher at *Abdul Latif Jameel Poverty Action Lab (J-PAL)*.

Her research focuses on labour and development economics, in particular the status of women and the level of economic development. She is interested in various forms of violence against women in developing countries, such as domestic violence, excision practices, and the marriage market.

In 2025 her different research projects were awarded seven grants, including a grant from the *Humanitarian Protection Initiative Funding*, from the *International Growth Centre (IGC)* and the Sciences Po Scientific Advisory Board (SAB).

Suzanna Khalifa holds a PhD in Economics from the *Aix-Marseille School of Economics (AMSE)* as well as a MSc in Economics.



Justine Knebelmann joined us in the Fall as an Assistant Professor (tenure track). Prior to joining Sciences Po, she was a 3-year Postdoctoral Associate at the *Massachusetts Institute of Technology (MIT)* and the *Abdul Latif Jameel Poverty Lab (J-PAL)*. She is an Invited Researcher at J-PAL today and an Associate at the *Institute for Fiscal Studies (IFS)*.

Her research fields are Development and Public Economics, and her work is mostly centred around state capacity in developing countries. She notably works on tax policies and land issues and has been working with tax administrations in Sub-Saharan Africa since 2015.

In July 2025 the *Agence nationale de la recherche (ANR)* announced that it was awarding her a grant in the framework of its young researcher programme for her project *State Capacity and Digitization in Africa (AFREGOV)*.

Justine Knebelmann holds a PhD in Economics from the *Paris School of Economics (PSE)*. She is also a graduate in Economics from the *Ecole Normale Supérieure de Lyon (ENS Lyon)*.

2024-2025 Visitors

In addition to our guest seminar speakers and short visits, the Department welcomed 20 visitors for three weeks or more this year.

Visiting Faculty :

Felipe Saffie (University of Virginia, Darden School of Business)

Makoto Nirei (University of Tokyo)

Thomas Bourveau (Columbia Business School)

Ernesto Savaglio (University of Chieti-Pescara)

David Thesmar (MIT Sloan School of Management)

Jean-Édouard Colliard (HEC Paris)

Valerio della Corte (Banca d'Italia)

Noémie Pinardon (Columbia University)

Sebastian Dyrda (University of Toronto)

Xavier Gabaix (Harvard University)

Visiting Postdocs :

François-Xavier Ladant (Northwestern University, Postdoc)

Yuchen Huang (Paris School of Economics)

Victor Augias (University of Bonn)

Muxin Li (Postdoc, IGIER - CIVICA)

Visiting PhD :

Gregory Dannay (European University Institute)

Jack Li (MIT Sloan)

Laura Nicolae (Harvard University)

Thibault Ingrand (Stanford)

Gina Markov (Columbia)

Clotaire Boyer (UC Berkeley)

NURTURING COMMUNITY: SPECIAL EVENTS

CEPR PARIS SYMPOSIUM: An international tribute to Philippe Martin



Philippe Martin is sorely missed both by the profession and by the many colleagues whom he inspired and supported. Economists and high-level policymakers from around the world gathered at Sciences Po on December 12th, 2024 to pay tribute to Philippe's remarkable contribution to economics.

After opening remarks and a heartfelt tribute by Sciences Po's President Luis Vassy and the CEPR's President Beatrice Weder di Mauro, the day's events unfolded reflecting the three fundamental dimensions of Philippe Martin's career – research, teaching, and policy advising.

- Two research sessions focused primarily on the CEPR Programme Areas in which Philippe Martin was involved;

Guest speakers included Gianmarco Ottaviano, Florent Mayneris, Isabelle Mejean, Giancarlo Corsetti, Francesco Pappadá, and Lynda S. Goldberg.

- Presentation of the first *Sciences Po-CEPR Philippe Martin Award* to a junior researcher in international trade, economic geography, or international macro/finance – as well as the *CAE & Crédit Mutuel Philippe Martin Award for the Best PhD Thesis in Economics*;

The first *Sciences Po-CEPR Philippe Martin Award* laureate was Xiang Ding, Assistant Professor of Economics at Georgetown University for his paper "Capital Services in Global Value Chains". The *Conseil d'Analyse Économique & Crédit Mutuel Philippe Martin Prize* for the best doctoral thesis in economics, was awarded to Anaïs Fabre from TSE. An honourable mention was awarded to Gustave Kenedi from Sciences Po.

- A panel discussion on global economics, geopolitics, and the role of Europe – a theme reflecting Philippe Martin's involvement on the CEPR's Geoeconomics Research and Policy Network

The panel was chaired by Maurice Obstfeld as four invited panel members engaged in a lively debate on the future European economic policy - Arancha González, Pierre-Olivier Gourinchas, Sergei Guriev, and Richard Portes.

Philippe Martin was an outstanding economist. He had an amazing range of talents, spanning from producing influential research to providing practical advice to policy leaders, and inspiring students along the way.



Georgetown University : Networks in Economic Models

Recent years have brought an expansion of the study of social network effects, with the expanded availability of data coupled with advances in theoretical and empirical modeling of these effects. These developments highlight the role of networks in influencing important aspects of individual behaviour and inform a growing appreciation that behaviour frequently targeted by policy can be greatly affected by the behavior of their friends and associates.

On November 15th, 2024 we hosted a conference organised in conjunction with the *Georgetown University Global Economic Challenges Network*, in person and online. Jean-Marc Robin and Francis G. Vella were scientific organisers.

Guest speakers included: Matt Jackson (Stanford), Julien Grenet (CNRS, PSE, IPP), Emeric Henry and Jean-Marc Robin (Sciences Po)

Chairs :

Jeanne Hagenbach (SciencesPo) and Margherita Comola (University Paris-Saclay)

The conference featured some recent innovations in the social networks' literature presented by experts in this area. In addition to discussing some issues related to the estimation of econometric models in the possible presence of network effects, the conference featured several empirical investigations of social and economic issues important to social well-being.

NURTURING COMMUNITY: SPECIAL EVENTS



4th Junior Spatial Economics Workshop

The Department hosted the first European edition of this workshop which brings together a small group of junior researchers to discuss topics in spatial and urban economics broadly defined in an informal setting. Previous editions were hosted by the University of Chicago and Princeton so we were particularly motivated to connect scholars working on different sides of the Atlantic.

Nine papers selected by the Scientific Committee - Bruno Conte (UPF), Amrita Kulka (Warwick), Ana Moreno-Maldonado (Mannheim), Niclas Moneke (Oxford), Marta Santamaria (Warwick and CEPR) - were presented on December 19th & 20th at Sciences Po, with the invaluable assistance of the Organising Committee, the CEPR, and financial support of the Banque de France and the European Research Council.



Clara Santamaria was one of the workshop's key organisers along with Jan David Bakker (Bocconi). She joined us from the Universidad Carlos III de Madrid in 2022 as Assistant Professor. She is also a Research Affiliate at the Centre for Economic Policy Research (CEPR).

Her research interests span spatial economics, macro, and labour. Combining structural models with reduced-form evidence, Clara Santamaria's research focuses on the role of spatial frictions in shaping different dimensions of inequality such as labour income, access to amenities, and gender disparities.

Transatlantic Kellen Conference Series : Summer Workshop in Urban Economics

Inaugurated in 2023, the Transatlantic Kellen Conference Series aims to promote constructive collaboration and engagement in transatlantic discussion on economic affairs, highlighting the central role of strong transatlantic relations in meeting global challenges and navigating the vast economic challenges that define the contemporary moment.

The Series brings together a network of transatlantic leaders in thought, policy and business and is piloted by Sciences Po and Columbia University, with the support of the the Anna-Maria and Stephen Kellen Foundation.

After conferences on firm adaptation and environmental economics, the 3rd conference in the series was held at the Department on June 23rd, and offered in the framework of our traditional Summer Workshops in Economics. It focussed in urban economics with three guest speakers from Columbia: Don Davis, Tommaso Porzio, and Kristina Manyseva. Clare Balbioni (LSE) and Pierre-Philippe Combes (SciencesPo) were also invited guest speakers.



Isabelle Mejean directs for Sciences Po the Transatlantic Kellen Conference Programme and, with Clara Santamaria, was one of the scientific organisers of the workshop. She joined us in 2021 as Full Professor. She is also a CEPR Research Fellow and Director of the International Trade and Regional Economics programme, a Scientific Advisor at CEPII and a Fellow of the CESifo Research Network.

Her research interests span international macroeconomics and international trade. She is particularly interested in the structure of firm-to-firm trade networks and its consequences for various aggregate outcomes, for which she has been awarded the AFSE-Malinvaud Prize in 2016, an ERC Starting Grant in 2017, and the 2020 Best Young French Economist Award.

NURTURING COMMUNITY: OUR PARTNERSHIPS

Jean-Stéphane Mésonnier looks back on his stay at the Department



Under the Banque de France and Sciences Po partnership agreement, we welcome researchers from the Banque de France for periods of two or three years, during which they conduct their research and teach like other members of the department. The Department previously welcomed Jean Barthélemy and Magali Marx.

In September 2025 Jean-Stéphane Mésonnier returned to the Banque de France after spending 4 years with us.

Before leaving we asked Jean-Stéphane to share his thoughts in a short interview.

What research goals did he achieve at Sciences Po? How will this enrich his role at the Banque de France? How is our partnership with the Banque de France, profitable to both institutions and to economic research in general?

J.-S. M. - I am a senior central bank economist with research interests in monetary economics and finance. I joined Sciences Po's economics department as an invited professor in the Fall of 2021, on secondment from the Banque de France. On the administrative side, this move was made possible and even encouraged by the longstanding partnership between the two institutions. After 16 years of managing teams of economists and researchers at the central bank, with only a limited share of my time available for research activities, this was for me a unique opportunity to devote more time to research while benefiting from a high-profile academic environment, but also to develop my teaching skills and learn about academic life in general.

I enjoyed this experience very much, so much so that I extended my initial stay at Sciences Po by one year to four years in total. Now back at the Bank in a senior researcher position, I am still very grateful for the warm welcome I received when arriving at the Department and all the friendly and fruitful interactions I enjoyed over the years.

The time spent at Sciences Po's Econ Department proved very productive.

- First, I could finish and publish three longstanding papers into top-field journals in economics and finance, including one co-authored with a colleague in the Department, and launch a few new projects.
- Second, I created new courses that met a high demand from students and which I now teach as an adjunct professor: an undergraduate introductory course in Finance, and a graduate course in sustainable finance which I taught with variants in two different master tracks.

Last, I launched with colleagues a new series of yearly workshops in sustainable finance, which is currently my main research field. The call for papers for the fifth edition will be launched soon: stay tuned!

In 2026, the Department will welcome Julia Schmidt as an affiliate faculty member and coordinator of the programme for the Banque de France. Paul Bouscasse and Nicolas Coeurdacier will be relaying Stéohane Guibaud as co-coordinators of the programme for the Department.



Julia Schmidt is Head of section at the bank's Macroeconomics Division. She has been working as a research economist at the Banque de France since September 2013.

Her research concerns international macroeconomics and trade, as well as questions pertaining to productivity and innovation. Julia received her PhD in 2013 from the Graduate Institute (IHEID) in Geneva.



Our partnership with the Banque de France was first signed in January 2012 and it has been renewed three times since then, in 2015, in 2018, and in 2021 it was renewed for 6 years.

It has enabled us to recruit faculty, to welcome stellar visiting professors and researchers, to develop our research and to initiate innovate teaching projects in economics. It facilitates exchanges between researchers and practitioners looking to develop an efficient global regulatory system.

RESEARCH THIS YEAR AT A GLANCE

Between May 2024 and August 2025, 25 articles were published in international peer-reviewed journals, including the *American Economic Review* (4), the *Journal of International Economics* (3), the *Review of Economic Studies* (2), the *Review of Economics and Statistics* (2), the *Quarterly Journal of Economics* (1), the *Journal of Economic Theory* (1).

Specialised journals included *Management Science* (1), the *Journal of Finance* (1), the *Journal of Development Economics* (2), and the *American Economic Journals* in Economic Policy and Microeconomics (2).

In 2024-2025, the Department added a new seminar series in macroeconomics.

We now organise 10 seminar series: 6 'in-house' seminar series and 4 other series are co-organised with top research centres in Paris (PSE, ENSAE, CREST).

In addition to publications, our researchers regularly disseminate their early work:

- Our researchers also regularly disseminate early work in well-known collections of working papers with international reach (CEPR, IZA, NBER...)
- The Department curates its own collection: **the Sciences Po Economics Discussion Papers: 15 papers were added this year.**

The collection appears on our institutional repository HAL-SPIRE to make our early research available to fellow economists, scholars and institutions all over the world. The work of our PhD candidates and postdoctoral researchers are also showcased.

Our increasingly popular annual, 3-day Summer Workshops in Economics included this year :

- two 'classic' workshops in macro (15th edition!) and labour economics;
- three other workshops in microeconomic theory (2nd edition, related to Eduardo Perez's ERC), in sustainable finance (4th edition, in partnership with the Banque de France), and in urban economics (Kellen Conference series).

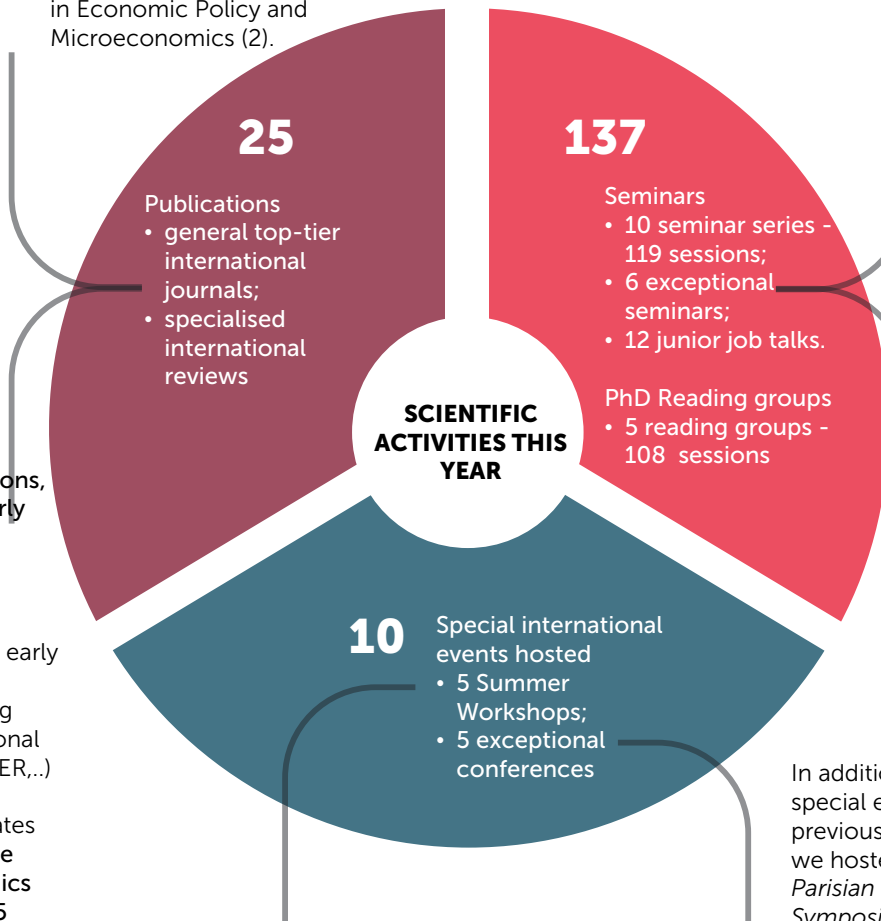
Speakers typically spend the day with us to meet 1-on-1 with faculty and students: **this gave us the opportunity to host over 115 guests this year from universities all over the world.**

Our graduate students were invited to join at least one reading group - Theory and Behavioural; Trade / IO; Labour / Public; Macro; Political Economy and Development.

216 hours (48 mandatory) were organised in 2024-2025.

In addition to the special events previously mentioned, we hosted the *2nd Parisian Behavioral Symposium* (J. Hagenbach) and a webinar dedicated to the consequences of teleworking (P. Cahuc).

The Department was also very much present at the *2024 CEPR Paris Symposium* and the *3rd Kiel-CEPR Conference on Geoeconomics* in Berlin, as well as at conferences organised at Sciences Po.



TRADE WARS

How economic history speaks to contemporary challenges to globalization, with Kevin H. O'Rourke



April 2, 2025 marked a brutal rupture with ninety years of American foreign economic policy that have shaped the world we live in. The symbolism was stark. By awarding each trading partner its own “reciprocal” tariff, the government of the United States was tearing up the central foundational principle of the GATT and its successor organization, the WTO, namely the principle of non-discrimination enshrined in Article 1 of the GATT. Since it was the United States itself that had been the great promoter of non-discrimination in trade – a position it had held since the 1930s – the events of April 2 marked the end of an era.

In this context, it makes sense to look at how international trade functioned in an era when discriminatory trade policy was rife. The 1930s was one such period, and it was to a large extent the experience of that decade that prompted the postwar move to the international rules-based system that seems now to have expired. During the last few years, my research has focussed on quantifying the extent of discriminatory trade policy, and its impact on trade flows, in the major economies of the period. In particular, I have focussed on the impact of discriminatory trade policies which sought to create imperial trade blocs – a phenomenon thought at the time to have had dangerous implications for international relations more generally.

Previous research in the 1990s had looked at the impact of imperial trade blocs using crude aggregate data – aggregate trade data and empire dummy variables—and pre-structural gravity techniques. It tended to downplay the impact of discriminatory trade policies. In contrast, my research uses commodity-level data on trade and trade policies and modern structural gravity techniques. De Bromhead et al. (2019) showed between two-thirds

and three-quarters of the UK’s shift to imports from the British empire can be attributed to discriminatory trade policy; Arthi et al. (2024) showed that even though Indian protection lowered aggregate imports, pro-British discrimination meant that UK exports to India actually rose. Lampe et al. (2025) find that discriminatory trade policy in Canada, which had been in place since the late 19th century, substantially lowered imports from the US.

In my new ANR project (Trade, protection, and development in the interwar empires, joint with ENS Lyon) this analysis will be



extended to several non-British empires. There will be a paper on trade policy in the Netherlands and Dutch East Indies (today’s Indonesia): while the Dutch have a reputation for being relatively liberal during this period, it is unclear that this reputation is merited. And while Dutch tariffs were non-discriminatory, there were a range of non-tariff barriers which did discriminate between trade partners, and whose impacts have to be assessed. We will also analyse whether intra-empire trade discrimination benefitted more Dutch exports to their colonies, or colonial exports to the Netherlands. There will also be a paper on Japan, which again had a non-discriminatory tariff system, but which did not impose tariffs on its colonies in Korea and Taiwan. And we plan to analyse the impacts of trade policy in France and French Indochina. Finally, in separate work I am studying the impact of protectionism and exchange controls in Argentina.

Ultimately the aim will be to write a book on the experience of the period. While our research is focussing on the trade impact of protection, there is of course a broader geopolitical context to consider. Trade economists point out that high elasticities of substitution can mitigate the welfare effects of protection. But those same high elasticities can imply major reallocations of trade flows across trade partners, with the potential for severe political consequences.

TRADE WARS

Revitalizing geoeconomics with Moritz Schularick



Faculty member and President of the *Kiel Institute for the World Economy*, Moritz Schularick strives to provide new and innovative perspectives on central questions facing society. Geoeconomics has emerged as a way of seeing the world economy that differs from the “efficiency-first” assumptions of late-20th-century globalization.

It asks how states and firms behave when trade, finance, technology and supply chains are not just channels of mutual gain, but also instruments of leverage, resilience, and political coercion. In this framing, economic integration is no longer a purely technocratic design problem; it becomes a strategic landscape shaped by sanctions, export controls, industrial policy, energy security, and the politics of interdependence.

Geoeconomics offers economists a fresh set of lenses: it treats trade ties, cross-border finance, technology, and supply chains not only as efficiency-enhancing networks, but also as strategic assets that can be insulated, weaponized, or deliberately rerouted. In the academic year 2024–2025, this perspective gained real traction in European research and policy debate, notably through the *Kiel-CEPR Conference on Geoeconomics* series, which the Department first partnered in 2024 and hosted in 2025. Isabelle Mejean and Thierry Mayer have also pushed the field to quantify fragmentation, exposure, and vulnerability to coercion (see *insert*).

Within that broader turn, Moritz Schularick’s contributions stand out for bringing macro-finance and economic history directly into geoeconomics—especially on war, sanctions, and the decisive role of financial resources. A cornerstone is his work on the economic toll of war. In “The Price of War” (accepted for publication in the *American Economic Review*), Schularick and coauthors assemble a long-run dataset spanning roughly 150 years and more than 60 countries to measure how wars reshape output, prices, productivity, capital, and asset returns— and to show that the fallout extends beyond the battlefield through spillovers in an integrated world economy. His sanctions research complements this by tracing how interdependence becomes coercion.

In “Economic Insecurity: Trade Dependencies and Their Weaponization in History,” Moritz Schularick and co-authors including Kevin H. O’Rourke, study the economic costs of trade and financial sanctions from 1920 to the present and build a continuous measure of sanction intensity based on granular trade flows—an approach designed to move debates from “do sanctions work?” to which sanctions, at what scale, under what exposure? Finally, Schularick’s work on war outcomes makes the link between finance and victory explicit. His co-authored paper “Who wins wars?” asks whether “deeper pockets” help win interstate conflicts, using a dataset of 700+ disputes and exogenous resource-price windfalls to identify the causal effect of financial gains on winning chances.

Does trade integration always help diplomacy?

Isabelle Mejean, Thierry Mayer, and co-author Mathias Koenig’s recent work was featured in Sciences Po’s biannual research magazine published in June 2025.



The authors develop a quantitative model describing a diplomatic game between two economies whose relations are strained by a trade dispute. The model, presented in their working paper *The Fragmentation Paradox: De-risking Trade and Global Safety* (CEPR WP n° 2025-23) evaluates the various costs associated with the probability that such a dispute will or will not degenerate into conflict.

Donald Trump's tariffs 2.0 on cars with Thierry Mayer



Thierry Mayer has worked on the impact of trade agreement disruptions on the global automotive industry for almost a decade now. Donald Trump’s ‘Liberation Day’ in 2025 shone historical light on this relationship.

Thierry, and co-authors Vincent Vicard and Pauline Wibaux, penned a column for the CEPR in February to explain how Trump tariffs (2.0) will reshape the car industry.

To evaluate the potential impact of Trump’s tariffs, Thierry used a quantitative model of production and entry decisions by multinational companies in the global automobile sector - a model he developed with Keith Head in a 2019 *American Economic Review* paper “Brands in Motion: How Frictions Shape Multinational Production”.

Table 2 : Impact of Trump tariffs on car production, by firm

	Share of US sales produced (%) in				Change (thousands vehicles)	
	Canada-Mexico	EU	USA	Rest of the world	unilateral	retaliation
Volkswagen	40	39	21	0	-152	-124
Stellantis	37	6	57	0	-90	-144
Honda	35	0	65	0	-62	-39
Ford	33	0	67	0	-23	-232
Geely	0	86	8	7	-18	-7
Mercedes-Benz	6	52	36	6	-17	-35
Tata	0	100	0	0	-16	-8
BMW	9	43	47	0	-11	-58
Toyota	22	0	53	25	41	116
General Motors	22	0	56	22	42	29
Subaru	0	0	52	48	76	93
Tesla	0	0	100	0	81	32
Hyundai	8	1	41	50	149	253

Source : authors’ computation

With the caveat that quantifying Trump tariffs 2.0 on cars is evolutionary depending on what measures are actually imposed, their simulations confirmed that “high tariffs on imports from Canada and Mexico would have dramatic impacts on automobile production for those two countries. For the EU, the threat of additional duties would have a more limited impact on production.”

THE VALUE OF BELIEFS

Jeanne Hagenbach's ERC project MOREV studies the formation of motivated beliefs. She discusses an experiment on the formation of beliefs about others.



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Jeanne Hagenbach is a CNRS Director of Research and member of the Department since 2018. She is also a Research Fellow at CEPR and WZB, and an Affiliated Fellow of the CESifo Research Network. She works in the fields of microeconomic theory, experimental and behavioural economics. She was awarded the 2016 CNRS Bronze Medal and in 2020, the ERC Starting Grant (agreement ID: 850996) for her project.

The instrumental vs. intrinsic value of beliefs

When acting in uncertain environments, individuals often seek to form beliefs about the unknown and act as a function of these beliefs. Accordingly, economists have traditionally viewed the value of beliefs as purely instrumental: beliefs serve as tools for taking optimal actions but do not have value per se. In contrast, the literature on psychological game theory (Geanakoplos, Pearce, and Stacchetti, 1989) as well as a large body of work in psychology posits that beliefs have an intrinsic value, in that they directly affect agents' well-being. For example, individuals may directly derive utility from believing that they are more intelligent or healthier than others, even if these partially inaccurate beliefs lead them to take suboptimal actions. Individuals may also intrinsically prefer not to form accurate views about the functioning of slaughterhouses or about the effects of their consumption choices on biodiversity.

The concept of motivated beliefs

Over the past decade, a growing literature in economics has developed around the concept of motivated beliefs, that is, beliefs that serve personal objectives more complex than the mere goal of accuracy. This theoretical and experimental literature has shown that individuals place substantial value on maintaining a positive self-image, which in turn affects how they process and respond to information (Benabou 2015).

It has also identified several channels through which agents reach and sustain favored beliefs: biased reasoning (Eil and Rao, 2011; Hagenbach and Saucet, 2025), selective forgetting (Zimmerman, 2020), and deliberate information avoidance (Golman, Hagmann, and Loewenstein, 2017), among others. The *European Research Council* Starting Grant project "Motivated Reading of Evidence" (MOREV) by Jeanne Hagenbach falls within this field of research.

Are beliefs about others also motivated?

One of the project's objectives is to show that individuals not only form optimistic beliefs about ego-relevant characteristics, but also develop motivated beliefs about the characteristics of others. In "Competition, Cooperation, and Social Perceptions" (*Economic Journal*, 2025), Jeanne Hagenbach and Rachel Kranton experimentally study whether individuals perceive a given person differently depending on whether that person is presented as a competitor or as a co-worker. The experimental design consists of three parts. First, each subject answers a simple four-item questionnaire. Second, subjects are randomly matched with a counterpart and informed about the nature of the subsequent interaction with this counterpart: either a competition to earn bonus money or a cooperative task in which both participants will work together to earn bonus money. After learning about the upcoming interaction, subjects observe their counterpart's responses to the four-item questionnaire. Subjects then interact as announced. Finally, before receiving any information about bonuses, subjects are asked to report how they socially perceive their counterpart. Specifically, they are asked to state the number of questionnaire answers they have in common with their counterpart.

Social perceptions under competition and cooperation

The main finding is that subjects who compete with their counterparts for pay report fewer shared traits than subjects who cooperate with their counterparts. This treatment effect arises despite the fact that the novel measure of perceived commonality provides monetary incentives for accurate reporting. The results demonstrate that social perceptions can be motivated and, more broadly, that social perceptions are malleable to economic and strategic contexts. Competition, in particular, prevents individuals from recognizing what they have in common.

“ Cite

Jeanne Hagenbach, Rachel Kranton, **Competition, Cooperation and Social Perceptions**, *The Economic Journal*, Volume 135, Issue 672, November 2025, Pages 2531–2548

METHODS FOR CREDIBLE POLICY EVALUATION

Clément de Chaisemartin's ERC project REALLYCREDIBLE seeks to provide new "tools" in order to conduct credible impact evaluations.



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estimate a TWFER, and only two of those papers do so in a canonical design.

A tool outrun by reality's complexity

Unfortunately, in a paper with my co-author Xavier D'Haultfoeuille, we have shown that outside of the canonical design, for the TWFER to reliably estimate the policy's effect, PTA needs to hold, but the policy's effect also needs to be constant, across units and over time. As this second assumption is most often implausible, the methodological literature has striven to propose so-called heterogeneity-robust DID estimators, that rely on the PTA assumption but remain valid if the policy's effect is heterogeneous. While prior literature had focused on a small departure from the canonical design, where treated units can receive the treatment at heterogeneous dates, REALLYCREDIBLE has proposed widely applicable heterogeneity-robust DID estimators, that can be used with non-binary and or/non-absorbing policies.

Credibility on the horizon: mid-project outputs

With a team of 8 predoctoral students, from China, Colombia, France, Germany, Italy, Peru, and Senegal, we have produced 14 Stata, R, and Python packages since the start of the grant. Our flagship `did_multiplegt` packages have been downloaded 218 000 times in Stata and 98 000 times in R. The email address associated with the packages has received thousands of questions from more than 500 users, and we have solved more than 100 issues on Github. While our users are still mostly academics or economists working in the public sector, we have started receiving some questions from private-sector workers (see insert). A textbook, forthcoming in Princeton University Press and already downloaded 22 000 times from SSRN, summarizes recent advances, by our team and others, in the DID literature. These advances allow researchers to use DID to evaluate the effects of many legislative changes, transparently and within a time frame compatible with that of policy makers. This makes DID a central tool for public policy evaluations.

Economists working for the GAFAM are using the ERC Reallycredible team's software packages, and are massively adopting impact evaluation tools more generally. In an op-ed in French daily Le Monde, Clément de Chaisemartin and Xavier d'Haultfoeuille ask: Impact evaluation, for GAFAM or for citizens ?

Impact evaluation tools are often created by publicly funded researchers. Yet, these tools are underutilized by governments, who fund them, and massively adopted by private companies, e.g. the GAFAM. As innovation in impact evaluation shifts from universities to the GAFAM, the best tools will no longer be a "common good" available to all.

To counteract this in times of scarce public money, Clément and Xavier advocate for a shift in journals' publishing priorities: journals should give more weight to methods' applicability in their publication decisions, they should require researchers to propose software implementing their method, and developers of these software should systematically be co-authors of articles.



Clément de Chaisemartin joined the Department as Professor in 2021 after conducting research and teaching at the University of California, Santa Barbara. An econometrician, he specialises in public policy evaluation methods. He has taken part in impact assessments of public education policies in France and abroad. He is also an Affiliated Professor of the Abdul Latif Jameel Poverty Action Lab (J-PAL). He was awarded the ERC Consolidator Grant (agreement ID: 850996) for his project in 2022.

The goal of REALLYCREDIBLE is to provide applied researchers with « tools », namely estimators and their software implementation, that they can use to conduct credible impact evaluations.

A centuries-old tool for evaluating policy: differences in differences (DIDs)

Evaluating the impact of, say, a policy, requires reconstructing the counterfactual outcome that beneficiaries would have had if they had not received the policy. Since the 1840s, differences in differences (DIDs) have been a commonly-used impact-evaluation method. A DID compares the average outcome evolution of treated and control units, before and after the treated start receiving the policy. This comparison relies on a parallel-trends assumption (PTA): without the policy treated and control units would have experienced the same outcome evolution. The plausibility of this assumption can be assessed, by checking if treated and control units were experiencing parallel trends prior to the policy.

With a binary policy variable such that all treated units receive the treatment at the same date and remain treated afterwards, hereafter referred to as the canonical design, the DID estimator can be computed using a so-called two-way fixed effects regression (TWFER). Due to this equivalence, researchers have started estimating TWFERs with non-binary, non-absorbing policies, where treated units start receiving the treatment at different dates, hoping that there as well the TWFERs would give them a reliable estimator of the treatment's effect under the partly testable PTA. 26 of the 100 most cited papers published by the *American Economic Review* from 2015 to 2019

EARLY RESULTS

How labour frictions affect the ability of firms to expand and grow to size, with Kerstin Holzheu



Kerstin Holzheu is Assistant Professor at the Department since 2019 and is also a Research Fellow at IZA and the CESifo Research Network. Specialised in labour and business economics from the standpoint of applied macroeconomics, she is particularly interested in the question of workforce allocation - she studies how labour-market frictions and mobility constraints shape wage inequality, career dynamics, and productivity growth.



In the Fall of 2024, she was awarded a grant by the Agence nationale de la

recherche (ANR) for her project FIRMSIZE which builds on her recent work.

Kerstin has been focussing on four related themes: how differences in wage-setting schemes shape wage outcomes; how workers affect the firms they work for through knowledge diffusion; the benefits and costs of worker specialization; and how labour-market access—shaped in particular by commuting infrastructure—feeds into wage bargaining and wage inequality.

In joint work with Jean-Marc Robin "Wage Bargaining and Wage Posting Firms", they model the coexistence of wage posting and bargaining/offer-matching firms and develop an estimation approach that treats firms' wage-setting regime as latent. In "The Role of Workers in Knowledge Diffusion Across Firms", with Anders Åkerman, Kerstin studies how workers act as carriers of knowledge and how mobility can drive productivity growth through knowledge diffusion. In "The Option Value of Distance: Wages and Commuting in a Spatial Labor Market", with Elena Mattana, they examine how mobility restrictions can shape wages. Finally, in "The Two Faces of Worker Specialization" (with Zsófia Barany), they show that specialization is neither uniformly beneficial nor harmful: it raises productivity and reemployment wages, but lowers job-finding rates because suitable alternatives can be scarce and unevenly distributed.

These works have been particularly insightful. First, in her

project with Jean-Marc Robin, they find that labour market segmentation can raise wages relative to a fully integrated market, because wage-setting regimes reshape outside options and workers' bargaining positions in equilibrium.

Second, in her work with Anders Åkerman, they find that differences in workers' job-amenity valuations can generate productivity-enhancing knowledge flows: when workers sort on amenities as well as productivity, mobility patterns can redirect know-how across firms in ways that strengthen average productivity growth in the economy. Third, in her project with Elena Mattana on commuting and spatial labour markets, they find that differences in local job mobility can depress wages for workers who are locally tied to a place, because limited nearby opportunities weaken outside offers and reduce the option value of search. Finally, the worker-specialization results highlight that the productivity benefits of specialization can be reduced when the geography and distribution of jobs limit effective reallocation after shocks.

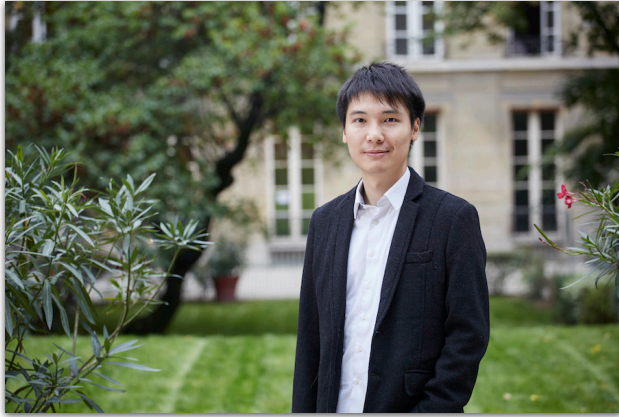
Taken together, these insights point to a broader theme that motivated her ANR project proposal: labour-market frictions do not only create direct costs such as longer unemployment or delayed hiring. They can also amplify other distortions by slowing firm growth, limiting learning, and reducing the efficiency of worker reallocation.

Her ANR project investigates whether labour-market frictions can be far more important for aggregate productivity once they account for their interactions with finance and urban agglomeration. In a first project, she studies how hiring frictions and financing constraints jointly shape firm size and productivity, combining theory with empirical evidence. In a second project, she examines how labour-market frictions interact with agglomeration economies to shape wage growth and job-ladder progression, using administrative data from France to quantify the roles of learning and mobility across firms and cities.

From a policy perspective, the overarching message is that reducing frictions in one domain may have amplified benefits when it unlocks progress in others—improving mobility and matching, supporting firm growth, and strengthening the diffusion of knowledge and opportunities across workers, firms, and places.

EARLY RESULTS

How bias and complexity affect decisions and inference with Junnan He



Junnán He is Assistant Professor at the Department since 2019. His research is in the field of econometrics and decision theory, focusing mainly on the selection of variables in economic models and random choice models.

anr His project "Complex Decision-Making" (CDM) was awarded a grant from the Agence nationale de la recherche in the Fall of 2024.

In many settings—consumer markets, policy choice, even everyday decisions—people sometimes choose almost “at random” between options that look meaningfully different. A standard interpretation is that preferences must be weak: if choice is noisy, perhaps the alternatives are close in value. Our ANR research project challenges this view. A central insight is that noisy choice can also arise because comparisons are hard—not because people are indifferent. When options differ along several attributes (price, quality, features, risk, sustainability, convenience...), tradeoffs can become complex and choices can look inconsistent even when stakes are high.

The project develops a new decision-theory framework that disentangles these two forces—preference and complexity—directly from choice data. The core contribution is a model of multi-attribute random choice that separates (i) vertical differentiation, capturing the direction of differences that makes most decision-makers agree (a “quality” or consensus component), from (ii) horizontal differentiation, capturing the direction of differences that tends to split decision-makers and make tradeoffs difficult (a “complexity” or disagreement component). This distinction matters because the same amount of “distance” between two options in attribute space can have opposite effects on choice predictability. If the distance is mostly vertical, choices become more decisive and agreement rises.



If the distance is mostly horizontal, choices become less decisive and choice probabilities drift toward 50–50—despite large objective differences.

This resolves a classic identification problem: observing a 50–50 split does not tell us whether two options are similarly valued or whether they trigger difficult tradeoffs. Our model offers a way to measure both.

In practical terms, it yields a quantitative index of choice complexity—a measure of how hard two alternatives are to compare—distinct from the utility gap that drives systematic preference. A key early finding is that complexity can vary dramatically across pairs of alternatives, even when the underlying incentives are comparable. In other words, two choices can offer similar “stakes” yet differ sharply in how cognitively and behaviorally demanding they are.

We already have empirical proof-of-concept results. First, using classic experimental comparison data from psychology, the model reproduces the observed choice patterns and assigns meaningful complexity rankings across comparisons: some pairs of alternatives emerge as far more “tradeoff-heavy” than others. Second, we demonstrate how the vertical/horizontal decomposition can be interpreted in an industrial organization (IO) setting. In demand analysis, “differentiation” and “substitutability” are central concepts for understanding competition, market power, and product positioning. Our approach refines these ideas by showing that observed substitution patterns mix two components: differences in perceived quality (vertical) and differences that generate heterogeneous tradeoffs (horizontal). This opens a new lens on competitive pressure—useful for thinking about product design, segmentation, and how consumers navigate increasingly complex choice sets.

Beyond the academic contribution, the project speaks to a broader challenge: many modern environments are defined by abundant options and multi-dimensional tradeoffs. Better measurement of complexity can help identify when decision-makers appear “random” not because they are disengaged, but because the choice architecture makes comparison difficult.

OUR GRADUATE PROGRAMMES

Word from Pierre-Philippe Combes, director of the Master and PhD in Economics



Our PhD programme

The 2024-2025 academic year was once again a fruitful one for the PhD students in the Economics programme, who are now permanently settled in two open-plan offices at the heart of the department and where they can access a soundproof booth for small group or online meetings. This setup fosters even more frequent and intensive interactions with faculty members. While 10 students successfully defended their theses, another 10 began their doctoral journey this year, funded by Sciences Po doctoral scholarships, as well as by the *ENS Paris Saclay* and partnerships with institutions such as *INSEE*, the *World Inequality Lab*, and the *Fundación Ramón Areces*.

The diversity of research topics within the Department is fully reflected in this cohort. For instance, no fewer than four dissertations focus on environmental issues, exploring connections with economic growth, political economy, or the housing market. Other projects address intergenerational and gender inequalities, two delve into theoretical economics, and one examines China's economic transition.

The Department remains committed to providing PhD students with the best possible working conditions and supporting their success in the international academic job market. To this end, the role of the placement officer—initially held by Moshe Bushinsky and now by Antoine Ferey and Claire Montialioux has been strengthened. Training sessions on writing academic articles, presenting research, and structuring job application files are offered, alongside numerous mock interviews and practice presentations.

A current initiative also aims to strengthen ties with alumni. PhD students are compiling a comprehensive directory of all former graduates, both in academic and non-academic positions, and organizing an annual PhD alumni conference within the Department.

Our Master programme

Our Master's cohort remains just as diverse in terms of both geographic and institutional backgrounds. Less than half of the students are francophone, while many European countries are represented, along with the United States, China, Ghana, Nigeria, Rwanda, and Ecuador, among others. We welcome students from Sciences Po College, of course, but also from other French universities and *classes préparatoires*. International students hold bachelor's degrees—often in economics, but not exclusively—from top global universities. This year, we were also delighted to welcome our first students sponsored by the *MasterCard Foundation*.

To better understand our Master's students' experiences with research assistantships and internships during the programme, as well as their academic and professional placements afterward, we are launching a comprehensive survey among our alumni. This will enable us to provide even stronger support in these areas. Results available soon!



Our Master students qualified Sciences Po for the finals of the Econometric Game

The heart of the Econometric Game lies in a thought-provoking case, designed by academics and industry experts, which mirrors a real-life critical global challenge thus allowing students to showcase not only their technical skills but also their ability to collaborate as a team and innovate impactfully.

Etienne Compérat, Nathanaël Soulage, Jean Fontalirand, and Alexandra Anghel - all 2nd year Master students - buckled down for a grueling three days to estimate the probability (qualification round) and the intensity (final round) of "congestion" in the German electrical grid network, using machine learning techniques, based on meteorological, electricity demand and production data.

Their technical proficiency, their creativity and innovation qualified the Department for the final round for its first-time participation.

OUR PHD STUDENTS IN FOCUS

New PhD projects



Constance Frohly, PhD candidate '23

Constance Frohly was the laureate of the Sciences Po's *Centre for Socio-Political Data* (CDSP) inaugural call to PhD students to conduct research via their *Longitudinal Online Survey for the Social Sciences* (ELIPSS) module.

This is a remarkable opportunity for PhD students to ground their research in robust statistics by conducting questionnaire-based surveys with a large representative sample of residents of metropolitan France over the age of 18.

ELIPSS will also allow Constance to develop an experimental approach to her doctoral dissertation on the determinants and mechanisms used by families to choose a high school for their children.



Johanna Roth, PhD candidate '22

J-PAL's competitive *European Social Inclusion Initiative* (ESII) which funds randomized evaluations of programmes and policies aimed at improving social inclusion across Europe, selected Johanna's project.

Housing or Employment First? Experimental Evidence of a Counselling Program for Homeless Job Seekers seeks to bridge the important knowledge gaps in employment trajectories of individuals experiencing homelessness and about the effectiveness of large-scale public policies targeting this population.

3 PhD students received scholarships and essential final year funding for their PhDs.

- Naomi Cohen (Banque de France)
- Mylène Feuillade (PSE, Labour Chair)
- Sophia Praetorius (PSE, Globalization Chair)

5 PhD students were invited abroad by invitation or through competitive international mobility schemes.

- Sophia Praetorius (Harvard, M. Melitz)
- Johanna Roth (UC Berkeley, H. Hoynes)
- Riddhi Kalsi (Yale Fox Fellow)
- Felipe Lauritzen and Niklas Schoch (Columbia Alliance).

Dissertation honours



Gustave Kenedi, PhD '23

Gustave was awarded in accessit the first Philippe Martin Dissertation Prize, by the *Conseil d'Analyse Économique* (CAE) in December 2024. The jury paid tribute to his doctoral research on intergenerational mobility and inequalities in higher education.



Ségal Le Guern Herry, PhD '24

Ségal was awarded a special mention by the *Association française de science économique* (AFSE) for its 2025 Thesis Prize. The jury underscored how his PhD brings new evidence to the debates on the desirability of higher taxes on the wealthy.

Ségal joined the *Aix-Marseille School of Economics* (AMSE) as Assistant Professor in the Fall 2024. He is also Senior Economist at the *EU Tax Observatory*.

PhD Defences this year

Ten of our graduate students defended their doctoral dissertations this year between Fall 2024 and 2025.

- **Pierre Villedieu** (supervised by Ghazala Azmat) defended his thesis *Essays in Labor Economics : Unemployment Insurance, Job Search Assistance and Subsidized Employment* in October 2024.
- **Diego de Sousa Rodrigues** (supervised by Xavier Ragot) defended his PhD thesis *Three Essays on the Role of Income Fluctuations for the Macroeconomy* in November 2024.
- **Clémence Lobut** (supervised by Ghazala Azmat & Denis Fougère) defended her PhD thesis *The Impact of Technology and Teaching Practices on Students' Cognitive and Socio-Cognitive Skills* in December 2024.
- **Claudius Willem** (supervised by Roberto Galbiati) defended his PhD thesis *Quantifying Electoral Behavior Using Applied Econometrics and Big Data* in December 2024.
- **Juan Sebastián Ivars** (supervised by Jeanne Hagenbach) defended his PhD thesis *Essays in Contract Theory and its Applications* in May 2025.
- **Nourhan Hashish** (supervised by Pierre Cahuc) defended her PhD thesis *Essays in Contract Theory and its Applications* in May 2025.
- **Leonard Le Roux** (supervised by Benjamin Marx & Pierre-Philippe Combes) defended his PhD thesis *Essays in Development and Urban Economics: Markets, Mobility, and Governance* in June 2025.
- **Mylène Feuillade** (supervised by Pierre-Philippe Combes) defended her PhD thesis *Spatial Wage Disparities and Household Location Choices* in September 2025.
- **Sophia Praetorius** (supervised by Thierry Mayer) defended her PhD thesis *Trade Cost, Technology and Multinational Production* in September 2025.

OUR PHD STUDENTS IN FOCUS

Job market placements

Since the creation of the Department our dual mission has been to place our graduate students on career paths requiring the highest level of doctoral studies in economics whether it be in academia, research institutions, international organisations, government bodies, or banks, and whether it be in France or abroad.

2024-2025 was a very busy year for the Department's placement officer Professor Moshe Buchinsky with five of our graduates and one of our postdocs enrolled in our international job market programme. They were all successfully placed :



Dániel Gyetvai, PhD '25

Dániel secured a position as postdoctoral researcher and lecturer in the Chair of Data Science at Ruhr University Bochum.



Juan Sebastián Ivars, PhD '25

Juan He secured a tenure-track position at the Department of Applied Economics of the University of Balearic Islands (UIB).



Gustave Kenedi, PhD '23

Gustave secured a postdoctoral research economist position a couple of months prior to his PhD defence at the LSE's Centre for Economic Performance (CEP), Education and Skills Programme. Gustave is Assistant Professor at CY Cergy Paris University since the Fall 2025.



Leonard Le Roux, PhD '25

Leonard was awarded a competitive postdoctoral fellowship at the International Finance Corporation (IFC)-World Bank Group in the Economic Research Unit in July 2025.



Itzhak Rasooly, PhD '23 (Oxford)

Itzhak was a postdoctoral researcher in the Department and PSE for three years. He worked notably on Roberto Galbiati and Emeric Henry's ANR project *Prosocial Behaviour: A Tale of Two Images* (SOSELF). He secured a position as an Assistant Professor at City St George's, University of London.



Diego de Sousa Rodrigues, PhD '24

Diego secured a postdoctoral fellowship at the University of Southern California (USC) and then a tenure-track position at the Université de Québec at Montreal (UQAM).

And two of our PhD graduates secured positions before defending their doctoral dissertations :



Mylène Feuillade, PhD '25

Mylène undertook a post-doc at the Paris School of Economics, within the Labour Chair. She secured a position as a data scientist working on missions of public policy evaluation, at the French Inspection Générale des Finances early September.



Sophia Praetorius, PhD '25

Sophia was selected as 3-year Postdoctoral Researcher at the Geneva School of Economics and Management of the University of Geneva, working with Monika Mrázová.

Our placement history, a snapshot :

89 PhD graduates

86 Graduates from new 2009 PhD programme **3** Graduates started their PhD before 2009

Anticipating our first alumni conference held this Fall the Department reached out to all of our alumni their career history: 62 responded.

48 % Graduates work in academia as professors (all levels) or as researchers in public/private institutions

- More than half have found university positions abroad, primarily in European universities (incl. Bocconi, Mannheim, Essex) but also in North America (McGill, U of Chicago) or elsewhere (NYU Abu Dhabi).
- A little under half are working in research institutions and universities in France (CEPII, CREST-ENSAI, INSEAD, AMSE, ...)

44% Graduates have forged careers in the public sector:

- Public banking system, i.e. national central banks (France, Italy, Luxemburg) or international banks (e.g. ECB, World Bank, Bank of International Settlements);
- International organisations (OECD, ILO, European Commission) ;
- French ministries and agencies (INSEE)

2,5% Graduates work in the private sector

5,5% Recent graduates are working on postdoctoral projects.

- Our graduates have been accepted in some of the world's most demanding postdoctoral programmes at the LSE, at Stanford, at UCL, at the University of Bonn,...



In Memoriam - Ghazala Azmat (1979 - 2025)

The passing of Ghazala Azmat this year is an indescribable loss for the department and the economics profession as a whole.

Ghazala graduated with a PhD from the London School of Economics and Political Science (LSE) in 2006 and started her career at Universitat Pompeu Fabra (UPF) and Queen Mary University London (QMUL), before joining the Science Po Department of Economics in 2016.

She made central contributions to a diverse set of fields, spanning labour economics, economics of education, organisational economics, and gender economics. What drove her was the passion for broad and essential questions. What drives inequalities in educational attainment of different racial groups? What is the role of aspirations in determining gender gaps in promotions? What guarantees the success of teams in the workplace?

This passion and talent led to wide recognition. Ghazala was awarded the highest honours of the profession. In 2020 she became a Member of the Institut Universitaire de France (IUF). She obtained a European Research Council (ERC) Consolidator Grant in 2022 for her project UNEQUALED. In 2023 she became director of the Organizational Economics Programme of the Centre for Economic Policy Research (CEPR) and editor of American Economic Journal: Economic Policy. Everyone turned to Ghazala because of the rare gifts she combined, a passion for her job and a constant concern for rigor and fairness. She always made sure that processes and rules in organisations she contributed to were fair.

One issue that was close to her heart was the role of women in the profession. She became chair of the European Economic Association (EEA) Standing Committee on Women in Economics in 2022, where she led numerous initiatives. She was and will remain a role model to many, in particular to young women starting in the profession.

The Department of Economics will miss Ghazala tremendously. She was an esteemed researcher and a great teacher and colleague, who deeply cared for the group with a special eye for its international members. We feel tremendous pain and we will strive to honour her memory as she deserves. Our thoughts go to Ghazala's family and in particular to her husband, Vicente, and children, Iliana and Adrien.

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