

# DEGIT XVIII

Dynamics, Economic Growth  
and International Trade  
September 26-27, 2013  
Lima, Peru

[www.conferencia.pucp.edu.pe/degit-xviii](http://www.conferencia.pucp.edu.pe/degit-xviii)

Conference  
Program



**PUCP**



THE WORLD BANK

**GIGA**  
German Institute of Global and Area Studies  
Leibniz-Institut für Globale und Regionale Studien



# **DYNAMICS, ECONOMIC GROWTH AND INTERNATIONAL TRADE**

## **DEGIT XVIII**

**26-27 September, 2013 – Lima, Peru**

### **ORGANIZING UNITS**

- Department of Economics, Pontifical Catholic University of Peru (PUCP), Peru.
- Economics Division, Centro de Investigación y Docencia Económicas (CIDE), Mexico.
- Department of Economics, University of Southern Denmark, Denmark.
- German Institute of Global and Area Studies (GIGA), Germany.

### **ORGANIZING COMMITTEE**

- Waldo Mendoza (PUCP)
- Janina León (PUCP)
- Mario Tello (PUCP)
- Patricia Tovar (PUCP)
- Gabriel Rodríguez (PUCP)
- Marco Vega (PUCP)
- Bjarne S. Jensen (University of Southern Denmark)
- Erich Gundlach (GIGA)
- David Mayer-Foulkes (CIDE)
- Rodolfo Cermeño Bazán (CIDE)

### **SPECIAL COLLABORATION**

- Augusto de la Torre (World Bank)
- William Maloney (World Bank)

## CONFERENCE PROGRAM

Department of Economics, Pontifical Catholic University of Peru

26-27 September 2013

Plenary sessions will take place in the Gustavo Gutierrez auditorium (Building J).

Parallel sessions will take place in rooms N401, N402 and N403 (Building N).

THURSDAY, SEPTEMBER 26 <sup>TH</sup>	
Hour	Activity
8:30 – 9:00	Registration
9:00 - 9:15	Welcome Address
9:15 – 10:00	Plenary Session 1 Richard Baldwin
10:00 – 11:00	Plenary Session 2 William Maloney/Roberto Chang
11:00 – 11:30	Coffee-break
11:30 – 1:00	Parallel Session I
1:00 – 2:30	Lunch
2:30 - 4:00	Parallel Session II
4:00 – 5:30	Parallel Session III
5:30 – 6:00	Coffee-Break
6:00 – 7:30	Plenary Round Table (World Bank) “Challenges of Multipolar Globalization”
8:00	Conference Dinner
FRIDAY, SEPTEMBER 27 <sup>TH</sup>	
Hour	Activity
8:30 – 9:00	Registration*
9:00 – 10:15	Plenary Session 3 Bjarne S. Jensen/Carlos Urrutia/David Mayer-Foulkes
10:15 – 11:30	Parallel Session IV
11:30 – 11:45	Coffee-break
11:45 – 1:00	Parallel Session V
1:00 – 2:30	Lunch
2:30 – 3:15	Transportation by bus from Main Campus to Centro Cultural PUCP
3:30 – 5:00	Plenary Session 4 Constantine ‘Costas’ Azariadis
5:00 – 6:00	Closing Ceremony

\*Only for participants not registered on September 26

## SCHEDULE

<b>September 26</b>				
Hour	N 401	N 402	N 403	Auditorium (Building J)
8:30 – 9:00				Registration
9:00 – 9:15				Welcome Address
9:15 – 10:00				Plenary Session 1
10:00 – 11:00				Plenary Session 2
11:00 – 11:30	Coffee Break			
11:30 – 1:00	Parallel Session I-A	Parallel Session I-B	Parallel Session I-C	
1:00 – 2:30	Lunch (In CAPU's Garden)			
2:30 – 4:00	Parallel Session II-A	Parallel Session II-B	Parallel Session II-C	
4:00 – 5:30	Parallel Session III-A	Parallel Session III-B		
5:30 – 6:00	Coffee Break			
6:00 – 7:30				Plenary Round Table (World Bank)
08:00	Conference Dinner (Café Larco Museum)*			
<b>September 27</b>				
9:00 – 10:15				Plenary Session 3
10:15 – 11:30	Parallel Session IV-A	Parallel Session IV-B	Parallel Session IV-C	
11:30 – 11:45	Coffee Break			
11:45 – 1:00	Parallel Session V-A	Parallel Session V-B		
1:00 – 2:30	Lunch (In CAPU's Garden)			
2:30 – 3:15	Transportation by bus from Main Campus to Centro Cultural PUCP			
3:30 – 5:00				Plenary Session 4
5:00 – 6:00	Closing Ceremony			

\*By invitation only

## **WELCOME ADDRESS**

Hosted by:

### **Prof. PEPI PATRON**

Vice-President of Research, Pontifical Catholic University of Peru (PUCP)

### **Prof. WALDO MENDOZA**

Head of the Department of Economics PUCP and Chair of the DEGIT XVIII Committee

Time: 9:00 a.m. – 9:15 a.m.

Location: Auditorium (Building J)

# PLENARY AND SPECIAL SESSIONS

THURSDAY, SEPTEMBER 26<sup>TH</sup>

## PLENARY SESSION 1

### *Misthinking Globalisation*

**Richard Baldwin** – The Graduate Institute of International and Development Studies

Time: 9:15 a.m. – 10:00 a.m.

Location: Auditorium (Building J)

Chair: *Waldo Mendoza - PUCP*

## PLENARY SESSION 2

### *Does What You Export Matter?*

**William Maloney** - World Bank

### *Financial Intervention, Exchange Rates and Unconventional Policy in an Open Economy*

**Roberto Chang** - Rutgers University and NBER

Time: 10:00 a.m. – 11:00 a.m.

Location: Auditorium (Building J)

Chair: *Janina León - PUCP*

## PLENARY ROUND TABLE

### *Challenges of Multipolar Globalization*

**Richard Baldwin** – The Graduate Institute of International and Development Studies

**Daniel Lederman** – World Bank

**Gian Maria Milesi-Ferretti** – World Bank

**Liliana Rojas-Suárez** – Center for Global Development

Time: 6:00 p.m. – 7:30 p.m.

Location: Auditorium (Building J)

Chair: *Alain Fairlie – PUCP*

# PLENARY AND SPECIAL SESSIONS

FRIDAY, SEPTEMBER 27<sup>TH</sup>

## PLENARY SESSION 3

***An Overview of the DEGIT Research Agenda, 1996-2013 and What is Next?***

**Bjarne S. Jensen** - University of Southern Denmark

***An Empirical Investigation on the Great Gatsby Curve***

**Carlos Urrutia** - ITAM

***Regulating Self-interest under Globalization: Balancing Institutions and Market Power***

**David Mayer-Foulkes** - CIDE

Time: 9:00 a.m. – 10:15 a.m.

Location: Auditorium (Building J)

Chair: *Patricia Tovar* - PUCP

## PLENARY SESSION 4

***Property Rights in Growth Theory***

**Constantine 'Costas' Azariadis** - University of Washington

Time: 3:30 p.m. – 5:00 p.m.

Location: Centro Cultural PUCP

Chair: *Rodolfo Cermeño* - CIDE

# PARALLEL SESSIONS

THURSDAY, SEPTEMBER 26<sup>TH</sup>

## Parallel Session I-A:

### TRADE

Time: 11:30 a.m. – 1 p.m.

Location: N401

1. **Evguenia Bessonova**  
CEFIR - Russia  
*Institutional barriers to FDI Entry at the Regional Level in Russia Analysis for Latin America.*
2. **Mario Tello - Chair**  
PUCP – Peru  
*Firms' Innovation, Constraints and Productivity: The Case of Peru.*
3. Leonardo Iacovone, Aaditya Mattoo and **Andrés Zahler**  
Diego Portales University - Chile  
*Trade and Innovation in Services: Evidence from a Developing Economy.*

## Parallel Session I-B:

### MONETARY AND FISCAL POLICIES

Time: 11:30 a.m. – 1 p.m.

Location: N402

1. **Oscar Dancourt**  
PUCP - Peru  
*Monetary Policy and External Shocks in a Semi-dollarized Economy.*
2. **Cesar Carrera** and Nelson Ramírez  
Central Reserve Bank of Peru - Peru  
*Inflation, Information Rigidity and the Sticky Information Phillips Curve.*
3. **Waldo Mendoza - Chair**  
PUCP - Peru  
*Fiscal Policy and Aggregate Demand: A Keynesian-Ricardian Model.*



# PARALLEL SESSIONS

THURSDAY, SEPTEMBER 26<sup>TH</sup>

## Parallel Session I-C:

### MONETARY AND FINANCIAL INTERVENTIONS

Time: 11:30 a.m. – 1 p.m.

Location: N403

**1. Michel Canta**

Superintendence of Banking, Insurance and Private Pension Funds - Peru

*Macroeconomic Effects of Banking Regulation in Emerging Markets: The Role of Countercyclical Bank Capital Requirements.*

**2. Paula Hernández and Rudy Valdés-Benavides**

Universidad de Guanajuato - Mexico

*Virtual Currencies, Micropayments and Fiat Money: Where are We Coming from and Where Does the Industry Stand?*

**3. Edgar Ventura and Gabriel Rodríguez**

PUCP - Peru

*Explaining the Determinants of the Frequency of Exchange Rate Interventions in Peru using Count Models.*

**4. Rodolfo Cermeño - Chair**

CIDE - Mexico

*Are Flexible Exchange Rate Regimes More Volatile? Panel GARCH Evidence for the G7 and Latin America.*

## Parallel Session II-A:

### TRADE AND GROWTH

Time: 2:30 p.m. – 4:00 p.m.

Location: N401

**1. Eduardo Morales, Gloria Sheu and Andrés Zahler**

Diego Portales University - Chile

*Gravity and Extended Gravity: Estimating a Structural Model of Export Entry.*

**2. Sergey Mitsek**

Liberal Arts University in Yekaterinburg - Russia

*Economic Growth, International Trade and Macroeconomic Dynamics in Emerging Market Economy: an Econometric Analysis of the Russian Federation.*

**3. Anna Maria Pinna - Chair**

University of Cagliari – Italy

*Measuring Insularity as a State of Nature: Is there a case of bad geography?*

# PARALLEL SESSIONS

THURSDAY, SEPTEMBER 26<sup>TH</sup>

## Parallel Session II-B:

### **CAPITAL MARKETS**

Time: 2:30 p.m. – 4:00 p.m.

Location: N402

1. **Paula Hernández** and Karina Rosales  
Universidad de Guanajuato - Mexico  
*Applications of Sudden Stops of International Capital to the Mexican Economy.*
2. **Marco Vega – Chair**, Erick Lahura and Paula Vargas  
PUCP - Peru  
*The Dynamic Relationship between Capital Markets and Output in Peru: 1965-2011.*

## Parallel Session II-C:

### **GROWTH AND REGIONAL DIMENSIONS**

Time: 2:30 p.m. – 4:00 p.m.

Location: N403

1. **Patricia Tovar – Chair** and Chad P. Bown  
PUCP - Peru  
*Regionalism and Time-Varying Non-Tariff Protection.*
2. **Liz Ileana Rodríguez-Gómez** and María del Carmen Rodríguez López  
El Colegio de Sonora - Mexico  
*Convergence across Mexican Municipalities: The Local Approach.*
3. **Augusto Delgado** and Gabriel Rodríguez  
PUCP - Peru  
*Growth of the Peruvian Economy and Convergence in the Regions of Peru: 1970 – 2010.*

# PARALLEL SESSIONS

THURSDAY, SEPTEMBER 26<sup>TH</sup>

## Parallel Session III-A:

### DEVELOPMENT, GROWTH AND TRADE

Time: 4:00 p.m. – 5:30 p.m.

Location: N401

1. **Michele Battisti**, Tamara Fioroni and Andrea Mario Lavezzi  
Universita di Palermo - Italy  
*World Interest Rates, Inequality and Growth: an Empirical Analysis of the Galor - Zeira Model.*
2. **Kirill Borissov**  
European University in St. Petersburg - Russia  
*The Rich and the Poor in a Simple Model of Growth and Distribution.*
3. Efraín González de Olearte and **Juan Manuel del Pozo**  
PUCP - Peru  
*Weak Integration, Divergence and Inequality in Regions of Peru.*
4. **Julian Donaubauer - Chair**  
Helmut Schmidt University - Germany  
*Does Aid for Education Attract Foreign Investors? An Empirical Analysis for Latin America.*

## Parallel Session III-B:

### CYCLES & GROWTH

Time: 4:00 p.m. – 5:30 p.m.

Location: N402

1. **Gabriel Rodríguez – Chair** and Angel Guillén  
PUCP - Peru  
*An Alternative Method to Decompose the Peruvian GDP in Trend and Cycle.*
2. **Michael Jetter**  
Universidad EAFIT - Colombia  
*Volatility and Growth: A Reassessment.*
3. **Félix Fuders** and Patricio Belloy  
Universidad Austral de Chile - Chile  
*Understanding the Crisis: The Central Bank's Dilemma and the Inflation-Deflation-Paradox.*
4. **Nelson Ramirez** and Cesar Carrera  
Central Reserve Bank of Peru - Peru  
*Is Inflation Harmful to Long-run Economic Growth? A Non Linear Assessment.*

# PARALLEL SESSIONS

FRIDAY, SEPTEMBER 27<sup>TH</sup>

## Parallel Session IV-A:

### ENVIRONMENT, TRADE AND GROWTH

Time: 10:15 a.m. – 11:30 a.m.

Location: N401

1. **John Bluedorn**, Rupa Duttgupta, Jaime Guajardo and Nkunde Mwase  
International Monetary Fund – United States  
*The Growth Comeback in Developing Economies: A New Hope or Back to the Future?*
2. **Ross Guest**  
Griffith Business School - Australia  
*Optimal Pollution Abatement under Alternative Social Time Preferences.*
3. **David von Below** and Pierre-Louis Vézina  
OxCarre – United Kingdom  
*The Trade Consequences of Pricy Oil.*
4. Humberto Ortiz and **Erix Aldo Mondaca - Chair**  
Supervisory Agency for Investment in Energy and Mining - Peru  
*Energy Consumption, Environmental Policies and Economic Growth: Evidence in Latin American Countries.*

## Parallel Session IV-B:

### MACROECONOMICS & TRADE

Time: 10:15 a.m. – 11:30 a.m.

Location: N402

1. **Finn Martensen**  
University of Konstanz - Germany  
*Globalization, Unemployment, and Product Cycles: Short and Long Run Effects.*
2. **Claudia S. Gómez López/Luis A. Puch**  
Universidad de Guanajuato - Mexico  
*Macroeconomic Consequences of International Commodities Price Shocks.*
3. **Paula Hernández - Chair**  
Universidad de Guanajuato - Mexico  
*Credit Chains and Mortgage Crisis.*

# PARALLEL SESSIONS

FRIDAY, SEPTEMBER 27<sup>TH</sup>

Parallel Session IV-C:

## TRADE AND MARKETS

Time: 10:15 a.m. – 11:30 a.m.

Location: N403

1. **Gerardo Fujii** and Rosario Cervantes-Martínez  
UNAM - Mexico  
*Indirect Domestic Value Added in Mexico's Manufacturing Exports, by Origin and Destination Sector.*
2. **Gabriela López Noria - Chair**  
Bank of Mexico - Mexico  
*The Effect of Trade Liberalization on Manufacturing Price Cost Margins: The Case of Mexico, 1994-2003.*
3. Matthieu Crozet/**Emmanuel Milet**/Daniel Mirza  
Paris School of Economics - France  
*The Discriminatory Effect of Domestic Regulations on International Trade in Services: Evidence from Firm-Level Data.*

# PARALLEL SESSIONS

FRIDAY, SEPTEMBER 27<sup>TH</sup>

Parallel Session V-A:

## PRODUCTION, PRODUCTIVITY AND GROWTH

Time: 11:45 a.m. – 1:00 p.m.

Location: N401

1. **Brad Sturgill**  
Grand Valley State University – United States  
*The Effects of Time Varying Factor Shares on the Measurement of Total Factor Productivity: Time Series Evidence from the U.S.*
2. **Janina León – Chair** and Lucy Vallejos  
PUCP - Peru  
*Labor Productivity, Firm Size and Location under Growth Context: Peru 2000-2012.*
3. **Jose Manuel Marquez Estrada** and Armando Sánchez  
UNAM - Mexico  
*What Drives the Elasticity of Substitution and the Shape of the Production Function? A Copula Approach.*

Parallel Session V-B:

## TRADE AND TECHNOLOGY

Time: 11:45 a.m. – 1:00 p.m.

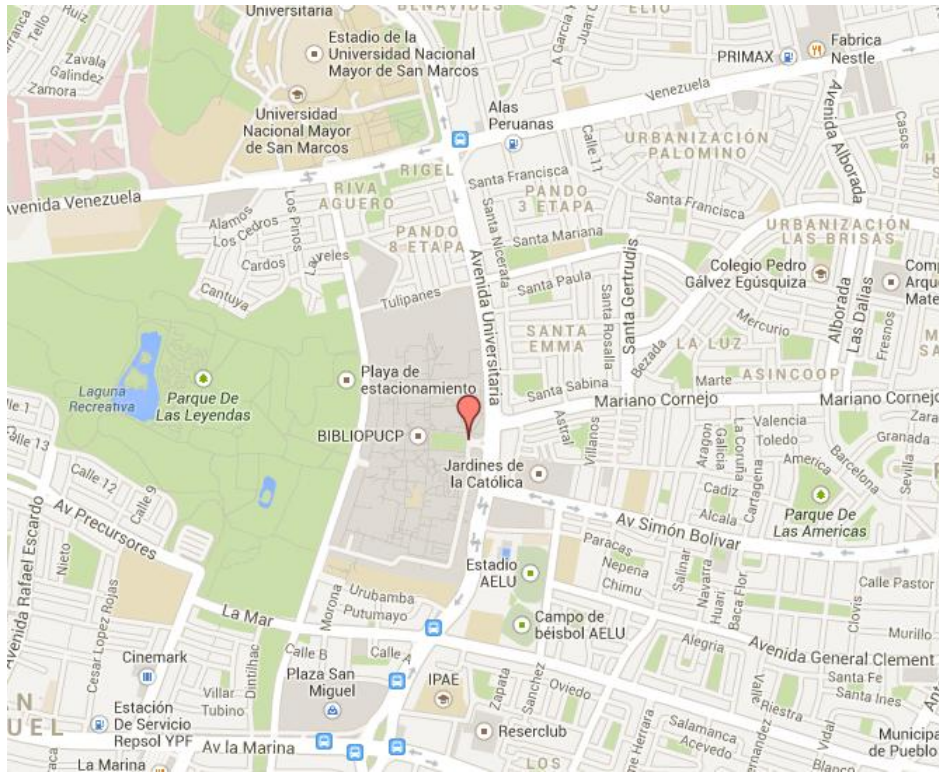
Location: N402

1. Andreas Lendle and **Pierre-Louis Vézina**  
Graduate Institute – Switzerland  
*Technology and Trade Costs: Evidence from eBay Exporters.*
2. **Tracy Collins**  
New College of Florida – United States  
*Trade Liberalization and Technology Diffusion: Evidence from Mexico.*
3. **Kurt A. Hafner – Chair**  
University of Heilbronn - Germany  
*Technology Spillover Effects and Economic Integration: Evidence for Integrating Countries.*

## About the Event

### Venue

The conference DEGIT XVIII will be held on September 26th and 27th in the main campus of the Pontifical Catholic University of Peru (PUCP, for its acronym in Spanish).



Address: Av. Universitaria 1801 – San Miguel

Tel: (511) 626-2000

Website: [www.pucp.edu.pe](http://www.pucp.edu.pe)

Main rooms for the event and other places of interest in the main campus:



**Building J (“Pabellón J”)**  
Gustavo Gutiérrez Auditorium



Building N ("Pabellon N")

N 401- N 404 (4° floor)

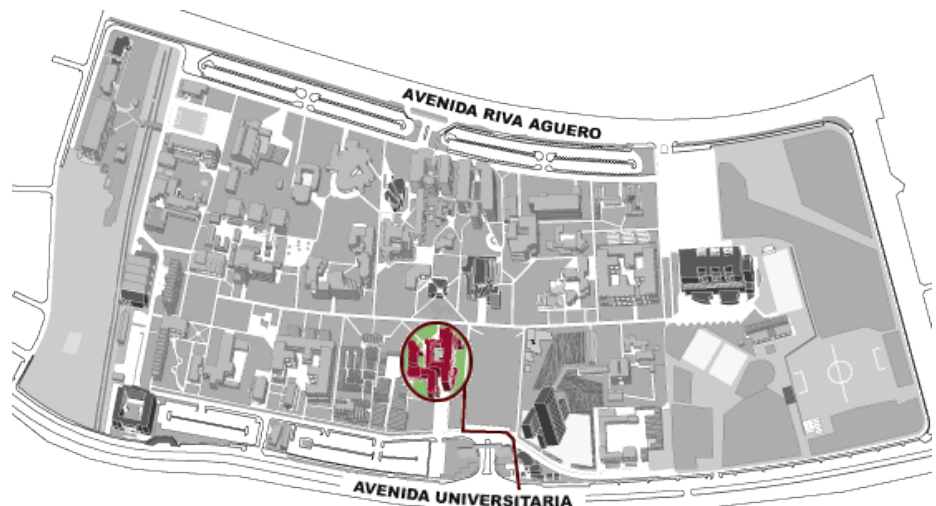
Charlotte's Café (5° floor)

BBVA Bank, ATM's, 338 Café

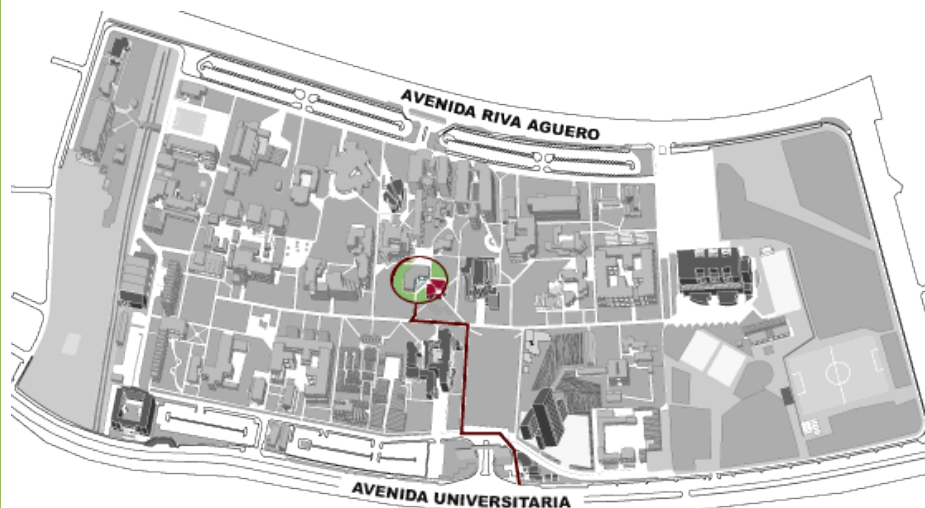


PUCP's bookstore

Treasurer's office







CAPU (Pastoral Advice Center)

For more information about our campus enter <http://www.pucp.edu.pe/en/about-pucp/our-university/campus-map/>

Other places of interest outside the campus:

**Museo Larco Café**

Address: Av. Bolívar 1515 – Pueblo Libre

Website: [www.museolarco.org/cafedelmuseo/](http://www.museolarco.org/cafedelmuseo/)

**Cultural Center of the PUCP**

Address: Av. Camino Real 1075 – San Isidro

Website:

[www.centroculturalpucp.com/](http://www.centroculturalpucp.com/)

In-person registration

The registration in the main campus for both days (26 and 27) will be from 8:30 a.m. In that moment, material of the event and a badge will be provided. This badge will be required to enter the conference sessions.

Coffee break and meals

The organizing committee of the event will offer coffee breaks between sessions, lunches for both days and a special dinner on Thursday 26. Lunch will take place at the CAPU's garden and dinner at the Museo Larco Café.

Transportation in the conference

Transportation services will be provided from suggested hotels to the main campus on both days of the conference. On the first day, transportation will be provided from main campus to Café Larco Museum (Conference Dinner). On the second day, transportation will be provided from main campus to the Cultural Center (for Closing Session).

Transportation in Lima

Although there are taxis on the streets, it is recommended to call formal taxi companies. Some of these companies are:

Taxi SATELITAL

Tel:(51-1)355-5555

Taxi SEGURO

Tel: (51-1)415-2525

### Non-smoking policy

In Peru, it is against the law to smoke in indoor public places (workplaces, restaurants, transportation, etc.). Particularly, it is prohibited to smoke in the main campus.

### Exchange rate

The official currency of Peru is the Nuevo Sol although some sellers "retailers" generally accept dollars. For cash payments, change dollars or euros into soles. Exchange services are offered at the Jorge Chavez International Airport.

The approximate exchange rate is:

- USD/Nuevo sol: 2.81
- Euro/Nuevo sol: 3.70

For more details on the exchange rate, consult the portal of the Central Reserve Bank of Peru: <http://www.bcrp.gob.pe/>. The information can be found in the home page.

### Emergency phone numbers

Police: 105

Firefighters: 116

Ambulance: 117

Red Cross: 475-5787

### Committee Contacts

Ms. Daniela Huertas: [daniela.huertas@pucp.pe](mailto:daniela.huertas@pucp.pe)

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Mrs. Janina Leon: [jaleon@pucp.edu.pe](mailto:jaleon@pucp.edu.pe)

Mrs. Beatriz Gonzales: Tel (511) 626-2000 ext. 4950

Mrs. Mirtha Cornejo: Tel (511) 626-2000 ext. 4951