XIV ANNUAL MEETING OF THE LATIN AMERICAN AND CARIBBEAN ECONOMIC ASSOCIATION.

XXV LATIN AMERICAN MEETING OF THE ECONOMETRIC SOCIETY.

www.lacealames2009.utdt.edu
Sponsors

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Special thanks to Ricominciare, Bodega de Familia
Welcome

It is our great pleasure to welcome you to the XIV Annual Meeting of the Latin American and Caribbean Economic Association and to the XXV Latin American Meeting of the Econometric Society. The Universidad Torcuato Di Tella is proud to be the organizer of what is undoubtedly the region’s most important and prestigious gathering of economic scholars.

This handbook presents the scientific program of our joint meeting and provides information about our sponsors and the social events we have organized. Our Program Committees have put together an extraordinary conference, which we are confident will provide you with the chance to hear something new, connect with old friends, and reflect upon this particular and challenging historical moment in which we are meeting to discuss our field.

LACEA-LAMES 2009 has been possible thanks to the hard work and commitment of many individuals who contributed their time and talent to making this event a success. We truly appreciate the Program Committee Members who helped select the outstanding papers to be presented this weekend from over 1000 submissions. Special thanks are due to the administrative staff of the Universidad Torcuato Di Tella, especially the Accounting, Communications, Computing, and Economics Departments for their hard work. We are grateful to Emily Stern and Angeles Crivelli, our conference coordinators, for their organization and dedication.

Finally, we express our deepest appreciation for the generous support of our sponsors whose contributions make this opportunity for scientific and professional interaction possible.

We hope you have a wonderful stay in Buenos Aires.

Andy Neumeyer
Conference Chair

Sebastian Galiani
LACEA Program Chair

Emilio Espino
LAMES Program Chair
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General information

LACEA-LAMES 2009 WILL BE HELD AT THE UNIVERSIDAD CATÓLICA ARGENTINA (UCA)

Conference Center, San José Building
1650 Alicia Moreau de Justo, Puerto Madero

INFORMATION AND REGISTRATION DESK
The Information and Registration Desk is located at the southern entrance to the Convention Center on the ground floor. It will be open throughout the conference from 8:00 – 19:30. If you need assistance of any kind, please visit us there.

ACCESS TO BUILDING AND CONFERENCE ROOMS
Conference participants are required to show their badges at all times in order to have access to the conference rooms, computer center, lunch and coffee break areas, and social events.

INTERNET AND COMPUTERS
Wireless service for your laptop is available throughout the Conference Center. Workstations are available in the Sala de Lectura on the first floor, which will be open during the conference hours.

LUNCH AND COFFEE BREAKS
Coffee and box lunches with beverages will be served in the first and second floor corner lounges located on the canal side of the building. There are additional tables and chairs set up in the second floor foyer across from the Juan Pablo II Auditorium.

SOCIAL EVENTS

OPENING RECEPTION
October 1, 19:30-20:30
UCA Conference Center, second floor foyer
Sponsored by BBVA Servicio de Estudios Economicos y BBVA Banco Francés

LACEA-LAMES DINNER & PARTY
October 2, 19:30-23:00
Visionnaire, Dorrego 3307 (Palermo)
Join us for a night of Argentine food, wine and more
Special thanks to Ricominciare Bodega de Familia
(http://www.ricominciare.com.ar)

CLOSING COCKTAIL
October 3, 19:00-20:00
UCA Conference Center, second floor foyer
Sponsored by the Global Development Network

Shuttle Buses
Transportation to/from the Conference Center and to the social events will be provided according to the schedule included in your registration materials.

Taxis
It is best to avoid hiring taxis in the street when possible and to use radio-taxis from a recommended company. Staff at restaurants and hotels will be happy to call one at your request. Please visit the information desk if you would like to have a taxi pick you up at the Conference Center. You may also want to save the phone numbers of these companies to call from your mobile: Radio Taxi Premium (5238-0000) or Radio Taxi Pidalo (4956-1200)
### RESTAURANTS

#### PUERTO MADERO
(from closest to furthest away from the UCA)

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<th>Name</th>
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<td>Seafood</td>
<td>Alicia Moreau de Justo 1170</td>
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<td>Parrilla</td>
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#### RECOLETA
(seafood and meat parilla)

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<td>4804-4944</td>
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<td>Del Libertador, Av. 1098 y Ayacucho</td>
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#### PALERMO
(Peruvian)

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<td>Nicaragua 4432</td>
<td>4832-1569 / 4384-6210</td>
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<td><strong>Jangada Restaurant y Bonito Bar</strong></td>
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<td>Bonpland 1670</td>
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<td>4831-7002</td>
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<td>Soler 5608</td>
<td>4775-6964</td>
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<td><strong>Olsen</strong></td>
<td>Nordic</td>
<td>Gorriti 5870</td>
<td>4776-7677</td>
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### MEDICAL ASSISTANCE

Please contact the information desk if you need medical assistance during the conference hours. For more serious conditions or after hours, we recommend going directly to the emergency rooms at any of these private hospitals:

- **Hospital Alemán**
  Av. Pueyrredón 1640
  4827-7000

- **Sanatorio de la Trinidad**
  Cerviño 4720
  4127-5555/00

- **Sanatorio Mater Dei**
  San Martin de Tours 2952
  4809 5555

For medical or other emergencies, dial 911 to contact the city’s emergency services.

**EMERGENCY CONTACT:**
Emily Stern or Angeles Crivelli can be reached anytime via: +54-11-5169-7180
Sebastián Galiani, Chair, Washington University at St. Louis

Facundo Alborhzo-Crespo, Birmingham University
Raquel Bernal, Universidad Los Andes
Martin Besfamille, Universidad Torcuato Di Tella
Irene Brambilla, Yale University
Matias Cattaneo, University of Michigan
Francisco Chico Ferreira, World Bank
Alberto Chong, Inter-American Development Bank
Francisco J. Ciocchini, Universidad Católica Argentina
Tito Cordello, World Bank
Raquel Fernandez, New York University
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Ernesto Schargrodsky, Universidad Torcuato Di Tella
Miguel Urquiza, Columbia University
Federico Weinschelbaum, Universidad de San Andrés

Emilio Espino, Chair, Universidad Torcuato Di Tella

Leandro Arozamena, Universidad Torcuato Di Tella
Pablo Beker, Warwick University
Michele Boldrin, Washington University at St. Louis
Francisco Buera, Northwestern University & UCLA
Ariel Burstein, University of California Los Angeles
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Pedro Dal Bo, Brown University
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Federico Echenique, California Institute of Technology
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Raquel Fernandez, New York University
Martin González Eiras, Universidad de San Andrés
Juan Carlos Hallak, Universidad de San Andrés
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Enrique Mendoza, University of Maryland
Santiago Oliveros, UC Berkeley, Haas Business School
Monika Piazzesi, Stanford University
Demian Pouzo, New York University
Lucia Quesada, Universidad Torcuato Di Tella
Ernesto Schargrodsky, Universidad Torcuato Di Tella
Karl Schmedders, Northwestern University
Martín Solà, Universidad Torcuato Di Tella
Steve Spear, Carnegie Mellon University
Martin Uribe, Columbia University
Gustavo Ventura, University of Iowa
Marcelo Veracierto, Federal Reserve of Chicago
Federico Weinschelbaum, Universidad de San Andrés
DEPARTMENT OF ECONOMICS

UNIVERSIDAD TORCUATO DI TELLA

Universidad Torcuato Di Tella (UTDT) is a private teaching and research institution founded in 1991 by the Di Tella Foundation and the Instituto Torcuato Di Tella, with support from the international philanthropic community. Since its creation, the Department of Economics has played a leading role in economics education, research and public service.

The department offers an undergraduate program, a two-year MA in Economics program, an MA in Econometrics program, and extension courses on Advanced Economics. The Department offers world-class graduate programs taught by leading international scholars. The high quality of our graduate degrees is widely recognized, and many of our former students have continued on to successful careers as academics and economists in the public and private sector. The economics research group is one of the most active in Latin America; Di Tella professors publish regularly in top ranked international scientific journals. Several Di Tella faculty members and alumni have served in public office at the local, provincial and national level in Argentina and in international public organizations.

The Department of Economics at Universidad Torcuato Di Tella has organized numerous scientific events that, along with our series of weekly seminars, have greatly contributed to the development and enhancement of Argentinean academic life. In this spirit, it is a delight to host the XIV Annual Meeting of the Latin American and Caribbean Economic Association and the XXV Latin American Meetings of the Econometric Society.

Martín Solá
Chair, Department of Economics
The Econometric Society is the most prestigious learned society in the field of economics, with a world-wide membership. Its main object is to promote studies that aim at a unification of the theoretical-quantitative and empirical-quantitative approach to economic problems and that are penetrated by constructive and rigorous thinking similar to that which has come to dominate in the natural sciences. It operates as a purely scientific organization, without any political, social, financial or nationalistic allegiance or bias.

The four main activities of the Society are the publication of a journal, Econometrica; the publication of a monograph series in collaboration with the Cambridge University Press; the organization of scientific meetings in six regions of the world, including a World Congress every five years; and the conduct of elections for Fellow of the Econometric Society, an honorary designation highly valued by members of the economics profession.

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<th>Year</th>
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<td>1980</td>
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The Latin American and Caribbean Economic Association or Asociación de Economía de América Latina y el Caribe (LACEA) is an international association of economists with common research interests in Latin America. It was formed in 1992 to encourage greater professional interaction and foster increased dialogue among researchers and practitioners whose work focuses on the economies of Latin America and the Caribbean.

Since its inception LACEA has grown to an organization with an annual average of 1000 active members. All LACEA members enjoy exclusive benefits: invitations to participate in LACEA’s annual meeting, mentoring program, summer schools, and other programs and academic activities organized by LACEA; biannual issues of Economia; access to JSTOR’s Economic and Business Collection; and a fortnightly newsletter with information about grant/funding opportunities and academic activities.

Starting in 1996, the association has held annual meetings in Mexico City, Bogotá, Buenos Aires, Santiago, Rio de Janeiro, Montevideo, Madrid, Puebla, San José Costa Rica and Paris. These meetings have been jointly organized with the Latin American Chapter of the Econometric Society (LAMES) since 2006.

LACEA also sponsors five research networks: the Network on Inequality and Poverty (NIP) in conjunction with the Inter-American Development Bank and the World Bank; the Political Economy Group (PEG); the Workshop on International Economics and Finance; the Impact Evaluation Network (IEN), and a network of researchers working in international trade and economic growth in Latin America (TAG) as the successor of the Regional Integration Network (RIN), to help promote the interaction of young and seasoned economists, as well as social scientists and development practitioners. LACEA’s associate networks organize regular meetings and workshops allowing a more specialized and detailed discussion of papers than it is possible during the general meetings of LACEA. In addition, since 2000, LACEA has been publishing its own journal Economia that has recently released its seventeenth issue.

LACEA’s history, bylaws, annual meetings, description of networks and related information can be found on its website www.lacea.org.

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<tr>
<td>10:30</td>
<td>Coffee - Welcome and Introduction</td>
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<td><em>Editor Journal Economía: Roberto Rigobon (MIT)</em></td>
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<tr>
<td>11:00 - 11:40</td>
<td><strong>Paper 1</strong></td>
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<td></td>
<td>On gradualism of monetary policy</td>
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<td>Mario Alejandro Gonzalez (Un. Nacional de Colombia)</td>
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<td>11:40 - 12:20</td>
<td><strong>Paper 2</strong></td>
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<td>The moving middle: migration, place premiums and human development in Bolivia</td>
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<td>George Gray Molina (Oxford); Ernesto Yanez (Central Bank Bolivia)</td>
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<td>12:20 - 13:00</td>
<td><strong>Paper 3</strong></td>
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<td></td>
<td>Labor market rigidities and informality in Colombia</td>
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<td>13:00 - 14:00</td>
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<td>Pension funds reform in Chile</td>
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<td>Nicolas Barr (London School of Economics); Peter Diamond (MIT)</td>
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<td>14:40 - 15:20</td>
<td><strong>Paper 5</strong></td>
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<td>Addicted to Dollars</td>
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<td>Carmen Reinhart (Un. of Maryland); Kenneth Rogoff (Harvard); Miguel Savastano (IMF)</td>
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<td>15:20 - 4:00</td>
<td><strong>Paper 6</strong></td>
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<td>Inequality dynamics in Latin America</td>
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<td>Nora Lustig</td>
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<td>16:00 - 16:20</td>
<td><strong>COFFEE BREAK</strong></td>
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<td>16:20 - 17:00</td>
<td>Paper 7</td>
<td>The dynamics of income inequality in Mexico since NAFTA</td>
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<td>17:00 - 17:40</td>
<td>Paper 8</td>
<td>Natural resources, primary exports, and comparative advantages</td>
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<td>8:30 - 9:00</td>
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<tr>
<td>9:00 - 9:40</td>
<td>Paper 9</td>
<td>Identifying bank lending reaction to monetary policy through data frequency</td>
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<td>9:40 - 10:20</td>
<td>Paper 10</td>
<td>Regulatory reform: integrating paradigms</td>
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<td>10:20 - 10:40</td>
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<td>COFFEE BREAK</td>
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<tr>
<td>10:40 - 11:20</td>
<td>Paper 11</td>
<td>Schooling Inequalities, crises, and financial liberalization in Latin America</td>
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<td>11:20 - 12:00</td>
<td>Paper 12</td>
<td>Assessment of the distributive impact of national and external trade reforms in Brazil</td>
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<td>08:00 - 08:30</td>
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<td>08:30 - 09:45</td>
<td><strong>OPENING CEREMONY</strong></td>
<td>ROOM: Juan Pablo II</td>
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<td></td>
<td>Mauricio Cardenas, President, LACEA</td>
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<td>Andrés Neumeyer, Chair, LAMES</td>
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<td>10:00 - 11:00</td>
<td><strong>GLOBAL DEVELOPMENT NETWORK 10TH ANNIVERSARY ADDRESS</strong></td>
<td>ROOM: 122</td>
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<td></td>
<td>Chairperson: Gerardo Della Paolera, President, Global Development Network</td>
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<td></td>
<td><strong>THE FIRST GLOBAL CRISIS OF THE 21ST CENTURY: FOR BETTER OR FOR WORSE, AN INFLECTION POINT FOR LATIN AMERICA?</strong></td>
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<td>Ernesto Zedillo, Yale University, Former President of Mexico</td>
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<td>10:00 - 11:00</td>
<td><strong>CONTRIBUTED SESSIONS</strong></td>
<td>ROOM: 121</td>
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<td></td>
<td><strong>EFFECTS OF NATURAL DISASTERS (LACEA)</strong></td>
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<td>Chairperson: Eduardo Rodriguez-Oreggia, EGAP ITESM CEM</td>
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<td><strong>DO ALL NATURAL DISASTERS HAVE THE SAME IMPLICATIONS FOR ECONOMIC GROWTH? A THEORETICAL AND EMPIRICAL EVALUATION</strong></td>
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<td>Eduardo Olaberria, University of Maryland</td>
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<td><strong>THE IMPACT OF NATURAL DISASTERS ON HUMAN DEVELOPMENT AND POVERTY AT THE MUNICIPAL LEVEL IN MEXICO</strong></td>
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<td>Eduardo Rodriguez-Oreggia, EGAP ITESM CEM</td>
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<td>10:00 - 11:00</td>
<td><strong>CORRUPTION (LACEA)</strong></td>
<td>ROOM: 114</td>
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<td>Chairperson: Sandra Sequeira, Harvard University</td>
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<td><strong>CORRUPTING LEARNING: EVIDENCE FROM MISSING CENTRAL GOVERNMENT TRANSFERS IN BRAZIL</strong></td>
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<td>Claudio Ferraz, Pontificia Universidade Católica do Rio de Janeiro</td>
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<td></td>
<td>Co-Authors: Frederico Finan, UCLA and NBER and Diana Moreira</td>
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<td><strong>ON THE WATERFRONT: AN EMPIRICAL STUDY OF CORRUPTION IN PORTS</strong></td>
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<td>Sandra Sequeira, Harvard University</td>
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<td>Co-Author: Simeon Djankov, International Finance Corporation</td>
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<td>10:00 - 11:00</td>
<td><strong>LAND CONFLICTS AND LAND TITLING (LACEA)</strong></td>
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<td>Chairperson: María del Pilar López Uribe, Universidad de los Andes</td>
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<td><strong>INTRA GENERATIONAL EFFECTS OF TITLING PROGRAMS: PHYSICAL VS. HUMAN CAPITAL</strong></td>
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<td>Nestor Gandelman, Universidad ORT Uruguay</td>
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<td><strong>LAND CONFLICTS, PROPERTY RIGHTS AND THE RISE OF THE EXPORT ECONOMY IN COLOMBIA, 1850–1925</strong></td>
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<td>María del Pilar López Uribe, Universidad de los Andes</td>
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THURSDAY, OCTOBER 1, 2009

10:00 - 11:00

**CONTRACT THEORY (LACEA)**  
Chairperson: Gabriel Madeira, Universidade de Sao Paulo

**INFORMAL JOBS AND CONTRIBUTION TO SOCIAL SECURITY: EVIDENCE FROM A DOUBLE SELECTION MODEL**  
Esteban Puentes, Centro de Microdatos, Universidad de Chile  
Co-Author: Dante Contreras, World Bank

**OBSERVABILITY AND ENDOGENOUS ORGANIZATIONS**  
Gabriel Madeira, Universidade de Sao Paulo  
Co-Author: Weerachart Kilenthong, University of California in Santa Barbara

10:00 - 11:00

**RESEARCH (LACEA)**  
Chairperson: Quy-Toan Do, World Bank

**DOES OFFSHORING RESEARCH ACTIVITY SUBSTITUTE FOR RESEARCH ACTIVITY AT HOME?**  
Laura Abramovsky, Institute for Fiscal Studies and UCL  
Co-Authors: Rachel Griffith, IFS and UCL and Helen Miller, IFS and UCL

**OBSERVING RESEARCH: EMPIRICAL ECONOMICS RESEARCH AND THE WEALTH OF COUNTRIES**  
Quy-Toan Do, World Bank  
Co-Authors: Jishnu Das, World Bank, Karen Shaines, IMF and Sowmya Srinivasan, World Bank

10:00 - 11:00

**VIOLENCE AND ARMED CONFLICT (LACEA)**  
Chairperson: Leopoldo Fergusson, MIT

**PEACE AND GOODWILL? USING AN EXPERIMENTAL GAME TO ANALYSE PAZ Y DESARROLLO**  
Luca Pellerano, Institute for Fiscal Studies, Oxford Policy Management  
Co-Authors: Orazio Attanasio, UCL and David Phillips, Institute for Fiscal Studies

**VARIETIES OF ECONOMIC INEQUALITY AND VIOLENT CONFLICT: A HYPOTHESIS FOR COLOMBIA**  
Leopoldo Fergusson, MIT  
Co-Author: Juan Vargas, Universidad del Rosario, Colombia

10:00 - 11:00

**INNOVATION AND TRADE (LACEA)**  
Chairperson: Alejandro Riaño, Penn State University

**INNOVATION AND EXPORT MARKET PARTICIPATION IN DEVELOPING COUNTRIES: FIRM-LEVEL EVIDENCE FROM ARGENTINA**  
Pablo Sanguinetti, Corporación Andina de Fomento

**TRADE, TECHNOLOGY ADOPTION AND THE RISE OF THE SKILL PREMIUM IN MEXICO**  
Alejandro Riaño, Penn State University
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<th>Venue</th>
<th>Chairperson(s)</th>
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<td>10:00 - 11:00</td>
<td><strong>ETHNICITY (LACEA)</strong></td>
<td>ROOM: Microcine</td>
<td>Hugo Nopo, Inter-American Development Bank</td>
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<td><strong>ETHNICITY AND HUMAN CAPITAL ACCUMULATION IN URBAN MEXICO</strong></td>
<td>ROOM: 112</td>
<td>Hugo Nopo, Inter-American Development Bank, Natalia Winder, Inter-American Development Bank</td>
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<td>10:00 - 11:00</td>
<td><strong>MICROFINANCE (LACEA)</strong></td>
<td>ROOM: 109</td>
<td>Veronica Frisancho Robles, The Pennsylvania State University</td>
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<td><strong>PEER COMMITMENT AS A SAVINGS INCENTIVE: EVIDENCE FROM A FIELD EXPERIMENT AMONG LOW-INCOME MICROENTERPRENEURS IN CHILE</strong></td>
<td>ROOM: 109</td>
<td>Felipe Kast, Harvard University, Dina Pomeranz, Harvard University</td>
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<td><strong>POSITIVE INFORMATION SHARING IN MICROFINANCE MARKETS IN PERU: WHO WINS AND WHO LOSES?</strong></td>
<td>ROOM: 112</td>
<td>Veronica Frisancho Robles, The Pennsylvania State University</td>
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<td>10:00 - 11:00</td>
<td><strong>MICROECONOMIC THEORY (LACEA)</strong></td>
<td>ROOM: 112</td>
<td>Miguel Espinosa, Universidad de los Andes</td>
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<td><strong>A SEARCH-THEORETIC MODEL OF THE RETAIL MARKET FOR ILLICIT DRUGS</strong></td>
<td>ROOM: 126</td>
<td>Manolis Galenianos, Pennsylvania State University, Rosalie Pacula, Rand Co and Nicola Persico, New York University</td>
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<td><strong>HELPING THE HELPERS: ALTRUISM AS A RATIONAL CHOICE OF DONORS TO A STUDENTS VOLUNTARY ORGANIZATION</strong></td>
<td>ROOM: 126</td>
<td>Miguel Espinosa, Universidad de los Andes, Cardenas Juan Camilo, Universidad de Los Andes and Sandra Polania, Graduate student</td>
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<td>10:00 - 11:00</td>
<td><strong>GAME THEORY AND MORAL HAZARD (LACEA)</strong></td>
<td>ROOM: 126</td>
<td>Mariana Blanco, Universidad del Rosario</td>
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<td><strong>ON LINEAR SHARING RULES IN TEAMS</strong></td>
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<td>Lucy O’Shea, University of Bath, Shasikanta Nandeibam, University of Bath (UK)</td>
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THURSDAY, OCTOBER 1, 2009

10:00 to 11:00

PIQUETEROS: AN EXPERIMENTAL ANALYSIS OF DIRECT VS. INDIRECT RECIPROCITY
Mariana Blanco, Universidad del Rosario

10:00 - 11:00

ROOM: Auditorio 3

MARIANA BLANCO, Universidad del Rosario

10:00 - 11:00

ROOM: Auditorio 1

NATURAL RESOURCES AND DEVELOPMENT: FIGHTING THE CURSE
Chairperson: Roberto Steiner, Fedesarrollo

This Session is sponsored by the Corporación Andina de Fomento

A COMMODITY CURSE? THE DYNAMIC EFFECTS OF COMMODITY PRICES ON FISCAL PERFORMANCE IN LATIN AMERICA
Leandro Medina, George Washington University
Discussant: Adriana Arreaza, CAF

GROWTH, DEVELOPMENT AND NATURAL RESOURCES: NEW EVIDENCE USING A HETEROGENEOUS PANEL ANALYSIS
Kamiar Mohaddes, University of Cambridge
Co-Authors: Tiago Cavalcanti, Faculty of Economics, University of Cambridge and Mehdi Raissi, University of Cambridge
Discussant: Nicolás Grosman, Banco Central República Argentina

10:00 - 11:00

ROOM: 101

CONTRIBUTED SESSIONS
LAMES

10:00 - 11:00

ECONOMETRICS 1 (LAMES)
Chairperson: Juan Carlos Escanciano, Indiana University

EVALUATING NONEXPERIMENTAL ESTIMATORS FOR MULTIPLE TREATMENTS: EVIDENCE FROM A RANDOMIZED EXPERIMENT
Oscar Mitnik, University of Miami
Co-Author: Carlos Flores, University of Miami

SIMPLE BOOTSTRAP TESTS FOR CONDITIONAL MOMENT RESTRICTIONS
Juan Carlos Escanciano, Indiana University

10:00 - 11:00

TOPICS IN FINANCIAL ECONOMICS (LAMES)
Chairperson: George McCandless, Banco Central de la República Argentina

ANTICIPATION AND IMPACT OF CORPORATE ANNOUNCEMENTS IN THE AMERICAS
Juan Cruces, Business School, Universidad Torcuato Di Tella
Co-Author: Andrés Drenik, Universidad de San Andrés

ON THE SOCIAL VALUE OF BANKS
George McCandless, Banco Central de la República Argentina
THURSDAY, OCTOBER 1, 2009

10:00 - 11:00

**ECONOMETRICS 2 (LAMES)**
Chairperson: Hildegart Ahumada, Universidad Torcuato Di Tella

ANCILLARY STATISTICS AND BIMODALITY IN THE STRUCTURAL EQUATION
Cesar Ariza, University of Amsterdam
Co-Author: Kees Jan van Garderen, University of Amsterdam

BREAKS DETECTABILITY AND MSFE RATIOS
Hildegart Ahumada, Universidad Torcuato Di Tella

10:00 - 11:00

**ECONOMETRICS 3 (LAMES)**
Chairperson: Carlos Lamarche, University of Oklahoma

HETEROGENEOUS TREATMENT EFFECTS FROM THE JOINT DISTRIBUTION OF OUTCOMES WITH COPULAS
Sebastian Calonico, University of Michigan

PENALIZED QUANTILE REGRESSION ESTIMATION FOR A MODEL WITH ENDOGENOUS INDIVIDUAL EFFECTS
Carlos Lamarche, University of Oklahoma

10:00 - 11:00

**CREDIT MARKETS (LAMES)**
Chairperson: Richard Lowery, University of Texas-Austin, McCombs School of Business

ANALYSIS OF THE PREDICTORS OF DEFAULT FOR PORTUGUESE FIRMS
Russ Moro, Brunel University, West London
Co-Author: Ana Lacerda, Banco de Portugal

IMPERFECT MONITORING AND FIXED SPREADS IN THE MARKET FOR IPOS
Richard Lowery, University of Texas-Austin, McCombs School of Business

10:00 - 11:00

**EDUCATION AND HUMAN CAPITAL (LAMES)**
Chairperson: Analia Schlosser, Tel Aviv University

HUMAN CAPITAL FORMATION, INEQUALITY, AND COMPETITION FOR JOBS
Daniel Mejia, Universidad de los Andes
Co-Author: Marc St-Pierre, University of the South

MECHANISMS AND IMPACTS OF GENDER PEER EFFECTS AT SCHOOL
Analia Schlosser, Tel Aviv University
Co-Author: Victor Lavy, Hebrew University of Jerusalem
THURSDAY, OCTOBER 1, 2009

10:00 - 11:00

**EMPIRICAL POLITICAL ECONOMY (LAMES)**
Chairperson: Decio Covello, European University Institute and University Tor Vergata Roma

**GOVERNMENT INFORMATION TRANSPARENCY**
Paolo Vanin, University of Bologna
Co-Authors: Facundo Albornoz, University of Birmingham and Joan Esteban, IAE, CSIC, Barcelona

**POLITICAL LONGEVITY AND COMPETITION IN PUBLIC PROCUREMENT AUCTIONS**
Decio Covello, European University Institute and University Tor Vergata Roma

10:00 - 11:00

**OPTIMAL FISCAL POLICY (LAMES)**
Chairperson: Adrian Peralta-Alva, Federal Reserve Bank of St Louis

**OPTIMAL SECOND BEST TAXATION OF ADDICTIVE GOODS IN DYNAMIC GENERAL EQUILIBRIUM**
David Kelly, University of Miami

**OPTIMAL TAXATION IN A MONETARY SEARCH MODEL WITH INFORMAL MARKETS**
Adrian Peralta-Alva, Federal Reserve Bank of St Louis
Co-Authors: Pedro Gomis-Porqueras, Australian National University and Christopher Waller, Federal Reserve Bank of Saint Louis

10:00 - 11:00

**APPLICATIONS OF PUBLIC ECONOMICS (LAMES)**
Chairperson: David Albouy, University of Michigan

**SEGREGATION AND TIEBOUT SORTING: INVESTIGATING THE LINK BETWEEN PUBLIC GOODS AND DEMOGRAPHIC COMPOSITION**
Randall Walsh, University of Pittsburgh
Co-Author: H. Spencer Banzhaf, Georgia State University

**WHAT ARE CITIES WORTH? LAND RENTS, LOCAL PRODUCTIVITY, AND THE CAPITALIZATION OF AMENITY VALUES**
David Albouy, University of Michigan

10:00 - 11:00

**AUCTIONS (LAMES)**
Chairperson: Leonardo Rezende, PUC-Rio and University of Illinois

**AUCTIONS WITH RESALE MARKET AND ASYMMETRIC INFORMATION**
Rodrigo Harrison, Instituto de Economia PUC
Co-Author: Felipe Varas

**PLAYING LIKE AN ECONOMETRICIAN: RATIONAL CHOICE BASED ON ESTIMATES LEADS TO OVERBIDDING IN FIRST-PRICE AUCTIONS**
Leonardo Rezende, PUC-Rio and University of Illinois
THURSDAY, OCTOBER 1, 2009

11:00 - 11:30
COFFEE BREAK

11:30 - 13:00
INVITED AND SPONSORED SESSIONS
LACEA

EDUCATION (LACEA)
Chairperson: Victor Lavy, Hebrew University of Jerusalem

ANTI-LEMONS: SCHOOL REPUTATION AND EDUCATIONAL QUALITY
Miguel Urquiola, Columbia University
Co-Author: Bentley MacLeod, Columbia University

INCENTIVES, RESOURCES AND THE ORGANIZATION OF THE SCHOOL SYSTEM
Samuel Berlinski, University College of London
Co-Authors: Facundo Albornoz, University of Birmingham and Antonio Cabrales, Universidad Carlos III de Madrid

THE CAUSAL EFFECT OF SCHOOL INSTRUCTIONAL TIME ON ACHIEVEMENTS IN MATH, SCIENCE AND READING: EVIDENCE FROM DEVELOPED AND DEVELOPING COUNTRIES
Victor Lavy, Hebrew University of Jerusalem

WOMEN AND DEVELOPMENT (LACEA)
Chairperson: Raquel Fernandez, New York University

AN EQUILIBRIUM MODEL OF THE HIV/AIDS EPIDEMIC
Michele Tertilt, Stanford University
Co-Authors: Jeremy Greenwood, University of Pennsylvania and Philipp Kircher, University of Pennsylvania

BUILDING SOCIAL CAPITAL THROUGH MICROFINANCE
Rohini Pande, Harvard University
Co-Authors: Ben Feigenberg, Massachusetts Institute of Technology and Erica Field, Harvard University

WOMEN’S RIGHTS AND DEVELOPMENT
Raquel Fernandez, New York University
THURSDAY, OCTOBER 1, 2009

11:30 - 13:00

EMERGING FROM THE GLOBAL CRISIS: OUTLOOK AND POLICY CHALLENGES FOR LATIN AMERICAN AND CARIBBEAN ECONOMIES

This Session is sponsored by the International Monetary Fund

Panelists: Rodrigo Valdés, IMF
Steve Phillips, IMF

Discussants: Ricardo Hausmann, Harvard University
Miguel Kiguel, Director, EconViews

11:30 - 13:00

THE AGE OF PRODUCTIVITY: TRANSFORMING ECONOMIES FROM THE BOTTOM UP

Latin American income levels are increasingly lagging behind those of the developed world, a subpar performance explained by slow growth of Total Factor Productivity. This session presents the results of the IDB flagship report, which examines the causes behind such disappointing productivity performance. In addition, three prominent academic economists will discuss cutting-edge research on what keeps countries from reaching their productivity potential.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Carmen Pages, Inter-American Development Bank

Panelists: Abhijit Banerjee, MIT
Eduardo Engel, Yale University
Carmen Pages, Inter-American Development Bank

11:30 - 13:00

ROUND TABLE: CENTRAL BANKS AND THE GLOBAL CRISIS: LESSONS AND CHALLENGES

This Session is sponsored by the Bank for International Settlements.

Chairperson: Philip Turner, Head of Secretariat Group of the Monetary and Economic Department, BIS

Panelists: Vittorio Corbo, Former President, Central Bank of Chile
Michael Dooley, University of California, Santa Cruz
Mario Mesquita, Deputy Governor, Central Bank of Brazil
Martin Redrado, President, Central Bank of Argentina
POLICY RESPONSE TO THE GLOBAL CRISIS. NEW PROBLEMS AND NEW SOLUTIONS FOR EMERGING MARKET ECONOMIES

For Emerging Market Economies, the current economic crisis differs in important ways from previous "capital account" crises of the 1990s. The structure of liabilities with the private sector is quite different, especially in Latin America. The official sector has created new financing instruments and approaches. For the first time, emerging market economies have, to varying degrees, “space” to respond to the emergency with countercyclical policies. Economists from multilateral institutions present their analyses on which responses may work and what are the keys to sustainable success.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Eduardo Borensztein, Inter-American Development Bank

COPING WITH THE CRISIS: POLICY OPTIONS FOR EMERGING MARKET COUNTRIES

Atish R. Ghosh, International Monetary Fund
Co-Authors: Marcos Chamon, International Monetary Fund, Christopher Crowe, Jun I. Kim, and Jonathan D. Ostry

THE MULTILATERAL RESPONSE TO THE GLOBAL CRISIS FOR EMERGING ECONOMIES. RATIONALE, MODALITIES AND FEASIBILITY

Eduardo Fernández-Arias, Inter-American Development Bank
Co-Authors: Andrew Powell, Inter-American Development Bank and Alessandro Rebucci, Inter-American Development Bank

THE RESPONSE OF THE WORLD BANK

Augusto de la Torre, World Bank

INVITED AND SPONSORED SESSIONS

LAMES

Chairperson: Martin Uribe, Columbia University

ROBUSTIFYING SHILLER: DO STOCK PRICES MOVE ENOUGH TO BE JUSTIFIED BY SUBSEQUENT CHANGES IN DIVIDENDS?

Charles Whiteman, University of Iowa
Co-Author: Kurt F. Lewis, Board of Governors of the Federal Reserve System
THURSDAY, OCTOBER 1, 2009

11:30 - 13:00

THURSDAY, OCTOBER 1, 2009

THE RBC FILTER
David DeJong, University of Pittsburgh
Co-Authors: Roman Liesenfeld, Department of Economics, Universitat Kiel, Guilherme V. Moura, Department of Economics, Universitat Kiel and Jean-Francois Richard, University of Pittsburgh

WHAT’S NEWS IN BUSINESS CYCLES
Martin Uribe, Columbia University

TRADE (LAMES)
Chairperson: Ariel Burstein, UCLA

EVALUATING TRADE REFORMS WITH MODELS WITH HETEROGENEOUS FIRMS
Timothy J. Kehoe, University of Minnesota and Federal Reserve Bank of Minneapolis
Co-Author: Kim J. Ruhl, New York University, Stern School of Business

EXTERNAL ECONOMIES AND INTERNATIONAL TRADE REDUX
Esteban Rossi-Hansberg, Princeton University
Co-Author: Gene Grossman, Princeton University

TRADE, TECHNOLOGY, AND THE SKILL PREMIUM
Ariel Burstein, UCLA
Co-Author: Jonathan Vogel, Columbia University

GENERAL EQUILIBRIUM (LAMES)
Chairperson: Karl Schmedders, Northwestern University

A GENERAL EQUILIBRIUM EXPLANATION OF FINANCIAL MARKETS ANOMALIES: BELIEF HETEROGENEITY UNDER LIMITED ENFORCEABILITY
Pablo Beker, University of Warwick

HETEROGENEOUS EXPECTATIONS IN DYNAMIC GENERAL EQUILIBRIUM
Christian Hellwig, UCLA

LINEAR EQUILIBRIA IN STOCHASTIC OLG ECONOMIES: ASSET PRICES AND THE INTERGENERATIONAL WEALTH DISTRIBUTION
Karl Schmedders, Northwestern University
Co-Author: Felix Kubler, Swiss Finance Institute
THURSDAY, OCTOBER 1, 2009

11:30 - 13:00

**MONEY MARKETS AND THE FINANCIAL CRISIS**
This Session is sponsored by the Federal Reserve Bank of New York
Chairperson: Tano Santos, Columbia University

**THE INTERBANK MARKET AFTER AUGUST 2007: WHAT HAS CHANGED AND WHY?**
Paolo Angelini, Bank of Italy
Co-Authors: Andrea Nobili and Cristina Picillo, Bank of Italy
Discussant: Celso Brunetti, Johns Hopkins University

**BANK LIQUIDITY, INTERBANK MARKETS, AND MONETARY POLICY**
David Skeie, Federal Reserve Bank of New York
Co-Authors: Xavier Freixas, Univeristat Pompeu Fabra and
Antoine Martin, Federal Reserve Bank of New York
Discussant: Paolo Angelini, Bank of Italy

**EFFECTS OF CENTRAL BANK INTERVENTION ON THE INTERBANK MARKETS: WHAT HAPPENED DURING THE SUB-PRIME CRISIS?**
Celso Brunetti, Johns Hopkins University
Co-Authors: Mario di Filippo, Catholic University Milan and Jeffrey Harris, University of Delaware
Discussant: Tano Santos, Columbia University

13:00 - 14:30

**POSTER SESSION**

**CIVIL WARS BEYOND THEIR BORDERS: THE HUMAN CAPITAL AND HEALTH CONSEQUENCES OF HOSTING REFUGEES**
Javier E. Baez, The World Bank

**CLIMATE CHANGE, LAND USE PATTERNS AND DEFORESTATION IN BRAZIL**
Jose Gustavo Feres, Institute for Applied Economics Research
Co-Authors: Eustaquio Reis and Juliana Speranza, IAER

**ETHNIC AND GENDER WAGE GAPS IN ECUADOR**
Maria Lourdes Gallardo, Inter-American Development Bank
Co-Author: Hugo Ñopo, Inter-American Development Bank

**NONEXPERIMENTAL ESTIMATORS AND SELECTION BIAS: REVISED EVIDENCE FOR MATCHING AND ITS APPLICATION TO FAMILIAS EN ACCION**
Sebastian Calonico, University of Michigan

**NO PASS, NO PLAY: THE EFFECT OF MINIMUM ACADEMIC REQUIREMENTS TO PARTICIPATE IN ATHLETICS ON HIGH SCHOOL GRADUATION**
Marian Vidal-Fernandez, Boston University

**SOCIAL CAPITAL AND SELF-RATED HEALTH IN ARGENTINA**
Lucas Ronconi, Universidad Torcuato Di Tella
Co-Authors: Timothy Brown, University of California, Berkeley and Richard Scheffler, University of California, Berkeley

ROOM: Sala de Lectura
THURSDAY, OCTOBER 1, 2009

13:00 - 14:30

**SYMPATHY FOR THE DILIGENT: SOME UNPLEASANT LIBERAL ARITHMETICS**
Andrés Drenik, Universidad de San Andrés
Co-Author: Ricardo Truglia Pérez, Harvard University

**TECHNOLOGY ADOPTION, PRODUCTIVITY AND SPECIALIZATION OF URUGUAYAN BREEDERS: EVIDENCE FROM AN IMPACT EVALUATION**
Alessandro Maffioli, Inter-American Development Bank
Co-Author: Fernando Lopez Gutierrez, Inter-American Development Bank

**THE EXPANSION OF SUGARCANE CULTIVATION AND ITS IMPACT ON MUNICIPAL REVENUES: AN APPLICATION OF DYNAMIC SPATIAL PANELS TO MUNICIPALITIES IN THE STATE OF SÃO PAULO, BRAZIL**
André Chagas, Universidade de São Paulo
Co-Authors: Carlos Azzoni, and Rudinei Toneto-Jr

**GOVERNMENT ADVERTISING AND MEDIA COVERAGE OF CORRUPTION SCANDALS**
Ignacio Franceschelli, Northwestern University
Co-Author: Rafael Di Tella, Harvard University

13:00 to 16:00

13:15 - 14:30

**LUNCH**

13:15 - 14:30

**PRESENTATION OF J-PAL LATIN AMERICA**
Abhijit Banerjee, MIT
Esther Duflo, MIT
Paul Gertler, University of California, Berkeley
Dean Karlan, Yale University

13:30 - 16:00

**CONTRIBUTED SESSIONS**
LACEA

13:30 - 16:00

**FIRM BEHAVIOUR IN INTERNATIONAL MARKETS (LACEA)**
Chairperson: Pablo Fajgelbaum, Princeton University

**A QUANTITATIVE MODEL OF TRADE, MULTINATIONAL PRODUCTION, AND DIFFUSION OF IDEAS**
Natalia Ramondo, University of Texas
Co-Author: Andrés Rodríguez-Clare, Pennsylvania State University

**INCOME DISTRIBUTION, PRODUCT QUALITY, AND INTERNATIONAL TRADE**
Pablo Fajgelbaum, Princeton University
Co-Authors: Gene Grossman, Princeton University and Elhanan Helpman, Harvard University

**TRADE, FOREIGN INPUTS AND FIRMS’ DECISIONS: THEORY AND EVIDENCE**
Maria Bas, Paris School of Economics
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<td><strong>POLITICAL ECONOMY OF FISCAL REFORMS IN COLOMBIA</strong></td>
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<td>Co-Authors: Mauricio Olivera, Fedesarrollo and Monica Pachon, Universidad de los Andes</td>
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<td><strong>POWER TO THE PEOPLE: THE EFFECTS OF PARTICIPATORY BUDGETING ON MUNICIPAL EXPENDITURES AND INFANT MORTALITY IN BRAZIL</strong></td>
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<td>Sonia Goncalves, LSE</td>
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<td><strong>RESOURCE BOOMS AND VORACIOUS POLITICIANS: THE EFFECTS OF OIL SHOCKS ON PATRONAGE, RENT-SEEKING, AND ELECTIONS</strong></td>
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<td>Co-Author: Claudio Ferraz, Pontifícia Universidade Católica do Rio de Janeiro (PUC-Rio)</td>
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<td><strong>IDIOSYNCRATIC AND AGGREGATE RISK IN THE PRESENCE OF GOVERNMENT’S MORAL HAZARD</strong></td>
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<td>Veronica Rappoport, Columbia University, GSB</td>
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<td><strong>OPTIMAL PUBLIC DEBT MANAGEMENT UNDER CREDIT FRICTIONS</strong></td>
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<td>Pierre Yared, Columbia University</td>
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<td><strong>PROCYCLICAL FISCAL POLICY IN BRAZIL: EVIDENCE FROM THE STATES, 1991-2006</strong></td>
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<td>Co-Author: Julio Revilla, World Bank</td>
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<td><strong>CIVIL UNION BABIES? FRENCH FERTILITY RATES AND THE INTRODUCTION OF PACS</strong></td>
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<td>Co-Author: Emilio Gutierrez Fernandez, Brown University, ITAM</td>
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MAKING YOURSELF ATTRACTIVE: PRE-MARITAL INVESTMENTS AND THE RETURNS TO EDUCATION IN THE MARRIAGE MARKET
Jeanne Lafortune, University of Maryland

THE "MARRIAGE GAP" AND THE WELL-BEING OF HOUSEHOLDS AND CHILDREN
Raquel Bernal, Universidad Los Andes
Co-Author: Diego Amador, Universidad de los Andes

EDUCATION (LACEA)
Chairperson: Amparo Castello Climent, University of Valencia

COLLEGE PERFORMANCE AND RELATIVE ABILITY: EX-ANTE AND EX-POST PUBLIC POLICY EVALUATION
Sebastian Gallegos, Center for Applied Economics, Universidad de Chile
Co-Authors: Dante Contreras, World Bank and Francisco Meneses, Ministry of Education

PUBLIC SCHOOL ENROLLMENT AND MATERNAL LABOR SUPPLY AFTER THE WELFARE REFORM
Julio Guzman, Universidad Adolfo Ibañez

QUALITY AND QUANTITY OF EDUCATION IN THE PROCESS OF DEVELOPMENT
Amparo Castello Climent, University of Valencia
Co-Author: Ana Hidalgo Cabrillana, University Carlos III Madrid

FINANCIAL SYSTEMS AND TRADE (LACEA)
Chairperson: Gustavo Suarez, Federal Reserve Board

AN ASSESSMENT OF CAPITAL REQUIREMENTS UNDER BASEL II: THE PORTUGUESE CASE
Ana Lacerda, Banco de Portugal
Co-Author: Paula Antao, Banco de Portugal

OPENNESS TO TRADE AND OUTPUT VOLATILITY
Maria Bejan, Instituto Tecnologico Autonomo de Mexico

THE ANATOMY OF A FINANCIAL CRISIS: THE EVOLUTION OF RUNS IN THE ASSET-BACKED COMMERCIAL PAPER MARKET
Gustavo Suarez, Federal Reserve Board
Co-Authors: Daniel Covitz, Federal Reserve Board and Nellie Liang, Federal Reserve Board
THURSDAY, OCTOBER 1, 2009

14:30 - 16:00

CAPITAL FLOWS AND CURRENT ACCOUNT (LACEA)
Chairperson: Irineu de Carvalho Filho, International Monetary Fund

ON THE EVE OF A RETRENCHMENT? THE EFFECT OF THE GLOBAL CREDIT CRUNCH ON FOREIGN BANKS’ LENDING TO LATIN AMERICA AND THE CARIBBEAN
Herman Kamil, International Monetary Fund
Co-Author: Kulwant Rai

OVERREACTION IN CAPITAL FLOWS TO EMERGING MARKETS: BOOMS AND SUDDEN STOPS
Manuel Agosín, Universidad de Chile
Co-Author: Franklin Huaita, Department of Economics, Universidad de Chile

THE CURRENT ACCOUNT AND PRECAUTIONARY SAVINGS FOR EXPORTERS OF EXHAUSTIBLE RESOURCES
Irineu de Carvalho Filho, International Monetary Fund
Co-Author: Rudolfs Bems, IMF

POVERTY (LACEA)
Chairperson: Agustina Selvi Paglayan, The World Bank

DID WELFARE REFORM IN THE U.S. INDUCE A RACE TO THE BOTTOM IN CASH ASSISTANCE TO THE POOR? EVIDENCE USING STATES’ WELFARE EXPENDITURES FROM 1998-2006
Luz Saavedra, University of St. Thomas

POVERTY LINES: WHAT ARE THEY TELLING US?
Javier Bronfman, Universidad Adolfo Ibáñez

READING BETWEEN THE LINES: A CLOSER LOOK AT THE EFFECTIVENESS OF EARLY CHILDHOOD EDUCATION POLICY TO REDUCE INEQUALITY IN ARGENTINA
Agustina Selvi Paglayan, The World Bank

PRODUCTIVITY, COST AND PRODUCTION ANALYSIS (LACEA)
Chairperson: Lucas Navarro, ILADES-Universidad Alberto Hurtado

ECONOMIC PERFORMANCE, CREDITOR PROTECTION AND LABOR INFLEXIBILITY
Ronald Fischer, CEA, Universidad de Chile
Co-Author: Felipe Balmaceda, U. de Chile

ICT ADOPTION AND PRODUCTIVITY IN DEVELOPING COUNTRIES: NEW FIRM LEVEL EVIDENCE FROM BRAZIL AND INDIA
Naercio Menezes-Filho, Ibmec São Paulo
**THURSDAY, OCTOBER 1, 2009**

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<td><strong>THE EFFECT OF PRODUCT MIX CHANGES ON PRODUCTIVITY AMONG CHILEAN MANUFACTURING PLANTS</strong>&lt;br&gt;Lucas Navarro, ILADES-Universidad Alberto Hurtado&lt;br&gt;Co-Authors: Roberto Álvarez, Central Bank of Chile and Claudio Bravo Ortega, Universidad de Chile</td>
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<td><strong>MICROECONOMIC THEORY (LACEA)</strong>&lt;br&gt;Chairperson: Shasikanta Nandeibam, University of Bath [UK]</td>
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<td><strong>NON-SEPARABLE PREFERENCES AND FRISCH LABOR SUPPLY: ONE SOLUTION TO A FISCAL POLICY PUZZLE</strong>&lt;br&gt;Florin Bilbiie, HEC Paris Business School</td>
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<td><strong>THE TAX COMPLIANCE GAME WITH SOME EVASION-AVERSE TAXPAYERS</strong>&lt;br&gt;Joao Luis Gondim, Toulouse School of Economics and ESAF</td>
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<td><strong>TOTAL MONOTONICITY AND RANDOMIZED PREFERENCE</strong>&lt;br&gt;Shasikanta Nandeibam, University of Bath (UK)</td>
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<td><strong>SUBSIDIZING VOCATIONAL TRAINING FOR DISADVANTAGED YOUTH IN DEVELOPING COUNTRIES: EVIDENCE FROM A RANDOMIZED TRIAL</strong>&lt;br&gt;Adriana Kugler, University of Houston and NBER&lt;br&gt;Co-Authors: Orazio Attanasio, UCL and Costas Meghir, University College London</td>
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<td><strong>TRAINING AND PRODUCTIVITY: EVIDENCE FOR US MANUFACTURING INDUSTRIES</strong>&lt;br&gt;Facundo Sepulveda, Universidad de Santiago de Chile</td>
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<td><strong>ECONOMIC THEORY 1 (LAMES)</strong>&lt;br&gt;Chairperson: Martin Meier, IHS, Wien and IAE, Barcelona</td>
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<td><strong>AMBIGUITY, INFORMATION QUALITY AND CREDIT RISK</strong>&lt;br&gt;Nina Boyarchenko, University of Chicago Booth School of Business</td>
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<td><strong>ASYMMETRIC INFORMATION AND THE SIGNALING ROLE OF PRICES</strong>&lt;br&gt;Marc Santugini, HEC Montreal&lt;br&gt;Co-Authors: Wassim Daher, Gulf University for Science and Technology and Leonard J. Mirman, University of Virginia</td>
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<td><strong>THE CONTEXT OF THE GAME</strong>&lt;br&gt;Martin Meier, IHS, Wien and IAE, Barcelona&lt;br&gt;Co-Author: Amanda Friedenberg, Arizona State University</td>
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THURSDAY, OCTOBER 1, 2009

14:30 - 16:00

LABOR MARKETS 1 (LAMES)
Chairperson: Sangeeta Pratap, Hunter College and Graduate Center, CUNY

Establishments Dynamics, Vacancies and Unemployment: A Neoclassical Synthesis
Marcelo Veracierto, Federal Reserve Bank of Chicago

Financial Crises and Labor Market Turbulence
Sangeeta Pratap, Hunter College and Graduate Center, CUNY
Co-Author: Erwan Quintin, Federal Reserve Bank of Dallas

Monetary Policy Implications (LAMES)
Chairperson: Virginia Queijo von Heideken, Swedish Central Bank

Credit Market Shocks. Monetary Policy and Economic Fluctuations
Alberto Ortiz, Oberlin College

Modeling Observed Inflation Expectations
Marco Del Negro, Federal Reserve Bank of New York
Co-Author: Stefano Eusepi, FRBNY

Monetary Policy Regimes and the Volatility of Long-Term Interest Rates
Virginia Queijo von Heideken, Swedish Central Bank

Contract Theory 1 (LAMES)
Chairperson: Tymofiy Mylovanov, Penn State University

Delegation and Reputational Concerns
Felipe Baltmaceda, Universidad de Chile

Dynamic Implementation
David Rahman, University of Minnesota

Informed Principal Problems in Generalized Private Value Environments
Tymofiy Mylovanov, Penn State University
**Thursday, October 1, 2009**

**TRADE 1 (LAMES)**
Chairperson: Pedro Ferreira, Fundação Getulio Vargas

**ON THE DYNAMICS OF THE HECKSCHER-OHLIN THEORY**
Lorenzo Caliendo, University of Chicago

**SPECIALIZATION, ECONOMIC DEVELOPMENT AND AGGREGATE PRODUCTIVITY DIFFERENCES**
Michael Waugh, Federal Reserve Bank of Minneapolis
Co-Author: David Lagakos, Federal Reserve Bank of Minneapolis

**TRADE IN INTERMEDIATE GOODS AND TOTAL FACTOR PRODUCTIVITY**
Pedro Ferreira, Fundação Getulio Vargas
Co-Author: Alberto Trejos, Incae

**FAMILY ECONOMICS (LAMES)**
Chairperson: Iliana Reggio, Universidad Carlos III de Madrid

**THE ART OF LIFE: IVF OR CHILD ADOPTION?**
Gulcin Gumus, Florida International University
Co-Author: Jungmin Lee, Florida International University

**THE INFLUENCE OF THE MOTHER’S POWER ON HER CHILD’S LABOR IN MEXICO**
Iliana Reggio, Universidad Carlos III de Madrid

**FINANCIAL ECONOMICS (LAMES)**
Chairperson: Knut Nygaard, Norwegian School of Economics

**DISAPPOINTMENT AVERSION, LONG-RUN RISKS AND AGGREGATE ASSET PRICES**
Marco Bonomo, EPGE - Getulio Vargas Foundation
Co-Authors: Nour Meddahi, Toulouse School of Economics, René Garcia, Edhec Business School and Roméo Tédongap, Stockholm School of Economics

**DYNAMIC PORTFOLIO CHOICE WITH BAYESIAN LEARNING**
Georgios Skoulakis, University of Maryland

**SHARKS AND CHUM? ON THE TRADING IN MOMENTUM STOCKS BY VARIOUS INVESTOR TYPES**
Knut Nygaard, Norwegian School of Economics
### ECONOMETRICS 4 (LAMES)
Chairperson: Doko Firmin, University of Sherbrooke

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<td>AN ALTERNATIVE WAY OF COMPUTING EFFICIENT INSTRUMENTAL VARIABLE ESTIMATORS</td>
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<td>David Tomás Jacho-Chávez, Indiana University</td>
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<td></td>
<td>Co-Authors: Xiaohong Chen, Yale University and Oliver Linton, London School of Economics &amp; Political Science</td>
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<td>14:30 - 16:00</td>
<td>NONPARAMETRIC ESTIMATION OF EXACT CONSUMER SURPLUS WITH ENDOGENEITY IN PRICES</td>
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<td>Anne Vanhems, University of Toulouse, TBS</td>
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<td>WEAK IDENTIFICATION AND CONFIDENCE SETS FOR COVARIANCES BETWEEN ERRORS AND ENDOGENOUS REGRESSORS:</td>
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<td>FINITE-SAMPLE AND ASYMPTOTIC THEORY</td>
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<td>Doko Firmin, University of Sherbrooke</td>
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<td>Co-Author: Jean-Marie Dufour, McGill University</td>
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<td>14:30 - 16:00</td>
<td>EXPORT QUALITY</td>
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<td>Are some goods better to export than others, what criteria would we use to judge, and how can we</td>
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<td>measure “quality” broadly construed? This panel will look at several dimensions of goods as a</td>
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<td>potential measure of their desirability including unit values as a narrow measure of quality,</td>
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<td>their production by advanced countries, and their natural resource intensity.</td>
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<td>This Session is sponsored by the World Bank</td>
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<td>Chairperson: Augusto de la Torre, World Bank</td>
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<td>UNIT VALUE DYNAMICS AND EXPORT QUALITY</td>
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<td>Pravin Krishna, Johns Hopkins University and NBER</td>
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<td>WHAT ABOUT EXPORTS MATTERS?</td>
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<td>Ricardo Hausmann, Harvard University</td>
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<td>WHAT MATTERS IN EXPORTS AND SHOULD WE EXORCISE THE RESOURCE CURSE?</td>
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<td>William Maloney, World Bank</td>
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THURSDAY, OCTOBER 1, 2009

14:30 - 16:00

MONETARY POLICY IN AN INTEGRATED WORLD (LACEA)
This Session is sponsored by the Bank of International Settlements
Chairperson: Camilo E. Tovar, Senior Economist, BIS

EXTERNAL SHOCKS AND MACROECONOMIC POLICY: RECENT EXPERIENCE OF THE CHILEAN ECONOMY
Luis Felipe Céspedes, Head of Economic Research, Central Bank of Chile

HOW MUCH MONETARY POLICY INDEPENDENCE UNDER PEGGING OR FLOATING? SOME EVIDENCE AT LONGER MATURES
Ramon Moreno, Head of Emerging Markets, BIS

MACROECONOMIC POLICY IN EMERGING ECONOMIES THROUGH THE RECENT CRISIS
Alberto Torres, Director Economic Research, Bank of Mexico

RECENT THEORETICAL MODELS OF EXCHANGE RATES AND INTEREST RATE DIFFERENTIALS: WHAT DO WE LEARN AFTER THE CRISIS
Fernando Álvarez, University of Chicago

16:15 - 17:45

INVIDED LECTURES
LACEA

ADVANCES IN ECONOMICS
Chairperson: Juan Pablo Nicolini, Universidad Torcuato Di Tella

LEARNING AND DISCOVERY
Boyan Jovanovic, New York University

REALLOCATION AND PRODUCTIVITY
Hugo Hopenhayn, UCLA
Co-Author: Andrés Neumeyer

HOUSING AND CREDIT (LACEA)
Chairperson: Rafael Di Tella, Harvard University

EXPANDING MICROENTERPRISE CREDIT ACCESS: USING RANDOMIZED SUPPLY DECISIONS TO ESTIMATE THE IMPACTS IN MANILA
Dean Karlan, Yale University
Co-Author: Jonathan Zinman, Dartmouth College

HOUSING AND THE ECONOMY
Edward Glaeser, Harvard University

ROOM: Auditorio 1

ROOM: Microcine

ROOM: Aula Magna
THURSDAY, OCTOBER 1, 2009

16:15 - 17:45

**INVITED LECTURES**

**ADVANCES IN MACROECONOMIC THEORY (LAMES)**
Chairperson: Emilio Espino, Universidad Torcuato Di Tella

**DURABLE CONSUMPTION AND ASSET MANAGEMENT WITH TRANSACTION AND INFORMATION COSTS**
Fernando Álvarez, University of Chicago
Co-Author: Francesco Lippi, University of Sassari

**WHEN IS THE GOVERNMENT SPENDING MULTIPLIER LARGE?**
Lawrence Christiano, Northwestern University
Co-Authors: Martin Eichenbaum, Northwestern University and Sergio Rebelo, Northwestern University

16:15 - 17:45

**ECONOMETRICS (LAMES)**
Chairperson: Martín Solá, Universidad Torcuato Di Tella

**FUNCTIONAL LIMIT THEOREMS FOR POWER VARIATIONS WITH APPLICATION TO ESTIMATION OF FINANCIAL MARKET ACTIVITY**
George Tauchen, Duke University
Co-Author: Viktor Todorov, Kellogg School of Management, Northwestern University

**ON THE IDENTIFICATION AND ESTIMATION OF PANEL DATA DYNAMIC DISCRETE CHOICE MODELS**
Bo Honoré, Princeton University

17:45 - 18:15

**COFFEE BREAK**

18:15 - 19:30

**PLENARY LECTURE**

**ALBERT HIRSCHMAN LECTURE**
Chairperson: Sebastian Galiani, Washington University at St. Louis

**LEADERSHIP SELECTION AND POLITICAL INSTITUTIONS: ARGUMENTS AND EVIDENCE**
Timothy Besley, London School of Economics

18:15 - 19:30

**PLENARY LECTURE**

**CONTAGIOUS ILLIQUIDITY**
John Moore, University of Edinburgh

19:30 - 20:30

**OPENING RECEPTION**
Sponsored by BBVA and BBVA Banco Francés
**FRIDAY, OCTOBER 2, 2009**

**REGISTRATION**

**CONTRIBUTED SESSIONS**  
**LACEA**

**MIGRATION (LACEA)**  
Chairperson: Carlos Medina, Banco de la República

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Co-Author: Jeanne Lafortune, University of Maryland          | 115    |
| **UNDERSTANDING THE EFFECTS OF MIGRATION ON SENDER URBAN HOUSEHOLDS IN COLOMBIA** | Carlos Medina, Banco de la República  
Co-Authors: Mauricio Cardenas, Brookings Institute and Andrés Trejos, Fedesarrollo | 115    |

**CONDITIONAL CASH TRANSFERS (LACEA)**  
Chairperson: André Portela Souza, Fundação Getulio Vargas

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<td>Jose Rosero Moncayo, Amsterdam University and Tinbergen Institute</td>
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| **LABOR MARKETS AND CONDITIONAL CASH TRANSFERS: IMPLICATIONS FOR POVERTY REDUCTION OF OPORTUNIDADES IN MEXICO** | Pablo Ibarraran, Inter-American Development Bank  
Co-Author: Juan Miguel Villa Lora, Inter-American Development Bank | 126    |
| **THE IMPACT OF CONDITIONAL CASH TRANSFER PROGRAM ON HUMAN CAPITAL FORMATION IN BRAZIL: A STRUCTURAL APPROACH** | André Portela Souza, Fundação Getulio Vargas  
Co-Author: Steven Helfand, University of California, Riverside | 126    |
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<td>Pablo Vega-Garcia, George Washington University</td>
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<td><strong>GLOBAL IMBALANCES AND GLOBAL DEPRESSIONS</strong></td>
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<td>Luis Catao, Research Department</td>
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<td>Co-Authors: Philip Lane, Trinity College, University of Dublin and Gian Maria Milesi-Ferretti, IMF</td>
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<td><strong>WHY DO EMERGING ECONOMIES BORROW SHORT TERM?</strong></td>
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<td>Fernando Broner, CREI and Universitat Pompeu Fabra</td>
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<td>Co-Authors: Guido Lorenzini, MIT and Sergio Schmukler, The World Bank</td>
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<td>09:00 - 10:30</td>
<td><strong>EDUCATION (LACEA)</strong></td>
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<td>Maria Laura Alzua, CEDLAS - Universidad Nacional de La Plata</td>
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<td><strong>DO GOOD TEACHERS MAKE A DIFFERENCE? THE LINK BETWEEN TEACHER CERTIFICATION PROGRAMS AND STUDENT ACHIEVEMENT IN CHILE</strong></td>
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<td>David Bravo, Centro de Microdatos, Universidad de Chile</td>
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<td>Co-Author: CLAUDIA PEIRANO, REGULAR</td>
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<td><strong>REVISITING THE SCHOOL CHOICE DEBATE IN CHILE</strong></td>
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<td>Bernardo Lara, University of Chile</td>
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<td>Co-Authors: Mizala Alejandra, Universidad de Chile and Andrea Repetto, Universidad Adolfo Ibañez</td>
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<td><strong>THE QUALITY OF EDUCATION: EDUCATION PRODUCTION FUNCTION AND POLICY CHANGE</strong></td>
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<td><strong>NOMINAL VERSUS INDEXED DEBT: A QUANTITATIVE HORSE RACE</strong></td>
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<td>Co-Author: Fabio Kanczuk, Universidade de Sao Paulo</td>
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<td><strong>THE LONG AND THE SHORT OF EMERGING MARKET DEBT</strong></td>
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<td>Claudio Raddatz, The World Bank</td>
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<td>Co-Authors: Opazo Luis, Banco Central de Chile and Sergio Schmukler, The World Bank</td>
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THE PROBLEM THAT WASN’T: COORDINATION FAILURES IN SOVEREIGN DEBT RESTRUCTURINGS
Marcos Chamon, International Monetary Fund
Co-Authors: Ran Bi, International Monetary Fund and Jeromin Zettelmeyer, European Bank for Reconstruction and Development

PERCEPTIONS AND EXPECTATIONS (LACEA)
Chairperson: Ruben Hernandez, Federal Reserve Bank of St. Louis

PERCEPTIONS OF INEQUALITY AND PREFERENCES FOR REDISTRIBUTION: THEORY AND EVIDENCE FROM AN EXPERIMENTAL SURVEY
Guillermo Cruces, CEDLAS-UNLP
Co-Authors: Ricardo Perez Truglia, Harvard University and Martin Tetaz, CEDLAS-UNLP

PUBLIC INFORMATION AND HOUSEHOLD EXPECTATIONS IN DEVELOPING COUNTRIES: EVIDENCE FROM A NATURAL EXPERIMENT
Paul Carrillo, George Washington University
Co-Author: Shahe Emran, George Washington University

THE IMPACT OF INFLATION AND UNEMPLOYMENT ON SUBJECTIVE PERSONAL AND COUNTRY EVALUATIONS
Ruben Hernandez, Federal Reserve Bank of St. Louis
Co-Author: Nestor Gandelman, Universidad ORT Uruguay

FINANCIAL CRISIS (LACEA)
Chairperson: Friederike Koehler-Geib, World Bank

FINANCIALIZATION OF COMMODITY MARKETS: NON-LINEAR CONSEQUENCES FROM HETEROGENEOUS AGENT BEHAVIOR
Jorge Carrera, Universidad Nacional de La Plata and BCRA
Co-Authors: Diego Bastourre, BCRA, Javier Ibarlucía, BCRA and Martin Redrado, President, Central Bank of Argentina (BCRA)

LEVERAGE AND ASSET BUBBLES: AVERTING ARMAGEDDON WITH CHAPTER 11?
Marcus Miller, University of Warwick, England
Co-Author: Joseph Stiglitz

THE UNCERTAINTY CHANNEL OF CONTAGION
Friederike Koehler-Geib, World Bank
Co-Author: Prakash Kannan, IMF
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<td>Jorge M. Streb, Universidad del CEMA</td>
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<td>Co-Author: Daniel Lema, Universidad del CEMA</td>
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<td>Martin Rossi, Universidad de San Andrés</td>
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<td><strong>GLOBALIZATION AND THE PHILLIPS CURVE</strong></td>
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<td>Nicola Zaniboni, Georgetown University - School of Foreign Service in Qatar</td>
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<td><strong>INFLATION AND OIL PRICES: A SECOND-ORDER APPROACH</strong></td>
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<td>Paul Castillo, Banco Central de Reserva del Peru</td>
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<td>Co-Author: Carlos Montoro, Banco Central de Reserva del Peru, Universidad del Pacifico</td>
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<td><strong>SCRAPED DATA AND STICKY PRICES: FREQUENCY, HAZARDS AND SYNCHRONIZATION</strong></td>
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<td>Chairperson: Guido Sandleris, Universidad Torcuato Di Tella</td>
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<td><strong>ENTRY COSTS, MISALLOCATION, AND CROSS-COUNTRY INCOME AND TFP DIFFERENCES</strong></td>
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<td>Riccardo DiCecio, Federal Reserve Bank of St. Louis</td>
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<td>Co-Author: Levon Barseghyan, Cornell University</td>
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<td><strong>FINANCIAL DEVELOPMENT AND TFP GROWTH: CROSS COUNTRY AND INDUSTRY LEVEL EVIDENCE</strong></td>
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<td>Galindo Arturo, Inter-American Development Bank</td>
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<td>Co-Authors: Francisco Anizala, University of Maryland and Eduardo Cavallo, Inter-American Development Bank</td>
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<td><strong>THE COST OF FINANCIAL CRISES: OUTPUT, PRODUCTIVITY AND WELFARE</strong></td>
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<td>Guido Sandleris, Universidad Torcuato Di Tella</td>
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<td>Co-Author: Mark Wright, UCLA</td>
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09:00 - 10:30

ARGENTINA’S EXCEPTIONALISM (LACEA)
Chairperson: Edward Glaeser, Harvard University

ARGENTINE TRADE POLICIES IN THE XX CENTURY: 60 YEARS OF SOLITUDE
Sebastian Galiani, Washington University at St. Louis
Co-Authors: Irene Brambilla, Yale University and Guido Porto, UNLP

REWRITING HISTORY: REAL INCOME GROWTH AND INCOME DISTRIBUTION DURING ARGENTINA’S DEMOCRACY
Federico Sturzenegger, Banco de la Ciudad de Buenos Aires
Co-Author: Pablo Guzman, CEDLAS, Universidad Nacional de La Plata

YET ANOTHER TALE OF TWO CITIES: BUENOS AIRES AND CHICAGO
Edward Glaeser, Harvard University
Co-Author: Filipe Campante, Harvard University

CONTRIBUTED SESSIONS
LAMES

ECONOMETRICS 5 (LAMES)
Chairperson: Alex Horenstein, ITAM

A CONSISTENT NONPARAMETRIC BOOTSTRAP TEST OF EXOGENEITY
Jinhyun Lee, UCL

A NEW METHOD OF ESTIMATING MOMENT CONDITION MODELS WITH MISSING DATA WHEN SELECTION IS ON OBSERVABLES
Cristine Pinto, UFMG
Co-Authors: Daniel Egel, UC Berkeley and Bryan Graham, UC Berkeley

EIGENVALUE RATIO TEST FOR THE NUMBER OF FACTORS
Alex Horenstein, ITAM
Co-Author: Seung C. Ahn, Arizona State University

ECONOMETRICS 6: ECONOMETRIC METHODS (LAMES)
Chairperson: Anil Bera, University of Illinois at Urbana-Champaign

IDENTIFIED REGIONS AND INFERENC IN PANEL DATA ROY MODELS
Elie Tamer, Northwestern University

ML ESTIMATION AND LM TESTS FOR PANEL SUR WITH SPATIAL LAG AND SPATIAL ERRORS: AN APPLICATION TO HEDONIC HOUSING PRICES IN PARIS
Georges Bresson, Universite Paris II
Co-Author: Badi.H. Baltagi, Syracuse University

WHICH QUANTILE REGRESSION IS MOST INFORMATIVE?
Anil Bera, University of Illinois at Urbana-Champaign
Co-Author: Gabriel Montes-Rojas, City University London
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SOVEREIGN DEBT AND DOMESTIC ECONOMIC FRAGILITY

Suman Sambha Basu, IMF Research Department

THE HETEROGENEITY AND DYNAMICS OF INDIVIDUAL LABOR SUPPLY OVER THE LIFE CYCLE: FACTS AND THEORY

Andrés Erosa, IMDEA
Co-Authors: Maria Luisa Fuster, IMDEA and Gueorgui Kambourov, University of Toronto

THE ROLE OF INFORMATION IN THE RISE IN CONSUMER BANKRUPTCIES

Juan M. Sanchez, Federal Reserve Bank of Richmond

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FINANCIAL FRAGILITY AS A RATIONALE FOR SECURITIZATION

Gonzalo Islas, Universidad Adolfo Ibanez
Co-Author: Rodolfo Campos, IESE Business School

FROM SEARCH TO MATCH: WHEN LOAN CONTRACTS ARE TOO LONG

Christophe Chamley, Boston University
Co-Authors: Céline Rochon, Said Business School, The University of Oxford

SECURITIZATION AND DISTRESSED LOAN RENEGOTIATION: EVIDENCE FROM THE SUBPRIME MORTGAGE CRISIS

Tomasz Piskorski, Columbia Business School
Co-Authors: Amit Seru, University of Chicago and Vikrant Vig, London Business School

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<td>Chairperson: Carlos Enrique Carrasco Gutierrez, FUCAPE Business School and FGV/EPGE/RJ</td>
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FINANCIAL FUTURES AND THE WEAK FORM OF MARKET EFFICIENCY

Viviana Fernandez, University of Chile

GROWTH OPPORTUNITIES, INVESTMENT-SPECIFIC TECHNOLOGY SHOCKS AND THE CROSS-SECTION OF EXPECTED RETURNS

Dimitris Papanikolaou, Northwestern University

TESTING CONSUMPTION-BASED ASSET PRICING MODELS WITH FACTOR MODEL ANALYSIS

Carlos Enrique Carrasco Gutierrez, FUCAPE Business School and FGV/EPGE/RJ
Co-Author: João Victor Issler, Fundação Getulio Vargas, FGV/EPGE
FRIDAY, OCTOBER 2, 2009

09:00 - 10:30

LABOR MARKETS 2 (LAMES)
Chairperson: Tito Pietra, DSE

INEQUALITY IN UNEMPLOYMENT RISK AND IN WAGES
Hernán Ruffo, CEMFI
Co-Authors: Claudio Michelacci, CEMFI and CEPR and Josep Pijoan-Mas, CEMFI and CEPR

INVESTMENTS IN EDUCATION AND UNEMPLOYMENT IN A TWO-SECTOR, RANDOM MATCHING ECONOMY
Tito Pietra, DSE
Co-Authors: Concetta Mendolicchio, IRES, UCL, DEIR, Universita di Sassari and Dimitri Paolini, DEIR, Universita di Sassari

UNEMPLOYMENT INSURANCE WITH A HIDDEN LABOR MARKET
Fernando Alvarez-Parra, Banco Central de Venezuela
Co-Author: Juan M Sanchez, Federal Reserve Bank of Richmond

09:00 - 10:30

DYNAMIC CONTRACTS (LAMES)
Chairperson: Pricila Maziero, Wharton School, University of Pennsylvania

DYNAMIC CONTRACTS OVER CREDENCE GOODS
Alexander Frankel, Stanford GSB

INTERTEMPORAL DISTORTIONS IN THE SECOND BEST
Stefania Albanesi, Columbia University
Co-Author: Roc Armenter, Federal Reserve Bank of Philadelphia

NON-EXCLUSIVE DYNAMIC CONTRACTS, COMPETITION, AND THE LIMITS OF INSURANCE
Pricila Maziero, Wharton School, University of Pennsylvania
Co-Author: Laurence Ales, Carnegie Mellon University

09:00 - 10:30

ECONOMIC THEORY 2 (LAMES)
Chairperson: Onur Ozgur, University of Montreal

INFORMATION ACQUISITION AND EFFICIENT BARGAINING
Ricardo Serrano-Padial, University of Wisconsin-Madison
Co-Author: Daniel Quint, University of Wisconsin-Madison

RACING: WHEN SHOULD WE HANDICAP THE ADVANTAGED PLAYER?
Dan Cao, MIT Department of Economics

SOCIAL INTERACTIONS AND SELECTION
Onur Ozgur, University of Montreal
Co-Author: Alberto Bisin, New York University

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**SPECIAL CONTRIBUTED SESSIONS**

**CONFRONTING THE GLOBAL CRISIS IN LATIN AMERICA: WHAT ARE THE RELEVANT POLICY TRADE-OFFS OF EXPANSIONARY POLICIES?**

Latin America entered the global financial crisis with strong fundamentals. In contrast to previous episodes of global financial turbulence, the region has responded with countercyclical policies. Will Latin America emerge relatively unscathed, or is there a long road ahead?

This Session is sponsored by the Inter-American Development Bank

**FINANCIAL CRISIS IN THE US AND MACROECONOMIC CHALLENGES FOR LATIN AMERICAN: WHERE DO WE STAND?**

Chair: Ernesto Talvi, CERES
Panelists: Guillermo Calvo, Columbia University
Ricardo Hausmann, Harvard University

**PRODUCTIVE DEVELOPMENT POLICIES IN LAC: LESSONS FROM IDB COUNTRY STUDIES**

Industrial policy in LAC is back! This session consists of selected country studies on productive development policies (PDPs) concerned with: a) the status quo of PDPs, both horizontal and sector-specific, including the type of interventions utilized and the institutions involved; b) a preliminary assessment of rationales for PDPs; c) an in-depth analysis of selected cases; and d) conclusions for PDP reform.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Eduardo Fernández-Arias, Inter-American Development Bank

**OVERVIEW OF THE IDB PROJECT ON PDPS**

Ernesto Stein, Inter-American Development Bank
Co-Author: Eduardo Fernández-Arias, Inter-American Development Bank
Comments: Andrés Rodríguez-Clare, Pennsylvania State University

**LESSONS FROM COUNTRY STUDIES - ARGENTINA**

Gabriel Sánchez, Inter-American Development Bank

**LESSONS FROM COUNTRY STUDIES - CHILE & CENTRAL AMERICA**

Manuel Agosín, Universidad de Chile

**LESSONS FROM COUNTRY STUDIES - COLOMBIA**

Guillermo Perry, Fedesarrollo
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| 09:00 - 10:30 | **ODYSSEY IN THE OUTER SPACE: FINDING THE WAY IN THE WORLD MARKETS**  
Although many countries—including several in the Region—have established export promotion agencies, little is known about those agencies’ impact. As export promotion represents an allocation of generally scarce public resources, understanding that impact is important for policy as well as academic research. Addressing this issue, the 2009 flagship report under preparation by the Integration and Trade Sector of the IDB will consist of three main parts: (a) an institutional analysis of the region’s main export promotion organizations, benchmarked with comparable agencies elsewhere; (b) an analysis of the implications of different institutional arrangements, particularly offices abroad, for countries’ bilateral trade performance; and (c) an evaluation of the various potential effects of trade promotion activities in Argentina, Chile, Colombia, Costa Rica, Peru and Uruguay using highly disaggregated firm-level data. This session is devoted to presenting and discussing the main findings of this report.  
This Session is sponsored by the Inter-American Development Bank  
Chairperson: Pablo Sanguinetti, Corporación Andina de Fomento | Microcine |
|            | **IDB INTEGRATION AND TRADE REPORT 2009**  
Presenter: Christian Volpe Martincus, Inter-American Development Bank  
Discussants: Roberto Álvarez, Central Bank of Chile  
Irene Brambilla, Yale University |            |
| 10:30 - 11:00 | **COFFEE BREAK**                                                                                   |            |
| 11:00 - 12:30 | **INVITED AND SPONSORED SESSIONS**  
**LACEA**  
**ECONOMIC HISTORY (LACEA)**  
Chairperson: John Nye, George Mason University  
**CONTINGENT GOVERNMENT DEBT AGAINST PRIVATE EXPECTATIONS IN ENGLAND, 1743-49**  
Christophe Chamley, Boston University  
**ENDOWMENTS, COERCION, AND THE HISTORICAL CONTAINMENT OF EDUCATION**  
Gustavo Bobonis, University of Toronto  
**PROBLEMS OF ELITE REFORM: THE LIBERAL TRANSITION IN EIGHTEENTH CENTURY BRITAIN**  
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<td><strong>JUVENILE INCARCERATION &amp; ADULT OUTCOMES: EVIDENCE FROM RANDOMLY-ASSIGNED JUDGES</strong> Anna Aizer, Brown University</td>
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<td><strong>LOST IN THE MAIL: A FIELD EXPERIMENT ON CRIME</strong> Maximo Torero, International Food Policy Research Institute</td>
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<td>Co-Authors: Marco Castillo, Georgia Tech University, Ragan Petrie, Georgia State University and Angelino Viceisza, International Food Policy Research Institute</td>
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<td><strong>CONSCRIPTION AND CRIME</strong> Ernesto Schargrodsky, Universidad Torcuato Di Tella</td>
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<td><strong>EARLY LIFE NUTRITION, BRAIN AND BRAWN, AND WAGES IN THE TROPICS: ESTIMATES FROM GUATEMALA USING OVER THREE DECADES OF DATA</strong> Jere Behrman, University of Pennsylvania</td>
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<td><strong>EVALUATING THE DISTRIBUTIONAL INCIDENCE OF GROWTH</strong> François Bourguignon, Paris School of Economics</td>
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<td><strong>GLASS-STEAGALL RESTRICTIONS CAUSE BANK RUNS</strong> Karl Shell, Cornell University Co-Author: Jim Peck, Ohio State University</td>
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<td><strong>AN ARGUMENT FOR POSITIVE NOMINAL INTEREST</strong> Heraklis Polemarchakis, University of Warwick Co-Author: Gaetano Bloise, University of Rome III</td>
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<td><strong>CALVINISM, PREDESTINATION AND SAVINGS: WEBER MEETS KREPS-PORTEUS</strong> Alvaro Sandroni, Northwestern University Kellogg School of Business Co-Author: Larbi Alaoui, University of Pennsylvania</td>
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<td><strong>INSIDER TRADING WITH A RANDOM DEADLINE</strong> Ennio Stachetti, New York University Co-Author: Rene Caldentey, Stern School of Business, New York University</td>
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WHEN DOES AGGREGATION REDUCE RISK AVERSION?
Federico Echenique, Cal Tech
Co-Author: Christopher P. Chambers, Caltech

DEVELOPMENT (LAMES)
This Session is sponsored by the Inter-American Development Bank
Chairperson: Carmen Pages, Inter-American Development Bank

CROSS COUNTRY DIFFERENCES IN PRODUCTIVITY: THE ROLE OF ALLOCATIVE EFFICIENCY
John Haltiwanger, University of Maryland
Co-Authors: Eric Bartelsman, VU University Amsterdam and Stefano Scarpetta, OECD

PRODUCTIVITY GROWTH AND CAPITAL FLOWS: THE DYNAMICS OF REFORMS
Francisco Buera, NWU & UCLA
Co-Author: Yongseok Shin, Washington University in St. Louis

THE MIRACLE OF MICROFINANCE? EVIDENCE FROM A RANDOMIZED EVALUATION
Abhijit Banerjee, MIT
Co-Authors: Esther Duflo, Rachel Glennerster and Cynthia Kinnan, MIT

INTERNATIONAL FINANCE (LAMES)
Chairperson: Satyajit Chatterjee, Federal Reserve of Philadelphia

FINANCIAL INTEGRATION, FINANCIAL INNOVATION AND THE GLOBAL FINANCIAL CRISIS
Enrique G. Mendoza, University of Maryland & NBER

MACROECONOMIC VOLATILITY AND EXTERNAL IMBALANCES
Fabrizio Perri, University of Minnesota
Co-Authors: Alessandra Fogli and Fabrizio Perri, University of Minnesota

MATURITY, INDEBTEDNESS AND DEFAULT RISK
Satyajit Chatterjee, Federal Reserve of Philadelphia
Co-Author: Burcu Eyigungor, Koc University

PERSPECTIVES ON GLOBAL CAPITAL FLOWS IN THE AFTERMATH OF THE CRISIS
This Session is sponsored by the Banco de España
Chairperson: Enrique Alberola, Banco de España

SOVEREIGN RISK AND INTERNATIONAL PORTFOLIO DYNAMICS
Fernando Broner, CREI and Universitat Pompeu Fabra
Co-Authors: Tatiana Didier, World Bank
Aitor Erce-Dominguez, Bank of Spain
Sergio Schmukler, The World Bank
Discussant: Gianmaria Milesi-Ferretti, IMF
Panelists: Mario Blejer, Former President, Central Bank of Argentina
Vittorio Corbo, Former President, Central Bank of Chile
Gianmaria Milesi-Ferretti, IMF
FRIDAY, OCTOBER 2, 2009

11:00 - 12:30

REGIONAL DISPARITIES AND LOCAL DEVELOPMENT: 2010 REPORT OF THE CAF

This Session is sponsored by the Corporación Andina de Fomento

Chairperson: Pablo Sanguinetti, Corporación Andina de Fomento

Panelists: Carlos Acuña, Universidad de San Andrés
           Cynthia Goytia, Universidad Torcuato Di Tella
           Guillermo Perry, Fedesarrollo

11:00 - 12:30

SOCIAL POLICY IN THE CONTEXT OF THE ECONOMIC CRISIS

This panel will examine the social policy responses to the economic crisis, both from the perspective of countries as well as IFIs. Drawing on their experience in national governments as well as in MDBs and academia, the panelists will address the importance of maintaining long-term social policy objectives in the face of macroeconomic and fiscal shocks, as well as how those objectives may best be pursued in a time of crisis.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Ariel Fiszbein, World Bank
Panelists: Santiago Levy, Inter-American Development Bank
           Martin Ravallion, World Bank
           Mauricio Cardenas, Brookings Institution

11:00 - 12:30

THE INTERNATIONAL FINANCIAL CRISIS AND THE FUTURE OF FINANCIAL REGULATION

The recent financial crisis has sparked a fundamental review of financial regulation across the globe. In particular, the focus has shifted from regulating individual entities to identifying systemic threats and attempting to limit institutions that are too big to fail. There is also renewed concern regarding shadow financial systems and the boundaries of regulation and regulatory arbitrage between banks and institutions offering offer bank-like products. This session has two paramount concerns. First, how will likely changes in financial regulation in the North affect Latin America and the Caribbean through capital flows and through the operation of foreign bank subsidiaries and branches in the Region? Second, what should Latin America draw from this regulatory review and apply to its own financial systems?

This Session is jointly sponsored by the Inter-American Development Bank and the World Bank

Chairperson: Andrew Powell, Inter-American Development Bank
Panelists: Augusto de la Torre, World Bank
           Alicia Garcia-Herrero, BBVA
           Pablo Guidotti, Universidad Torcuato Di Tella
           Rafael Repullo, CEMFI
FRIDAY, OCTOBER 2, 2009

12:30 - 14:00
LUNCH

14:00 - 15:30
CONTRIBUTED SESSIONS
LACEA

POLITICAL ECONOMY (LACEA)
Chairperson: Juan Vargas, Universidad del Rosario, Colombia

“LA PATRIA CONTRATISTA”: PUBLIC PROCUREMENT AND RENT-SEEKING IN PARAGUAY
Stephane Straub, Toulouse School of Economics
Co-Authors: Emmanuelle Auriol, Toulouse School of Economics and Thomas Flochel, University of Edinburgh

ON THE VIABILITY OF A MULTILATERAL TRADE AGREEMENT: A POLITICAL-ECONOMY APPROACH
Danilo R. Trupkin, Universidad de Montevideo

REBELLION, REPRESSION AND WELFARE
Juan Vargas, Universidad del Rosario, Colombia

14:00 - 15:30
ROOM: 112

INTERNATIONAL TRADE (LACEA)
Chairperson: Federico J. Diez, Federal Reserve Bank of Boston

CULTURAL LINKS, FIRM HETEROGENEITY AND THE INTENSIVE AND EXTENSIVE MARGINS OF INTERNATIONAL TRADE
Paulo Bastos, Research Department, Inter-American Development Bank
Co-Author: Joana Silva, World Bank

INTERMEDIATION AND THE NATURE OF TRADE COSTS: THEORY AND EVIDENCE
Sebastian Claro, Central Bank of Chile

THE ASYMMETRIC EFFECTS OF TARIFFS ON OFFSHORING INDUSTRIES: HOW NORTH/SOUTH TARIFFS AFFECT INTRA-FIRM TRADE
Federico J. Diez, Federal Reserve Bank of Boston

12:30 to 15:30
ROOM: 121
FRIDAY, OCTOBER 2, 2009

14:00 - 15:30

FINANCE (LACEA)
Chairperson and Organizer: Fernando Broner, CREI and Universitat Pompeu Fabra

GROWTH IN THE SHADOW OF EXPROPRIATION
Mark Aguiar, University of Rochester
Co-Author: Manuel Amador, Stanford University

INSTITUTIONS AND FOREIGN FINANCE: SOVEREIGN AND PRIVATE FLOWS
Alberto Martin, Pompeu Fabra CREI
Co-Authors: Nicola Gennaioli, CREI and UPF and Stefano Rossi, Stockholm School of Economics

RETHINKING THE EFFECTS OF FINANCIAL LIBERALIZATION
Fernando Broner, CREI and Universitat Pompeu Fabra
Co-Author: Jaume Ventura, CREI and Universitat Pompeu Fabra

14:00 to 15:30

PENSIONS AND SOCIAL SECURITY (LACEA)
Chairperson: Alvaro Forteza, Universidad de la República, Uruguay

ANNUITY CHOICES IN CHILE: A DYNAMIC APPROACH
Jose Ruiz, Universidad de Chile
Co-Author: Olivia Mitchell, Faculty

THE EFFECT OF THE CHILEAN PENSION REFORM ON WEALTH ACCUMULATION
Ximena Quintanilla, University College London - Institute for Fiscal Studies

WORK HISTORIES AND PENSION ENTITLEMENTS IN ARGENTINA, CHILE AND URUGUAY
Alvaro Forteza, Universidad de la República, Uruguay
Co-Authors: Ignacio Apella, CEDES, Eduardo Fajnzylber, Universidad Adolfo Ibañez, Carlos Grushka, Superintendencia de AFJP, and Ianina Rossi and Graciela Sanroman, Universidad de la República

14:00 to 15:30

LABOR ECONOMICS (LACEA)
Chairperson: Juan Ponce, Flacso-Ecuador

BRAINS VERSUS BRAWN: LABOR MARKET RETURNS TO INTELLECTUAL AND PHYSICAL HUMAN CAPITAL IN A POOR DEVELOPING COUNTRY
John Maluccio, Middlebury College
Co-Author: John Hoddinott, International Food Policy Research Institute
DO TEMPORARY CONTRACTS AFFECT TOTAL FACTOR PRODUCTIVITY? EVIDENCE FROM SPANISH MANUFACTURING FIRMS
Rodolfo Stucchi, Inter-American Development Bank
Co-Author: Juan Dolado, Universidad Carlos III de Madrid

THE IMPACT OF COMPUTER USE ON WAGES IN A DEVELOPING COUNTRY: EVIDENCE FROM ECUADOR
Juan Ponce, Flacso-Ecuador
Co-Author: Hessel Oosterbeek, University of Amsterdam and the Tinbergen Institute

CRIMES AND WARS (LACEA)
Chairperson: Daniel Mejia, Universidad de los Andes

ENTREPRENEURSHIP AND ARMED CONFLICT: EVIDENCE FROM COLOMBIA
Adriana Camacho, Universidad de los Andes
Co-Author: Catherine Rodriguez, Universidad de los Andes

THE EFFECT OF CRIME VICTIMIZATION ON ATTITUDES TOWARDS CRIMINAL JUSTICE IN LATIN AMERICA
Gabriel Demombynes, World Bank

THE WAR ON ILLEGAL DRUGS IN PRODUCER AND CONSUMER COUNTRIES: A SIMPLE ANALYTICAL FRAMEWORK
Daniel Mejia, Universidad de los Andes

LIQUIDITY AND CYCLES (LACEA)
Chairperson: Mariana Rojas Breu, University of Basel and Université Paris Ouest

HOW DO TEMPORARY SALES BEHAVE IN A VARIABLE MACROECONOMIC ENVIRONMENT?
João Ayres, EPGE - Getulio Vargas Foundation
Co-Author: Rebecca Barros, Getulio Vargas Foundation

LEMONS AND LIQUIDITY CYCLES
Pablo Kurlat, MIT

LIQUIDITY AND ECONOMIC GROWTH
Mariana Rojas Breu, University of Basel and Université Paris Ouest
Co-Authors: Aleksander Berentsen, University of Basel and Shouyong Shi, University of Toronto
FRIDAY, OCTOBER 2, 2009

14:00 - 15:30

BUSINESS CYCLE AND PRODUCTION (LACEA)
Chairperson: Miguel A. Iraola, Instituto Tecnológico Autónomo de México

DISTORTIONARY TAXATION, INTERNATIONAL BUSINESS CYCLES AND REAL WAGE: EXPLAINING SOME PUZZLING FACTS
Coralia Quintero Rojas, Universidad de Guanajuato
Co-Author: François Langot, Université du Maine

Felipe Schwartzman, Princeton University

LONG-TERM ASSET PRICE VOLATILITY AND MACROECONOMIC FLUCTUATIONS
Miguel A. Iraola, Instituto Tecnológico Autónomo de México

14:00 to 15:30

ROOM: Auditorio 2

14:00 - 15:30

FINANCIAL SYSTEMS AND BANKING (LACEA)
Chairperson: Eduardo Cavallo, Inter-American Development Bank

BANK INVOLVEMENT WITH SMES: BEYOND RELATIONSHIP LENDING
Sergio Schmukler, The World Bank
Co-Authors: Augusto de la Torre, World Bank and Maria Soledad Martinez Peria,

DO CREDIT RATING AGENCIES ADD VALUE? EVIDENCE FROM THE SOVEREIGN RATING BUSINESS
Eduardo Cavallo, Inter-American Development Bank
Co-Authors: Andrew Powell, Inter-American Development Bank and Roberto Rigobon, MIT

FOREIGN BANKS, CORPORATE STRATEGY AND FINANCIAL STABILITY: LESSONS FROM THE RIVER PLATE
Michael Brei, Bank for International Settlements and Carlos Winograd, University of Evry

WAGES AND INTERNATIONAL MOBILITY (LACEA)
Chairperson: Jennifer Poole, University of California, Santa Cruz

IMPACT OF INTERNATIONAL MIGRATION ON HOUSEHOLD BEHAVIOR IN NICARAGUA
Monica Parra Torrado, Fedesarrollo

TRADE LIBERALIZATION AND WAGES: EVIDENCE FROM MATCHED EMPLOYER-EMPLOYEE DATA
Jennifer Poole, University of California, Santa Cruz
Co-Authors: Pravin Krishna, Johns Hopkins University and NBER and Mine Senses, Johns Hopkins University

WOMEN’S LABOR FORCE PARTICIPATION IN MEXICO DURING THE 20TH CENTURY: CHILDBEARING AND CAREER DECISIONS
Lucia Madrigal, Inter-American Development Bank

ROOM: Auditorio 3

ROOM: 128
FRIDAY, OCTOBER 2, 2009

CONTRIBUTED SESSIONS
LAMES

14:00 - 15:30

ECONOMETRICS 7 (LAMES)
Chairperson: Federico Bugni, Duke University

NEW EVIDENCE ON THE FINITE SAMPLE PROPERTIES OF PROPENSITY SCORE MATCHING AND REWEIGHTING ESTIMATORS
Matias Busso, Inter-American Development Bank and IZA
Co-Authors: John DiNardo, University of Michigan and Justin McCrary, University of California, Berkeley

SEMIPARAMETRIC ESTIMATORS FOR NONSEPARABLE MODELS UNDER ENDOGENEITY
Koen Jochmans, Katholieke Universiteit Leuven

SPECIFICATION TEST FOR MISSING FUNCTIONAL DATA
Federico Bugni, Duke University

APPLIED MICROECONOMICS 1 (LAMES)
Chairperson: Marc Gurgand, Paris School of Economics

BREAKING THE NORM: AN EMPIRICAL INVESTIGATION INTO THE UNRAVELING OF GOOD BEHAVIOR
Eduardo Maruyama, International Food Policy Research Institute
Co-Authors: Ruth Vargas Hill and Angelino Viceisza, International Food Policy Research Institute

ESTIMATING THE EFFECTS OF LENGTH OF EXPOSURE TO A TRAINING PROGRAM: THE CASE OF JOB CORPS
Alfonso Flores-Lagunes, University of Florida
Co-Author: Carlos Flores, University of Miami

SAMPLE ATTRITION BIAS IN RANDOMIZED EXPERIMENTS: A TALE OF TWO SURVEYS
Marc Gurgand, Paris School of Economics

INDUSTRIAL ORGANIZATION (LAMES)
Chairperson: Florin Bilbiie, HEC Paris Business School

AUTOMATIC MARKDOWNS
Mariano Tappata, University of British Columbia

LOYALTY INDUCING PROGRAMS AND COMPETITION WITH HOMOGENEOUS GOODS
Ronald Fischer, CEA, Universidad de Chile
Co-Author: Nicolas Figueroa, CEA, Universidad de Chile

MONOPOLY POWER AND ENDOGENOUS PRODUCT VARIETY: DISTORTIONS AND REMEDIES
Florin Bilbiie, HEC Paris Business School
Co-Authors: Fabio Ghironi, Boston College and Marc Melitz, Princeton University
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<td>14:00 - 15:30</td>
<td><strong>CONTRACT THEORY 2 (LAMES)</strong>&lt;br&gt;Chairperson: Nicolas Figueroa, Universidad de Chile-CEA</td>
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<td></td>
<td><strong>ADVERSE SELECTION AND NON-EXCLUSIVE CONTRACTS</strong>&lt;br&gt;Laurence Ales, Carnegie Mellon University&lt;br&gt;Co-Author: Pricila Maziero, Wharton School, University of Pennsylvania</td>
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<td><strong>HUMAN CAPITAL AND CAREER CONCERNS</strong>&lt;br&gt;Braz Camargo, University of Western Ontario&lt;br&gt;Co-Author: Elena Pastorino, University of Iowa</td>
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<td><strong>PROCURING LEGAL SERVICES THROUGH DECENTRALIZED CONTRACTING</strong>&lt;br&gt;Nicolas Figueroa, Universidad de Chile-CEA&lt;br&gt;Co-Author: Jorge Lemus, Universidad de Chile-CEA</td>
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<td>14:00 - 15:30</td>
<td><strong>TRADE 2 (LAMES)</strong>&lt;br&gt;Chairperson: Omar Licandro, Instituto de Analisis Economico</td>
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<td><strong>ENTRY, TRADE COSTS AND INTERNATIONAL BUSINESS CYCLES</strong>&lt;br&gt;Roberto Fattal Jaef, UCLA and Jose Ignacio Lopez, UCLA</td>
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<td><strong>INTERNATIONAL COMPETITION, RETURNS TO SKILL AND LABOR MARKET ADJUSTMENT</strong>&lt;br&gt;Joana Silva, World Bank&lt;br&gt;Co-Authors: Rod Falvey, GEP, University of Nottingham and David Greenaway, GEP, University of Nottingham</td>
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<td><strong>TRADE, FIRM SELECTION, AND INNOVATION: THE COMPETITION CHANNEL</strong>&lt;br&gt;Omar Licandro, Instituto de Analisis Economico</td>
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<td>14:00 - 15:30</td>
<td><strong>ASSET PRICING (LAMES)</strong>&lt;br&gt;Chairperson: Skander Van den Heuvel, Federal Reserve Board</td>
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<td><strong>DYNAMIC LIMIT PRICING</strong>&lt;br&gt;Flavio Toxvaerd, University of Cambridge</td>
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<td><strong>TEMPORAL RISK AVERSION AND ASSET PRICES</strong>&lt;br&gt;Skander Van den Heuvel, Federal Reserve Board</td>
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<td><strong>OPTIMAL STOCK OPTION REPRICING: INCENTIVES AND LEARNING</strong>&lt;br&gt;Arantxa Jarque, Universidad Carlos III de Madrid</td>
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FRIDAY, OCTOBER 2, 2009

14:00 - 15:30

**BUSINESS CYCLES 1 (LAMES)**
Chairperson: Alexander Monge-Naranjo, Penn State University

**AGENCY COSTS, HOUSING PRODUCTION AND BUSINESS CYCLES**
Gabriel Lee, University of Regensburg and IHS Vienna
Co-Authors: Victor Dorofeenko, IHS, Vienna Austria and Kevin Salyer, University of California, Davis

**INVESTMENT AND THE REAL INTEREST RATE IN BUSINESS CYCLE MODELS**
Oleksiy Kryvtsov, Bank of Canada
Co-Authors: Chris Edmond, New York University and Virgiliu Midrigan, New York University

**LIMITED ENFORCEMENT, FIRM DYNAMICS AND AGGREGATE FLUCTUATIONS**
Alexander Monge-Naranjo, Penn State University

14:00 - 15:30

**DEVELOPMENT 1 (LAMES)**
Chairperson: Gregory Veramendi, Northwestern University

**A GENERAL EQUILIBRIUM THEORY OF COLLEGE WITH EDUCATION SUBSIDIES, IN-SCHOOL LABOR SUPPLY, AND BORROWING CONSTRAINTS**
Carlos Garriga, Federal Reserve Bank of St. Louis

**A STRUCTURAL EVALUATION OF A LARGE-SCALE QUASI-EXPERIMENTAL MICROFINANCE INITIATIVE**
Joe Kaboski, Ohio State University
Co-Authors: Robert Townsend, MIT

**UNDERSTANDING THE EFFECTS OF SCHOOLING IN A MODEL WITH ESSENTIAL HETEROGENEITY**
Gregory Veramendi, Northwestern University

14:00 - 15:30

**SPECIAL CONTRIBUTED SESSIONS**

**INTER-GENERATIONAL TRANSMISSION OF INEQUALITY IN LATIN AMERICA: RESULTS FROM THE LAC-REGIONAL HUMAN DEVELOPMENT REPORT (UNDP)**
This Session is sponsored by the United Nations Development Program

Chairpersons: Luis Felipe López Calva, Chief Economist, Regional Bureau-LAC, UNDP
Isidro Soloaga, Coordinator, Regional Human Development Report & El Colegio de México

Panelists: Francisco Chico Ferreira, World Bank
Jean-Philippe Platteau, University of Namur
FRIDAY, OCTOBER 2, 2009

14:00 - 15:30

**ADOLESCENT FERTILITY IN LATIN AMERICA**
This session will examine the high levels of adolescent pregnancy in Latin America, with a focus on life-cycle implications as well as on effective interventions to prevent or mitigate negative impacts. Subjects covered will include the role of adolescent fertility in the intergenerational transmission of poverty as well as the correlates of adolescent risk behavior and incentives and disincentives for such behavior, considering both current and potential policy responses.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Suzanne Duryea, Inter-American Development Bank

**ADOLESCENT MOTHERHOOD AND SECONDARY SCHOOLING IN CHILE**
Rodrigo Navia, Universidad Catolica de Valparaiso
Co-Authors: Matias Berthelon, Universidad Catolica de Valparaiso and Diana I. Kruger, Universidad Catolica de Valparaiso

**ADOLESCENT RISK BEHAVIOR**
Paul Gertler, University of California, Berkeley

**IMMEDIATE AND LONGER-TERM IMPLICATIONS OF ADOLESCENT FERTILITY IN MEXICO**
Maria Cecilia Calderon, University of Pennsylvania
Co-Author: Suzanne Duryea, Inter-American Development Bank

14:00 to 15:30

This Session is sponsored by the World Bank

Chairperson: Guillermo Perry, Fedesarrollo

**CAREER PLACEMENT OF SKILLED WORKERS IN THE US LABOR MARKET: IMPACT OF COHORT AND DURATION-OF-STAY**
Caglar Ozden, World Bank
Co-Author: Ileana Cristina Neagu, World Bank

Discussant: Norman Loayza, World Bank, Research Department

**INTERNATIONAL MIGRATION, TRANSFERS OF NORMS AND HOME COUNTRY FERTILITY**
Maurice Schiff, World Bank Research Department
Co-Authors: Michel Beine, University of Luxembourg and Frederic Docquier, University de Louvain

Discussant: Antonio Spilimbergo, IMF

ROOM: Auditorio 1

ROOM: Microcine
FRIDAY, OCTOBER 2, 2009

15:45 - 17:15

SKILLED EMIGRATION AND SKILL CREATION: A QUASI-EXPERIMENT
Michael Clemens, Center for Global Development
Co-Author: Satish Chand, University of New South Wales
Discussant: Claudio Sapelli, Pontificia Universidad Católica de Chile

INVITED LECTURES
LACEA

15:45 - 17:15

MACROECONOMICS (LACEA)
Chairperson: Andrés Neumeyer, Universidad Torcuato Di Tella

FINANCIAL FACTORS IN BUSINESS CYCLES
Lawrence Christiano, Northwestern University
Co-Authors: Roberto Motto, European Central Bank and Massimo Rostagno, European Central Bank

MONETARY POLICY AND ASSETS EVALUATION
Michele Boldrini, Washington University at St. Louis
Co-Authors: Carlos Garriga and William Gavin, Federal Reserve Bank of St Louis

15:45 - 17:15

ENTREPRENEURSHIP, TRADE, AND DEVELOPMENT (LACEA)
This Session is sponsored by Agencia Nacional de Desarrollo de Inversiones
Chairperson: Pablo Sanguinetti, Corporación Andina de Fomento

THE BUILDING BLOCKS OF ECONOMIC COMPLEXITY
Ricardo Hausmann, Harvard University

THE MICROECONOMICS OF GRAVITY
Jonathan Eaton, New York University

15:45 - 17:15

INVITED LECTURES
LAMES

15:45 - 17:15

ADVANCES IN ECONOMIC THEORY (LAMES)
Chairperson: Hugo Hopenhayn, UCLA

EFFECTING COOPERATION
Andrew Postlewaite, University of Pennsylvania
Co-Author: Olivier Compte, Paris School of Economics

QUALITY LADDERS, COMPETITION AND ENDOGENOUS GROWTH
David Levine, Washington University at St. Louis
Co-Author: Michele Boldrini, Washington University at St. Louis

ROOM: Aula Magna

ROOM: Auditorium 1

ROOM: 112
FRIDAY, OCTOBER 2, 2009

15:45 - 17:15

DEVELOPMENT ECONOMICS (LAMES)
Chairperson: Juan Pablo Nicolini, Universidad Torcuato Di Tella

ROOM: Microcine

HUMAN CAPITAL AND RETIREMENT
Rodolfo Manuelli, Washington University at St. Louis

THE DISTRIBUTIVE IMPACT OF REFORMS IN CREDIT ENFORCEMENT: EVIDENCE FROM INDIAN DEBT RECOVERY TRIBUNALS
Dilip Mookherjee, Boston University
Co-Authors: Sujata Visaria, Hong Kong University of Science and Technology and Ulf von Lilienfeld-Toal, Stockholm School of Economics

17:15 - 17:45

COFFEE BREAK

17:45 - 19:00

PLENARY LECTURE
LACEA
Chairperson: Martín Solá, Universidad Torcuato Di Tella

ROOM: Auditorio San Agustin

MEASURING THE AVERAGE OUTCOME AND INEQUALITY EFFECTS OF SEGREGATION IN THE PRESENCE OF SOCIAL SPILLOVERS
Guido Imbens, Harvard University
Co-Authors: Bryan Graham, UC Berkeley and Geert Ridder, USC

17:45 - 19:00

PLENARY LECTURE
LAMES

ROOM: Juan Pablo II

HURWICZ LECTURE
Chairperson: Rodolfo Manuelli, Washington University at St. Louis

THE ENVIRONMENT AND DIRECTED TECHNICAL CHANGE
Daron Acemoglu, MIT
Co-Authors: Philippe Aghion, Harvard University, Leonard Bursztyn, Harvard University and David Hemous, Harvard University

20:00 - 23:00

DINNER & PARTY AT VISIONNAIRE
SATURDAY, OCTOBER 3, 2009

08:30 - 09:00
REGISTRATION

09:00 - 10:30
CONTRIBUTED SESSIONS

ROOM: Microcine

LACEA

INTERNATIONAL TRADE, LABOR MARKETS AND INEQUALITY (LACEA)
Chairperson: Irene Brambilla, Yale University

MATCHING AND INEQUALITY IN THE WORLD ECONOMY
Costinot Arnaud, MIT
Co-Author: Jonathan Vogel, Columbia University

THE IMPACT OF TRADE ON TECHNOLOGY AND SKILL UPGRADING: EVIDENCE FROM ARGENTINA
Paula Bustos, CREI Universitat Pompeu Fabra

THE QUALITY OF TRADE: EXPORTS, EXPORT DESTINATIONS, AND WAGES
Irene Brambilla, Yale University

09:00 - 10:30
POLITICAL ECONOMY (LACEA)
Chairperson: Sebastian Miller, Inter American Development Bank

ROOM: 129

BARRIERS TO INVESTMENT IN POLARIZED SOCIETIES
Marina Azzimonti, University of Texas, Austin

BASES, BULLETS AND BALLOTS: THE IMPACT OF U.S. MILITARY AID ON POLITICAL CONFLICT IN COLOMBIA
Oeindrila Dube, Harvard University

THE EFFECTS OF INCOME DISTRIBUTION ON ELECTORAL OUTCOMES: THE ROLE OF THE MIDDLE CLASS
Sebastian Miller, Inter American Development Bank
SATURDAY, OCTOBER 3, 2009

09:00 - 10:30

MARRIAGE, FERTILITY AND CHILDREN (LACEA)
Chairperson: Anna Sanz-de-Galdeano, Universitat de Girona, FEDEA and IZA

THE EFFECT OF INFERTILITY MANDATES ON THE TIMING OF MARRIAGES AND BIRTHS
Anna Sanz-de-Galdeano, Universitat de Girona, FEDEA and IZA
Co-Author: Matilde Machado, Universidad Carlos III de Madrid and CEPR

WAITING FOR MISTER RIGHT? ASYMMETRIC INFORMATION, ABORTION LAWS AND THE TIMING OF MARRIAGE.
Patrick Emerson, Oregon State University
Co-Author: Simon Bowmaker, New York University

WHO OWNS CHILDREN AND DOES IT MATTER?
Alice Schoonbroodt, University of Southampton
Co-Author: Michele Tertilt, Stanford University

09:00 - 10:30

TRADE AND LABOR ECONOMICS (LACEA)
Chairperson: Martha Kluttig, Regular

ASSESSMENT OF THE DISTRIBUTIVE IMPACT OF NATIONAL AND EXTERNAL TRADE REFORMS IN BRAZIL
Fernando Borraz, Universidad de Montevideo

LABOR MARKET INSERTION OF YOUNG ADULTS IN CHILE
Marina Bassi, Inter-American Development Bank

TIC: THE IMPACT OF EXPERIENCE. A STUDY FOR CHILE. PISA 2006 RESULTS
Martha Kluttig, Regular
Co-Authors: Claudia Peirano, Regular and Constanza Vergara, Regular

HEALTH ECONOMICS (LACEA)
Chairperson: Emilio Gutierrez Fernandez, Brown University and ITAM

HIGH QUALITY NUTRITION IN CHILDHOOD, BODY SIZE AND WAGES IN EARLY ADULTHOOD: EVIDENCE FROM GUATEMALAN WORKERS
Maria Cecilia Calderon, University of Pennsylvania

USING SATELLITE IMAGERY TO MEASURE THE RELATIONSHIP BETWEEN AIR QUALITY AND INFANT MORTALITY: AN EMPIRICAL STUDY FOR MEXICO.
Emilio Gutierrez Fernandez, Brown University and ITAM

VALUING HEALTH STATES ACROSS COHORTS, COUNTRIES, AND CULTURES: INSIGHTS FROM A NEW METHOD BASED ON HAPPINESS SURVEYS
Eduardo Lora, IADB
Co-Authors: Carol Graham, and Higuera Lucas, Inter-American Development Bank
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<td><strong>EXCHANGE RATE (LACEA)</strong></td>
<td>Guillermo Vuletin, Colby College</td>
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<td>ASSET PRICES, EXCHANGE RATES AND THE CURRENT ACCOUNT</td>
<td>Luciana Juvenal, Federal Reserve Bank of St Louis</td>
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<td>DOES HIGHER OPENNESS CAUSE MORE REAL EXCHANGE RATE VOLATILITY?</td>
<td>César Calderón, The World Bank and Megumi Kubota, University of York</td>
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<td>REAL EXCHANGE RATE VOLATILITY AND EXCHANGE RATE REGIMES: NEUTRALITY, COMPLEMENTARITIES AND ANNOUNCEMENTS</td>
<td>Guillermo Vuletin, Colby College, Jorge Carrera, UNLP and BCRA</td>
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<td>09:00 - 10:30</td>
<td><strong>MONETARY POLICY RULES (LACEA)</strong></td>
<td>Luiggi Donayre, Washington University in St. Louis</td>
<td>Room: 123</td>
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<td>A FINANCIAL APPROACH TO OPTIMAL INTEREST RATE RULES: MULTIPLE OBJECTIVES AND ASYMMETRIES</td>
<td>Katarzyna Romaniuk, Universidad de Santiago de Chile, Radu Vranceanu, ESSEC Business School</td>
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<td>CREDIT FRICTIONS, HOUSING PRICES AND OPTIMAL MONETARY POLICY RULES</td>
<td>Caterina Mendicino, Banco De Portugal, Andrea Pescatori, Federal Reserve Bank of Cleveland</td>
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<td>ESTIMATED THRESHOLDS AND MENU COSTS IN THE RESPONSE OF OUTPUT TO MONETARY POLICY: DO SMALL SHOCKS HAVE LARGER EFFECTS?</td>
<td>Luiggi Donayre, Washington University in St. Louis</td>
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<td>09:00 - 10:30</td>
<td><strong>EDUCATION (LACEA)</strong></td>
<td>Maria Eugenia Canon, University of Rochester</td>
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<td>INEQUALITIES IN EDUCATIONAL ACHIEVEMENT: MEASUREMENT AND EVIDENCE FROM THE PROGRAMME INTERNATIONAL OF STUDENTS’ ASSESSMENTS</td>
<td>Jeremie Gignoux, The World Bank, Francisco Chico Ferreira, World Bank</td>
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<td>THE PRODUCTION FUNCTION OF COGNITIVE SKILLS: PARENTAL INVESTMENT AND CASTE TEST GAPS</td>
<td>Florencia Lopez Boo, Inter-American Development Bank/IZA</td>
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<td>THE ROLE OF SCHOOLS IN THE PRODUCTION OF ACHIEVEMENT</td>
<td>Maria Eugenia Canon, University of Rochester</td>
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SATURDAY, OCTOBER 3, 2009

09:00 - 10:30

MIGRATION AND REMITTANCES (LACEA)
Chairperson: Mercedes Elizabeth Onofa Dávila, FLACSO

A BAYESIAN ESTIMATION FOR THE ECUATORIAN ECONOMY
Pedro Luis Elosegui, Banco Central de la República Argentina
Co-Author: Nicolás Grosman, Banco Central de la República Argentina

RISK AVERSION, INCOME VARIABILITY, AND MIGRATION IN RURAL MEXICO
Hector V Conroy, The World Bank

THE ROLE OF INTERNATIONAL REMITTANCES IN HEALTH OUTCOMES IN ECUADOR: PREVENTION OR RESPONSE TO SHOCKS?
Mercedes Elizabeth Onofa Dávila, FLACSO
Co-Authors: Iliana Olivié, Real Instituto Elcano and Juan Ponce, Flacso-Ecuador

09:00 - 10:30

SOCIAL CHANGE (LACEA)
Chairperson and Organizer: Alessandra Fogli, University of Minnesota

BELIEFS AND MACROECONOMIC SHOCKS
Paola Giuliano, UCLA

CULTURAL INERTIA AND THE GEOGRAPHY OF CULTURAL TRANSFORMATION
Alessandra Fogli, University of Minnesota
Co-Author: Laura Veldkamp, Stern School of Business, NYU

EMANCIPATION THROUGH EDUCATION: MARRIAGE, DIVORCE, AND THE CHANGING ROLE OF WOMEN IN THE LABOR MARKET
Michelle Rendall, University of Zurich
Co-Author: Fatih Guvenen, University of Minnesota

09:00 - 10:30

CONTRIBUTED SESSIONS
LAMES

09:00 - 10:30

ECONOMETRICS 8: MACROECONOMICS (LAMES)
Chairperson: Luis Opazo, Banco Central de Chile

MACROECONOMIC VARIABLES, EULER EQUATION AND FUTURE RETURNS ON TREASURY BONDS: (SEMI) NONPARAMETRIC INVESTIGATION
Yuriy Kitsul, Federal Reserve Board
Co-Author: Ai-ru Cheng, University of California - Santa Cruz
Saturday, October 3, 2009

09:00 - 10:30

STRUCTURAL CHANGE AND COUNTERFACTUAL INFLATION TARGETING IN HONG KONG
Paul McNelis, Fordham University

THE INTERBANK RATE AND THE LIQUIDITY OF MARKET
Luis Opazo, Banco Central de Chile

TOPICS IN MACROECONOMICS
Chairperson: Gustavo Ventura, University of Iowa

GREAT APPRECIATIONS: ACCOUNTING FOR THE REAL EXCHANGE RATE IN MEXICO, 1988-2002
Carlos Urrutia, ITAM
Co-Author: Felipe Meza, ITAM

INFLATION AND WELFARE IN LONG-RUN EQUILIBRIUM WITH FIRM DYNAMICS
Alexandre Janiak, University of Chile and IZA
Co-Author: Paulo Santos Monteiro, University of Warwick

THE ALLOCATION OF TALENT AND SKILL PREMIA ACROSS COUNTRIES
Gustavo Ventura, University of Iowa

09:00 - 10:30

LABOR MARKETS: POLICY IMPLICATIONS (LAMES)
Chairperson: Julian Messina, Universitat de Girona, IZA and FEDEA

ACTIVE LABOR MARKET POLICY EVALUATIONS: A META-ANALYSIS
Jochen Kluve, RWI
Co-Authors: David Card, UC Berkeley and Andrea Weber, UC Berkeley

INCENTIVE EFFECTS OF UNEMPLOYMENT INSURANCE SAVINGS ACCOUNTS: EVIDENCE FROM CHILE
Gonzalo Reyes, The World Bank
Co-Authors: Jan Van Ours, Tilburg University and Milan Vodopivec, World Bank

THE EFFECT OF EMPLOYMENT PROTECTION LEGISLATION AND FINANCIAL MARKET IMPERFECTIONS ON INVESTMENT: EVIDENCE FROM A FIRM-LEVEL PANEL OF EU COUNTRIES
Julian Messina, Universitat de Girona, IZA and FEDEA
Co-Authors: Federico Cingano, Banca d’Italia, Marco Leonardi, University of Milan and IZA and Giovanni Pica, University of Salerno and IZA
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<td><strong>Strategic Trading (LAMES)</strong>&lt;br&gt;Chairperson: Augusto Nieto-Barthaburu, East Carolina University&lt;br&gt;<strong>Equilibrium Price Formation in Markets with Differentiated Informed Agents</strong>&lt;br&gt;Emma Moreno-García, Universidad de Salamanca&lt;br&gt;Co-Authors: Marta Faias, Universidade Nova de Lisboa and Carlos Hervés-Beloso, Universidad de Vigo&lt;br&gt;<strong>Feedback in Prediction Markets</strong>&lt;br&gt;Augusto Nieto-Barthaburu, East Carolina University&lt;br&gt;Co-Editor: Robert Lieli, University of Texas, Austin</td>
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<td><strong>Organizations (LAMES)</strong>&lt;br&gt;Chairperson: Helios Herrera, Columbia University and PUC Rio&lt;br&gt;<strong>An Organizational Model of Attitude Change</strong>&lt;br&gt;João Amaro de Matos, Universidade Nova de Lisboa&lt;br&gt;Co-Editor: Luis Almeida Costa, Universidade Nova de Lisboa&lt;br&gt;<strong>Industry Equilibrium with Open Source and Proprietary Firms</strong>&lt;br&gt;Gaston Llanes, Harvard Business School&lt;br&gt;Co-Editor: Ramiro de Elejalde, Universidad Carlos III de Madrid&lt;br&gt;<strong>Turnout and Power Sharing</strong>&lt;br&gt;Helios Herrera, Columbia University and PUC Rio&lt;br&gt;Co-Editor: Massimo Morelli, Columbia University</td>
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SATURDAY, OCTOBER 3, 2009

09:00 - 10:30

ECONOMIC THEORY 3 (LAMES)
Chairperson: Gil Riella, Universidade de Brasília

A CLASS OF INCOMPLETE AND AMBIGUITY AVERSE PREFERENCES
Leandro Nascimento, New York University
Co-Author: Gil Riella, Universidade de Brasília

HOUSING PROBLEMS WITH NON-RATIONALIZABLE BEHAVIOR
Sophie Bade, Max Planck Institut Bonn

PREFERENCE FOR FLEXIBILITY AND BAYESIAN UPDATING
Gil Riella, Universidade de Brasília

09:00 - 10:30

ECONOMIC THEORY 4 (LAMES)
Chairperson: Antoine Loeper, Kellogg School of Management, Northwestern University

EFFICIENT EXCHANGE OF FAVORS WITH PRIVATE INFORMATION
Shivani Nayyar, Princeton University

ERGODIC MARKOV EQUILIBRIUM WITH INCOMPLETE MARKETS AND DEBT CONSTRAINTS THAT NEVER BIND
Luis Braido, Fundacao Getulio Vargas

ENVELOPE THEOREMS FOR ARBITRARY PARAMETRIZED CHOICE SETS
Antoine Loeper, Kellogg School of Management, Northwestern University

09:00 - 10:30

DEVELOPMENT 2 (LAMES)
Chairperson: Patricio Santiago Dalton, University of Warwick

DOES THE INTERNET REDUCE CORRUPTION? EVIDENCE FROM U.S. STATES AND ACROSS COUNTRIES
Pablo Selaya, University of Copenhagen
Co-Authors: Thomas Barnebeck Andersen, University of Copenhagen, Jeanet Bentzen, University of Copenhagen and Carl-Johan Dalgaard, University of Copenhagen

LIFE EXPECTANCY AND ECONOMIC GROWTH: THE ROLE OF THE DEMOGRAPHIC TRANSITION
Matteo Cervellati, Department of Economics University of Bologna
Co-Author: Uwe Sunde, University of St.Gallen

POVERTY PERSISTENCE AND ASPIRATIONS FAILURE
Patricio Santiago Dalton, University of Warwick
Co-Authors: Mani Anandi, University of Warwick and Ghosal Sayantan, University of Warwick
**SPECIAL CONTRIBUTED SESSIONS**

**THE POLITICAL ECONOMY OF FISCAL REFORM**
Latin America has undergone dramatic fiscal reforms over the past 15 years. While most countries have engaged in reform, not all did, and those that undertook reforms have done so in different ways. Moreover, not all countries reformed for the “right” reasons. The extensive literature on this topic has so far largely neglected the role of fiscal policy and institutions in the policymaking process, as well as potential feedback effects from fiscal reforms to the policy game as a whole. The papers in this panel incorporate these issues into their analytical framework, attempting to explain changes in both policies and institutions.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Carlos Scartascini, Inter-American Development Bank

**THE POLITICAL ECONOMY OF FISCAL REFORM IN BRAZIL**
Carlos Pereira, Michigan State University and Sao Paulo School of Economics
Co-Author: Marcus Melo, University of Pernambuco

**THE POLITICAL ECONOMY OF FISCAL REFORM IN COLOMBIA**
Guillermo Perry, Fedesarrollo
Co-Author: Monica Pachon, Universidad de los Andes

**THE POLITICAL ECONOMY OF FISCAL REFORM IN MEXICO**
Jeffrey F. Timmons, ITAM
Co-Authors: Eric Magar, ITAM and Vidal Romero, ITAM

Discussant: Erik Wibbels, Duke University

.resource misallocation and productivity in Latin America
The view that differences in income levels across countries are partly due to the misuse of available resources is gaining ground. This session explores the extent by which resource misallocation can explain the development gap between individual countries in Latin America and the industrialized world. It also explores the role of evasion in taxes and social security contributions as potentially important, and persistent, drivers of resource misallocation.

This Session is sponsored by the Inter-American Development Bank

Chairperson: Carmen Pages, Inter-American Development Bank

**INCIDENCE OF INFORMALITY IN COLOMBIAN AGGREGATE PRODUCTIVITY**
Maria Angelica Arbelaez, Fedesarrollo
Co-Authors: Oscar Becerra, IDB and Nicolas Leon, Fedesarrollo
SATURDAY, OCTOBER 3, 2009

10:30 - 11:00

MISALLOCATION AND MANUFACTURING TFP IN COLOMBIA
Adriana Camacho, Universidad de los Andes
Co-Author: Emily Conover, Hamilton College

RESOURCES MISTAKEN AND MANUFACTURING TFP IN BRAZIL
Carmen Pages, Inter-American Development Bank
Co-Author: Susana Carpio, Universite d’Auvergne

11:00 - 12:30

COFFEE BREAK

11:00 - 12:30

INVITED AND SPONSORED SESSIONS
LACEA

APPLIED DEVELOPMENT (LACEA)
Chairperson: Rohini Pande, Harvard University

DO THE RIGHT THING: THE EFFECTS OF MORAL SUASION ON COOPERATION
Ernesto Dal Bo, Berkeley Haas School of Business

POLITICAL POWER PERSISTENCE AND ECONOMIC DEVELOPMENT: EVIDENCE FROM BRAZIL’S REGIME TRANSITION
Frederico Finan, UCLA and NBER
Co-Author: Claudio Ferraz, Pontificia Universidade Católica do Rio de Janeiro [PUC-Rio]

VOTER INFORMATION AND ELECTORAL ACCOUNTABILITY: EVIDENCE FROM URBAN INDIA
Rohini Pande, Harvard University
Co-Authors: Abhijit Banerjee, MIT, Selvan Kumar, IFMR and Felix Su, Harvard University

11:00 - 12:30

STRUCTURAL MICROECONOMICS (LACEA)
Chairperson: Pedro Carneiro, University College London

CHARTER SCHOOL ENTRY IN MARKET EQUILIBRIUM
Maria Ferreyra, Carnegie Mellon University
Co-Authors: Dennis Epple, Carnegie Mellon University and Brett Gordon, Columbia University

ESTIMATING THE TECHNOLOGY OF COGNITIVE AND NONCOGNITIVE SKILL FORMATION
Flavio Cunha, University of Pennsylvania
Co-Authors: James Heckman, University of Chicago and Susanne Schennach, University of Chicago

TRENDS IN QUALITY-ADJUSTED SKILL PREMIA IN THE UNITED STATES, 1960-2000
Pedro Carneiro, University College London
Co-Author: Sokbae Lee, University College London
LOOKING AT FINANCIAL CRISIS IN THE EYE: HISTORY, THEORY AND POLICY (LACEA)
Chairperson: Roque Fernández, Universidad del CEMA
Panelists: Guillermo Calvo, Columbia University
Carmen Reinhart, University of Maryland
Andrés Velasco, Minister of Finance, Chile

LACEA NETWORK - PROGRAM EVALUATION
Chairperson, Carola Álvarez, Inter-American Development Bank

HOW DO TRAINING PROGRAMS ASSIGN PARTICIPANTS TO TRAINING? CHARACTERIZING THE ASSIGNMENT RULES OF GOVERNMENT AGENCIES FOR WELFARE-TO-WORK PROGRAMS IN CALIFORNIA
Oscar Mitnik, University of Miami

TWO-SIDED WEALTH CONSTRAINTS AND INNOVATION ADOPTION UNDER A GRASSROOTS MARKET-BASED EXTENSION SYSTEM
Jean-Philippe Platteau, University of Namur
Co-Authors: Isabelle Bonjean, CRED, University of Namur and Vincenzo Verardi, CRED, University of Namur

BIRTH COHORT AND THE BLACK-WHITE ACHIEVEMENT GAP: THE ROLES OF ACCESS AND HEALTH SOON AFTER BIRTH
Ken Chay, Brown University

SOCIAL PROTECTION FOR THE 21ST CENTURY: ISSUES AND CHALLENGES FOR LATIN AMERICA
The session will cover recent advances and remaining challenges in the Social Protection architecture in the Region. Academics and policy-makers will draw lessons from recent reforms and propose solutions to increase coverage and adequacy of benefits. Presentations will consider labor market dynamics and the possible incentive and distributive effects of specific interventions and financing schemes.

This Session is sponsored by the World Bank
Chairperson: Helena Ribe, World Bank
Panelists: Nicolas Barr, LSE
David Robalino, World Bank
Hugo Hopenhayn, UCLA
Santiago Levy, Inter-American Development Bank
SATURDAY, OCTOBER 3, 2009

11:00 - 12:30

**PERSPECTIVES ON THE CARIBBEAN POLICY CHALLENGES**
The Caribbean region is suffering severely from the global economic crisis. The direct impact on financial systems, the decline in tourism, the fall in remittances and the mixed effect of falling commodity prices have all taken their toll. This session features recent research by leading economists on the role of international trade and financial integration in mitigating vulnerability to shocks such as the ongoing global crisis, as well as on the interconnectedness of the domestic financial system in the countries in the Caribbean region.

*This Session is sponsored by the Inter-American Development Bank*

Chairperson: Alessandro Rebucci, Inter-American Development Bank

**POLICIES FOR ACHIEVING STRUCTURAL TRANSFORMATION IN THE CARIBBEAN**
Presenter: Ricardo Hausmann, Harvard University
Discussant: Andrés Rodríguez-Clare, Pennsylvania State University

**EXTERNAL CAPITAL STRUCTURES FOR MANAGING OIL PRICE VOLATILITY: THE CASE OF JAMAICA AND TRINIDAD AND TOBAGO**
Presenter: Francis E. Warnock, Darden, University of Virginia
Co-Authors: John D. Burger, Loyola College, Veronica Cacdac Warnock, University of Virginia and Alessandro Rebucci, IDB
Discussant: Shelton Nicholls, Central Bank of Trinidad and Tobago

**RISK TRANSMISSION IN THE CARIBBEAN**
Presenter: Andrew Powell, Inter-American Development Bank
Co-Author: Christian E. Castro, Inter-American Development Bank
Discussant: TBD

11:00 - 12:30

**MACROECONOMICS (LAMES)**
Chairperson: Juan Pablo Nicolini, Universidad Torcuato Di Tella

**A NEW KEYNESIAN MODEL WITH PRECAUTIONARY SAVING**
John Leahy, New York University

**CONFRONTING MODELS OF FINANCIAL FRICTIONS WITH THE DATA**
V.V. Chari, University of Minnesota
Co-Autho: Patrick Kehoe, University of Minnesota and NBER

**MONETARY POLICY AND THE QUANTITY THEORY OF MONEY**
Juan Pablo Nicolini, Universidad Torcuato Di Tella
## SATURDAY, OCTOBER 3, 2009

### 11:00 - 12:30

#### THEORY I (LAMES)
Chairperson: Felix Kubler, Swiss Finance Institute

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<td>Aloisio Araujo, IMPA and EPGE/FGV</td>
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<td>Tame Equilibria in Dynamic Economies</td>
<td>Felix Kubler, Swiss Finance Institute</td>
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#### FINANCIAL SYSTEM (LAMES)
Chairperson: Tano Santos, Columbia University

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<td>Huberto Ennis, Universidad Carlos III de Madrid Co-Author: John A. Weinberg, Federal Reserve Bank of Richmond</td>
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<td>Moral Hazard and Debt Maturity</td>
<td>Rafael Repullo, CEMFI Co-Author: Gur Huberman, Columbia Business School</td>
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<td>Outside and Inside Liquidity</td>
<td>Tano Santos, Columbia University Co-Authors: Patrick Bolton, Columbia Business School and Jose Scheinkman, Princeton University</td>
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#### YOUNG SCHOLARS (LAMES)
This Session is sponsored by The Econometric Society
Chairperson: Greg Kaplan, New York University

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<td>Oleg Itskhan, Harvard University</td>
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<td>Small Bandwidth Asymptotics for Density-Weighted Average Derivatives</td>
<td>Matias Cattaneo, University of Michigan Co-Authors: Richard K. Crump, Federal Reserve Bank of New York and Michael Jansson, University of California at Berkeley /CREATES SORTING IN THE LABOR MARKET: THEORY AND MEASUREMENT Rafael Melo, Yale University</td>
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<td>The Money Value of a Man</td>
<td>Greg Kaplan, New York University</td>
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12:30 - 14:00
LUNCH

14:00 - 15:30
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LACEA

CONDITIONAL CASH TRANSFERS (LACEA)
Chairperson: Francisco Chico Ferreira, World Bank

BETTER COATING FOR THE SILVER BULLET: IMPROVING CONDITIONAL CASH TRANSFERS IN URBAN MEXICO
Ana Santiago, Inter-American Development Bank
Co-Authors: Orazio Attanasio, UCL, Costas Meghir, University College London and Andrew Shephard, Institute for Fiscal Studies

CHANGING HOUSEHOLDS’ INVESTMENTS AND ASPIRATIONS THROUGH SOCIAL INTERACTIONS: EVIDENCE FROM A RANDOMIZED TRANSFER PROGRAM
Renos Vakis, World Bank
Co-Author: Karen Macours, Johns Hopkins University

OWN AND SIBLING EFFECTS OF CONDITIONAL CASH TRANSFER PROGRAMS: THEORY AND EVIDENCE FROM CAMBODIA
Co-Authors: Deon Filmer, World Bank and Norbert Schady,

HEALTH ECONOMICS (LACEA)
Chairperson: Vincenzo Di Maro, Inter-American Development Bank

DOES CONTRACTING OUT PRIMARY CARE SERVICES IMPROVE CHILD HEALTH? THE CASE OF RURAL GUATEMALA
Julian Cristia, Inter-American Development Bank
Co-Authors: William Evans, University of Notre Dame and Beomsoo Kim, Korea University

SHORT-RUN SUBSIDIES AND LONG-RUN ADOPTION OF NEW HEALTH TECHNOLOGIES: EVIDENCE FROM A FIELD EXPERIMENT
Pascaline Dupas, UCLA

SPILLOVER EFFECTS IN HEALTHCARE PROGRAMS: EVIDENCE ON SOCIAL NORMS AND INFORMATION SHARING
Vincenzo Di Maro, Inter-American Development Bank
Co-Author: Ciro Avitabile, University of Naples Federico II

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14:00 - 15:30

EDUCATION (LACEA)
Chairperson: Leigh Linden, Columbia University

DO SUPPLY-SIDE-ORIENTED AND DEMAND-SIDE-ORIENTED EDUCATION PROGRAMS GENERATE SYNERGIES? EVIDENCE FROM RURAL MEXICO
Marta Rubio-Codina, The Institute for Fiscal Studies
Co-Authors: Paul Gertler, University of California at Berkeley and Harry Patrinos, The World Bank

EVALUATING A TEST-BASED PUBLIC SUBSIDY PROGRAM FOR LOW-COST PRIVATE SCHOOLS: REGRESSION-DISCONTINUITY EVIDENCE FROM PAKISTAN
Felipe Barrera-Osorio, World Bank
Co-Author: Raju Dhushyanth, World Bank

THE EFFECT OF PROXIMITY ON SCHOOL ENROLLMENT: EVIDENCE FROM A RANDOMIZED CONTROLLED TRIAL IN AFGHANISTAN
Leigh Linden, Columbia University
Co-Author: Dana Burde, NYU Steinhardt School

14:00 - 15:30

LABOR ECONOMICS (LACEA)
Chairperson: David Kaplan, World Bank

FORMAL CREDIT AND INFORMAL JOBS: MICRO EVIDENCE FROM BRAZIL
Luis Catao, Research Department
Co-Authors: Carmen Pages, Inter-American Development Bank and Maria Rosales, University of Chicago

GENDER AND ETHNIC WAGE GAPS IN LATIN AMERICA
Juan P. Atal, Inter-American Development Bank
Co-Authors: Hugo Ñopo, Inter-American Development Bank and Natalia Winder, Inter-American Development Bank

THE PLAINTIFF’S ROLE IN ENFORCING A COURT RULING: EVIDENCE FROM A LABOR COURT IN MEXICO
David Kaplan, World Bank
Co-Author: Joyce Sadka, ITAM

14:00 - 15:30

FINANCE AND CREDIT (LACEA)
Chairperson: Jorge Ponce, Banco Central del Uruguay and Toulouse School of Economics

A FINANCIAL MODEL OF THE FIRM: RISK AND PORTFOLIO SELECTION
Leonard J. Mirman, University of Virginia
Co-Author: Marc Santugini, HEC Montreal

CREDIT RESTRICTIONS AND CORPORATE TAX EVASION: EVIDENCE FROM CHILE
Rodrigo Troncoso, Universidad Diego Portales
THE QUALITY OF CREDIT RATINGS: A TWO-SIDED MARKET PERSPECTIVE
Jorge Ponce, Banco Central del Uruguay, Toulouse School of Economics

INTERNATIONAL MACROECONOMICS (LACEA)
Chairperson: Mariana Colacelli, Barnard College, Columbia University

CAPITAL ACCOUNT LIBERALIZATION, FINANCIAL DEVELOPMENT AND INDUSTRY GROWTH: A SYNTHETIC VIEW
Ugo Panizza, UNCTAD
Co-Authors: Barry Eichengreen and Rachita Gullapalli, UC Berkeley

CONDITIONAL EVALUATION OF EXCHANGE RATE PREDICTIVE ABILITY IN LONG RUN REGRESSIONS
Pablo Pincheira, Central Bank of Chile

INTENSIVE AND EXTENSIVE MARGINS OF EXPORTS AND REAL EXCHANGE RATES
Mariana Colacelli, Barnard College, Columbia University

MICROECONOMICS (LACEA)
Chairperson: Erik Eyster, London School of Economics

A THEORY OF “CRYING WOLF”: THE ECONOMICS OF MONEY LAUNDERING ENFORCEMENT
Elod Takats, International Monetary Fund

COMPARING ECONOMIC MOBILITY WITH AN HETEROGENEITY INDEX: AN APPLICATION TO EDUCATION IN PERU
Gaston Yalonetzky, Oxford Poverty and Human Development Initiative

POLITICAL ECONOMY (LACEA)
Chairperson: Carlos Scartascini, Inter-American Development Bank

ANGER AND REGULATION
Rafael Di Tella, Harvard University
Co-Author: Juan Dubra, Universidad de Montevideo

THE POLITICAL ECONOMY OF THE (WEAK) ENFORCEMENT OF SALES TAX
Martin Besfamille, Universidad Torcuato Di Tella
Co-Authors: Philippe De Donder and Jean-Marie Lozachmeur, Toulouse School of Economics

WHO PROTESTS IN LATIN AMERICA? THE ROLE OF POLITICAL INSTITUTIONS AND DISSATISFACTION
Carlos Scartascini, Inter-American Development Bank
Co-Authors: Fabiana Machado, University of Rochester and Mariano Tommasi, Udesa
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<td>Cesar Bouillon, Inter-American Development Bank Co-Author: Patricia Yanez Pagans, Inter-American Development Bank</td>
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<td>Dennis Kristensen, Columbia University Co-Author: Bernard Salanie, Columbia University</td>
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<td>Marcel Voia, Carleton University Co-Author: Kim Huynh, Indiana University</td>
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SET IDENTIFIED LINEAR MODELS
Christian Bontemps, Toulouse School of Economics

BUSINESS CYCLES 2 (LAMES)
Chairperson: Constantino Hevia, The World Bank

A MULTI-SECTORAL APPROACH TO THE U.S. GREAT DEPRESSION
Pedro Amaral, Federal Reserve Bank of Cleveland
Co-Author: James MacGee, University of Western Ontario

DO BANK CAPITAL REQUIREMENTS AMPLIFY BUSINESS CYCLES? BRIDGING THE GAP BETWEEN THEORY AND EMPIRICS
Maria Pia Olivero, Drexel University
Co-Author: Roger Aliaga-Diaz, The Vanguard Group Inc

EMERGING MARKET FLUCTUATIONS: WHAT MAKES THE DIFFERENCE?
Constantino Hevia, The World Bank

POLITICAL ECONOMY (LAMES)
Chairperson: Georgy Egorov, Kellogg School of Management, Northwestern University

ON THE CASE FOR A BALANCED BUDGET AMENDMENT TO THE U.S. CONSTITUTION
Marco Battaglini, Princeton University

POLITICAL ACCOUNTABILITY UNDER SPECIAL INTEREST POLITICS
Georgy Egorov, Kellogg School of Management, Northwestern University

CREDIT CRISSES IN OPEN ECONOMIES (LAMES)
Chairperson: Bertrand Gruss, European University Institute

FISCAL POLICY AND DEFAULT RISK IN EMERGING MARKETS
Horacio Sapriza, Rutgers University
Co-Authors: Gabriel Cuadra, Banco de México and Juan Sanchez, Federal Reserve Bank of Richmond

OVERBORROWING AND SYSTEMIC EXTERNALITIES IN THE BUSINESS CYCLE
Javier Bianchi, University of Maryland

REGIME SWITCHING INTEREST RATES AND FLUCTUATIONS IN EMERGING MARKETS
Bertrand Gruss, European University Institute
Co-Author: Karel Mertens, Cornell University
14:00 to 15:30

**ECONOMIC THEORY 5 (LAMES)**
Chairperson: Ignacio Lobato, ITAM

**CONGESTION PRICING AND LEARNING IN TRAFFIC NETWORK GAMES**
Emerson Melo, California Institute of Technology

**ON THE INVARIANCE OF THE SET OF CORE MATCHINGS WITH RESPECT TO PREFERENCE PROFILES**
Jorge Oviedo, Instituto de Matematica Aplicada San Luis, Universidad Nacional de San Luis y Conicet
Co-Authors: Ruth Martínez, Universidad Nacional de San Luis, Jordi Massó. Universitat Autònoma de Barcelona, and Alejandro Neme, Universidad Nacional de San Luis y Conicet

**TRANSFORMATIONS OF THE STATE VARIABLE AND LEARNING DYNAMICS**
Ignacio Lobato, ITAM
Co-Author: Shurojit Chatterji, Southern Methodist University

14:00 to 15:30

**MACROECONOMICS WITH FRICTIONS (LAMES)**
Chairperson: Gaetano Antinolfi, Washington University in Saint Louis

**OPTIMAL TIME-CONSISTENT TAXATION OF ADDICTIVE GOODS WITH OLIGOPOLY**
Luca Bossi, University of Miami
Co-Authors: Paul Calcott, School of Economics and Finance, Victoria University of Wellington and Vladimir Petkov, School of Economics and Finance, Victoria University of Wellington

**RISK-SHARING AND CRISES. GLOBAL GAMES OF REGIME CHANGE WITH ENDOGENOUS WEALTH**
Rodolfo Campos, IESE Business School

**THE OPTIMAL INFLATION TARGET IN AN ECONOMY WITH LIMITED ENFORCEMENT**
Gaetano Antinolfi, Washington University in Saint Louis
14:00 - 15:30

**DYNAMIC GAMES (LAMES)**
Chairperson: Mehmet Ekmekci, Northwestern University, Kellogg School of Management

**FINITE STATE DYNAMIC GAMES WITH ASYMMETRIC INFORMATION: A FRAMEWORK FOR APPLIED WORK.**
Chaim Fershtman, Tel Aviv University
Co-Author: Ariel Pakes, Harvard University

**FROM EQUALS TO DESPOTS: THE DYNAMICS OF REPEATED GROUP DECISION TAKING WITH PRIVATE INFORMATION**
Vinicius Carrasco, PUC Rio
Co-Author: William Fuchs, University of California, Berkeley

**REPUTATION WITH LONG RUN PLAYERS AND IMPERFECT OBSERVATION**
Mehmet Ekmekci, Northwestern University, Kellogg School of Management
Co-Author: Alp Atakan, Northwestern University

14:00 - 15:30

**ECONOMIC THEORY 6 (LAMES)**
Chairperson: Hector Chade, Arizona State University

**COMBINATORIAL VOTING**
Santiago Oliveros, UC Berkeley. Haas Business School
Co-Author: David Ahn, UC Berkeley

**INFORMATION AGGREGATION, LEARNING, AND NON-STRATEGIC BEHAVIOR IN VOTING ENVIRONMENTS**
Ignacio Esponda, NYU Stern
Co-Author: Demian Pouzo, NYU

**MORAL HAZARD WITH UNOBSERVABLE WEALTH**
Hector Chade, Arizona State University
SATURDAY, OCTOBER 3, 2009

14:00 - 15:30

SPECIAL CONTRIBUTED SESSIONS

THE ROLE OF TRADE AND INNOVATION FOR PRODUCTIVITY GROWTH IN LATIN AMERICA

This session explores the role of international trade and innovation as sources of productivity growth in Latin America. Regarding international trade, it has been long known that enhanced competition in the goods market can foster investments in productivity upgrades at the firm level. Yet, trade can also promote productivity growth by prompting the exit of less productive firms and the expansion of more productive ones. This session will address these, less explored, effects of international trade. Regarding innovation, the session will examine the many sides of innovation in Latin America, which go beyond Research and Development (R&D). In particular, while very few firms engage in R&D, many do acquire new technology by buying better machines, while others develop new products or adopt new processes. What effects have all these forms of innovation on firms’ productivity? And, can innovation subsidies foster innovation and productivity growth?

This Session is sponsored by the Inter-American Development Bank

Chairperson: Carmen Pages, Inter-American Development Bank

ESTIMATING THE EFFECT OF ACCESS TO PUBLIC CREDIT ON PRODUCTIVITY IN BRAZIL

Eduardo Pontual Ribeiro, Instituto de Economia/UFRJ and CADE
Co-Author: Joao DiNegri, Instituto de Pesquisa Economica Aplicada

INNOVATION, R&D INVESTMENT AND PRODUCTIVITY IN CHILE

Roberto Álvarez, Central Bank of Chile

TRADE REFORMS AND MARKET SELECTION: EVIDENCE FROM MANUFACTURING PLANTS IN COLOMBIA

John Haltiwanger, University of Maryland
Co-Authors: Marcela Eslava, Universidad de los Andes, Maurice Kugler, Wilfrid Laurier University and Harvard University and Adriana Kugler, University of Houston and NBER
SATURDAY, OCTOBER 3, 2009

15:45-17:15  INVITED LECTURES

ROOM: Aula Magna

15:45-17:15  INNOVATION AND KNOWLEDGE. XIX CUMBRE IBEROAMERICANA, ESTORIL (PORTUGAL) NOVEMBER 2009

This Session is sponsored by Secretaria General Iberoamericana and organized jointly with CEPAL

Presenters: Enrique Iglesias, Secretario General Iberoamericano

Chairperson: Bernardo Kosakoff, CEPAL
Panalists: Juan Carlos del Bello, Universidad Nacional de Rio Negro
          Beatriz Nofal, Agencia Nacional de Desarrollo de Inversiones

15:45 - 17:15  POLITICAL ECONOMY (LACEA)

ROOM: Auditorio 1

Chairperson: Sebastian Galiani, Washington University at St. Louis

15:45 - 17:15  VIOLENCE AND SOCIAL ORDERS: UNDERSTANDING ECONOMIC DEVELOPMENT OVER THE LONG RUN

John Wallis, University of Maryland

15:45 - 17:15  THE MONOPOLY OF VIOLENCE: EVIDENCE FROM COLOMBIA

James Robinson, Harvard University
Co-Authors: Daron Acemoglu, MIT and Rafael Santos Villagran, Yale University

15:45 - 17:15  APPLIED ECONOMICS (LACEA)

ROOM: Aula Magna

Chairperson: Ernesto Schargrodsky, UTDT

15:45 - 17:15  PENSIONS FOR THE POOR: ANTICIPATION EFFECTS AND IMPACT

Paul Gertler, University of California, Berkeley
Co-Author: Sebastian Galiani, Washington University at St. Louis

15:45 - 17:15  PEER EFFECTS AND THE IMPACT OF TRACKING. EVIDENCE FROM A RANDOMIZED EVALUATION IN KENYA

Esther Duflo, MIT

15:45 - 17:15  INVITED LECTURES

ROOM: 129

15:45 - 17:15  ADVANCES IN ECONOMETRICS (LAMES)

Chairperson: Martín González Rozada, Universidad Torcuato Di Tella

15:45 - 17:15  ESTIMATION OF NONPARAMETRIC MODELS WITH SIMULTANEITY

Rosa Matzkin, UCLA

15:45 - 17:15  MICROECONOMETRICS AND CONSUMER BEHAVIOR

Richard Blundell, University College London and Institute for Fiscal Studies
SATURDAY, OCTOBER 3, 2009

15:45 - 17:15

SIMONSEN LECTURES (LAMES)

This Session is sponsored by The Simonsen Fund of the Econometric Society

Chairperson: Aloisio Araujo, IMPA and EPGE/FGV

A PROPER TEST OF OVERCONFIDENCE
Juan Dubra, Universidad de Montevideo
Co-Authors: Jean-Pierre Benoît, London Business School and Don Moore, Carnegie Mellon University

BOUNDS ON FUNCTIONALS OF THE DISTRIBUTION OF TREATMENT EFFECTS
Sergio Firpo, Fundacao Getulio Vargas
Co-Author: Geert Ridder, USC

COFFEE BREAK

17:15 - 17:45

LACEA PRESIDENTIAL ADDRESS
Chairperson: José María Dagñino Pastore, Pontificia Universidad Católica Argentina

MATTERS OF STATE: WHY HAS LATIN AMERICA UNDERPERFORMED?
Mauricio Cardenas, Brookings Institution

17:45 - 19:00

LAMES PRESIDENTIAL ADDRESS
Chairperson: Andrés Neumeyer, Universidad Torcuato Di Tella

UNDERSTANDING THE FOUNDATIONS OF INSTITUTIONS: MORAL HAZARD IN HIGH OFFICE
Roger Myerson, University of Chicago

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CHAIR
Andrés Neumeyer
(Universidad Torcuato Di Tella)

PROGRAM CHAIRS
LACEA: Sebastián Galiani
(Washington University at St. Louis)
LAMES: Emilio Espino
(Universidad Torcuato Di Tella)

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