Ronald P Wolthoff. APPLICATIONS AND INTERVIEWS: A STRUCTURAL ANALYSIS OF TWO-SIDED SIMULTANEOUS SEARCH

Searching workers tend to search for more than one job at the time. This may create coordination frictions, as some workers receive several job offers while others get none. Wolthoff embodies this search externality into an equilibrium search model. He shows that although the model formulation is quite general, the equilibrium of the model has a surprisingly simple form. He estimates the model on the Employment Opportunities Pilot Projects data set, and finds that coordination frictions are substantial. Both the theory part and the empirical part of the model give valuable new insights, and the paper is likely to spur further research.

Gabriel Zucman. THE MISSING WEALTH OF NATIONS: EVIDENCE FROM SWITZERLAND, 1914-2010.

Anyone who has used data on international accounts of countries knows that they are inconsistent: aggregate liabilities exceed aggregate assets. In other words, the world as a whole is a net debtor. Moreover, the rich world is a net debtor. Zucman does extensive data work and argues that these facts can be linked to the missing wealth of (rich) countries finding its way into tax havens. He finds that 8% of the global financial wealth of households is held offshore, of which at least 6% is unrecorded. About one third of off-shore fortunes are managed in Switzerland. Under plausible assumptions, accounting for tax havens turns the euro area, main holder of Swiss accounts, from a net debtor to a net creditor. This paper will certainly stimulate the debate on off-shore finance and on the accuracy of international accounts.

Jan Grobovsek. DEVELOPMENT ACCOUNTING WITH INTERMEDIATE GOODS

The importance of productivity differences across countries have been scrutinised in several papers. Using a multi sector growth model the paper proposed by Jan Grobovsek shows that inefficient intermediate production strongly depresses aggregate productivity and increases the price ratio of final goods to services. A model for middle and high income countries has been also developed reaching the conclusion that poorer countries are only modestly less efficient at producing goods than services, but substantially less efficient at producing intermediate goods relative to final goods and services. If all countries had the intermediate production efficiency of the US, the aggregate productivity gap between the lowest and highest income countries in the sample is predicted to reduce by roughly two thirds while cross-country differences in the final price ratio would virtually vanish. Both the theory part and the empirical part of this paper give new insights and new ideas. It would be possible that the paper is likely to encourage further research.