



**2<sup>nd</sup> FIW-Research Conference**  
***„International Economics“***

December 12<sup>th</sup> 2008

Vienna University of Economics  
and Business Administration  
UZA 4, Nordbergstraße 15  
1090 Vienna

**UZA 4, Kern D, 7<sup>th</sup> Floor, Konferenzraum 1 (D706)**

09:00 Opening Remarks by Fritz Breuss (FIW/WIFO)

**UZA 4, Kern D, 7<sup>th</sup> Floor, Konferenzraum 1 (D706)**

**Session 1a : Trade and Income Distribution** (Chair: Roman Stöllinger, FIW/wiwi)

09:15 **Dierk Herzer** (Johann Wolfgang Goethe - University):

*"Cross Country Heterogeneity and the Trade-Income Relationship"*

09:45 Hans Fehr (University of Wuerzburg), **Sabine Jokisch** (Ulm University), Laurence J. Kotlikoff (Boston University):

*"Dynamic Globalization and Its Potentially Alarming Prospects for Low-Wage Workers"*

10:15 **Friedrich Sindermann, Alfred Sitz** (Vienna University of Economics and Business Administration):

*"The Effects of Minimum Wages and International Non-Tradeable Goods on Foreign Trade and Unemployment in Industrialized Countries and China"*

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**Session 1b: Fiscal and Monetary Policy Issues** (Chair: Fritz Breuss, FIW/WIFO)

09:15 **Amedeo Argentiero** (University of Rome Tor Vergata):

*"Debt Stabilization and Business Cycle Stabilization in the EMU: Trade off or Synergy?"*

09:45 **Chiara Forlati** (Ecole Polytechnique Fédérale de Lausanne):

*"Optimal Monetary and Fiscal Policy in the EMU: Does Fiscal Policy Coordination Matter?"*

10:15 **Jorge A. Fornero** (Vienna University of Economics and Business Administration):

*"Managing Fiscal Policy with non-Ricardian Consumers in large open Economies: A DSGE Model for the Euro Area and the U.S."*

10:45-11:00 Coffee Break

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**Session 2a: Outsourcing** (Chair: Yvonne Wolfmayr, FIW/WIFO)

- 11:00 **Daniel Horgos** (Helmut Schmidt University):  
*"International Outsourcing and Wage Rigidity: A Formal Approach and First Empirical Evidence"*
- 11:30 **Stefano Federico** (Bank of Italy):  
*"Outsourcing Versus Integration at Home and Abroad"*
- 12:00 **Fergal McCann** (University College Dublin):  
*"Outsourcing and Firm Productivity"*

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**Session 2b: International Macroeconomics** (Chair: Harald Badinger, Vienna University of Economics and Business)

- 11:00 **Lukas Mohler** (University of Basel):  
*"Globalization and the Gains from Variety: The Case of a Small Open Economy"*
- 11:30 **Michael Kühl** (University Goettingen):  
*"Excess Comovements in the Foreign Exchange Market with an Application to the Euro-GBP-USD triplet"*
- 12:00 **Haluk Erhat** (Middle East Technical University):  
*"Persistence in Turkish Real Exchange Rates: Panel Approaches"*

12:30-14:00 Lunch Break

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**Session 3a: Trade Modelling** (Chair: Julia Wörz, OeNB)

14:00 **Koen Smet** (Vienna University of Economics and Business Administration):  
*"A Clockwork Economy"*

14:30 **Aidan Islyami** (University of Kiel):  
*"Trade in Intermediate Producer Services under Imperfect Competition"*

15:00 **Omar Feraboli** (Chemnitz University of Technology), Timo Trimborn (University of Hannover):  
*"Trade Liberalization and Income Distribution: A CGE Model for Jordan"*

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**Session 3b: Factor Movements and Barriers to Trade** (Chair: Martin Falk, FIW/WIFO)

14:00 **Nicolas Sauter** (Munich Graduate School of Economics):  
*"Talking Trade: Language Barriers in Intra-Canadian Commerce"*

14:30 Jan Fidrmuc (Brunel University), **Jarko Fidrmuc** (University of Munich):  
*"Foreign Languages and Trade: What are you sinking about?"*

15:00 Jorge A. Fornero, **Gabriele Tondl** (Vienna University of Economics and Business Administration):  
*"Sectoral Productivity and Spillover Effects of FDI in Latin America"*

15:30-16:00 Coffee Break

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**Session 4: Plenary Session** (Chair: Michael Landesmann FIW/wiiv)

16:00 **Maela Giofré** (CeRP):

*"Convergence of EMU Equity Portfolios"*

16:30 **Harald Badinger** (Vienna University of Economics and Business Administration),  
Peter Egger (Ifo):

*"Horizontal versus Vertical Interdependence in Multinational Activity"*

17:00 Mario Larch (Ifo), **Wolfgang Lechthaler** (ifw):

*"Comparative Advantage and Skill Specific-Unemployment"*

17:30 Awards Ceremony