

# KILIAN RIEDER

Email: [kilian.rieder@pmb.ox.ac.uk](mailto:kilian.rieder@pmb.ox.ac.uk)

Website: <https://kilianrieder.com>

## University of Oxford

---

<u>Placement Officer:</u>	Johannes Abeler, <a href="mailto:johannes.abeler@economics.ox.ac.uk">johannes.abeler@economics.ox.ac.uk</a>	+44 1865 281440
<u>Graduate Administrator:</u>	Julie Minns, <a href="mailto:julie.minns@economics.ox.ac.uk">julie.minns@economics.ox.ac.uk</a>	+44 1865 281162

### Personal Information

---

<u>Date of birth:</u> 25.09.1986	<u>Address:</u> Pembroke College, Oxford OX1 1DW, UK
<u>Nationality:</u> Austrian	<u>Mobile:</u> +43 664 1401603 <u>Tel.:</u> +43 131336 5725

### Education

#### University of Oxford

2013 – 2018 Doctor of Philosophy (DPhil/PhD), University College  
Thesis advisor: Rui Pedro Esteves  
Fall 2016: Visiting PhD Student, UC Berkeley, Department of Economics

#### London School of Economics and Political Science (LSE) and Sciences Po Paris (IEP de Paris)

2009 – 2011 Dual Master's degree in international political economy (M.Sc., LSE) and international economic policy (M.A., Sciences Po Paris), with distinction

#### University of Vienna

2011 – 2014 Bachelor's degree in mathematical economics (B.Sc.), thesis with honors

#### Sciences Po Paris (IEP de Paris)

2006 – 2009 Bachelor's degree in philosophy, politics and economics (B.A.), cum laude

### References

---

**Professor Rui Pedro Esteves** (advisor)  
Department of Economics, University of Oxford  
[rui.esteves@economics.ox.ac.uk](mailto:rui.esteves@economics.ox.ac.uk)

**Professor Catherine Schenk**  
Faculty of History, University of Oxford  
[catherine.schenk@history.ox.ac.uk](mailto:catherine.schenk@history.ox.ac.uk)

**Professor Kris James Mitchener**  
Department of Economics, Santa Clara University  
[kmitchener@scu.edu](mailto:kmitchener@scu.edu)

**Dr Clemens Jobst**  
Economic Analysis, Austrian National Bank  
[clemens.jobst@oenb.at](mailto:clemens.jobst@oenb.at)

### Research

---

**Primary fields**  
Macroeconomics; economic history

**Secondary fields**  
Monetary economics; financial economics

#### JOB MARKET PAPER

##### Should Monetary Policy Lean Against the Wind?

Quasi-experimental Evidence from Federal Reserve Policies in 1920-21

Are excessive credit booms and leverage in the financial sector better addressed by conventional monetary policy “leaning against the wind” (LAW) or by more targeted prudential policies? In this paper, I use a natural experiment to answer this question. In 1920, when U.S. monetary policy was still decentralized, four Federal Reserve Banks implemented a conventional rate hike to address financial stability concerns. Another four Reserve Banks used microprudential policy with the same goal. Regional financial segmentation enables me to exploit regression discontinuities at borders with the remaining four Federal Reserve districts which did not change policy stance. I present evidence that microprudential policy caused both bank-level loan growth and leverage to fall significantly. Microprudential policy also reduced the probability of bank failure. In contrast, LAW did not have a statistically significant effect on these bank-level outcomes. I simulate the impact of both policies on bank-level data in a stress-testing exercise to explain the channels at play. I show that microprudential policy reined in over-extended banks more effectively than conventional monetary policy because it allowed Federal Reserve Banks to use price discrimination when lending to highly leveraged counterparties. Using city-level data, I also find that the two policies triggered statistically identical real economic costs. Hence, although successful microprudential policy had a price, it did not inflict greater economic losses than the less effective strategy of “leaning against the wind”.

## Awards

---

### Research prizes

- Alexander Gerschenkron Prize, Economic History Association (2018, finalist)
- Michael Mitterauer Prize Winner, Austrian Federal Ministry of Education & Research (2018)
- New Researcher Prize Winner, Economic History Society (2017)

### Scholarships

Otto Harpner Fund (Anglo-Austrian Society) (2016), Graduate Student Assistantship, University of Oxford/Department of Economics (2016), Julius-Raab-Foundation (2016), Oxford-Swire Graduate Scholarship (2013-2016), Fulbright PhD Scholarship (2011, declined)

## Teaching experience

---

**Vienna University of Economics and Business (WU)** (academic year 2018/2019):

Courses: Applied Macroeconomics, Economic History (graduate courses)

**University of Oxford**, Department of Economics (academic year 2017/2018):

Courses: Development of the World Economy since 1800; Macroeconomics; Microeconomics

**University of California, Berkeley**, HSSA Interdisciplinary Teaching Series (fall 2016):

Lecture: Fertility Trends During Economic Downturns: Recent Evidence

**University of Oxford**, Department of Economics (academic year 2016/2017):

Course: European Economic History since 1870

**University of Warwick**, Department of Economics (spring term 2016)

Course: World Economy - Theory and History

## Relevant working experience

---

**Vienna University of Economics and Business (WU)** (08/2018 – ):

Assistant Professor, Department of Economics & Institute for Economic and Social History

**University of Oxford, Pembroke College** (10/2017 – 08/2018):

Stipendiary Lecturer (Career Development) in Economics

**Bank of England (BoE)** (07/2017 – 03/2018):

PhD Fellow, Monetary Assessment and Strategy (DG Monetary Analysis)

**Oesterreichische Nationalbank (Austrian National Bank, OeNB)** (05/2015 – 07/2015):

Visiting Researcher, Economic Analysis Division; also: junior economist (09/2011 – 08/2012)

**Magyar Nemzeti Bank (Hungarian National Bank, MNB)** (07/2014 – 09/2014):

Visiting Researcher, Research Department

**European Central Bank (ECB)** (06/2013 – 10/2013):

Banking Supervisor, SSM Preparatory Work Force, DG Financial Stability

**Austrian Financial Market Authority (FMA)** (09/2012 – 10/2013):

Banking Economist, Consolidating Banking Supervision and Standards Division

**Fudan University Shanghai** (06/2010 – 08/2010):

Research Assistant, School of International Relations and Public Affairs (SIRPA)

**United States Embassy in France** (09/2009 – 02/2010):

Intern, Public & Cultural Affairs

**Austrian Embassy in Spain** (06/2008 – 09/2008):

Intern, Political & Legal Affairs

**Austrian Memorial Service and Austrian Social Service Abroad** (09/2005 – 08/2006):

Memorial service: Fondation pour la Mémoire de la Déportation, Paris, FR (09/2005 – 02/2006)

Social service: Royal London Society for the Blind, Sevenoaks, UK (02/2006 – 08/2006)

### Other academic work

---

**Vienna University of Economics and Business (WU)** (since 10/2018):

Co-convener of bi-weekly research seminar in economic history  
Project Coordinator: The Vienna Real Estate Market, 1868-1990

**Nuffield College Economic History Seminar** (academic year 2016/2017):

Convener of weekly graduate research seminars

**Refereeing** (since October 2017): Explorations in Economic History

**Biotop** (<http://biotop.co/en/>) – **Collective of Scientists** (since 03/2016):

Co-founder, interdisciplinary quantitative research platform for young scientists

### Selected research presentations

---

**Banco de España, Fourth Seminar in Economic History** (10/2018, Madrid, ES)

**Economic History Association Annual Meeting (dissertation session)** (09/2018, Montreal, CA)

**Banque de France, Financial Stability Seminar** (09/2018, Paris, FR)

**World Economic History Congress (WEHC)** (07/2018, Boston, US)

**Banca d'Italia, Sixth CEPR Economic History Symposium** (06/2018, Rome, IT)

**WU-Workshop in Applied Econometrics (WUWAETRIX<sup>6</sup>)** (06/2018 & 11/2017, Vienna, AT)

**ETH Zurich, Applied Macroeconomics Seminar** (05/2018, Zurich, Switzerland)

**Nuffield College Graduate Economic History Seminar** (05/2018 & 10/2015, Oxford, UK)

**Economic History Society Annual Conference (EHS)** (04/2018, Keele, UK & 03/2017, London, UK)

**LSE Seminar in Economic History** (11/2017 & 02/2017, London, UK)

**European Historical Economics Society (EHES)** (09/2017, Tübingen, GER)

**University of Cambridge Agriculometrics III Conference** (04/2017, Cambridge, UK)

**All-University of California Economic History Conference "100 Flowers"** (12/2016, Davis, US)

**University of California, Berkeley Economic History Lab Seminar** (10/2016, Berkeley, US)

**Economic History Association Annual Meeting (EHA, poster session)** (09/2016, Boulder, US)

**Queen's University Belfast Doctoral Colloquium** (06/2016, Belfast, UK)

**University of Cambridge, Center for Financial History** (02/2016, Cambridge, UK)

**Banque de France, Economic Policy and Economic History Conference** (12/2015, Paris, FR)

**Austrian Academy of Sciences Annual Meeting, Financial History Panel** (09/2015, Linz, AT)

**Oesterreichische Nationalbank (OeNB), Economic Analysis Seminar** (07/2015, Vienna, AT)

**Magyar Nemzeti Bank (MNB), Economic Analysis Seminar** (08/2014, Budapest, HU)

**Banco de España, Rethinking Financial History Conference** (07/2014, Madrid, ES)

#### IT & programming skills

---

<b>LaTeX:</b>	highly proficient
<b>STATA:</b>	highly proficient
<b>ArcGIS:</b>	advanced
<b>Gephi:</b>	advanced
<b>R:</b>	advanced

#### Language skills

---

<b>German:</b>	native
<b>English:</b>	near native
<b>French:</b>	near native
<b>Spanish:</b>	superior
<b>Italian:</b>	beginner

---

## Other working papers

---

### 1) **A Historic(al) Run on Repo: Causes of Bank Distress during the Austro-Hungarian Gründerkrach of 1873**

In this paper, I draw on newly compiled archival data sets to show that bank failures during the Austro-Hungarian crisis of 1873 followed mainly from the break-down of a large repo (repurchase agreement) market on the Viennese stock exchange. Repos served the purpose of addressing concerns about after-market liquidity known to be important in IPO underpricing. Credit institutions granted repo loans against securities that turned into highly illiquid and depreciated collateral after a prime brokerage house and major repo borrower filed for bankruptcy in May 1873. Banks that were forced to sell repossessed collateral in response to heavy funding withdrawals had to write-off substantial portions of their repo portfolios and thus incurred heavy losses. I use semi-parametric survival analysis as well as stratification techniques new to the literature on bank distress to identify the causes of bank failures. This paper constitutes the first study examining a historical repo market crisis and its consequences using microdata. The Austro-Hungarian experience of 1873 suggests that repo markets with short maturities, in which lenders themselves are susceptible to experience rapid funding withdrawals, are prone to sudden break-downs of lending flows. My findings resonate with work that emphasizes the role of market microstructure in explaining the varying degrees of resilience to distress of modern-day short-term funding markets.

### 2) **Haunting the Specter of Credit Rationing: Unconventional Last Resort Lending during the Austro-Hungarian Gründerkrach of 1873**

Although central banks may be first-best candidates for the role of a lender of last resort (LLR) during financial crises, they can also face constraints which obviate an elastic supply of liquidity in times of distress. Some of these constraints may be ideational, institutional or technical. Others are driven by market characteristics: quantity rationing can be the result of asymmetric information problems in financial markets. Credit rationing by the central bank can have severe macroeconomic consequences if it leads to illiquidity-induced mass failures of banks. In this paper, I study a historical experiment implemented to overcome the specter of a credit rationing LLR during the Austro-Hungarian crisis of 1873. I explore unique bank-level information on treatment by a LLR mechanism designed as a public-private partnership between the central bank and market players. Drawing on inverse probability weighted regression adjustment (IPWRA) to tease out the causal effect of liquidity support, I show that this unconventional LLR was effective in mitigating bank distress. By addressing institutional constraints and adverse selection problems inhibiting “free lending”, this mechanism worked as a remedy for the under-provision of a good particularly desirable in times of crises: central bank liquidity.

### 3) **Managing Moral Hazard in Last Resort Lending: Credit Limits as Contingent Rules at the Austro-Hungarian Bank (with Clemens Jobst, Oesterreichische Nationalbank)**

Moral hazard is a central issue in the literature on last resort lending. In this paper, we provide a new explanation for how central banks dealt with moral hazard historically. We focus on one specific component of central banks’ counterparty risk frameworks: credit limits for discount window customers. We argue that credit limits as operationalized by the Austro-Hungarian Bank (OeUB) after 1878 constituted the backbone of an early form of microprudential regulation that was designed to check moral hazard in normal times. Credit limits empowered the Austro-Hungarian Bank to enforce minimum liquidity and capital standards for its counterparties at the discount window. Rather than contradicting the tenet of free lending in times of distress, credit limits functioned as “contingent rules”: enforced in normal times, limits were increased or lifted during liquidity crises perceived as exogenous. Moreover, even during crises, the Bank did not simply relax limits for all credit institutions: it differentiated between banks depending on their fundamentals prior to the crisis. This study provides the first economic interpretation and empirical analysis of the credit limit frameworks employed by central banks in the past.

**4) Was there a Farm Channel to the Great Depression in the United States? New Evidence from County-Level Data on Farm Foreclosures (with Todd Messner, UC Berkeley)**

In this project, we seek to investigate the existence and economic importance of a “farm channel” to the Great Depression in the United States. We bring to bear a novel data set on farm real estate transfers. Produced as a joint project of the Bureau of Agricultural Economics (BEA) and the Work Progress Administration (WPA) between 1936 and 1937, this unique data set contains detailed annual data on both voluntary and involuntary transfers of farm real estate at the county-level between 1900 and 1935. The data provides us with a consistent, clear and very granular measure of agricultural distress: it contains data on the number and acreage of farm real estate foreclosed, subject to bankruptcies, or assigned to a creditor. We exploit this county-level variation in combination with instrumental variable techniques to investigate the importance of farming distress in the run-up to the Great Depression. Preliminary evidence suggests an economically and statistically significant role for the farm channel in explaining banking sector instability at the county level during the 1920s.

**5) Frosted Glass or Raised Eyebrow? Central Bank Credit Rationing and the Bank of England’s Discount Window Policies during the Crisis of 1847 (with Thomas Ryland, Bank of England)**

Why did central banks in the past frequently restrict the supply of loans during financial crises? In this paper, we study the Bank of England’s policy response to the crisis of 1847, a case known as an example par excellence of central bank credit restrictions. The crisis of 1847 is a unique episode during which the Bank not only documented all successful loan applications, but also those demands for credit it had decided to reject. Using fuzzy regression discontinuity design in time (crisis windows vs non-crisis windows) and conditional logistic regression, we exploit an extensive hand-collected loan-level data set to study the determinants of loan approval. Our preliminary findings show that credit rationing due to residual imperfect information alone is not a convincing explanation for quantitative credit restrictions during the crisis of 1847. Instead, we provide preliminary evidence suggesting that discriminatory credit rationing on the basis of loan applicants’ type and identity characterized the Bank’s policy response.

29 October 2018  
Latest version: [here](#)