

I R E S N E W S



JUNE 2012 / N°2

Institute for
Economic
and Social Research

FOCUS

ARC sustainability workshop



David de la Croix and Paula Gobbi (IRES) organized a workshop on May 21-22, on "Sustainability of Population Changes". This event was part of the ARC project on "Sustainability", jointly managed by Raouf Boucekkine (IRES), David de la Croix (IRES, principal investigator), Axel Gosseries (Hoover Chair) and Fabio Mariani (IRES). It gathered researchers coming from the USA, Austria, Germany, Israël, Sweden, France, The Netherlands and Belgium.

The topic of the workshop was clearly delimited but the approaches followed by the presenters were multiple. Professors Lee, Lindh and Mason presented the last developments of the NTA (National Transfer Accounts) project, which aims at developing a system to measure economic flows across age groups in a manner consistent with National Income and Product Accounts. The accounts measure how each age group produces, consumes, shares, and saves resources. Several presentations were more of the theory type, investigating how economic and population variables may interact. We also benefited from presentations from demographers, either from social demography or mathematical demography, and philosophers. Students participating to the ARC project had the opportunity to present their work and receive comments from the audience.

Oded Galor



IRES has initiated a new *Visiting Research Programme*. We invite leading international experts for a research stay at IRES. Experts give a research seminar, and meet our members and colleagues from UCLouvain to exchange ideas. This *Visiting Research Programme* started in January 2012 with the visit of Oded Galor from Jan. 24 to Feb. 6, 2012.

Oded Galor is the Herbert H. Goldberger Professor of Economy at Brown University. He obtained his PhD in Economics from the University of Columbia (1984). Since then, he has produced many seminal contributions to the study of income distribution and economic growth, the transition from stagnation to growth, human evolution and economic development, the study of development traps, the demographic transition, and the advancement of the foundations of overlapping-generations models. He has founded the field of Unified Growth Theory, a theory of growth incorporating an evolutionary perspective and being able to account for the transition from Malthusian stagnation to the modern growth regime. He serves on the editorial boards of several journals, including the *Journal of Economic Growth* (Editor), *Journal of Population Economics* (Associate Editor) and *Macroeconomic Dynamics* (Associate Editor). Since 1995, he has been co-director of the National Bureau of Economic Research group on Income Distribution and Macroeconomics.

During his stay, he interacted with many PhD students as well as faculty members of IRES. Oded also gave two presentations. On Jan. 27, he gave a keynote lecture on "Cultural Diversity, Geographical Isolation, and the Origin of the Wealth of Nations", in which he argues that variations in the interplay between cultural assimilation and cultural diffusion can account for differential patterns of economic development across the globe. On Feb. 2, he presented his paper on "The *Out of Africa* Hypothesis, Human Genetic Diversity, and Comparative Economic Development" at the IRES Research Seminar. This paper states that variations in migratory distance from the cradle of humankind to various settlements across the globe affected genetic diversity and deeply influenced the pattern of comparative economic development.

PEOPLE

Visitors



On May 24, **Ludger Wößmann** gave a talk at IRES/IMMAQ on "Does School Autonomy Make Sense Everywhere? Panel Estimates from PISA". Ludger Wößmann is professor of economics at the University of Munich. He is affiliated to CESifo (Munich) and IZA (Bonn). His research has been published in the *Quarterly Journal of Economics*, the *Journal of Economic Literature*, the *Economic Journal* or *European Economic Review*.

He has spent extended research visits at the NBER, Stanford and Harvard Universities. He has had a great impact on policy making in the area of education across the OECD. His main research interests are in the economics of education, with special focus on microeconomic analyses of international student achievement tests. This said, Ludger Wößmann is a very productive person and has diversified centres of interest. He has produced stimulating papers of the determinants of economic growth, and on the importance of history. His paper on school autonomy is representative of how, nowadays, many economists analyse human capital investment in advanced economies. The issue is no longer so much about expanding access to education, but about how to increase the effectiveness of private and public investment. This invariably brings up the issue of the best model of governance for schools.



Etienne Lehmann is Professeur des Universités affiliated to CREST (INSEE) and on leave from Paris II. He is member of CESifo (Munich) and IZA (Bonn). He is also an IRES research associate and visited IRES during last April. In 2011, he has been nominated for the 2011 prize for the best young economist. This annual prize is awarded by the Newspaper *Le Monde* and the *Cercle des économistes* to researchers in Economics on the basis of academic excellence and policy outreach criteria. In 2012, he has been nominated to become junior member of the *Institut universitaire de France*. Etienne Lehmann's research interests are mainly in Public Economics and Macroeconomics. He is in particular a renowned expert in the field of Optimal Taxation. He has published in the *Review of Economic Studies*, the *Journal of Public Economics* and the *Scandinavian Journal of Economics* among others. He has collaborated since more than a decade with Bruno Van der Linden.

They have defended their PhD:

Paolo Melindi Ghidi: Paolo defended his PhD on January 31 ("The Dynamics of Inequality, Minorities and School Choice"). He was supervised by David de la Croix (IRES, UCLouvain). The other members of the jury were : Frédéric Docquier (IRES, UCLouvain), Matteo Cervelatti (Università degli Studi di Bologna, Italy), Thierry Verdier (Ecole des Hautes Etudes en Sciences Sociales, France).

Webpage: <http://sites.google.com/site/pmelindighidiecon>

Sarton Medal to Michel De Vroey



On April 26 the Faculty of Economics and Business Administration of Ghent University has awarded the Sarton Medal

to **Michel De Vroey**. Since 1986, Ghent University awards Sarton Medals to outstanding historians of science in various scientific disciplines. This year the honour was granted to Professor Michel De Vroey (IRES, UCLouvain) for his outstanding contributions to the history macroeconomics. Michel De Vroey is an internationally renowned scholar and the author of three important books: *Involuntary Unemployment, the Elusive Quest for a Theory* (Routledge 2004); *Keynes, Lucas, d'une macroéconomie à l'autre* (Daloz 2009), and *XXth Century Macroeconomics: from Keynes to Lucas, and beyond* (Cambridge University Press, forthcoming). Moreover, he has contributed to several edited volumes on Keynesian and new classical macroeconomics and published numerous articles in important refereed journals such as *Journal of Economic Methodology*, *Journal of the History of Economic Thought*, *History of Political Economy*, *Scottish Journal of Political Economy*, *Eastern Economic Journal*, *Cambridge Journal of Economics*, *European Journal of the History of Economic Thought*, *B.E. Journals of Macroeconomics*, *Manchester School*, *Bulletin of Economic Research*, *History of Economic Ideas*. Congratulations to Michel!

Jean-François Carpantier: Jean-François defended his PhD on May 29 ("Empirical Essays on Commodity Prices"). He was supervised by Luc Bauwens (CORE, UCLouvain) and Vincent Bodart (IRES, UCLouvain). The other members of the jury were : Sébastien Van Belleghem (CORE, UCLouvain), Michel Beine (University of Luxembourg), Frédérique Bec (University of Cergy-Pontoise, France).

Webpage: <http://perso.uclouvain.be/jean-francois.carpantier/>

Géraldine THIRY: Géraldine defended her PhD on May 30 ("Au-delà du PIB : un tournant historique. Enjeux méthodologiques, théoriques et épistémologiques de la quantification"). She was supervised by Isabelle Cassiers (IRES, UCLouvain). The other members of the jury were : Florence Jany-Catrice (University of Lille 1, France), Robert Salais (INSEE, France) and Christian Arnsperger (Chaire Hoover, UCLouvain).

Webpage: <http://www.uclouvain.be/geraldine.thiry>

New IRES Research Associates

IRES Research Associates are scholars from other institutions collaborating with IRES members. Our list includes Extramural Research Associates and UCLouvain Alumni (former PhD students and Postdoc researchers from UCLouvain). Six new members joined IRES in January 2012:

Extramural fellows

- Ron ANDERSON, Emeritus Professor of Finance, London School of Economics (<http://personal.lse.ac.uk/ANDERSON/>).
- Pedro GARCIA DUARTE, Associate Professor of Economics, University of Sao Paulo (<http://www.fea.usp.br/feaecon/perfil.php?u=110>).

UCLouvain Alumni

- Anne BUCHER, Assistant Professor of Economics, Université de Strasbourg, France (anne.bucher@unistra.fr).
- Eva MORENO GALBIS, Professor of Economics, University of Angers, France (<http://www.univ-lemans.fr/~emoreno/>).
- Romain RESTOUT, Assistant Professor of Economics, Université de Nancy, France (<http://www.beta-umr7522.fr/-RESTOUT-Romain>).
- Paolo MELINDI GHIDI, Post-Doc research fellow at the BIOGOV, Université catholique de Louvain (<http://sites.google.com/site/pmelindighidiecon/>).

More details on IRES Research Associates can be found at <http://www.uclouvain.be/en-309318.html>.

Visitors

From Belgium

Frédéric Gaspard, ECRU UCLouvain

From Europe

- Luisito Bertinelli, University of Luxembourg
- Emeline Bezin, INRA (Rennes)
- Bruno Crépon, CREST (INSEE, Paris)
- Claire Lelarge, CREST (INSEE, Paris)
- Etienne Lehmann, CREST (INSEE, Paris)
- Stefania Marcasa, University of Cergy-Pontoise
- Muriel Roger, INRA and Paris School of Economics
- Monika Schnitzer, University of Munich
- Jean-Pierre Vidal, European Central Bank
- Ludger Woeßmann, University of Munich

Outside Europe

- Benoit-Pierre Freyens, University of Canberra
- Oded Galor, Brown University
- Shoshana Grossbard, San Diego State University
- Nippe Lagerlöf, University of York
- Abdul Noury, New York University and Université libre de Bruxelles
- Tom Prusa, Rutgers University
- John Roberts, Stanford University

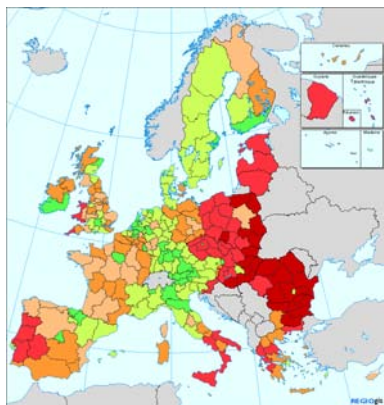
IRES IN THE PUBLIC DEBATE

Regards économiques



A new issue of the IRES free on-line review *Regards économiques* has been published in February 2012 by David de la Croix (<http://perso.uclouvain.be/david.delacroix/> IRES-CORE, UCLouvain): **"From mankind expansion to demographic winter. A natalist policy for tomorrow?"**. The foreseeable decline of global population should be seen as a positive factor for development in the long-run. Transition could however be difficult. Natalist policies face the risk of favoring the number of children at the expense of education and health investment in each child. David de la Croix rather advises to further develop incentives to acquire human capital and to promote mobility, including both social mobility and international mobility. The article is downloadable in French on <http://sites.uclouvain.be/econ/Regards/Archives/RE095.pdf>.

Forum de politique économique



Philippe Monfort (Directorate General for Regional Policy, European Commission) and **Pierre Wunsch** (National Bank of Belgium) presented on May 11, 2012 a seminar at the IRES Forum de politique économique on **“Economic convergence in the EU: stylized facts and new challenges after the financial crisis”**. Before the financial crisis, Europe was a quite good integration machine, with a robust convergence of the periphery to the core. Now, even then, this process was driven mainly by the inter-country dynamics, with intra-country convergence much less widespread. Today, some observers claim that Southern Europe could turn into the Mezzogiorno of Europe, pointing to the risk of a lasting divergence between the core and the periphery. In theory, Philippe and Pierre argue that the base case is still a return to convergence providing that one does not enter into a full fledged transfer union and that the necessary structural reforms do take place. But the process is likely to be long and painful. And the theory behind this base case is actually quite poor... The slides of Philippe and Pierre are available on: <http://www.uclouvain.be/en-284538.html>.

Three other forums have been organized since February 2012:

- April 23th: Robert Boyer (Institut des Amériques, Paris), “Comment réconcilier la finance avec l'économie et la société: un retour à Karl Polanyi”.
- March 16th: Marc Devos (Itinera Institute, Brussels), “Reclaiming Happiness from Politics: une analyse critique de la science et de la politique du bonheur”.
- March 2th: Reginald Savage (University of Namur and UClouvain), “Enjeux d'une hausse de la TVA comme outil de politique budgétaire en Belgique”.

PUBLICATIONS

Macroeconomics

Journal articles

David DE LA CROIX & Frédéric DOCQUIER, 2012. “Do brain drain and poverty result from coordination failures?”, *Journal of Economic Growth*, vol. 17(1), 1-26.

Raouf BOUCEKKINE & Patrick PINTUS, 2012. “History's a curse: leapfrogging, growth breaks and growth reversals under international borrowing without commitment”, *Journal of Economic Growth*, vol. 17(1), 27-47.

Raouf BOUCEKKINE, 2012. “Epidemics From the Economic Theory Viewpoint”, *Mathematical Population Studies, Taylor and Francis Journals*, vol. 19(1), 1-3.

Frédéric DOCQUIER & Luca MARCHIORI, 2012. “The impact of MENA-to-EU migration in the context of demographic change”, *Journal of Pension Economics and Finance*, vol. 11(02), 243-284.

IRES Discussion Papers

- 2012/10 Joël MACHADO, “On the welfare impacts of an immigration amnesty”, <http://sites.uclouvain.be/econ/DP/IRES/2012010.pdf>.
- 2012/9 Andrey LAUNOV, Olaf POSCH and Klaus WÄLDE, “On the estimation of the volatility-growth link”, <http://sites.uclouvain.be/econ/DP/IRES/2012009.pdf>.
- 2012/6 Paolo MELINDI GHIDI, “Income Inequality, School Choice and the Endogenous Gentrification of US Cities”, <http://sites.uclouvain.be/econ/DP/IRES/2012006.pdf>.
- 2012/5 David DE LA CROIX and Fabio MARIANI, “From Polygyny to Serial Monogamy: a Unified Theory of Marriage Institutions”, <http://sites.uclouvain.be/econ/DP/IRES/2012005.pdf>.
- 2012/4 Hippolyte d'ALBIS and David DE LA CROIX, “Missing Daughters, Missing Brides?”, <http://sites.uclouvain.be/econ/DP/IRES/2012004.pdf>.



International Economics

*Journal articles*

Veerle MIRANDA & Marialuz MORENO BADIA & Ilke VAN BEVEREN, 2012. "Globalization drives strategic product switching", *Review of World Economics* (Weltwirtschaftliches Archiv), vol. 148(1), 45-72.

Ilke VAN BEVEREN, 2012. "Total Factor Productivity Estimation: A Practical Review", *Journal of Economic Surveys*, vol. 26(1), 98-128.

IRES Discussion Papers

2012/2 Michel BEINE and Christopher PARSONS, "Climatic factors as determinants of International Migration", <http://sites.uclouvain.be/econ/DP/IRES/2012002.pdf>.

2012/1 Elisabetta LODIGIANI and Sara SALOMONE, "Migration-induced Transfers of Norms. The case of Female Political Empowerment", <http://sites.uclouvain.be/econ/DP/IRES/2012001.pdf>.

Labor economics, social policies and policy evaluations

*Journal articles*

Etienne LEHMANN, 2012. "A Search Model of Unemployment and Inflation", *Scandinavian Journal of Economics*, vol. 114(1), 245-266.

Alessia MATANO & Paolo NATICCHIONI, 2012. "Wage distribution and the spatial sorting of workers", *Journal of Economic Geography*, vol. 12(2), 379-408.

Ludovic A. JULIEN & Fabrice TRICOU, 2012. "Market Price Mechanisms and Stackelberg General Equilibria: An Example", *Bulletin of Economic Research*, vol. 64(2), 239-252.

IRES Discussion Papers

2012/8 Chiara MUSSIDA and Matteo PICCHIO, "The Gender Wage Gap by Education in Italy", <http://sites.uclouvain.be/econ/DP/IRES/2012008.pdf>.

2012/7 Alessia LO TURCO, Daniela MAGGIONI and Matteo PICCHIO, "Offshoring and Job Stability: Evidence from Italian Manufacturing", <http://sites.uclouvain.be/econ/DP/IRES/2012007.pdf>.

2012/3 Laurence JACQUET, Etienne LEHMANN and Bruno VAN DER LINDEN, "Signing distortions in optimal tax and other adverse selection problems with random participation", <http://sites.uclouvain.be/econ/DP/IRES/2012003.pdf>.

PAST SEMINARS

IRES Research Seminar (2012)

- | | | |
|----------|----|--|
| February | 2 | Oded Galor (Brown University) "The "Out of Africa" Hypothesis, Human Genetic Diversity, and Comparative Economic Development" |
| | 9 | Muriel Roger (INRA and Paris School of Economics) "Age Biased Technical and Organisational Change, Training and Employment Prospects of Older Workers" |
| | 16 | Luisito Bertinelli (University of Luxembourg) "Quantifying the Economic Damage due to Hurricane Strikes" |
| | 23 | Frédéric Gaspart (UCLouvain) "Choosing the Subscribers: Endogenous Fertility and Education with Ascending Altruism" |
| March | 1 | Stefania Marcasa (University of Cergy-Pontoise) "Taxation and Labor Force Participation: the Case of Italy" |
| | 8 | Bruno Crépon (CREST, INSEE, Paris) "Do Labor Market Policies have Displacement Effect? Evidence from a Clustered Randomized Experiment" |



- 15 Jean-Pierre Vidal (European Central Bank) "Monetary Policy Deliberations: Committee Size and Voting Rules"
- 22 Abdul Noury (New York University and Université libre de Bruxelles) "Is there a Selection Bias in Roll Call Votes? Evidence from the European Parliament"
- April 19 Monika Schnitzer (University of Munich) "How Trade Credits Foster International Trade"
- 26 Nippe Lagerlöf (University of York, Canada) "Population, Technology and Fragmentation: The European Miracle Revisited"
- May 3 Claire Lelarge (CREST, INSEE, Paris) "Firm Size Distortions and the Productivity Distribution: Evidence from France"
- 29 Tom Prusa (Rutgers University) "Protection reduction and diversion PTAs and the incidence of antidumping disputes"

Macroeconomics Lunch Seminar (2012)

The Macroeconomics Lunch Seminar is an informal forum where researchers present their work in progress in details and receive criticism and feedback from colleagues. PhD students entering the job market are strongly encouraged to present their job market paper. Occasionally, the Macroeconomics Lunch Seminar hosts presentations from visiting scholars.

Seminar's Web Page: <http://www.uclouvain.be/en-284743.html>

Organizers: Hélène Latzer (helene.latzer@uclouvain.be) & Luca Pensieroso (luca.pensieroso@uclouvain.be)



- January 10 Bastien Chabet-Ferret (IRES) "Cross-Race Differences in Fertility in the US"
- 24 Alexandre Simons (IRES) "Delocalization and Home Wages"
- February 7 William Parienté (IRES) "Impact of Microcredit in Rural Areas of Morocco: Evidence from a Randomized Evaluation"
- 21 Jöel Machado (IRES) "Efficiency Gains from Liberalizing Labor Mobility"
- March 6 Chiara Canta (CORE) "Long Term Care and Family Norms"
- 20 Anastasia Litina (University of Luxembourg) "Unfavorable Land Endowment, Cooperation and Reversal of Fortunes"
- 27 Shoshana Grossbard (San Diego State University) "Economics of Polygamy"
- April 17 Etienne Lehmann (CREST, INSEE, Paris) "Heterogeneity and the Macroeconomic Effects of Productivity Changes"
- 24 John Roberts (Stanford University) "Does Working from Home Work? Evidence from China"
- May 8 Emeline Bezin (INRA, Rennes) "The Evolution of Environmental Concern and the Dynamics of Pollution"
- 29 Benoit-Pierre Freyens (University of Canberra) "Shirking Effects of Heterogeneous Employment Protection with Observable Worker Effort"
- June 5 Michel De Vroey (IRES) "In Search of the Lost Time: the Neoclassical Synthesis"

NBB Seminar (2012)

During the academic year 2011-2012, the National Bank of Belgium has launched a series of seminars on firm-level analysis, in cooperation with KULeuven, UCLouvain (IRES), UGent, ULBrussels and UMONS. Top international researchers are invited to present their recent research. The objective is to stimulate the thinking on firm-level behavior, which is currently a very dynamic research area in international trade, labor or empirical industrial organization. It is also the occasion for researchers from Belgium to meet and interact with these renowned guests. The initiative is extended for the next academic year, with scheduled seminars for Fall 2012 of James Harrigan (University of Virginia), Thierry Mayer (Sciences-Po, Paris) and Dan Trefler (University of Toronto).

- March 2 Costas Arkolakis (Yale University) "Staggered Adjustments and Trade Dynamics"
- April 16 Francis Kramarz (ENSAE, Paris) "Firm-to-Firm Trade: Imports, Exports, and the Labor Market"
- May 7 Eric Verhoogen (Columbia University) "Export Destinations and Input Prices: Evidence from Portugal"
- June 26 Enrique G. Mendoza (University of Maryland and NBER) "Overborrowing, Financial Crisis and 'Macro-Prudential' Policy"

DON'T MISS

• Job opening at IRES

The labor team of IRES is searching for two doctoral students:

- 1) the first student will evaluate the impact of policies which aim at boosting the employment rate of "old workers". This is a full-time research position for up to 3 years starting in September 2012.
- 2) the second student will assess the situation of groups among the population facing labour-market barriers using firm-level evidence. This is a full-time research position for up to 2 years starting in September 2012.

Both positions require a taste for applied microeconometrics.

Deadline for applicants: End of June 2012.

More details on these calls can be found at: <http://www.uclouvain.be/en-372410.html>.

• Visiting Research Programme at IRES

The next guest of our Visiting Research Programme is Kala Krishna. Kala Krishna is Professor at Penn State University. We will welcome her for one week, from the 10th to the 14th of September 2012.

IRES - Université catholique de Louvain

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