

# Introduction

Stanisław Kubiela, Prof., University of Warsaw, Faculty of Economic Sciences,  
Department of Macroeconomics and International Trade Theory

The first edition of the Warsaw International Economic Meeting took place on 1–2 July, 2006 and was a big success, bringing together young researchers of Polish origin from European and American higher education institutions like Stanford, Chicago, Columbia, Northwestern, Yale, Minnesota, Tilburg, Barcelona Pompeu Fabra, London School of Economics and other. The Conference had its fifth, sixth and seventh editions between 2010–2012 and continues to attract young researchers, PhD students or young PhD holders from a variety of countries, mainly European, but also from the USA and Asia.

This special issue of the *Ekonomia Journal* consists of revised versions of selected papers that were presented at the Warsaw International Economic Meetings 2010–2012, guest edited by Stanisław Kubiela. The Warsaw International Economic Meetings took place at the University of Warsaw and were organized with the support of the National Bank of Poland and the partnership of the Centre for Economic Analysis (CenEA). Among many papers which have been presented throughout these last three editions, six papers were sent for publishing and revised.

In the first paper, Tomasz Gajderowicz et al. study the impact of increased international mobility of students on their future employability. They use a survival analysis of job search durations after graduation and find very weak support of the hypothesis of significant impact of mobility on search durations. On the contrary, there is more evidence of the signalling role of the international mobility.

In the second paper, Aleksandra Parteka investigates changes in the composition of trade baskets along the development process of selected countries. Both quantitative (product portfolio expansion) and qualitative (product characteristics) aspects of the diversification process are analyzed. The degree of imported products' concentration has been found to follow the U shaped pattern similar to that revealed by Cadot et al. [2011] for exports. The peak of maximum product diversity has reached about \$30,000 (PPP, 2005) for exports and \$27,000 (PPP, 2005) for imports. Increase in traded products diversity goes in line with a rise in import-export similarity. Using product-level revealed factor intensities Parteka shows that as countries diversify, they add to their trade baskets goods with increasing human capital content and only the initial phase of economic development is associated with diversification based on natural resources.

In the third paper, Andrzej Cieřlik et al. follow the new strand in the new trade theory literature that focuses on firm heterogeneity initiated by the Melitz [2003] model. In the paper they investigate the determinants of export activity of firms in the Visegrad-4 countries. The study covers the Czech Republic, Hungary, Poland and Slovakia and is based on firm level data for the period starting in 2002 and ending in 2009. Probit regressions for the pooled dataset that includes all V-4

countries are estimated first, and then the sample is disaggregated into particular countries. Preliminary estimation results obtained for the whole V-4 sample indicate that the probability of exporting increases with the higher share of university graduates in productive employment, larger spending on R&D activities, the use of foreign technology licenses, foreign ownership, higher productivity and company size. The results obtained for particular V-4 countries reveal some degree of heterogeneity among those countries.

In the fourth paper, Katarzyna Śledziwska and Bartosz Witkowski contribute to the discussion on economic effects of monetary integration. The fundamental aim of this paper is to investigate the influence of different stages of economic integration on export to EU and non EU countries, from becoming a member of the European Union (EU) to Eurozone (EZ). For an empirical test a data set covering the period from 1994 to 2009 is used. Standard factors of gravity models are tested, such as the size of the markets of trade partners, GDP per capita of trade partners etc. To control the effect of monetary integration, Śledziwska and Witkowski add several dummy variables indicating the process of monetary integration. The hypothesis of the study is that participation in a monetary union does not enhance exports to EU and Eurozone countries. To test for this hypothesis, and to exercise control over additional factors, a model based on panel data with the use of Hausman-Taylor method is estimated. Surprisingly, the conclusion is that although the impact of joining the EU and ERM on export has been positive, joining the Eurozone has shown the opposite result.

In the fifth paper, Aneta Mach, analyses the problem of tariffs equivalents in transportation services sector. Basing on the solution introduced by Park [2002], the paper presents an empirical study aiming at quantifying the restrictions to international trade of services in a way that enables comparison of outcomes between countries and observation of changes in restrictiveness level over time. The analysis assumes that restrictiveness level is responsible for the distortions of empirical trade flows from theoretical expectations. The outcome is a time series of indices describing the restrictiveness level which can be used in further studies using panel data analysis.

In the sixth paper, Mahdi Ghodsi estimates the impact of corruption on the level of trade protectionism and the level of imports. Special interest groups lobbying with corrupted governments might seek more benefits in some special subgroups of imports. Possible country and time specific fixed effects in the regressions are controlled to achieve results that are more robust. Corruption measures from two different sources of Worldwide Governance Indicator and Transparency International websites are analyzed in two separate similar approaches. The problem of endogeneity of corruption in the models is also addressed and corrected by using two different methods of instrumental variable regression. The findings indicate that both measures of corruption imply negative influence on imports, while there is no significant impact on protectionism.

### **Keynote Lecture Series in Honour of Leonid Hurwicz**

The 2012 edition of the Conference saw the inauguration of the Leonid Hurwicz Keynote Lecture Series organized by the Centre for Economic Analy-

sis. The aim of this lecture series is to honour the contribution to economics of Prof. Leonid Hurwicz. Prof. Hurwicz is best known for his research in the area of game theory and mechanism design theory and was awarded the Nobel Prize in Economics in 2007 (jointly with Eric Maskin and Roger Myerson). Guest lecturer in 2012 was Prof. Richard Blundell (University College London and Institute for Fiscal Studies), who gave the presentation titled “Empirical Evidence and Tax Reform: Lessons from the Mirrlees Review.” Richard Blundell is currently the David Ricardo Professor of Political Economy at University College London and Research Director at the Institute for Fiscal Studies. He is also Director of the ESRC Centre for the Microeconomic Analysis of Public Policy at IFS. He is a Fellow of the Econometric Society (1991), Fellow of the British Academy (1996), Honorary Member of the American Economic Association (2001), Honorary Member of the American Academy of Arts and Sciences (2002) and Honorary Fellow of the Institute of Actuaries (2003).

### **Best Paper Prize for Young Economists**

Thanks to the generosity and continuous support from the National Bank of Poland, the Best Paper Prize is offered to at least one researcher for outstanding paper presented during the conference, as judged by the Programme Committee of the Conference. In the 2010 edition the Best Paper Prize was awarded to Annaig Morin (currently Max Weber Programme Fellow at the European University Institute) for the paper “Cyclicalities of Wages and Union Power.” Annaig Morin got her PhD in Economics from Bocconi University in Milan. Her main research interests are Labour Economics and Macroeconomics. Two additional prizes were awarded to: Katarzyna Lasak (Gdańsk University) for the paper “Maximum likelihood estimation of fractionally cointegrated systems” and Monique Newiak (Ludwig-Maximilians-University in Munich) for the paper “Imitation and Innovation Driven Development under Imperfect Intellectual Property Rights” (jointly with Christian Lorenczik). In the 2011 edition the Best Paper Prize was awarded to Jacek Rothert (currently University of Texas at Austin), for the paper “Trend Shocks, Country Risk and International Prices in Emerging Economies.” Jacek Rothert’s main research interests include Macroeconomics, International Economics, International Capital Flows and Emerging Economies Current Position. An additional prize was awarded to Gurgen Aslanyan (Center for Economic Research and Graduate Education), for the paper “Immigration Control and Long-Run Population Welfare.” In the 2012 edition the main prize was awarded to Giovanni Ricco (joint with Atif Ellahie), for the paper “Government Spending Reloaded: Heterogeneity and Fundamentalness in Fiscal SVARs.” Giovanni Ricco is currently PhD student in London Business School (he currently holds an Sc.D. in physics from Pisa University). His research interests include Macroeconomics, Fiscal Policy, Monetary Economics, Dynamic Models and Time Series. Two additional prizes were awarded to Jan Marcus (DIW Berlin), for the paper “The effect of unemployment on the mental health of spouses—Evidence from plant closures in Germany,” and to Sebastian Kripfganz (Goethe University Frankfurt), for the paper “Estimation of Linear Dynamic Panel Data Models with Time-Invariant Regressors” (paper written jointly with Claudia Schwarz).