

# Zoë Kuehn

## CONTACT INFORMATION

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Department of Economics  
Universidad Carlos III de Madrid  
Calle Madrid, 126  
28903 Getafe (Madrid)  
Spain

Office: 9.0.42  
Phone: +34 91 624 9328  
Cell: +34 691305677  
FAX: +34 91 624 9875  
zkuehn@eco.uc3m.es  
<http://www.eco.uc3m.es/zkuehn>

## EDUCATION

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PhD in Economics	<b>Universidad Carlos III de Madrid, Spain</b> Thesis: Essays on the Allocation of Talent Advisor: Prof. Nezih Guner	2006-2010 (expected)
Master in Economic Analysis	<b>Universidad Carlos III de Madrid, Spain</b>	2004-2006
Undergraduate Studies Economics	<b>Humboldt Universität, Berlin, Germany</b> Thesis: "Can Market Imperfections Explain the Behaviour of Exchange Rates?" Advisor: Prof. Harald Uhlig	2002-2004
"ERASMUS" European Exchange Program	<b>Universidad de Alcalá de Henares, Madrid, Spain</b>	2001-2002
Undergraduate Studies European Economics	<b>Otto-Friedrich Universität, Bamberg, Germany</b>	1999-2001

## REFERENCES

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### Javier Díaz-Giménez

Department of Economics  
Universidad Carlos III de Madrid  
on leave IESE Business School  
Phone: +34 609 97 86 77  
Email: kueli@eco.uc3m.es

### Juan José Dolado

Department of Economics  
Universidad Carlos III de Madrid  
Phone: +34 91 624 9300  
Email: dolado@eco.uc3m.es

### Nezih Guner (Thesis Advisor)

ICREA, Universitat Autònoma de Barcelona  
and Barcelona GSE  
Phone: +34 93 581 30 68  
Email: nezih.guner@uab.es

### Matthias Kredler

Department of Economics  
Universidad Carlos III de Madrid  
Phone: +34 91 624 9312  
Email: matthias.kredler@uc3m.es

## TEACHING AND RESEARCH FIELDS

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**Macroeconomics, Growth, Development**

## TEACHING EXPERIENCE

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### Universidad Carlos III de Madrid, Spain

Macroeconomics III	2009
Tutorials for undergraduates: Introductory Macroeconomics, Macroeconomics II, World Economy, Spanish Economy, Macroeconomics III	2004-2009
Tutorials for first year PhD students: Macroeconomics I	2005-2007
<b>Saint Louis University Madrid, Spain</b> Intermediate Macroeconomics	2008

## SCHOLARSHIPS

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Graduate Scholarship, Department of Economics, Universidad Carlos III de Madrid	2004-2008
ERASMUS-European Exchange Program Scholarship	2001-2002

## RESEARCH

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### *Migration, Wages, and Tradition: Obstacles to Entrepreneurship in East Germany (Job Market Paper)*

For the last decade, the East German economy has been suffering high unemployment and low economic growth. Policy makers often point to the lack of entrepreneurship as one of East Germany's main problems. This paper addresses the question of how East Germany's integration into an established economy, West Germany, may have hindered a fruitful development of entrepreneurship and how this may have affected economic growth. I build a model economy that places Lucas's (1978) span-of-control model into an overlapping-generations framework. Following Hassler and Rodríguez Mora (2000) managerial talent is defined as a combination of two factors, intelligence and entrepreneurial parental background, and growth depends on the intelligence of managers. In East Germany, the lack of entrepreneurial parental background makes intelligence the decisive factor in occupational choice and more intelligent entrepreneurs should contribute to high growth rates. However, three key aspects of its integration into West Germany inhibit this mechanism: 1) the unrestricted mobility of East Germans to the West, 2) the policy of fixing East German wages as fractions of West German wages, and 3) the importance of family tradition for entrepreneurship in West Germany. Counterfactual experiments show that eliminating any of these three aspects leads to more entrepreneurs, less unemployment, and higher economic growth in East Germany.

### *Tax Rates, Governance, and the Informal Economy in High-Income Countries (Revise and Resubmit)*

This paper studies the mechanisms behind the informal economy in high-income countries. About 16.7% of output in high-income OECD countries was produced informally in 2001-02. Davis and Henrekson (2004) show that there exists a positive relation between tax rates and the informal economy for high-income OECD countries. Existing models of the informal economy mostly focus on developing countries. To account for the informal economy in high-income countries, I build a model economy, following Lucas (1978), in which agents of different managerial abilities decide to become workers, managers of informal firms, or managers of formal firms. In contrast to formal managers, managers of informal firms do not pay taxes but run the risk of getting caught, taxed, and fined. Simulations show that while the differences in tax rates alone can only account for approximately 20% of the observed differences in informal economy across high-income countries, differences in governance quality, the extent to which these tax rates are enforced, can account for about 46% of the variation.

## CONFERENCE AND WORKSHOP PRESENTATIONS

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“Migration, Wages, and Tradition: Obstacles to Entrepreneurship in East Germany”

- XXXIV Simposio de la Asociación Española de Economía (SAEe), December 2009
- 5th European Workshop in Macroeconomics, Mannheim, June 2009
- Graduate Students Society Multidisciplinary Workshop Series, Tilburg University, May 2009
- Student Workshop Universidad Carlos III de Madrid, April 2009

“Tax Rates, Governance, and the Informal Economy in High-Income Countries”

- 2008 ENTER Jamboree, Universidad Carlos III de Madrid, February 2008
- Fourth Annual Vienna Macroeconomic Workshop on Current Topics in Macroeconomic Theory and Policy, Institute for Advanced Studies (IHS) Vienna, , October 2007
- XII Workshop on Dynamic Macroeconomics, Pazo de Soutomaior, Vigo, June 2007

## LANGUAGES AND COMPUTERSKILLS

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Native speaker: German; Fluent: English and Spanish; Intermediate: French

Matlab, STATA, LaTeX, MSOffice, Html

## OTHER

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Organizer of the Economics Department's Student Workshop at Carlos III Madrid

2006-2007

## PERSONAL INFORMATION

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Citizenship: German

Date of birth: 31.05.1980