

## Gylfi Zoega

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**Citizenship:** Iceland

**Date of Birth:** February 14, 1963

### Education

*Ph.D.*, 1993 – Economics, Columbia University  
*M.Phil.*, 1991 – Economics, Columbia University  
*M.A.*, 1989 – Economics, Columbia University  
*B.A.*, 1987 – Economics and Business Administration, University of Iceland

### Fields of Specialization

Macroeconomics and Labour Economics

### Current Position

*Senior Lecturer*, Department of Economics, Birkbeck College, University of London, October 1998 – present (lecturer from October 1993).

Affiliate of the Centre for Economic Performance Research (CEPR).

Fellow of the Institute of Economic Studies, University of Iceland.

Member of the Royal Economic Society Organising Committee for the RES Annual Conference 1998-2001.

### Past Positions

Visiting Professor, University of Iceland, autumn 2000.

Visiting Professor, Fondation Nationale des Sciences Politiques and Observatoire

Français des Conjonctures Économiques, Paris, summer 1999.

### Awards and Grants

President's Fellow, Columbia University, 1989-1991  
 Fulbright Fellowship, 1987-1988  
 American-Scandinavian Society Fellowship, 1987-1988

### Papers in Refereed Journals

"Wages ahead of Demand", with J. Michael Orszag, *Economics Letters*, 53 (1996), p. 341-347.

"Challenges facing Natural Rate Theory", with Marco Bianchi, *European Economic Review*, 41 (1997), p. 535-547.

"The Rise and Falling Trend of the Natural Rate", with Edmund Phelps, *American Economic Review*, American Economic Association Papers and Proceedings, 87 (1997), no 2, p. 283-289.

"Public Consumption and Unemployment", *Scottish Journal of Political Economy*, 44 (1997), p. 269-279.

"Natural Rate Theory and Europe's Unemployment", with Edmund Phelps. *The Economic Journal*, 108 (1998), p. 782-801.

"Unemployment Persistence: Does the Size of the Shock Matter?", with Marco Bianchi. *The Journal of Applied Econometrics*, 13 (3), (1998), p. 283-304.

"A Mixed Blessing: Natural Resources in an Endogenous Growth Model", with Thorvaldur Gylfason and Tryggvi Herbertsson. *Macroeconomic Dynamics*, 3 (1999), p. 204-225.

"A Nonparametric Analysis of Regional Unemployment Dynamics in Britain", with Marco Bianchi. *Journal of Business, Economics and Statistics*, 17 (2), (1999).

"Quitting Externalities with Uncertainty about Future Productivity", with Alison Booth. *Oxford Economic Papers*, 51 (1999), p. 374-386.

"How Effective are Firing Costs?", with Yu-Fu Chen. *Labour Economics*, 6 (3) (1999), p. 335-354.

“Education and the Natural Rate of Unemployment”, with J. Michael Orszag and Edmund S. Phelps. *Oxford Economic Papers*, 52 (2000), p. 204-223.

“Trade Surpluses and Life-cycle Saving Behaviour”, with Tryggvi Herbertsson. *Economics Letters*, 65 (2000), p. 227-237.

“Roots of the Nascent Recoveries: Market Forces, Sound Finance, Labor Reforms and Enterprise Policy” with Jean-Paul Fitoussi, David Jestaz and Edmund S. Phelps. *Brookings Papers on Economic Activity*, 2000.

“Stocks and Jobs: the Valuation of Firms and Business Assets as a Factor in Structural Slumps and Booms”, with Edmund S. Phelps. *Economic Policy*, April, 2001.

“An Icelandic Natural Experiment in Supply-side Economics”, with Marco Bianchi and Bjorn Gudmundsson. Forthcoming in the *American Economic Review*.

“Hiring and Firing: A Tale of Two Thresholds”, with Alison Booth and Yu-Fu Chen. Forthcoming in the *Journal of Labor Economics*.

“Ownership and Growth”, with Thorvaldur Gylfason and Tryggvi Herbertsson. Forthcoming in the *World Bank Economic Review*.

## **Books**

*Small Open Economies in an Era of Global Integration*, with Mar Gudmundsson, Tryggvi Herbertsson (eds.), University of Iceland Press, 1999.

*Structural Slumps*, with Edmund S. Phelps (collaborator). Harvard University Press, 1994.

## **Book Chapters**

“Wage Distribution and Unemployment”, with Jean-Paul Fitoussi, in *The 1990s Slump: Causes and Cures*, ed. M. Baldassari, MacMillan Press, London, 1996.

“Can Structural Factors Account for the Slump of the 1990s?”, with Edmund S. Phelps, in *The 1990s Slump: Causes and Cures*, ed. M. Baldassari, MacMillan Press, London, 1996.

“Comment on Macroeconomic and Policy Implications of Shifts in the Relative Demand for Skills”, in *Unemployment Policy: How Should Governments Respond to Unemployment?*, eds. Dennis J. Snower and Guillermo de la Dehesa,

Cambridge University Press, 1996.

“The Implications of EMU for European Labour Markets”, ed. Tito Boeri. *Product Market Competition and the Labour Market*, MIT Press, 2000.

“The Incidence of Increased Unemployment in the Group of Seven, 1970-1994”, with Edmund Phelps. Forthcoming in a festschrift Professor Drandakis, Athens School of Business and Economics.

### **Papers under Review**

“Natural Resources and Economic Growth: The Role of Investment”, with Thorvaldur Gylfason. Revised version resubmitted to the *Journal of Economic Growth*.

“Testing the Persistence and Structuralist Theories of Unemployment” with Jerry Coakley and Ana-Maria Fuertes. Revision request received from *Studies in Nonlinear Dynamics and Econometrics*.

“The British Beveridge Curve: A Tale of Ten Regions”, with Howard J. Wall. Submitted to the *Oxford Bulletin of Economics and Statistics*.

“Training, Rent Sharing and Unions”, with Alison L Booth and Marco Francesconi. Submitted to *Economica*.

“Labour Market Institutions and Macroeconomic Shocks”, with Yu-Fu Chen and Dennis Snower. Submitted to the *European Economic Review*.

“Three Symptoms and a Cure: A Contribution to the Economics of the Dutch Disease”, with Marta Gudrun Skuladottir and Tryggvi Thor Herbertsson. Submitted to the *Journal of Development Economics*.

“Is Wage Compression Necessary for General Training?” with Alison Booth. Submitted to *Economics Letters*.

“The Welfare Implications of Firing Costs,” with Alison Booth. Submitted to the *European Journal of Political Economy*.

“Obsolescence”, with Thorvaldur Gylfason. Submitted to the *American Economic Review*.

“Demographics and Unemployment,” with Tryggvi Herbertsson and Edmund S. Phelps. Forthcoming in a special volume of the *Scandinavian Journal of Economics*.

### Other Completed Papers

“Worker Heterogeneity and General Training, with Alison Booth.

“Worker Heterogeneity and Wage Compression,” with Alison Booth.

“Inequality and Growth,” with Thorvaldur Gylfason.

“Exchange-Rate Volatility as Employment Protection”, with Yu-Fu Chen.

“Firing the Old or the Young: A Closed-Form Non-perpetual Real Options Analysis,” with Yu-Fu Chen.

### Working Papers and Papers Published in Icelandic

“A Boom without Inflation,” mimeo, Central Bank of Iceland.

“A Microstate with Scale Economies: The Case of Iceland,” with Tryggvi Herbertsson.

“Unemployment in Iceland: Is there a Natural Rate?”, with Bjorn Gudmundsson, *Fjarmalatidindi* (1997), Central Bank of Iceland.

“Fiscal Policy in Iceland”, with Bjorn Gudmundsson. *Fjarmalatidindi* (1998), Central Bank of Iceland.

“European Monetary Unions and the Icelandic Labour Market”, with Tryggvi Herbertsson, Gylfi Magnusson, Sigurdur Ingolfsson, Sveinn Agnarsson and Axel Hall. *Fjarmalatidindi* (1999), Central Bank of Iceland.

“Three Symptoms and a Cure: A Contribution to the Economics of the Dutch Disease”, with Marta Gudrun Skuladottir and Tryggvi Thor Herbertsson. *Fjarmalatidindi* (2000), Central Bank of Iceland.

“Quitting Externalities, Employment Cyclicalities and Firing Costs”, with Alison Booth, CEPR Discussion Paper No. 1101.

“Sunk Costs and Unemployment Hysteresis”, Birkbeck College Discussion Paper No. 12/94.

“How Quickly do British Regions Recover?”, with Marco Bianchi. Discussion Paper No. 22/96, Birkbeck College

“An Explicit Solution to a Stochastic Turnover-training Model”, with J. Michael Orszag. Mimeo.

“Comparative Aspects of Portuguese Unemployment”, with Edmund S. Phelps. Mimeo.

## **Refereeing**

*Economic Journal*  
*European Economic Review*  
*The Manchester School*  
*Oxford Economic Papers*  
*Review of Labour Economics and Industrial Relations*  
*Journal of Comparative Economics*  
*International Economic Review*  
*Review of Economic Studies*  
*International Review of Applied Economics*  
*Labour Economics—An International Journal*  
*Macroeconomic Dynamics*  
*Labour*  
*Economica*  
*The Journal of Applied Econometrics*  
*Oxford Bulletin of Economics and Statistics*

## **Professional Membership**

European Economic Association  
 Royal Economic Society

## **PhD Dissertation Supervision**

*Birkbeck College, University of London*

Dr Margarita Katsimi, "Three Essays on the Size of the Public Sector, Public Debt and Employment". Graduated in 1996. Lecturer, University of Essex.

Dr Yu-Fu Chen, "Three Essays on the Role of Uncertainty in Labour Markets". Graduated in 1997. Lecturer, University of Dundee.

Dr Ali Choudhary, “Customer Markets with Volatile Customer Flows and Servicing Costs.” Graduated in 2001.

Mr Young Bae Kim (work in progress).

### **PhD Examinations**

Laura Piscitelli, Strathclyde University, 15 September, 1998.

### **Other External Examinations**

BSc and MSc Economics, Royal Holloway College, University of London since 1999.

### **Teaching Experience**

*Birkbeck College, University of London*

Macroeconomic Theory (M.Sc.)

Macroeconomic Theory (PhD)

Public Policy (M.Sc.)

Growth Theory (M.Sc.)

Econometrics (M.Sc.)

Intermediate Macroeconomics, (B.Sc.)

Introduction to Economics (B.Sc.)

Applied Statistics (B.Sc.)

Macroeconomics (Postgraduate Diploma)

Mathematics (Postgraduate Diploma)

*University of Iceland*

Microeconomics (M.Sc.)

Intermediate Macroeconomics (B.Sc.)

*Columbia University* - as preceptor

Econometrics for first year graduate students

Intermediary Macroeconomics (B.A.)

Introduction to Macroeconomics (B.A.)

### **Conference Organisation**

*Small Open Economies in an Era of Global Integration*, with Mar Gudmundsson, Tryggvi Herbertsson, University of Iceland, 1999.

### **Administrative Activities**

*Birkbeck College, University of London*

Programme coordinator and admissions tutor, Ph.D. programme, 1994-1997.

Seminar organiser for Ph.D. students, 1994-1997.

Departmental discussion papers.

Seminar organiser in labour economics, 1994-1997.

MSc Economics Examination Officer, 1997 to present.

MSc Economics Course Coordinator, 1998 to present.

### **Presentation of Papers at Conferences and other Institutions.**

"Wage Distribution and Unemployment", with Jean-Paul Fitoussi, presented at the 5th annual Villa Mondragone conference, Rome, Italy, in June 1993.

"Can Structural Factors Account for the Slump of the 1990s?", with Edmund S. Phelps. Presented at the 5th annual Villa Mondragone conference, Rome, Italy, in June 1993.

"Quitting Externalities, Employment Cyclicalities and Firing Costs" with Alison Booth. Presented at a CEPR conference on "Imperfections in European Labour Markets" in Madrid, February 1995.

"National Fiscal Factors and the Unemployment of the Less Advantaged", with Edmund Phelps. Presented at a conference on "Demand Side Strategies Affecting Low Wage Labor Markets" at the Russell Sage Foundation, New York, June 1995.

"Quitting Externalities, Employment Cyclicalities and Firing Costs" with Alison Booth. Presented at the Tenth Annual Congress of the European Economic Association, Prague, 1st-4th September 1995.

"Unemployment Persistence: "Does the Size of the Shock Matter?", with Marco Bianchi. Presented at the annual conference of the Royal Economic Society, Swansea, 1st-4th April, 1996.

"Challenges Facing Natural Rate Theory", with Marco Bianchi. Presented at the Eleventh Annual Congress of the European Economic Association, Istanbul, Turkey, 21st-24th August, 1996.

"Unemployment Persistence: "Does the Size of the Shock Matter?", with Marco Bianchi. Presented at a CEPR/ESRC conference on the "Macroeconomics of Imperfect Competition", 11 November 1996.

"Comparative Aspects of Portuguese Unemployment", with Edmund S. Phelps.



Presented at a conference organised by the Bank of Portugal on "the Portuguese Labour Market in an International Perspective", Lisbon, 18/19 July 1997.

"A Mixed Blessing: Natural Resources and Economic Growth," with Thorvaldur Gylfason and Tryggvi Herbertsson. Presented at the Twelfth Annual Congress of the European Economic Association, Toulouse, 31 August-2 September 1997.

"Education and the Natural Rate of Unemployment," with J. Michael Orszag and Edmund S. Phelps. Presented at a CEPR conference on Unemployment Dynamics, London Business School, 22 October 1997.

"Education and the Natural Rate of Unemployment," with J. Michael Orszag and Edmund S. Phelps. Presented at a conference on Unemployment Dynamics in Vigo Spain, December 1997.

"Training, Rent Sharing and Unions", with Alison L Booth and Marco Francesconi. Presented at the CEPR European Summer Symposium in Labour Economics and Migration Gerzensee, 7/13 September 1998

"Firing Costs: Eurosclerosis and Eurosuccesses", with Yu-Fu Chen and Dennis Snower. Presented at European Summer Symposium in Labour Economics and Migration Gerzensee, 7/13 September 1998

"Ownership and Growth", with Tryggvi Herbertsson and Thorvaldur Gylfason. Presented at the Latin and Caribbean Economic Association Conference at the Universidad Torcuato Di Tella, Buenos Aires, 22-24 October 1998.

"Education and the Natural Rate of Unemployment", with J. Michael Orszag and Edmund S. Phelps. Presented at a conference on Economic Growth and Unemployment at the Athens University of Economics, 6 November 1998.

"Do Quits Cause Under-training?" with Alison Booth. Presented at the Third Scientific Council Meeting of the Business Investment Research Center, Maastricht Holland, December 14, 1998.

"Roots of the Nascent Recoveries: Market Forces, Sound Finance, Labor Reforms and Enterprise Policy" with Jean-Paul Fitoussi, David Jestaz and Edmund S. Phelps. Presented at the Brookings Institution, March 2000..

"Stocks and Jobs: the Valuation of Firms and Business Assets as a Factor in Structural Slumps and Booms", with Edmund S. Phelps. Presented at the biannual meeting of the editorial panel of *Economic Policy*, April 2000.

"Sunk Costs as a Source of Unemployment Hysteresis". Presented to the CEPR

Labour Market Imperfections Group, January 1995.

"Quitting Externalities, Employment Cyclicalities and Firing Costs" with Alison Booth. Presented at a CEPR conference on "Imperfections in European Labour Markets" in Madrid, February 1995.

"Hiring-Risk and Labour Market Equilibrium", with J. Michael Orszag. Presented to the CEPR Labour Market Imperfections Group, November 1995.

"How Quickly do British Regions Recover?" with Marco Bianchi. Presented to the CEPR Labour Market Imperfections Group, February 1996.

"How Quickly do British Regions Recover?", with Marco Bianchi. Presented at a staff seminar at the ESRC Research Centre on Micro Social Change, University of Essex, May 1996.

"Wages ahead of Demand". Presented at the Department of Economics, University of Southampton, December 1996.

"Wages ahead of Demand". Presented at the Department of Economics, University of Stockholm, January 1997.

"A Mixed Blessing: Natural Resources and Economic Growth," with Thorvaldur Gylfason and Tryggvi Herbertsson. Presented at Birkbeck College, October 1997.

"A Mixed Blessing: Natural Resources and Economic Growth," with Thorvaldur Gylfason and Tryggvi Herbertsson. Presented at Queen Mary and Westfield College, October 1997.

"A Mixed Blessing: Natural Resources and Economic Growth," with Thorvaldur Gylfason and Tryggvi Herbertsson. Presented at the London School of Economics, October 1997.

"Education and the Natural Rate of Unemployment", with J. Michael Orszag and Edmund S. Phelps. Presented at Dundee University, March 1998.

"Education and the Natural Rate of Unemployment", with J. Michael Orszag and Edmund S. Phelps. Presented at the Department of Economics, University of Bath in May 1999.

"Three Symptoms and a Cure: A Contribution to the Economics of the Dutch Disease", with Marta Gudrun Skuladottir and Tryggvi Thor Herbertsson. University of Iceland, August 1999.

"Testing the Persistence and Structuralist Theories of Unemployment" with Jerry Coakley

and Ana-Maria Fuertes. Birkbeck College, November 1999.

“Three Symptoms and a Cure: A Contribution to the Economics of the Dutch Disease”, with Marta Gudrun Skuladottir and Tryggvi Thor Herbertsson. Central Bank of Iceland, December 1999

“Stocks and Jobs: the Valuation of Firms and Business Assets as a Factor in Structural Slumps and Booms”, with Edmund S. Phelps. Presented at the Bank of England, February 2001.

“Stocks and Jobs: the Valuation of Firms and Business Assets as a Factor in Structural Slumps and Booms”, with Edmund S. Phelps. Presented at the University of Kent, March 2001.