

December 2009

**James A. Schmitz, Jr.**

**Business Address**

Research Department  
Federal Reserve Bank of Minneapolis  
90 Hennepin Avenue  
Minneapolis, MN 55480-0291  
Phone: 612-204-5482  
Email: jas@res.mpls.frb.fed.us

**Education**

- 1986 Ph.D., University of Minnesota  
Dissertation Title: "Topics in the Theory of Innovation"  
Dissertation Adviser: Edward C. Prescott
- 1978 B.A., Boston College

**Employment**

- 1985–87 Assistant Professor, University of Wisconsin–Madison
- 1987–92 Assistant Professor, SUNY–Stony Brook
- 1990–91 American Statistical Association/National Science Foundation Research Fellow,  
in residence, U.S. Census Bureau
- 1992–present Economist, Senior Economist, Research Officer, Federal Reserve Bank  
of Minneapolis
- 1993–present Visitor, University of Minnesota

**Publications**

- "Imitation, Entrepreneurship, and Long-Run Growth," *Journal of Political Economy*, Vol. 97,  
#3, June 1989, pp. 721–39.
- "A Theory of Entrepreneurship and Its Application to the Study of Business Transfers," with  
Thomas Holmes, *Journal of Political Economy*, Vol. 98, #2, April 1990, pp. 265–94.

“Are New Firms an Important Source of Innovation? Evidence from the PC Software Industry,” with Thomas J. Prusa, *Economic Letters*, Vol. 35, #3, March 1991, pp. 339–42.

“Research and Imitation in Long-Run Growth,” with Aldo Rustichini, *Journal of Monetary Economics*, Vol. 27, #2, March 1991, pp. 271–92.

“Early Progress on the ‘Problem of Economic Development,’” *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 17, #2, Spring 1993, pp. 17–35.

“Specialization in Entrepreneurship,” with Thomas Holmes, in Gary Libecap, ed., *New Learning on Entrepreneurship*, Advances in the Study of Entrepreneurship, Innovation, and Economic Growth, Vol. 6, JAI Press, 1993, pp. 85–108.

“Can Companies Maintain Their Initial Innovative Thrust? A Study of the PC Software Industry,” with Thomas J. Prusa, *Review of Economics and Statistics*, Vol. 76, #3, August 1994, pp. 523–40.

“Wages, Employment Structure, and Employer Size-Wage Premia: Their Relationship to Advanced-Technology Usage at U.S. Manufacturing Establishments,” with Tim Dunne, *Economica*, Vol. 62, #245, February 1995, pp. 89–107.

“Resistance to New Technology and Trade Between Areas,” with Thomas Holmes, *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 19, #2, Winter 1995, pp. 2–17.

“On the Turnover of Business Firms and Business Managers,” with Thomas Holmes, *Journal of Political Economy*, Vol. 83, #5, October 1995, pp. 1005–38.

“Managerial Tenure, Business Age, and Small Business Turnover,” with Thomas Holmes, *Journal of Labor Economics*, Vol. 14, #1, January 1996, pp. 79–99.

“Nonresponse Bias and Business Turnover Rates: The Case of the Characteristics of Business Owners Survey,” with Thomas Holmes, *Journal of Business and Economic Statistics*, Vol. 14, #2, April 1996, pp. 93–103.

“The Role Played by Public Enterprises: How Much Does It Differ Across Countries?” *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 20, #2, Spring 1996, pp. 2–15.

“Explaining Cross-Country Income Differences,” with Ellen McGrattan, *Handbook of Macroeconomics*, Vol. 1A, North-Holland, 1999.

“Maintenance and Repair: Too Big to Ignore,” with Ellen McGrattan, *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 23, #4, Fall 1999, pp. 2–13.

“Government Production of Investment Goods and Aggregate Labor Productivity,” *Journal of Monetary Economics*, Vol. 47, #1, February 2001, pp. 163–87.

“A Gain from Trade: From Unproductive to Productive Entrepreneurship,” with Thomas Holmes, *Journal of Monetary Economics*, Vol. 47, #2, April 2001, pp. 417–46.

“Competition at Work: Railroads vs. Monopoly in U.S. Shipping,” with Thomas Holmes, *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 25, #2, Spring 2001, pp. 3–29.

“Competitive Pressure and Labor Productivity: World Iron-Ore Markets in the 1980s,” with José E. Galdón-Sánchez, *American Economic Review*, Vol. 92, #4, September 2002, pp. 1222–35. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 27, #2, Spring 2003, pp. 9–23.

“Latin America in the Rearview Mirror,” with Hal Cole, Lee E. Ohanian, and Alvaro Riascos, *Journal of Monetary Economics*, Vol. 52, #1, January 2005, pp. 69–107. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Vol. 30, #1, September 2006, pp. 2–27.

“What Determines Productivity? Lessons from the Dramatic Recovery of the U.S. and Canadian Iron Ore Industries Following Their Early 1980s Crisis,” *Journal of Political Economy*, Vol. 113, #3, June 2005, pp. 582–625.

“Privatization’s Impact on Private Productivity: The Case of Brazilian Iron Ore,” with Arilton Teixeira, *Review of Economic Dynamics*, October 2008.

### **Working Papers/Work in Progress**

“Transportation and Development: Insights from the U.S., 1840–1860,” with Berthold Herrendorf and Arilton Teixeira, Staff Report 425, Federal Reserve Bank of Minneapolis, May 2009.

“The Economic Performance of Cartels: Evidence from the New Deal U.S. Sugar Manufacturing Cartel, 1934–74,” with Benjamin Bridgman and Shi Qi, Staff Report 437, Federal Reserve Bank of Minneapolis, November 2009.

“Monopoly and the Incentive to Innovate When Adoption Involves Switchover Disruptions,” with Thomas Holmes and David Levine, Staff Report 402, Federal Reserve Bank of Minneapolis, revised October 2008.

“Does Regulation Reduce Productivity? Evidence From Regulation of the U.S. Beet-Sugar Manufacturing Industry During the Sugar Acts, 1934–74,” with Benjamin Bridgman and Shi Qi, Staff Report 389, Federal Reserve Bank of Minneapolis, April 2007.

“Does Competition Spur Productivity? Evidence from U.S. Cement Manufacturing Industry in the Post WWII Period,” with Shawn Klimek and Timothy Dunne.

“Competition and Productivity: A Review of Evidence,” with Thomas Holmes.

“Granting Patents in a World with Researchers and Schemers,” with Thomas Holmes.

“Land Reform and Industrial Policy in Puerto Rico: Its Impact on Sugar Manufacturing,” with Benjamin Bridgman and Arilton Teixeira.

“Comparing Industrial Policies,” with Thomas Holmes.