

Foreword: Journal of the Finnish Economic Association 1 / 2020.

We are very happy to provide the very first issue of the Journal of the Finnish Economic Association (JFEA). JFEA is a new peer-reviewed international journal published biannually by the Finnish Economic Association and it replaces the Finnish Economic Papers. The objective of JFEA is to provide a high-quality and fast peer-reviewed publication channel for applied economic papers, and facilitate communication of topical research results to the research community and policymakers.

As the editors of JFEA, we welcome submissions in all fields of economics and closely related sciences with a special emphasis on policy-relevant applications. We are aware that many important and well-executed policy reports and research articles by both faculty and students are never published – perhaps due to lack of statistical significance of the results or perceived lack of novelty. This is often a loss for both academic and policy-making community. We hope to provide a platform that would be open also to such studies. Please keep us in mind for your and your students' work. We particularly encourage studies concerning economies and institutions of Nordic and neighboring countries.

This first issue of JFEA consists of five articles. In the first article, Gilles Saint-Paul argues using a formal model of fiscal policy and empirical evidence, that it is rational for some social groups to support policies that are macroeconomically unsound. This happens if these groups are predictably likely to bear a lower fraction of the costs of the resulting economic crisis, while benefitting from the short-run gains associated with the policies. In the second article, Helena Holmlund summarizes the methodological aspects and substantive findings from the Swedish compulsory school reform. She shows that it provided children from low socio-economic background with better opportunities in life, including higher level of education and earnings as well as reduced likelihood of committing crimes.

John Hassler summarizes his work on the economics of climate change in the third article of the issue. The key conclusion is that a global agreement on a (minimum) price on fossil carbon emission is necessary, sufficient and efficient solution to limiting climate change. In the fourth article, Jacob Lundberg and John Norell survey the quasi-experimental literature on the effects of taxes and benefits on labour force participation. They find strong evidence that individuals respond to incentives on the extensive margin of labour supply. In the fifth article of the first issue, Tuomas Takalo calibrates the switching costs for the Finnish retail deposit market and shows that they manifest large variation across the banks and time, and are high.

Editors of JFEA,
Mika Kortelainen and Janne Tukiainen