Self-Evaluation Report 2000 to 2005

The Department of Economics
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Contents

Chapter 1

Introduction, Mission Statement, and Summary

This Report is prepared as part of the regular EUI cycle of self–evaluation reports. The previous self–evaluation report of the ECO Department was prepared in April 2000 and covers the period 1995 to the beginning of 2000. Therefore the present Report summarizes the developments during the six years from 2000 to 2005.

The primary objective of the Department of Economics is to provide doctoral teaching and supervision to our students at the highest international level. An essential prerequisite for fulfilling this objective is to perform research in economics and related areas satisfying high international standards. This Report is structured to reflect the way in which these objectives have been achieved during the previous six years.

A major change in the life of the Department during the reporting period was its move from the Badia Fiesolana to the Villa San Paolo at the beginning of the year 2003. This move has affected the procedures within the Department and its relation to the rest of the EUI in a substantial way. For example, informal contacts with students, professors and staff of other departments have become more difficult and have hence been reduced. Moreover, access to the library and participation in general meetings, conferences and seminars organized in other buildings has become more difficult and time consuming. In Chapter 9 it is described how the Department has dealt with the new situation and what it has done to compensate for the drawbacks of being in a remote location relative to the remainder of the EUI.

We start our report with an account of the postgraduate programme in Chapter 2. Over the last few years the existing teaching programme of the ECO Department has been intensely evaluated and discussed so as to improve our service for the students and in response to what we see as our main duty, that is, to provide a training which is competitive at the highest world levels. As a result, a substantial reform of the first year programme and some implied changes in the programme for the higher years as well have been introduced starting with the academic year 2005/06. The details are spelled out in Chapter 2.

The main component in providing our doctoral programme is of course the body of full-time faculty in the Department. The hiring policies pursued during the period under consideration and the members of faculty, current and former, are presented in Chapter 3. At the beginning of the period covered by this report the turnover was high. Although some turnover has the advantage of a constant flow of new ideas, personalities and experiences, this can also have its drawbacks, in particular for the supervision of students. Therefore it is generally seen as an advantage that faculty turnover has reduced to normal levels during the last three years and is currently at a stable level.

In Chapter 4 the Department's research activities are presented. The interaction between the individuals involved in the departmental research process are highlighted. It will also become apparent that a large amount of work has a "European" perspective. Clearly, good European research has to have a solid theoretical base and must be carried out with adequate methodology. Therefore good European research in economics also requires good theoretical and methodological work. The high reputation of the Department as a center for excellence in research is documented in comparative studies in the literature which is also summarized in Chapter 4.

Chapter 5 addresses student-related issues. A number of statistics are presented which give an overview of the composition of applications, scholarships offered, student progress and completion rates. Many of our students have taken up positions in academia and another large fraction has found employment in policy–making institutions at the national and international level. The Department has promoted the job search activities of students in the final stages of their PhD studies providing career advice and advising on presentation in job interviews. Chapter 6 contains reports of the student representatives.

In its teaching and research programme the Department relies to some extent on visitors. Chapter 7 is devoted to Visiting Professors, Visiting Fellows and in particular also presents details of the Jean Monnet Fellow (JMF) Programme. The Department has hosted about half a dozen JMFs per year. There have been some changes in the JMF programme over the last years which will be detailed in Chapter 7. Further changes are currently being introduced and the Department is preparing for the arrival of the new postdoc Max Weber Fellows later this year. Some information on these preparations is also given in Chapter 7.

In Chapter 8 various activities are summarized which link the Department to the rest of the EUI and to the outside world. More precisely, brief reports on the EIB lecture series, conferences held at the EUI and elsewhere but organized by EUI personnel, our working paper series, the Finance and Consumption Programme and the Department's relation to the Schuman Centre are provided.

Conclusions with an outlook on future problems and planned activities are given in Chapter 10.

Acknowledgements

Many people have helped preparing this report. We are particularly grateful to Beatrijs de Hartogh, Serena Scarselli, Ken Hulley and Nigel Gossage from the EUI central administration for providing student statistics and information on grants. Marsha Green helped preparing the documentation in the Appendix, Thomas Bourke and Martin Legner contributed information on the library and the computing service respectively, and the departmental secretaries and colleagues helped by providing

various types of information related to their specific activities. We are grateful to all of them and we also thank the student representatives who have contributed their reports in Chapter 6.

Note

Throughout the report former faculty members are distinguished from current faculty by an asterisk (*).

Chapter 2

The Postgraduate Programme

The postgraduate programme including the research activities of faculty and researchers is the central activity of the Department. In the previous evaluation report a summary of some changes and possible further improvements under discussion were mentioned. In particular it was reported that a structured teaching programme for the students had been implemented in the early 1990s to achieve a number of objectives, namely,

1. to increase the number of students finding work in academia
2. to bolster the reputation of the programme among international organizations
3. to reduce time–to–degree (TTD) rates.

The Department has monitored and evaluated its programme against these objectives and has done some fine-tuning over the years. The good success of the structured teaching programme in raising the background levels of incoming students to comparable levels in the central fields of economic research and thereby of reaching the previously stated objectives has motivated the Department to discuss going a step further in this direction. This step was also motivated by a decreasing number of student applications to the programme which reflects the larger competition induced by new PhD programmes being introduced in many EU countries. To respond to these challenges the Department has set up a working group to suggest a new programme structure which emphasizes the structured first year teaching even more than in the past and which was finally implemented with the start of the 2005/06 academic year. There were also changes in the general Institute rules for our students. In particular, completion of the PhD now has to be within five years and fourth year funding is granted to those students who finish up within four years. This restriction has to be seen against the background that the starting class is, typically, fairly heterogeneous. The objective of the change in the programme has been to maintain an economics programme which is viewed as one of the leading programmes in Europe and accommodates the new rules for thesis completion in the best possible way. In the next section some specific general features of our current postgraduate programme will be presented and the new programme structure will then be discussed in Section 2.2.

2.1 General Characteristics of the EUI Economics Postgraduate Programme

The following general characteristics distinguish our programme from other PhD programmes in Europe and the US.

1. It is one of the largest postgraduate programmes in Europe with an average of 16 PhDs produced each year from 2000 to 2005.

2. Practically all students receive full funding for at least three years. Fourth year funding is granted to all students who have made sufficient progress after three years so that completion within the fourth year can be expected.

3. The incoming students tend to have rather heterogenous backgrounds because students from all the member state countries, more or less evenly across departments have to be admitted and economics education still varies substantially across EU countries.

4. The programme is rather broad in its coverage of topics. Thesis research is strong in macroeconomics, econometrics as well as microeconomics. Specific topics covered depend naturally on the faculty in residence in Florence. However, there has been theoretical and applied research. The latter emphasizes European topics with applications for instance in monetary and labour economics as well as competition policy.

5. The completion rates are high and at the same time the programme has a remarkably low time–to–degree (TTD). The median TTD for the Department over the period 2000–2005 was 4.19 years (see also Figure 5.6).

6. All second and higher year students have a second adviser who, in most cases, plays a supportive role with respect to the main adviser, but can also be a co-supervisor. To have a second advisor not only facilitates access of students to different faculty, but also provides continuity in the event of the first adviser leaving the EUI.

7. The Department has a placement officer who actively supports students in the process of finding a job. Although this service is not part of the programme, as such, it has helped students focus on completing their PhDs. The recent placement record is very strong — in particular, in international organizations and in academia (see Chapter 5 for details).

8. With currently 12 professors the faculty is relatively small given the size of the programme. Size is an important factor in both absolute and relative terms because a sufficiently broad coverage of fields with enough ideas being floated around to generate a productive environment is an important prerequisite for a successful programme. In our programme the student numbers are relatively high, but not the number of faculty. Faculty in comparable programmes tend to be at least twice as large. Of course, in other universities professors have

other obligations, such as teaching undergraduates, but it is also true that there are many fixed costs associated with running a programme (recruitment of students and faculty, etc.) that could be absorbed more easily by a larger faculty.

9. The faculty turnover can be seen in Table 2.1. In the first years of the reporting period turnover was quite high. Fortunately, more stability was achieved over the last couple of years. The average stay of those who have left over the last six years was 4.3 years (the maximum term is eight years) and, as Table 2.1 shows, in the period under consideration turnover was particularly large in the academic years 99/00 – 02/03. Clearly, the relatively short stays of some professors have been disruptive and complicated thesis supervision, especially so when it had a major effect on a particular area of study.

Table 2.1: Faculty Turnover

Academic Year:	Tenure	99/00	00/01	01/02	02/03	03/04	04/05	05/06	PhDs
Ramon Marimon	09/1994–05/2000	⋆							12
Michael Artis	01/1995–12/2003	⋆	⋆	⋆	⋆				20
Søren Johansen	09/1996–08/2001	⋆	⋆						11
Giuseppe Bertola	09/1997–08/2003	⋆	⋆	⋆	⋆				11
Pierpaolo Battigalli	09/1998–10/2000	⋆							7
Roger Farmer	09/1998–08/2000	⋆							5
Andrea Ichino	09/1998–	⋆	⋆	⋆	⋆	⋆	⋆	⋆	12
Massimo Motta	09/1998–	⋆	⋆	⋆	⋆	⋆	⋆	⋆	13
Karl Schlag	09/1999–	⋆	⋆	⋆	⋆	⋆	⋆	⋆	4
Anindya Banerjee	01/2000–	⋆	⋆	⋆	⋆	⋆	⋆	⋆	5
Omar Licandro	09/2001–			⋆	⋆	⋆	⋆	⋆	3
Eyal Winter	09/2001–10/2002			⋆					0
Roberto Perotti	09/2001–08/2003			⋆	⋆				3
Frank Vella	09/2001–08/2005			⋆	⋆	⋆	⋆		3
Helmut Lütkepohl	01/2002–			⋆	⋆	⋆	⋆	⋆	2
Rick van der Ploeg	01/2003–				⋆	⋆	⋆	⋆	0
Giancarlo Corsetti	09/2003–					⋆	⋆	⋆	0
Pascal Courty	09/2003–					⋆	⋆	⋆	0
Salvador Ortigueira	09/2003–					⋆	⋆	⋆	0
Morten Ravn	09/2004–						⋆	⋆	0
Richard Spady	09/2005–							⋆	0
Faculty in attendance		10	7	11	11	11	12	12	

Note: Michael Artis remains affiliated to the EUI as Professorial Fellow.

2.2 The New Postgraduate Programme

The new programme was implemented in the current academic year. A main motivation for the changes was that the Department felt it had to respond better to the heterogeneity in the incoming students. This would also allow us to take in more students with potentially even stronger heterogeneity in their backgrounds. Thereby we also hope to be better prepared for the new EU member states which have or are expected to join the EUI over the next years. It is also a response to the stronger course work component in the first year which is characteristic for many US PhD programmes and which was seen as a comparative advantage of these programmes by some faculty. The programme has the following special features.

1. In their **first year** the students have to focus on an intensive sequence of courses which are the foundation for successful independent research. The courses are taught in 5-week blocks and meet twice a week for lectures plus usually one exercise session. Each block is followed by an exam week. In the first three blocks compulsory courses in the three fields (micro, macro, and statistics/econometrics) are offered. Then there are two further 5-week blocks where advanced core courses are offered from which the students have to choose 6 courses. Thus, in their first year they have to take a total of 15 courses whereas in the old programme structure only about 2/3 of this course work was required. During the first year each student has an advisor who helps with choosing advanced courses and also assists in finding a suitable research topic.

2. In the new programme each professor is obliged to give a seminar on his own research and first year students are encouraged to attend these presentations; thereby the matching between students and their supervisors is facilitated. By presenting their current research projects professors can present their fields of expertise to the students who can then make a more informed decision on a supervisor who has research interests close to their prospective PhD field. Indeed students may be able to find good research topics close to those of the current professors of the ECO Department. By June of the first year they should make a choice of a research topic and match up with a suitable supervisor taking into account the information they have acquired in the professors' research seminars.

3. To compensate for the additional course work required in the first year, the students write their first paper only over the summer and finish a first draft in the first term of the **second year**. Thus, no June paper is required anymore as in the old programme structure, but most students start with independent research only at the end of their first year. The advantage is that students have a better basis for doing their own research and the first paper is expected to be of higher quality and can ideally be the first chapter of their thesis. The June paper of the previous programme was not perceived as a full paper but only as a first step in a research strategy that, properly developed, could yield a successful paper. Doing away with the June paper and filling the extra time with course work is hoped to enable students to write a better first paper.

4. In the **second year** students are now required to take two additional courses (a total of eight advanced core courses must be taken within the first two years). They are also required to present a paper in the second–year **student forum** during the first term. As in the old programme, several members of faculty (not only advisers) play a part in each student's presentation in the forum.

5. Nothing much has changed in the **third year** of the programme. As before, students are required to present a research paper in the **third–year student forum**. Faculty and visiting scholars also take part in the third–year forum, which is seen as a cornerstone of the programme. Second and third–year students are also required to participate in, on average, at least one workshop or departmental seminar each week.

6. To qualify for the fourth-year grant which was introduced in September 2004 the student must have produced 2/3 of their thesis by the end of their 3rd year. Previously there was a 'completion grant' paid in the 4th year, but only for a few months, never for the whole year. Students have to work under a tight schedule to provide evidence that they will be able to submit their thesis within the fourth year. Since we are just beginning to get experience with this incentive system for completion within four years, it is too early at this point for an evaluation. We hope, however, that the TTD will be reduced further over the next years.

There are a number of features of the old programme structure which have been maintained in the new programme[1] because they were regarded as valuable and important aspects of the supervision process. For example, there are informal working groups and workshops which helped students make the transition from course work to research. Also other informal initiatives — such as a "weekly coffee hour" — have been maintained because they foster interaction between students and faculty.

Clearly, at this point it is too early to evaluate the new programme. However, it is obvious that the previous programme structure would not have been ideal for a larger and more heterogeneous group of first year students. We will of course monitor the reaction of the students to the new programme and their performance in the next years. Even if some modifications may be necessary to fine-tune the programme optimally to the needs of our students, we feel well-prepared to accommodate students from the EUI accession countries. The Economics Department had its own MA degree, which was introduced in academic year 1991-92, and was granted (on request) to all students who successfully passed the first year courses. Those requesting it had to submit a thesis which was a self-contained piece of research (and not a revision of the June paper) by the September at the beginning of their second year. Those not passed to the second year could apply for the MA, in which case they had to submit an MA thesis by September of the following year.

The Master of Research was introduced on an Institute-wide level in 2002. In order to qualify for the degree of Master of Research, a candidate must meet some of the requirements of the Structured First Year Programme the degree of Master of Research may be awarded even if that candidate has not fulfilled all the requirements for admission to the second year.

[1]See the 2005-2006 Postgraduate Programme booklet for details.

2.3 Pedagogical and Supervision Assessment

Course evaluations were introduced in the EUI in the second half of the academic year 2002-2003. A questionnaire is shown in Figure 2.1. In accordance with the guidelines drawn up by Academic Council, the processed results are brought to the attention of both the Heads of Department and the faculty conducting the courses so that their implications can be discussed and action can be taken where appropriate. The results are also available on the intranet.

Participation in the last evaluation rounds has been quite high and the comments have been useful for faculty to get feedback on their courses. Generally the satisfaction with the courses is quite remarkable and no major general problems have been identified. It is still envisaged to continue this kind of evaluation as one element to closely monitor the quality of our courses.

In April 2004, a first supervision assessment survey was held. The EUI wide participation rate of 19% was too low in the view of the Dean of Studies to draw general conclusions from them. Aggregate results were still published on the intranet. For the 2005 survey the participation rate was 35% for economics which is still not quite satisfactory; however, the results were used as a basis for a first assessment. Detailed aggregated results are presented in Appendix F.

Based on these results the general picture of supervision in the ECO Department is quite positive, although there are individual cases where improvements are possible. For example, only 2 out of 35 students feel that they have not seen their supervisor enough, but also indicate that they did not try to see him more often (see Question 5). Generally, satisfaction with the supervisors is very high (see Question 8).

In the future we hope that response rates of researchers will become even higher and will also confirm the general positive picture. Clearly, the results of the supervision assessment will be analyzed in detail and action will be taken if problems are identified.

2.4 Future Challenges

Clearly, much has been done to improve our postgraduate programme and develop it in such a way as to make it meet future challenges. In particular, the recent changes should make it easy to adapt to future extensions of the EUI. Nevertheless, it may be worth raising some questions and indicating problems that may lie ahead and of which we are well aware. Clearly, we will have to work on them in the years to come.

Competition. As mentioned previously, a number of competing doctoral programmes have been established in Europe in the recent past. Consequently, the EUI programme now faces competition not only from top US universities and some established European programmes but also from newly established European programmes. US programmes are a challenge, in particular in countries where grants to study in the US are easily available as for example, in Spain, Italy and Portugal. Our programme, like other international programmes, also suffers from the tendency of some students to stay in their home countries when they ultimately want to live there and are offered a good programme at home. This tendency is fostered by the perception that education at home has job market advantages. For instance, this may be a problem in France. As discussed already in the previous evaluation report, the recent change in our programme structure may be a good response to such developments. In the face of this competition, it will also be of utmost importance, however, to maintain or, if possible, increase the Department's academic reputation. This aspect will be discussed further in Chapter 4. We have also discussed and implemented measures to make the programme better known to potential PhD students. For example, efforts have been made to target our annual promotion more efficiently.

Faculty turnover. A latent problem of our Department with only 12 faculty is the relatively high turnover which is induced by the EUI's contracts. In some cases faculty had strong reasons for not fulfilling their contracts and left early. In a small Department such as ours this may have dramatic consequences for student supervision. Although it may be difficult to do something about this problem within the limits of the current budget it should be clear that a substantial expansion of student numbers, e.g., from new member countries can only be handled in a reasonable way if faculty numbers increase in a similar proportion. Otherwise an erosion in the quality of supervision is the likely consequence. Perhaps incentives could be implemented for faculty to stay for an eight year period as a rule rather than an exception and perhaps possibilities can be explored to increase contract lengths. While zero turnover may be a sign of stagnation, some continuity is certainly beneficial for an effective supervision of PhDs. Clearly, in the ECO Department an increase in turnover is a drawback rather than an advantage. Perhaps the new Max Weber Post-doc programme which starts in the next academic year can be utilized to some extent for supporting departmental teaching and supervision. Clearly, the short stay of a maximum of two years of the Max Weber Fellows will make them unsuitable as supervisors with full responsibilities. Perhaps they can help as second advisors in some cases.

While these are challenges we may have to address in the future, the Department has already implemented changes which are hoped to improve its future position and make it sufficiently flexible to cope with these challenges as we detailed above.

Figure 2.1: Course Questionnaire

European University Institute

Questionnaire for Course/Seminar Assessments - 1st Term evaluation 2005-2006

Course/Seminar Title:

Name of Professor:

In my opinion:

5 – Very much, **4** –Considerably, **3** – Average, **2** – Not very much, **1** – Not at all, **NA** - No Answer

NOTE: Mark your answer clearly. Where more than one professor is involved in running the course/seminar, your answers to the multiple-choice questions should reflect your opinion of the overall quality of teaching in the course/seminar. You may take the opportunity to make points about the contributions of individual professors in the open-ended questions at the end of the questionnaire.

QUESTIONS	ANSWERS
1` – In overall terms I am satisfied with the professor	5 4 3 2 1 NA
2 – The professor was well organised and well prepared	5 4 3 2 1 NA
3 – The professor was clear in his/her presentations and explanations	5 4 3 2 1 NA
4 – The professor teaches with interest and enthusiasm	5 4 3 2 1 NA
5 – Where appropriate, the professor encourages class participation	5 4 3 2 1 NA
6 – The professor was available and approachable outside seminar hours	5 4 3 2 1 NA
7 - The professor developed the overall themes of the course/seminar in a coherent manner	5 4 3 2 1 NA
8 – Recommended lectures, articles and books have been useful and sufficient	5 4 3 2 1 NA
9 – After taking this course/seminar my interest in the given subject has increased.	5 4 3 2 1 NA
10 – Indicate how often you attended the course/seminar (5 – 9-10 of 10 sessions; 4 – 7-8 sessions; 3 – 5-6 sessions; 2 – 3-4 sessions; 1 – less than 3 sessions)	5 4 3 2 1 NA
11 – What was the main reason you chose the course/seminar? (5 – Personal Interest; 4 – Thesis Related; 3 Supervisor's Suggestion; 2 – Compulsory; 1 – Others: ....)	5 4 3 2 1 NA
12 – What are the course/seminar requirements? (5 – Oral Presentation; 4 – Written exam; 3 Essay; 2 – None at all; 1 – Fulfilled Requirements in Other Seminars)	5 4 3 2 1 NA
13 – To what extent does this course/seminar overlap [in terms of content] with others? Which course(s)/seminar(s):	5 4 3 2 1 NA
14 – To what extent did the central themes of this course/seminar match your expectations?	5 4 3 2 1 NA
WHERE APPLICABLE (15-16)	
15 – Practical classes have been very useful for the learning and understanding of the subject	5 4 3 2 1 NA
16 – The teaching assistant was motivated and prepared	5 4 3 2 1 NA

Evaluation
- 1 -

2.4. FUTURE CHALLENGES

17 - In your opinion, what topics were omitted that should have been included?

18 - What topics should have been reduced/omitted?

19 - What topics covered in the course/seminar did you find particularly valuable?

20 - What topics could have been taught better? In what way?

21 - Do you have any further comments about the course/seminar?

Evaluation
- 2 -

Chapter 3

Faculty

In this chapter a brief summary of the hiring process during the reporting period and short professional biographies of the faculty members are presented with some information on special activities such as additional responsibilities, special lectures presented, and conference participation. Moreover an overview of the Department's supporting secretarial and administrative staff is given.

3.1 Turnover and Hiring of Faculty

A total of 21 faculty members have been in the Department since 2000 with substantial turnover in the years 2000–2003, as can be seen in Table 2.1. Currently there are 12 faculty members, two of whom have joint appointments with the RSCAS. The Institute's eight-year employment rule was clearly responsible for the large turnover we have had in the first half of the reporting period, although many left before reaching the eight-year limit. (Early departure was partly due to personal circumstances.) It was also a consequence of employment uncertainties after a full eight-year term. Unfortunately, there are still many professors who do not get an eight-year leave of absence when they join the EUI even if they come from the EUI member states. Faculty without a definitive employment perspective after eight years in the EUI is likely to respond to job offers received before the eight-year contract limit is reached.

Given the generally high turnover of faculty, hiring takes place almost every year. Thus, hiring policy has to be reviewed constantly. This is also of great importance because the market for academic economists in Europe is highly competitive. In several cases the EUI offers were turned down and the EUI has to be aware that other employers may be able to offer more attractive conditions. In 2002 the selection procedure has become more centralized. All selection committees are now chaired by the President and the organization of the selection process and the interviews is also done by the central administration. While the centralized organization may have resulted in efficiency gains there was a concern that the role of the Department could suffer. The ECO Department has responded to this concern by organizing seminars by all short-listed candidates close to the day of the interviews. All faculty and students can attend the seminars and use the opportunity to talk to the candidates. The views and impressions from the Department are then taken into account by the departmental committee members when the interviews are evaluated.

Clearly, in a small department having a well balanced faculty in terms of nationality, fields of expertise, the representation of different "schools of thought", age, and gender is not always easy. Therefore it is perhaps not surprising that we have not been equally successful in all these dimensions. Notably a gender balance cannot be claimed. Over the last six years there have been two offers to female economists which were both eventually turned down, however. The limited success in recruiting female professors reflects the fact that the community of academic economists is still overwhelmingly male and consequently male applications for jobs in the Department are in a vast majority.

Traditionally, the application lists for jobs in the Department have been long and of high average quality. That it was still difficult in some cases to find candidates who accepted our offers shows that the EUI may no longer be seen as such a "special deal" as in the past. One important factor in this perception may also be a result of the relatively small size of the Department. It implies that the burden of administrative duties falls heavily on the faculty. Although the Head of Department has the main administrative load, there are a number of other administrative positions which have to be taken up by faculty. The Director of Graduate Studies is in charge of organizing the postgraduate programme. The Chairman of the Examination Committee oversees the organization of the exams and he is also responsible for the annual meeting at which the Department discusses the progress of all students and their passage into subsequent years. More generally, he has to oversee the adequate progress of all students. The Department also has an External Relations Officer who is responsible for the external projection of the Department, a Computer Officer who liaises with the Computing Service, a Library Officer who represents the departmental interests vis-a-vis the library and a Placement Officer who helps finishing students in the process of finding a first job. One faculty member is in charge of organizing the selection process of new students. Moreover faculty has to represent the Department's interests in the selection procedures of post-docs under various programmes (see also Chapter 7).

3.2 Composition of Faculty

When a job opening has become available, the Department has tried to maintain a general balance between the main fields of macroeconomics, microeconomics and econometrics. Apart from that an attempt was made to cover a fair range of topics and at the same time maintain a balance between different approaches and specialties. As mentioned earlier, covering a broad range of topics is important to provide good supervision to a large number of students with a wide range of interests. Clearly, with only 12 faculty it is not possible to cover all specialties in all the fields. Therefore the usual strategy in filling professorial positions has been to advertise the field broadly and look for the best person from the broad field while making sure that a good overall balance was maintained. A main criterion for a specific choice was a record of excellence in research and experience in supervision of doctoral students.

Currently the three fields of macro, micro and econometrics are represented with similar faculty numbers. There are five macroeconomists (Giancarlo Corsetti, Omar Licandro, Salvador Ortigueira, Rick van der Ploeg, Morten Ravn), two of whom have joint appointments with the RSCAS. Thus, two of them contribute only part of their work to the Department's programme. The second joint chair for the Department has become available only in 2001 and was first filled by Roberto Perotti and later by Giancarlo Corsetti. There are three microeconomists (Pascal Courty, Massimo Motta, Karl Schlag) and three econometricians (Anindya Banerjee, Helmut Lütkepohl, Richard Spady) and one applied microeconometrician (Andrea Ichino). Currently this position is filled with an applied labour economist who teaches in the econometrics sequence. In the next academic year the new Director of the Max Weber post-doc programme (Ramon Marimon) will also have an association with the ECO Department and he will further strengthen the macro group. Andrea Ichino will leave the faculty after eight years and will be replaced by Luigi Guiso, another microeconometrician whose field of applications is finance and consumption.

3.3 Current Full–Time Faculty

Brief summaries of the backgrounds of current faculty members are given below. Here we also include special recognition of achievements, conference participation, invited lectures and editorial responsibilities.

Anindya Banerjee (D. Phil., Oxford, 1987)

Joined the Institute in January 2000. He is on leave from the University of Oxford where he is Barnett Fellow in Economics in Wadham College, the college to which he will return at the end of 2007. He has held positions in the University of Florida, the John F. Kennedy School of Harvard, Queen's University, Canada, and the University of Canterbury in New Zealand, and visited the EUI in 1998 as Jean Monnet Fellow. He has served as Managing Editor of Oxford Economic Papers from 1998 and Associate Editor of the Oxford Bulletin of Economics and Statistics from 1990. In recent years his teaching and research interests have included forecasting, the study of non-stationarity in time series including structural breaks and I(2) processes, and the econometric analysis of unit roots and cointegration in dynamic panel data models. His papers have appeared in the Rand Journal of Economics, International Economic Review, Journal of Applied Econometrics, Journal of Business and Economic Statistics, International Journal of Forecasting, and the Journal of Econometrics among others. During 2005 he has been co-editing a book on the newly acceded economies of the European Union, shortly to be published by Cambridge University Press.

Giancarlo Corsetti (PhD, Yale, 1992)

Is Pierre Werner Chair, joint professor at the Robert Schuman Centre for Advanced Studies and the Department of Economics. He joined the Institute in 2003, on leave from the University of Rome III, where he is Professor of Economics. He has previously taught at the Universities of Bologna, Yale and Columbia. His main field of interest is international economics. His main contributions to the literature include general equilibrium models of the international transmission mechanism and optimal monetary policy in open economies, analyses of currency and financial crises and their international contagion, and models of international policy cooperation and international financial architecture. He has published articles in many international journals including Brookings Papers on Economic Activity, Economic Policy, Economics and Politics, European Economic Review, Journal of Economic Dynamics and Control, Journal of Monetary Economics, Quarterly Journal of Economics, Review of Economic Studies, and the Journal of International Economics. He has co-authored an award-winning book on the 1992-93 crisis of the European Monetary System, Financial Markets and European Monetary Cooperation. Professor Corsetti is currently co-editor of the Journal of International Economics, and Research in Economics; he is associate editor of the Journal of the European Economic Association, and serves in the Economic Policy panel. He is Research Fellow of the Centre for Economic Policy Research in London, where he is a founding member of the group on Macroeconomics of Global Imbalances and serves as Co-Director of the International Macroeconomic Programme. In this capacity, he co-organizes the European Summer Symposium in International Macroeconomics. In 2006, he chairs the group writing the CEPR MECB (Monitoring the European Central Bank). He is also a member of the European Economic Advisory Group at CESifo in Munich, publishing a yearly Report on the European Economy. Professor Corsetti has been a scientific consultant to the European Central Bank and the Bank of Italy, and a visiting scholar at the Federal Reserve Bank of New York and the International Monetary Fund. He has been the editor of the Euro Homepage, a popular Web site tracking Euro-related studies and news since 1999. As Pierre Werner Chair at the IUE, he has promoted a visiting programme on issues related to the macroeconomics of monetary unions, open to researchers from both policy and academic institutions, and has been organizing yearly international conferences at the Institute. He is also serving as Chair of the Programme Committee of the 2007 European Economic Association Congress, to be held in Budapest.

Pascal Courty (PhD, University of Chicago, 1996)

Joined the Economics Department of the European University Institute in September 2003. Previously he was Associate Professor of Economics at the London Business School from 1999-2003 and Assistant Professor at Universitat Pompeu Fabra from 1996-1999. He has been visiting professor at the Chicago Graduate School of Business and at the Hong Kong School of Business. While at the institute, Pascal Courty has presented his work at the 2005 CMPO conference on Incentives in the Public Sector, the Society of Economics and Dynamics 2004 Annual Meetings, the IDEI/CEPR conference on Organizational Behaviour, Structure and Change 2003, the ESRC conference on Pay, Incentives and Performance in the Public Sector 2003. He has also given seminars at the Tinbergen Institute, Paris School of Economics (Roy seminar), Toulouse University, and Bologna University among other places. In May 2004, Pascal Courty organized a conference entitled “The Micro Foundations of Credit Contracts.” His current research focuses on contract theory with applications to the design of incentives in organisations and firm pricing policies. Recently, he has been studying the role of fairness in the design of pricing policies.

Andrea Ichino (PhD, MIT, 1990)

Joined the Institute in 1997 as a Jean Monnet Fellow and one year later as a faculty member in the Department of Economics. He had previously been Assistant Professor at Bocconi University, Milan, after having obtained his Ph.D. from MIT in 1990 and his Laurea from Bocconi University in 1985. Since 2004, he is the Editor in Chief of Labour Economics, the Journal of the European Association of Labour Economists and a member of the scientific committee of the same Association. In the past he has been Associate Editor of the European Economic Review and of the Journal of the European Economic Association. He has published in international academic journals like the European Economic Review, the Journal of Labour Economics, the Journal of Public Economics, the Journal of the European Economic Association, Labour Economics and the Quarterly Journal of Economics. His papers have been presented in several meetings of the American Society of Labor Economics, of the European Society of Labour Economists and of the European Economic Association as well as in other international conferences and seminars in micro-econometrics and labour economics. He has been invited to give lectures at the unversities of Munich, Zurich and at the Institute of Advanced Studies in Vienna. He is a member of CEPR, IZA and CESifo. His current research and teaching interests include the micro-economics of the family, of education, and of labour markets as well as methodological issues related to the identification and estimation of causal effects in micro-econometrics.

Omar Licandro (PhD, Louvain, 1991)

Joined the Institute in 2001 from FEDEA in Madrid where he was Senior Researcher since 1994. He was also professor at Universidad Carlos III de Madrid (1991-2001). He was visiting Professor in the graduate programs at the Universidad Autónoma de Barcelona (1995) and Universidade Nova de Lisboa (1994). He is a well-known specialist in macroeconomics and growth theory. He has published extensively in top international journals such as the Journal of Economic Theory, the Journal of Economic Dynamics and Control, the Journal of Economic Growth, the Review of Economic Dynamics, the Journal of Development Economics, and the Scandinavian Journal of Economics, among others. In addition, he has been associate editor of the main Spanish and French journals in economics, Director of Graduate Studies at the EUI, and (local) coordinator of many research projects supported by the European Union and the Spanish government. He is research fellow of the CEPR and IRES (Université Catholique de Louvain) and member of the Steering Committee of the Euro-Latin Network on Integration and Trade.

Helmut Lütkepohl (Dr. rer. pol., Bielefeld, 1981)

Joined the Institute in January 2002 from the Humboldt University in Berlin where he was Professor of Econometrics in the Faculty of Economics and Business Administration since 1992. He had previously been Professor of Statistics at the University of Kiel (1987-1992) and the University of Hamburg (1985-1987) and he was

Visiting Assistant Professor at the University of California, San Diego (1984/85). Prior to the latter appointment he had junior teaching and research positions at the Universities of Bielefeld and Osnabrück. He is or has been Associate Editor of Econometric Theory, the Journal of Applied Econometrics, Macroeconomic Dynamics, Empirical Economics, Econometric Reviews (until 2004) and CESifo Economic Studies (since 2003). He attended Econometric Society Conferences in Venice (European Meeting 2002), Budapest (European Winter Meeting 2002), Stockholm (European Meeting 2003), Madrid (European Meeting 2004), London (World Congress 2005). He gave an invited lecture at the Common Features Conference in Maastricht in Dec. 2003 and at the Macromodels' 2004 conference in Dec. 2004 in Warsaw. He also participated in a number of other conferences such as the EC^2 in Bologna in Dec. 2002, the EMM Conference in Alghero in Sept./Oct. 2004 and the 2nd Conference on Information and Entropy in Econometrics in Sept. 2005 in Washington DC. His current teaching and research interests include methodological issues related to the study of nonstationary, integrated time series and the analysis of the transmission mechanism of monetary policy in the Euro area.

Massimo Motta (PhD, Université Catholique de Louvain, 1991)

Joined the Institute in September 1998 from Universitat Pompeu Fabra (UPF) in Barcelona, where he is Professor of Economics since 1997 (on leave after joining the EUI). He had previously been Associate Professor (1993-1997) and Assistant Professor at UPF, and a research fellow at CORE, Louvain (1991-1992). He is Research Fellow of the Centre for Economic Policy Research, London and of CESifo, Munich; a member of the Economic Advisory Group on Competition Policy at the European Commission, of the Expert Academic Panel of OFCOM, London, and of the Steering Committee of the Association of Competition Economists, and Associate Editor of the Journal of the European Economic Association. In the period 2000-2005 he has also been Associate Editor of the European Economic Review, Economica, Giornale degli Economisti and Mercato, Concorrenza, Regole. He has participated in a number of conferences and workshops, and been the keynote speaker at the Jornadas de Economia Industrial (Granada, 2004), CESifo Conference on industrial organisation (Munich, 2004), Lisbon Conference on Competition Law (Lisbon, 2005). In the period 2000-2005, he has published a book on Competition Policy (Cambridge U.P., 2004, also translated into Italian and Chinese) and papers in International Journal of Industrial Organisation, European Economic Review, Journal of International Economics, American Economic Review. His current research interests lie in the area of industrial organisation and competition policy (particularly with respect of mergers and exclusionary practices).

Salvador Ortigueira (PhD, Universidad Carlos III, 1995)

Joined the European University Institute in September 2003 from Cornell University. He obtained a Ph.D. in economics from Universidad Carlos III de Madrid in 1995, and before coming to the EUI held positions at ITAM in Mexico City and Cornell University. His main areas of research are in macroeconomics and include economic growth, optimal public policies, labor markets and asset prices volatility. He has contributed to this literature with publications in leading journals such as the American Economic Review, The Review of Economic Studies and The Journal of Economic Theory, among others. He is Associate Editor of the Journal of Economics Dynamics and Control and of Estudios Económicos. He attends regularly several international conferences (The Econometric Society, The Society for the Advancement of Economic Theory, The Society of Economic Dynamics, The Society of Computational Economics, etc.) Since he joined the EUI, he has become a member of CESifo, and has given research seminars in several European universities. He has also participated in the organization of scientific conferences, such as the 2005 SAET Meetings in Baiona and the forthcoming 2006 Meetings of the European Econometric Society in Vienna.

Rick van der Ploeg (PhD, King's College, Cambridge, 1981)

Joined the Institute in January 2003 after being the State Secretary for Education, Culture and Sciences in the government led by Prime Minister Wim Kok of The Netherlands (1998-2002) and holding a Visiting Professorship at the London School of Economics. Previously he was Chief Financial Spokesperson in the Dutch Parliament (1994-1998), Professor of Economics at the University of Amsterdam (since 1991) and the University of Tilburg (1985-1991), Lecturer/Reader-Elect at the London School of Economics (1983-1988) and Junior Research Officer at the Cambridge Growth Project (1979-1983). He has been Visiting Professor in Athens, Berlin, Paris, Lisbon, Prague, Vienna, Copenhagen, Stockholm, Siena, Catania, Lecce and Princeton. He has been Editor of the European Journal of Political Economy and Economica and is an Editor of CESifo Economic Studies. He is a Fellow in the International Macroeconomics Programme of CEPR and the Programme Coordinator of the Public Finance Programme of CESifo. During the 2005-6 session he directs the Robert Schuman Centre Forum on 'A Growth Agenda for Europe'. He attended many international conferences and gave many seminars, but also delivered the Schumpeter Lectures in Berlin and presented a paper to the Economic Policy Panel at the Bank of England. Currently, his areas of research interest are in macroeconomics, public finance, the economics of higher education and the economics of arts. Together with Ben Heijdra he has published the graduate textbook Foundations of Modern Macroeconomics with Oxford University Press. Every two weeks he writes a column for the Dutch Financiële Dagblad. He also presents the popular National Science Quiz on Dutch television and is an elected member of the UNESCO World Heritage Committee.

Morten O. Ravn (PhD, Southampton, 1993)

Joined the Institute in September 2004 from the Department of Economics, London Business School. Previously, Morten has held positions at Universitat Pompeu Fabra, University of Southampton and at the University of Aarhus. He has also been a visiting professor at the University of Pennsylvania and a short-term visitor at the Institute for International Economic Studies, Princeton University. Morten is a Research Fellow of the Centre for Economic Policy Research (London) and an associate editor of the Economic Journal. He has presented papers at the Econometric Society World Congress (London, 2005), the European Economic Association annual meetings in Venice 2002 (with invited paper), the CEPR ESSIM Meetings in Tarragona, 2002 and 2004, the NBER International Macroeconomics Meeting, Boston 2004, and a number of other conferences. He has recently given seminars at many institutions including Duke University, University of Pennsylvania, Federal Reserve Bank of New York, European Central Bank, Cambridge University, Universitat Autonoma (Barcelona), Humboldt University, Copenhagen University, Università Bocconi, and the University of Paris. He currently teaches courses in quantitative macroeconomics, international macroeconomics, and monetary economics and economic policy. Recent research has been concerned with real exchange rate dynamics, pricing-to-market, habit formation and countercyclical mark-ups, heterogeneity and inflation persistence, and with labor market participation and unemployment dynamics.

Karl Schlag (PhD, Northwestern University, 1992)
Took up his Chair in Microeconomics at the Economics Department in September 1999 coming from the University of Bonn, where he was both Lecturer and researcher since 1998 (when he obtained his Habilitation). He is on the Editorial Board of Mathematical Social Sciences, is a referee for top journals and has published among others in the Journal of Economic Theory, the Journal of Mathematical Economics, the International Journal of Game Theory, and in Rationality and Society. His main interests are: evolutionary economics, bounded rationality, game theory, industrial organization and economic theory. Current research focuses on understanding decision-making under regret and how this affects price-setting behaviour, willingness to imitate and design of randomized experiments.

Richard Spady (PhD, MIT, 1978)
Came to the Institute in September 2005 from Nuffield College, Oxford where he was an Official Fellow and is currently Senior Research Fellow. He has published papers in Econometrica, the Journal of Econometrics, the Review of Economic Studies, Biometrika, and the Journal of Law and Economics, among others. His research has been primarily in theoretical econometrics, but has included topics in empirical industrial organization, labor economics, statistical theory, and government regulation of industry. In addition to his continuing interests in nonparametric and semiparametric econometrics, he has recently been active in empirical political science (studying the relation between attitudes and voting behavior) and financial markets (constructing models of asset returns); the unifying theme of these new interests is latent factor models.

3.4 Former Full–Time Faculty

Michael Artis* (BA, Oxford, 1959)
Joined the Institute in January 1995, occupying the first Joint Chair held between the Robert Schumann Centre for Advanced Studies and the Department of Economics. He came from a Chair of Economics in the University of Manchester, which he had held since 1976; previous appointments included the tenure of the Chair of Applied Economics at the University College of Swansea, a Senior Research Officer post at the National Institute for Economic and Social Research in

London and a variety of teaching and research posts in the Universities of Oxford and Adelaide. After the termination (at the end of 2003) of his full-time contract with the Institute, where he became a Professorial Fellow, he was subsequently awarded a George Research Fellowship at the Bank of England in 2005. In November of the same year he was offered a Chair in Economics at the University of Manchester with the brief to organize a Centre for Regional Economics there. He has given a number of invited lectures and keynote addresses; most recently he gave the Experian Lecture at Nottingham University (2005) on the subject of the UK and the Euro and, in December of 2005 the first in the Memorial series of lectures in honour of John Flemming, held at the Bank of England. He has been a fellow of the British Academy and a Research fellow of the CEPR throughout, with substantial presence on the editorial committees of learned journals including the Economic Journal, the Open Economies Review, the International Journal of Finance and Economics, International Economics and Economic Policy, the Manchester School and a variety of others. Current research interests include the economics of integration; business cycle analysis; and the functioning of the EuroArea, including both monetary and fiscal policy.

Pierpaolo Battigalli* (PhD, Pooled Universities of Milan, 1992)

Joined the Institute in September 1998, after which he left for IGIER, Università Bocconi, in 2000. He came to the Department from Princeton University where he was Assistant Professor at the Department of Economics. He was previously at the Politecnico di Milano, Dipartimento di Economia e Produzione. He is an Associate Editor of Research in Economics (Ricerche Economiche) and a Charter Member of the Game Theory Society. He has contributed to a book on Game Theory and his papers have been published in the Journal of Economic Theory, Econometrica, Games and Economic Behavior, Economics and Philosophy and other academic journals.

Giuseppe Bertola* (PhD, MIT, 1988)

Is Professore Ordinario di Economia Politica, Facoltà di Scienze Politiche, Università di Torino. He was on leave as Full-time professor at the European University Institute (1997-2003) and in 1989-93 was Assistant Professor and Assistant Director of the International Finance Section, Princeton University. He is a Managing Editor of Economic Policy and Condirettore of Giornale degli Economisti e Annali di Economia. His work in macroeconomics studies labor market institutions, income distribution, and official interventions in exchange rate and interest rate markets. His research is published in Review of Economic Studies, American Economic Review, European Economic Review, and other academic journals and books. He is the author of chapters in Handbook of Labor Economics and Handbook of Income Distribution (North-Holland) and co-author with Fabio Bagliano of advanced textbooks published by il Mulino and by Oxford University Press. His main research line studies labor market institutions and outcomes. He is particularly interested in labor market institutions' distributional effects, especially as regards their interaction with the European process of economic and monetary unification. His other micro- and macroeconomic research also includes work on money-market institutional arrangements and empirical phenomena, and on interactions between growth and distribution. Among his current projects several deal with theoretical and empirical aspects of durable consumption patterns and households' interactions with credit suppliers and of educational systems.

Roger Farmer* (PhD, University of Western Ontario, 1982)

Left the EUI in 2000 for the University of California, Los Angeles. He is an editor of the International Journal of Economic Theory and an associate editor of Macroeconomic Dynamics, The Journal of Public Economic Theory and Economics Bulletin. Externally, has served as an external advisor to the European Union on the panel to allocate Marie Curie excellence awards. He also acted as a consultant to the European Central Bank from 2000 through 2006 and to the Federal Reserve Bank of Atlanta in 2005 and 2006. In 2002 he organized a conference at the European Central Bank on identification and in 2006 he is organizing a conference at UCLA in honor of Axel Leijonhufvud, a former colleague. He is regularly invited to present seminars at Universities and research institutions around the world and has given numerous invited talks since 2002 at, amongst other places, the European Central Bank, the Austrian Central Bank, the Atlanta Fed, Innocenzo Gaspirini Institute in Milan, Universidade Católica Portuguesa, in Lisbon, the Bank of Canada, the University of Canterbury in New Zealand, Insead in Paris, the University of California in San Diego, the University of California at Davis, the University of Montreal, the Humboldt University, Berlin, Duke University, the University of Pennsylvania, New York University, Princeton University, the University of Auckland, Kyoto University, the University of Western Ontario and the University of British Columbia. He has attended numerous conferences including the NBER summer institute in Boston, the CEPR meetings each summer in Spain, the University of Western Ontario and conferences in Middlebury, San Francisco, Florence, Paris, Budapest and Prague. In 2003 he was elected a Fellow of the Econometric Society. He was also awarded three research grants from the National Science Foundation. In the summer of 2003 he was invited to be an Erskine Fellow at the University of Canterbury in New Zealand. He continues to be a member of the Center for Economic Policy Research.

Søren Johansen* (Dr. phil., cand. stat., Copenhagen, 1964)

Joined the Institute in September 1996 from University of Copenhagen, where he was Professor of Mathematical Statistics in the Faculty of Natural Sciences since 1989. He is Associate Editor of Econometric Theory, Econometrica (until 2006). In 2000 he presented his work at a workshop in Bertinoro and one in Copenhagen and gave invited lectures at Nuffield College, University of Southampton, and Rome. He participated and presented a lecture at the ISI meeting in Florence, and the Nordic Meeting of Statisticians in Norway. He returned to the University of Copenhagen in September 2001.

Roberto Perotti* (PhD, MIT, 1991)

Joined the Institute in September 2001 from Columbia University. After leaving the EUI in 2003 he went to IGIER - Università Bocconi, where he had also taken his degree. He received his PhD from MIT in 1991. In the same year he joined Columbia University as an assistant professor, and left in 2001 as an associate professor with tenure. He has published papers in the American Economic

Review, the Quarterly Journal of Economics, the Review of Economic Studies, and the Journal of Public Economics, among other journals. His recent research concerns mostly: the empirics of fiscal policy, theoretical and institutional aspects of the welfare state, and institutional determinants of fiscal outcomes. He is a research fellow of the Centre for Economic Policy Research, associate editor of the Quarterly Journal of Economics, and editor of the Rivista di Politica Economica.

Frank Vella* (PhD, University of Rochester, 1990)

Originally from Australia, Frank Vella is a microeconomist who came to the EUI in September 2001 from Rutgers University, New York City, where he taught as an associate professor since 1997. After leaving the EUI in 2005 he went to Georgetown University, Washington DC. He did his undergraduate and masters degrees in economics in Sydney and his PhD at the University of Rochester. Frank Vella is an International Research Associate at the Institute of Fiscal Studies in London and he also taught at Rice University from 1990. Vella's research concerns three categories: the identification of models via heteroskedasticity, the semi-parametric estimation of discrete choice panel data models, and the estimation of models of labour mobility from repeated cross-section data sets. Francis Vella has published among others in Labour Economics, the Journal of Economics and Business Statistics, Australian Economic Papers, Econometrica, the Journal of Econometrics, and the Journal of Human Resources. In addition he won an award for best paper in the Economic Record in 2004 for "Auction Price Anomalies: Evidence from Australian Wool Auctions" (with C.Jones and F.Menezes), Economic Record, 2004, 80, pp 271-288. He was Invited Lecturer- IZA Labor Economics Summer School 2005 and Distinguished Visitor- Department of Economics, Brown University 2003, and also Associate Editor- Empirical Economics 2001-present , Economics Bulletin 2002-present, B.E. Journals of Economic Analysis & Economic Policy 2005-present.

Eyal Winter* (PhD, Hebrew University, 1989)

Eyal Winter joined the Department in 2001, coming from the Hebrew University of Jerusalem, to which he returned at the end of 2002. This is also where he received his PhD in Economics in 1989. His research interests are: Microeconomic Theory, Game Theory, Incentives in Organizations, Political Economy, Experimental Economics, Industrial Organization. He is on the Advisory Board for Mathematical Economics and Game Theory a monograph series published by World Scientific Publishing Co. Ltd. He is Co-Director (with Kenneth Arrow) of the Jerusalem Summer School in Economic Theory since 1999. He is a reviewer for the following journals: Econometrica, American Economic Review, American Political Science Review, Review of Economic Studies, Journal of Economic Theory, Games and Economic Behavior, International Economic Review, Economic Behavior and Organization, International Journal of Game Theory, Journal of Group Decision and Negotiations, Journal of Mathematical Psychology, Mathematical Social Sciences, Mathematics of Operations Research, Social Choice and Welfare, Theory and Decision, and reviewer of proposals for various funding institutions including NSF, ISF, GIF, BSF. He was a Panel Member reviewing research proposals for the Israeli Science Foundation.

3.5 Secretarial and Administrative Support

Jacqueline Bourgonje was departmental administrator until her retirement in August 2004, and her job was taken over by Jessica Spataro in September 2004. (Jessica has been working as a secretary in the Department since 1981). At the same time a new secretary, Lucia Vigna, started working for the Department. (Between 2002-2005 the Department was severely understaffed for several periods of time due to illness). The other secretaries in the Department are Marcia Gastaldo, who has been working here since 1991, and Julia Valerio, who has been working for the Department since 2003, but has been at the Institute since 1985. The departmental secretariat is organised in such a way that each secretary works for various professors and deals with those professors' missions, conferences, thesis defences etc., but also has specific tasks: Marcia is the departmental webmaster, organises the research workshops and is responsible for the departmental working papers; Julia assists the Finance and Consumption Chair (during her recent maternity leave Lucia has been doing this), and is also the liaison person for the Computing Centre; Lucia, being in the departmental main office, is backup to Jessica for departmental matters, but is also responsible for the EDP (European Doctoral Programme). Since May 2005 a departmental stagiaire, Marsha Green, has partially compensated for Julia during her maternity leave. The Department also has an administrative site officer (Manuela Bastianelli), who has been at the Institute since 1990 but joined the Department in 2003. She deals with all the payments to do with research projects and missions (professors' and students'), as well as drawing up contracts for various types of academic collaboration. In 2006 she will be moving back to the Badia and her place will be taken by Michela Pistolozzi.

At the beginning of the year 2003 the Department was moved to Villa San Paolo (VSP) in Le Cure and is hence some distance away from the rest of the EUI. This move has brough about various changes in the operation of the Department which will be discussed in more detail in Chapter 9. Among other changes the Department now has its own "ECO library", on the ground floor of the villa, which is looked after by Thomas Bourke, the Library Information Specialist, who is in VSP three afternoons a week. The ECO library has a small selection of textbooks, dictionaries etc. and the main library at the Badia provides a book delivery service to VSP. The Computing site office at VSP is run by Martin Legner, who came to the Institute in January 2004.

Chapter 4

Research

In the previous evaluation report the overall research activities were grouped under four main headings, microeconomics, macroeconomics, econometrics and labour economics. Although labour economics is still a strong field within the Department partly because of its central importance for European studies, it is perhaps better viewed as part of the main fields microeconomics, macroeconomics and econometrics given the recent and upcoming changes in the faculty. Therefore, in the following the research activities are grouped under the three main fields. The Department's Research Workshops are now also organized along these lines (see Appendix D). A common feature of the Department's applied research is its European orientation. In fact, as will be documented in the following, even some of the theoretical and methodological research is driven by specific European problems.

In Section 4.1, a brief general overview of the research agendas of the last six years is given. Research funding is discussed in Section 4.2 and a more detailed description of the research interests of current faculty is provided in Section 4.3. In a self-evaluation report it seems appropriate to take into account information on the outside perception of the Department. There has been some research which ranks economics departments according to specific criteria which measure research performance. The chapter closes with a summary of such recently published research in Section 4.4. This research documents the high quality and superior quantity of the Department's research output relative to other departments in the world and it shows that the EUI ECO Department is internationally in the top group of departments under a range of criteria.

4.1 Research Agendas

4.1.1 Microeconomics

Pierpaolo Battigalli*
Pascal Courty
Massimo Motta
Karl Schlag
Eyal Winter*

During the reporting period specific research areas of the microeconomists at the EUI have been game theory, bounded rationality and learning, industrial organization, contract theory, personnel economics, regulation and competition policy, price discrimination and economic analysis of law. The Microeconomics Research Workshop is organized jointly by the microeconomists. Its programme is listed in Appendix D.

4.1.2 Macroeconomics

Michael Artis*
Giuseppe Bertola*
Giancarlo Corsetti
Roger Farmer*
Omar Licandro
Ramon Marimon*
Salvador Ortigueira
Roberto Perotti*
Morten Ravn
Rick van der Ploeg

In macroeconomics a range of topics has been covered. One line of research has considered monetary and fiscal policy investigating topics such as optimal monetary policy, international policy coordination, optimal tax policies, and empirical evidence on the effects of monetary and fiscal policy. Other research has been concerned with the theory of economic growth and with business cycle analysis. Labour markets have also been the topic of much research focusing upon the macroeconomic aspects and implications of labour market frictions. International macroeconomics is another key area of research with topics ranging from financial crises, to real exchange rate dynamics, and international comovements. In addition to the Macroeconomics Research Workshop (see Appendix D), there have also been macroeconomics activities in the RSCAS (see Section 8.7), and several conferences have been organized.

4.1.3 Econometrics

Anindya Banerjee
Andrea Ichino
Søren Johansen*
Helmut Lütkepohl
Richard Spady
Frank Vella*

Research in econometrics has focused on both time series analysis and microeconometrics. In the former field, applied and methodological research in cointegration analysis has been a main topic. On the methodological side unit root and cointegration analysis under structural breaks, in panels, higher order integrated processes and structural modelling have been major fields of research. Applied time series econometric studies have focused on monetary transmission, inflation, and investment. In microeconometrics identification issues, nonparametric and semiparametric analysis and applied labour economic studies have been central research topics. A joint research workshop was organized the programme of which is listed in Appendix D.

4.2 Research Funding

There has been a major change in research funding during the reporting period. Until 2002 research projects were granted to individual professors and groups of professors by the Research Council on a yearly basis based on applications. Since 2003 an annual lump sum is allocated to individual faculty for their research expenses over the year. Individual project applications are therefore no longer addressed to the Research Council. Additional Research Council approved funds are now mainly given for interdisciplinary projects and as start-up money. In the following we list those Research Council funded projects which were approved before the regime change and also those granted under the new regime.

ECO faculty has also been successful in raising external research funds. These are presented in Section 4.2.2.

4.2.1 Research Council Funded Projects

The research projects funded by the EUI Research Council are listed in Table 4.1. Also some brief information on the projects is given in the table.

4.2.2 Externally Funded Projects

- "Labour Demand, Education, and the Dynamics of Social Exclusion"
  (by Andrea Ichino)
  EU DG Research (1998-2002)

- "Growth and European Labour Market"
  (by Giuseppe Bertola)
  EU DG Research (2000-2002)

- "Finance and Consumption Chair"
  (by Giuseppe Bertola)
  Findomestic Banca, and Cetelem (2000-2002)

- "European Forecasting Network"
  (by Anindya Banerjee and Michael Artis)
  European Commission and EUI Research Council funding (2001-2004)

Table 4.1: Research Council Funded Projects

Date	Applicant	Research Project
2000	Pierpaolo Battigalli	Foundations of the theory of dynamic games and applications to economic models with incomplete information
2000	Roger Farmer	Growth, exchange rates and self-fulfilling prophecies
2000	Ramon Marimon	Credibility, learning and delegation
2000-2001	Søren Johansen	The econometric analysis and application of statistical models for non-stationary economic time series
2000-2001	Massimo Motta	Competition policy and foreign direct investments
2000-2002	Michael Artis	Asset markets, structural convergence and European Monetary Policy; Business cycles and employment in Europe (cont.); Workshops and scientific workplace
2000-2002	Anindya Banerjee	Modelling and forecasting economic time series in the presence of high orders of integration and structural breaks in the data
2000-2002	Giuseppe Bertola	Distribution, institutions, and labor-market dynamics; Policy interventions in monetary and financial markets
2000-2002	Andrea Ichino	Microeconomic analysis of labour markets and social institutions
2000-2002	Karl Schlag	Learning boundedly rational economical agents
2001	Michael Artis/ Anindya Banerjee	Estimation methods suitable for large data sets
2001	Giuseppe Bertola/ Massimo Motta	Competition policy and labour markets: Theoretical interactions and EU practice
2001	Søren Johansen	Workshops and scientific workplace
2002	Michael Artis/ Anindya Banerjee/ Giuseppe Bertola/ Omar Licandro/ Helmut Lütkepohl/ Roberto Perotti	Research cooperation in macroeconomics. European policies and Time Series Analysis
2002	Giuseppe Bertola	Departmental research workshops and scientific workplace
2002	Omar Licandro	Understanding and promoting the diffusion and adoption of new technologies. A vintage (human and physical) capital approach
2002	Helmut Lütkepohl	The transmission of monetary policy in the Euro area
2002	Roberto Perotti	Fiscal policy. Assessing its effects and its determinants
2002	Frank Vella	The econometric analysis and application of microeconometric models
2002	Eyal Winter	Game theoretic models in political economy

continued on next page

Table 4.1: Research Council Funded Projects *(continued)*

Date	Applicant	Research Project
2003	Michael Artis/ Anindya Banerjee	Analysing and Forecasting Macroeconomic Aggregates and Fiscal Deficits
2003	Andrea Ichino/ Massimo Motta/ Karl Schlag/ *(also with P. Becker, F. Cafaggi, J. Dronkers, R. Romanelli, E. Winter, and J. Ziller)*	Social and Economic Networks
2004	Michael Artis/ Anindya Banerjee/ Giancarlo Corsetti/ Rick van der Ploeg/ *(also with G. Federico, and H. Wallace)*	Policy Analysis in a Global Economy (PAGE)
2005	Michael Artis/ Anindya Banerjee/ Giancarlo Corsetti/ Rick van der Ploeg/ Morten Ravn *(also with G. Federico, and H. Wallace)*	Policy Analysis in a Global Economy (PAGE)

- "Sonderforschungsbereich 373": Nonparametric Time Series Analysis and Stability of Money Demand
  (by Helmut Lütkepohl)
  Deutsche Forschungsgemeinschaft funding (until 2003)

- "Project NASEF"
  (by Michael Artis)
  CEPR Centre for Economic Policy Research (2002)

- "Il lavoro interinale come canale di accesso al lavoro a tempo indeterminato"
  (by Andrea Ichino, Fabrizia Mealli, and Tommaso Nannicini)
  Italian Ministry of Welfare and the Regione Toscana grant (2002-2003)

- "RTN 'Macroeconomic Policy Design for Monetary Unions' "
  (by Roberto Perotti and Omar Licandro)
  EU DG Research (2002-2006)

- "Empirical analysis of consumer aversion to price variations"
  (by Pascal Courty)
  ESRC grant (2003-2004)

- "Finance and Consumption Chair"
  (by Massimo Motta)
  Findomestic Banca, and Cetelem (2003-2005)

- "Price categories and collusion"
  (by Massimo Motta, Pascal Courty, Natalia Fabra, and Chiara Fumagalli)
  Italian Antitrust Authority (Autorità Garante della Concorrenza e del Mercato) grant (2004-2005)

4.3 Research Activities of Current Faculty Members

4.3.1 Anindya Banerjee

Anindya Banerjee's recent research is concentrated in four main areas: structural breaks, panel methods, factor methods for forecasting and macro-modelling with variables with high orders of integration. The literature on modelling structural breaks has developed considerably in recent years, starting with Perron in 1989 and with subsequent developments for the case of unknown break dates being undertaken by Banerjee, Lumsdaine and Stock and Zivot and Andrews, in their 1992 papers in the JBES, and by Bai and Perron later in the 1990s. Banerjee has recently co-edited a special issue of the Journal of Econometrics, outlining many of these developments. He has also worked on testing for cointegration in panel data with integrated variables in the presence of structural breaks. In addition, his research has looked at tests for cointegration and unit roots in panels of integrated macro-data, where the units of the panel are dependent on each other, either through its common driving trends or through its idiosyncratic components. In several papers he has shown the importance of taking account of such dependence in order to conduct inference properly. He has also worked extensively on forecasting macro variables using factor methods. His papers cover the ground for a number of countries, such as the UK and the US, and a number of country-groupings such as the Euro area or the newly acceded economies of the Euro area, and compare the efficacy of panel methods compared to simpler autoregressive models. Finally, he has continued his research in time series models with I(2) variables and polynomial cointegration (alternatively termed 'dynamic error correction') in diverse data sets, including models of inflation, mark-up and investment. Banerjee has participated in the European Forecasting Network and has coordinated, with funding from the Research Council, the Policy Analysis in a Global Economy programme based at the Robert Schuman Centre for Advanced Studies.

4.3.2 Giancarlo Corsetti

Giancarlo Corsetti is carrying out research in international macroeconomics. His main research interests include the international transmission mechanism and the design of economic policy in open economies. His current research agenda includes 4 interrelated areas:

The first area consists of developing Dynamic Stochastic General Equilibrium suitable for policy analysis. A first goal is the specification of model economies which can realistically allow for a substantial wedge in the welfare and positive properties of allocations with perfect and imperfect risk-sharing. As is well known, most standard models downplay the role of incomplete markets, failing to fit important stylized facts (low degree of portfolio diversification, the so-called Backus-Smith puzzle etc.) and therefore failing to uncover potentially important policy trade-offs due to lack of risk-sharing across borders. In collaboration with Luca Dedola at the ECB and Sylvain Leduc at the Federal Reserve Board, Corsetti is developing models where fundamental shocks generate substantial difference in cross-border wealth. This is achieved through different strategies: by specifying models with substantial international relative price volatility and therefore with substantial valuation effects; by exploring the implications of shock persistence.

The empirical side of this project consists of a time series study of the international transmission of productivity shocks, adopting a comparative perspective, i.e. a sample of OECD countries. One paper addresses the issue of whether spillovers are positive or negative at different time horizons (with Dedola and Leduc). The other paper analyzes the international transmission of fiscal shocks (with Mueller). The latter paper shows that current analysis fails to appreciate the implications of lack of goods market integration for the transmission of fiscal shocks. A government spending shock appreciating the terms of trade has instead far-reaching effects on the return to domestic and foreign capital, creating differences in investment behaviour. This theoretical prediction is strongly supported by the data: an open economy VAR study detects substantial differences across countries linked to their degree of openness.

A second, related area of research is price dynamics in an open economy. The key issue here is the elasticity of prices to the exchange rate. The stylized fact is that prices are rather stable in local currency despite large exchange rate swings. As shown by Corsetti and Dedola (2005), introducing distribution costs is a realistic and efficient modelling strategy. First, recognizing the importance of distribution services in retailing allows a modeller to account for a substantial component of nontradability in all goods. This per se dampens the effect of exchange rate volatility on prices. Second, distributive trade and market structure may induce differences in the price elasticity for imports across markets. Hence profit-maximizing firms would price-discriminate, charging destination-specific markups across border. This offers an explanation for the observed failure of the law of one price. The policy implications are far-reaching (indeed many international institutions are adopting the specification of the Corsetti-Dedola 2005 model). In current quantitative work, Corsetti, Dedola and Leduc analyze the relative importance of nominal rigidities in generating local currency price stability of imports, and driving real exchange rate and terms of trade movements. The main result here is that, after modelling distributive trade, a small amount of nominal frictions seem to guarantee a good performance of quantitative models. The model turns out to be quite useful to address issues in the specification of empirical models of structural pass-through.

A third area of research focuses on market dynamics (firm entry and exit) in the international business cycle. There is evidence of ample adjustment along the extensive margins (introduction of new goods varieties, rather than expansion of existing varieties) in exports. Together with Bergin, Martin and Pesenti, Corsetti has been exploring crucial implications for the dynamics of the terms of trade, as well as the sign and magnitude of spillovers (as these depend on agents' love for variety). Models with extensive margins help explaining the lack of correlation between terms of trade and GDP (predicted by virtually all models of the international economy). They are also useful in building models of international adjustment in the face of large current account imbalances, shedding light on the different behaviour of the real exchange rate and the terms of trade. On the empirical side, a small team has been created in Paris to utiize detailed information about firms' response to exchange rate swing over time, with the goal of creating a set of stylized facts.

An important branch of these studies consists of building a model of cross-border Foreign Direct Investment which is solvable in closed form, the subject of current work by Corsetti and students at the EUI. An relevant issue here is what drives the strong correlation between trade and investment flows found in the data.

A fourth area is developed in collaboration with Paolo Pesenti at the Federal Reserve Bank of New York, regarding a class of tractable models of open economies for the analysis of monetary transmission and optimal monetary design. The main model has been developed in several directions in the past. It is currently rewritten in an accessible graphical and analytical language, to grant accessibility to policy-friendly models currently developed by International Institutions (IMF) and Central Banks. At theoretical level, it is developed to address issues in time consistency of optimal policy. Corsetti has also developed this class of models to revisit the optimum currency area theory, and the role of openness in determining the welfare properties of alternative exchange rate systems.

4.3.3 Pascal Courty

Pascal Courty's current research focuses on contract theory with applications to the design of incentives in organisations and to firm pricing policies. He is pursuing both theoretical work as well as empirical case studies.

Pascal has worked extensively on the issue of performance measurement and the provision of incentives with specific applications to governmental organizations. He has studied whether imperfect performance measures generate distortions and how one could identify the existence of such distortions from performance evaluation information. While there is a large theory literature suggesting that explicit performance measurement may induce unintended responses and there is also much anecdotal evidence documenting such responses, there is no general and systematic methodology to identify the existence of distortions. Pascal's research develops simple tests to identify distortions and applies these tests in the context of an empirical application to the largest U.S. training programme organization.

In a different line of research, Pascal Courty has been studying the role of fairness in the design of pricing policies. Survey evidence suggests firms do not use pricing policies that vary prices in response to demand changes because they fear that such practices could antagonize consumers. To investigate this hypothesis, Pascal has pursued three different approaches. First, he has used a dataset from a large chain of Internet cafés that has experimented with different pricing schemes. Each scheme varies prices differently in response to demand variations. Pascal proposes to investigate whether consumers are antagonized by changes in prices that are caused by demand shocks. In a second line of research, Pascal follows the standard approach in the literature based on survey methods, but proposes to refine the questionnaire to focus on the issue of consumer attitude toward entire pricing policies. In fact, most of the literature has focused on attitudes toward single pricing events and this question alone is insufficient to conclude that firms do not introduce flexible pricing because they fear antagonizing consumers. Finally, Pascal plans to study the issue of fairness in a large dataset on ticket prices for music concerts. Prices do not vary much over a concert tour but vary across artists. Occupancy rates vary over tours suggesting that prices are not always set to clear venue capacities. Pascal proposes to investigate the hypothesis that there are constraints on how much promoters can vary prices.

4.3.4 Andrea Ichino

Andrea Ichino is doing applied micro-econometric research in the areas of labour economics, economics of education, health economics, economics of the family, and economics of the law. He is also interested in methodological questions related to the econometric identification of "causal" effects for evaluation of policy interventions.

An example of one of his current ongoing research projects studies 'Absenteeism, earnings and biological gender differences' (joint with Enrico Moretti). In many countries, female workers experience more illness-related absences than male workers. The causes and consequences of this difference are not well understood. Using personnel data from a large Italian bank, we find that for females less than 45 years old, the hazard of an absence due to illness increases by 35 percent, relative to males, between 26 and 30 days after the beginning of a previous absence episode. The spike is more evident precisely at 28 days, which is also the most likely distance between two absence episodes, and does not differ between work environments with high or low average absenteeism rates. Among managers (who are probably less prone to shirking), the effect is equally strong. One interpretation of these results is that the pain caused by menstrual cycles induces a substantial increase in the hazard of an absence episode. Such pain explains more than a quarter of the overall gender differential in absenteeism. This biological difference seems to have important earning consequences for females. Under some assumptions, Andrea estimates that the higher absenteeism induced by 28-days cycles explains 10 percent of the earnings gender differential. He shows that the gender differences in the relationship between cyclical absenteeism and wages are consistent with the hypothesis that absenteeism is a more noisy measure of worker quality for females than for males.

Another of his projects deals with 'College cost and students' performance' (joint with Pietro Garibaldi, Francesco Giavazzi, and Enrico Rettore). This project studies the effect of a tuition increase on students' performance measured in terms of the time they take to complete a degree. This link is relatively less explored than the link between college costs and students' enrolment. Andrea first shows theoretically that for given total college cost, a higher tuition towards the end of the programme increases students' effort at the early stages of the educational investment and reduces the completion time. This result is relevant for several educational environments around the world (for example, PhD programmes), in which late completion is a relatively frequent phenomenon. It is particularly relevant in Italy where more than 80% of students remain in college longer than the normal duration of their programmes. Using data from Bocconi University in Milan, where students are assigned to 12 tuition brackets on the basis of their family income, he exploits a Regression Discontinuity Design to identify and estimate the effect of an increase of tuition on the probability of late graduation. A 1000 Euros increase in paid tuition reduces the probability of late graduation by 6 percent. He concludes by showing that an upward sloping tuition profile may be preferable when effort is sub-optimally supplied in the presence of peer effects or congestion externalities.

Another project has studied the 'Sensitivity of matching estimators to unconfoundedness' (with Fabrizia Mealli and Tommaso Nannicini). Matching estimators are now easy to use and perhaps too many users adopt them without really checking that the conditions for their application are satisfied. Andrea Ichino proposes a sensitivity analysis for matching estimators aimed at assessing to what extent the estimates derived under the unconfoundedness assumption are robust with respect to specific failures of this assumption. He also gives an example of how this sensitivity analysis can be implemented, based on Italian data collected to evaluate the effect of a temporary work experience on future employment probabilities.

Previous recent research of Andrea Ichino has covered a wide variety of topics and methods like, for example, a study on trust and trustworthiness attitudes between northern and southern Europeans based on a lab experiment conducted on EUI students. Similarly based on field experimental evidence is a study of peer effects and worker's productivity conducted in Zurich. Two other research projects have used household survey data to analyze the degree to which families in Southern European countries provide unemployment insurance substituting the welfare state and financial markets, and the extent to which parental job insecurity affects co-residence decisions of Italian youths, who are observed to remain in the parental home much longer than youths in other countries. A research project conducted for the Italian Ministry of Welfare, on the effects of Temporary Work Agencies as springboards towards permanent employment, has originated a couple of scientific papers as well as some policy debate in the Italian and European context.

Among the future research projects to which Andrea Ichino would like to devote his attention, a prominent role will be taken by a study of the determinants of the duration of civil trials in Italy, with particular emphasis on the effects of the behaviour of lawyers and judges, based on administrative data that will be soon made available.

4.3.5 Omar Licandro

The main research field of Omar Licandro is dynamic macroeconomics and in particular growth theory. He is working on models of vintage capital and embodied technical change. An important issue he is analyzing is the measurement of output growth under embodiment. The key measurement problem is related to the non balanced property of this family of models. In particular, the observed permanent decline of equipment prices -relative to the price of nondurable consumption, is at the basis of the recent introduction of chained quantity indexes in National Accounts. By means of the economic theory of index numbers, he would like to understand if current National Account methodology is welfare based. He is also studying the role of demographics on growth.

He is developing overlapping generation models that endogenize some key demographic variables, such as fertility, mortality and education, with the aim of understanding the role of recent demographic changes on the development process.

From a methodological perspective, Omar is working on dynamic general equilibrium models with delays. Some of the issues he is interested in are the development of a methodology to study determinacy in continuous growth models with delays, as well as the development of a numerical algorithm to solve for growth models of this family.

A new, highly interesting field in which Omar has been recently working is the development of an evolutionary theory of money and inflation. From a theoretical point of view, the general equilibrium framework has huge problems to deal with money, since the equilibrium concept makes money not needed for transactions. In an evolutionary framework, indeed, transactions may take place sequentially, allowing money to play the role of a medium of exchange, by modelling out-of-equilibrium situations. From an empirical point of view, the random behaviour of an evolutionary economy is of a completely different nature than the random behaviour of a DGEM, which opens a highly promising research agenda.

4.3.6 Helmut Lütkepohl

Helmut Lütkepohl is doing research on methodology for time series econometrics and the transmission mechanism of monetary policy. On econometric methodology one of his main research areas is unit root and cointegration testing in the presence of structural breaks. Given the specific situation of European time series which are partly influenced by increased European integration and the introduction of the Euro, this issue is of particular importance for analyzing European time series. Different situations are of interest in this context. In some cases the break date is known and in other situations it is unknown and has to be estimated from the available time series data. After considerable progress on the first case, where the break date is assumed to be known, the problem of an unknown break date is currently under study.

Another methodological topic he is working on is the specification of structural vector autoregressive models. Vector autoregressive models have become a standard tool for empirical economic analysis during the last quarter century. To interpret them properly, structural information from economics or the statistical properties of the data usually has to be incorporated. Different ways to do so and their potential for economic analysis are explored in this research. Other related methodological work has been concerned with model checking and in particular testing for residual autocorrelation in models for cointegrated variables and with estimating cointegration relations. Much of the previous research was brought together in a book on multiple time series modelling.

His previous research on the transmission mechanism of monetary policy was largely based on German data. Recently extensions for the Euro zone were also considered. In one project German data were combined with European time series from the Euro period. This approach appears to be a promising way to overcome the problem of short time series with limited information on the actual Euro period. Currently the potential of this idea for constructing and analyzing more elaborate models for the European monetary sector is considered. Other research of this sort has typically used artificially aggregated data for the countries participating in the

European Monetary Union (EMU). Such an approach has the drawback that data from a period are included where major adjustments in the economic systems took place in preparing for the Euro. By combining German and EMU data it is hoped to overcome this problem.

4.3.7 Massimo Motta

His main research interests are in the area of industrial organisation and competition policy. One stream of his research (work with Chiara Fumagalli, Bocconi University) deals with the possible anticompetitive effects of exclusive contracts, i.e. contracts that tie a retailer to a supplier, and in particular tries to identify the situations where such contracts can be exclusionary (that is, could be used by an incumbent dominant firm to pre-empt new entrants or to force smaller firms to exit the market). He is also working on the possible procompetitive effects of exclusive contracts, in order to identify also those situations in which exclusivity can promote investments, and thus be efficient. With co-author Thomas Roende (Univ. of Copenhagen), they have a general model where both pro- and anti-competitive effects of exclusive contracts can appear at equilibrium, allowing for a better understanding of how policy should balance these two effects.

In an empirical paper with Gregor Langus (EUI) he studies the effects of antitrust proceedings on the firms' share prices. The relevant policy question here is whether antitrust fines and antitrust investigations have some impact on the investigated firms (according to many commentators, the magnitude of such effects is very small). After building an original database which contains all of the EU antitrust decisions finding an infringement of competition law, they plan to apply event study methodology to find the effects on share prices of surprise inspections, statements of objection, negative formal Commission Decisions, as well as the Judgments of the Community Courts.

Finally, together with Michele Ruta (EUI) he is planning to study the 'political economy' aspects of national champions, especially with respect to member country governments' approach to mergers. It is well known that national governments often look with suspicion at foreign firms which want to take over domestic firms, and with favour at mergers among domestic firms. Within an industrial organisation model of mergers, they plan to add political economy considerations so as to explore the biases in both the governments' decisions and in the antitrust authority decisions and contrast the different merger control systems against the efficiency standard.

4.3.8 Salvador Ortigueira

Salvador Ortigueira's areas of research are in macroconomics, and more specifically on labor markets, optimal fiscal policies and growth and development. Salvador's main interest is in understanding the underlying forces that determine the observed levels of macroeconomic variables such as employment, unemployment, economic growth, and how public policies and economic institutions interplay with those macroeconomic aggregates.

In a recent research project he addresses the question of why unemployment rates in continental Europe increased to two-digits figures after the shocks of the mid 1970's, and why they have remained high since then. This observation contrasts with the US experience where unemployment rates show no trend in the last 25 years. This differential in the evolution of unemployment rates between Europe and the US has become a puzzle in macroeconomics and has captured the attention of many labor economists. Salvador's research contributes to this puzzle by arguing that the natural rate of unemployment is not unique and that labor market institutions, such as unemployment benefits, make the economy more fragile to shocks and, therefore, make transitions to high levels of unemployment more likely.

In a different project he addresses the observed decline in centralized wage bargaining in most European economies, especially in Scandinavian countries. These latter countries set highly centralized wage negotiations since the early 1950's to the early 1980's. Understanding the collapse of centralization is important for several reasons. First, from a positive viewpoint, it is important to know whether it was the result of some public policy or, on the contrary, was the result of a changing economy. Second, from a normative viewpoint, it is crucial to understand whether the fall of centralization came with a loss of welfare. Salvador's research sheds light on this issue by showing that the collapse of centralization was the result of skilled-biased technological progress which increased the relative productivity of skilled workers. Furthermore, he shows that centralization came to an end because it was in the interest of workers to abandon an arrangement which was no longer playing a role under the new level of technology. This view contrasts with previous explanations which place the emphasis on monetary policy in unionized economies.

Finally, in another project, he investigates what is the optimal level of taxation and public spending when the government lacks commitment to future policies. Most of the literature on optimal fiscal policy has assumed that the government has access to a commitment device which allows it to honor the announced optimal policies. It is well known that without commitment the government would default and change its policy. In real economies, however, governments have limited commitment. In this project, he studies Markov-Perfect optimal taxation which embeds the stronger notion of lack of commitment. Even though he studies optimal taxation in a highly abstract framework, some results are, however, noteworthy, especially for the design of fiscal constitutions.

4.3.9 Rick van der Ploeg

Rick van der Ploeg is doing research on the interface of macroeconomics and public finance. His main interest is the conditions under which an efficient welfare may result. The objective is to find directions of reform that both boost efficiency and equity. This had led to a study of the value of requiring tough eligibility conditions on welfare benefits related to accepting job offers, search effort, etc. Within the context of efficiency wages it is not clear then that higher conditional benefits will always destroy jobs. In general, this line of research focuses on how new insights in experimental economics such as the importance of reciprocal altruism affect the design of the welfare state. A related strand of research considers the origins of unbalanced growth in a general equilibrium perspective. This sheds new light on

Baumol's Disease and the Balassa-Samuelson effect, especially when the non-traded sectors have less scope for learning by doing and technical progress than the traded sectors. The objective is to investigate how this can lead to a better understanding of the bad growth performance of economies with abundant natural resources. A related line of research is to investigate why resource rich economies delay necessary economic reforms, build up unsustainable welfare states, and over-invest in public investment projects. In fact, a related line of research is the political economy of public investment projects, together with Roel Beetsma of the University of Amsterdam. Here the objective is to understand how different political preferences of type of public investment projects can lead to excessive investment and debt accumulation. A deficit rule may then be more desirable than a golden rule.

Other areas in macroeconomics he is working on are new views on Keynesian macroeconomics and differential effects of the different components of government spending on employment, investment and growth. In particular, he directs the 2005-06 European Forum in the Schuman Centre on 'A Growth Agenda for Europe'. He also has worked on the economics of prudent central banking, which is complementary to the robust control approach developed by Thomas Sargent and others.

As a former State Secretary of Education, Science and Culture, he investigates the economics of higher education and culture as well. This has led to a substantial paper on reform of higher education in Europe, two Handbook surveys on the making of cultural policy and the economics of books, and various papers in Dutch on the reform of public broadcasting. He also actively participates in a wide variety of policy debates in the Netherlands, particularly on issues to do with reform of the welfare state, health care reform, taxation and Europe.

4.3.10 Morten O. Ravn

Morten O. Ravn's current research project includes: (i) Business cycles and labour market dynamics, (ii) inflation persistence, (iii) pricing to markets, and (iv) international comovements. His current work on business cycles and labour market dynamics is focused upon three key issues. First, how do central labour market indicators respond to identified structural shocks? This is an important issue since much of the current research attempts to match unconditional moments of labour market indicators which may potentially be misleading since it leaves aside the sources of shocks to the economy and differential response of the economy to such structural research. Secondly, the research examines the extent to which currently popular models of frictional labour markets deliver realistic predictions regarding business cycle moments. In particular, the research introduces labour market participation choices into a labour market matching framework embedded in a stochastic dynamic general equilibrium framework. The great majority of previous work has assumed that the labour market participation rate is constant. The work shows that the introduction of a participation choice has stark implications. In particular, this extension implies that unemployment is procyclical due to variations in participation rates. Therefore, the research leads one to ask why participation rates, while procyclical, display little volatility over the business cycle. Thirdly, the research investigates the extent to which labour market frictions are important for understanding the transmission mechanism. This is an important issue since, despite much research, current business cycle models still find it difficult to account for the internal propagation mechanism that appears to characterize the data.

The research on inflation persistence is motivated by the insights of an earlier paper on real exchange persistence ("PPP Strikes Back: Aggregation and the Real Exchange Rate", Quarterly Journal of Economics, 2005) which illustrated that cross-sectional heterogeneity is important for understanding the persistence of the real exchange rate. The current research, undertaken jointly with Helene Rey (Princeton University) and Haroon Mumtaz (Bank of England) examines whether cross-sectoral heterogeneity in price rigidity might be important for understanding the apparently high persistence of the aggregate inflation rate. In particular, the research contrasts the implications of competing theories of inflation persistence and derive their implications for the dynamics of the inflation rate. This research is important for understanding whether the high persistence of the inflation rate (relative to marginal costs) derives from real rigidities, from the presence of rule-of-thumb pricing, from dynamic pricing, or is simply due to heterogeneity. Such competing theories have different implications for the conduct of monetary policy and for the monetary transmission mechanism and for our understanding of business cycle fluctuations. Current work on pricing to markets considers the extent to which models of time-varying optimal mark-ups might be consistent with the substantial fluctuations in relative prices across markets that can be observed at the business cycle frequencies for industrialized countries. In particular, the research adopts the "Deep Habits" set-up considered in Ravn, Schmitt-Grohe and Uribe (Review of Economic Studies, 2006) to an international setting. It is shown that, in this set-up, producers will reduce mark-ups in countries with strong demand creating pricing-to-markets. In contrast, variations in productivity will not have large effects on relative prices. Thus, the model predicts that one should distinguish between the sources of shocks to the economy when investigating pricing-to-markets.

Finally, Morten is working on international comovements. This research is motivated by the fact that while much previous research has documented substantial - but imperfect - cross-country correlations of output and its components over the business cycle, the sources of these comovements and their theoretical underpinnings are still not well-understood. In particular, it is still not known whether the pattern of cross-country comovements that have uncovered by the examination of unconditional moments is (a) consistent across the response to identified structural shocks or (b) due to either particular types of shocks or to differential response to different shocks. This implies that it is still unknown whether current business cycle theories are consistent or inconsistent with the empirical evidence since the evaluation of them has been conducted by comparing their predictions with unconditional movements. It therefore follows that much is still to be learned about the international transmission mechanism, one of the central issues in the current debate about "internationalization" and "globalization".

4.3.11 Karl Schlag

Karl Schlag's research focuses on sophisticated bounded rational behaviour, behaviour that does not involve the heroic assumptions on computational abilities, knowledge and sophistication underlying what is termed rational behaviour, behaviour that is not 'stupid' but instead fulfils minimal consistency conditions on choice or learning in simple environments. Originally interested in imitation, Karl Schlag now focuses attention more on choice and learning when information about behaviour of others is not available. The concept of minimax regret plays a central role, formally founded by axioms and intuitively compelling as agents regret lost opportunities. Two applications have emerged: firms pricing to attract consumers driven by such regret and a monopolist who takes into account the incompleteness of evidence underlying marketing surveys. Recently his work has shifted to understanding the implications of decision theory for statistics; in particular how to run randomized experiments in view of estimating which of two treatments or policies is best.

4.3.12 Richard Spady

Richard Spady is pursuing three research projects. The first of these is to develop methods for identifying and incorporating latent variables in structural models, particularly when the indicators of the latent variables are discrete and ordinal. A leading example arises in the relation between attitudes and voting behavior: Expressions of socio-political opinion are taken to depend on a small number of underlying coherent attitudes which stochastically determine further opinions and political behaviors such as voting and party identification. The aim of the research is not simply to identify the number and nature of the underlying attitudes and their effect on behavior, but to do so under minimal assumptions.

A second research project is the efficient nonparametric and semiparametric estimation of conditional quantiles. A quantile is the percentage rank (the median, for example, is the .5 quantile) and much of the recent work in the identification of causal effects in nonexperimental data is expressed in terms of sets of conditional quantiles rather than e.g. conditional averages. The goal of the research is to precisely estimate conditional quantiles with minimal prior assumptions about how the quantiles depend on the explanatory variables, and also to do this even when the explanatory variables are endogenous.

Spady's third research project concerns empirical exponential family models. These arise in connection with empirical likelihood methods, which construct a nonparametric likelihood. Recent research suggests that while empirical likelihood itself is fragile and has a number of other statistical drawbacks, modifications of it that can be interpreted as constructing approximate likelihoods that converge to parametric exponential family models for large sample sizes preserve many of the desirable properties of empirical likelihood while removing the fragility. The goal of the research is to exploit this interpretation of the new methods and our existing knowledge of exponential family models to better understand the properties of the new methods in practical situations.

4.4 Department Ranking

There have been a number of rankings of economics programmes and departments in the recent past. Some results will be summarized in this section. They are based on independent research unrelated to the EUI ECO Department and hence provide an independent outside view on the reputation and performance of the Department under objective evaluation criteria for research performance. Such research is naturally based on historical data and there is also some publication delay. Hence, the data on which the evaluations are based overlap only to a small extent with the current reporting period. Nevertheless they give a good impression on the Department's perception from the outside world and we hope that it reflects to some extent the Department's current performance.[1]

In its December 2003 issue, the *Journal of the European Economic Association* published four articles which assess research output of European institutions in the field of economics. The most complete among these works is the article by Pierre-Philippe Combes and Laurent Linnemer (”Where are the economists who publish? Publication concentration and rankings in Europe based on cumulative publications”). The authors use and compare several indices after gathering an impressive amount of publications over a period which spans 30 years (1971-2000), related to almost 22,300 members of 600 European institutions located in 18 European countries (plus those located in the top 60 US economics departments, for the sake of comparison).[2]

Combes and Linnemer report a number of rankings: total, career-adjusted, per-capita. To summarize these rankings in one measure, they calculate the mean of all rankings. According to this index, the EUI is ranked 13th in Europe in the period 1996-2000, using the CL index (which considers all Econlit publications, properly weighted by their importance, calculated mainly through citation indices), and 7th using the ”blue ribbon” index (which considers only the top 8 economics publications).

This average value is, of course, very rough, and hides a lot of information which is uncovered when looking at each ranking. In particular, there exists a big difference between total and per-capita research output measures. Clearly, a total output measure cannot be used to compare a department as small as the EUI's (with less than ten professors in the period considered) with large institutions being often more than ten times its size.

Indeed, in the period 1996–2000, looking at the total output of each European institution, the EUI is ranked 47th using the CL index, and 14th using the ”blue” index,[3] but when correcting for the number of scholars located in each institution, i.e.,

[1] This section is based on a document prepared by Massimo Motta.

[2] Their indices are ”stock” measures. Note that a ”flow” measure would count only the publications of a given scholar while s/he was at a given institution), while under a ”stock” measure all the publications of a scholar currently at a certain institution are assigned to that institution, even those written before joining it. For the EUI, the scholars considered by Combes and Linnemer are those affiliated to EUI in September 2001.

[3] In the period 1971-2000, the EUI is ranked 57th using the CL index, 25th using the ”blue” index, testifying to an improvement in its publication record (Combes and Linnemer, 2003). In the study by M. Lubrano, L. Bauwens, A. Kirman, and C. Protopopescu (2003) ”Ranking economics

in the per-member output measure, the EUI is ranked 3rd in Europe, independently of the index used (see Combes and Linnemer, 2003: table 12). In fact, there might be a bias against the Economics Department of the EUI because in all their rankings Combes and Linnemer share publication output among the researchers' affiliations: when EUI professors are on leave from another institution, they will typically be affiliated to two different institutions, therefore reducing the EUI research output by half.

Finally, Combes and Linnemer also compute some indices where institutions are grouped by "subcentres". In their rankings, publications by all centres and departments of a given university are grouped together (for instance, all colleges from Oxford and the Oxford economics department would be considered as a single unit - Oxford University), whereas one might want to consider the common location as the defining aspect of an institution (the everyday research environment matters).

This disaggregated classification is particularly pertinent when comparing economics publication outputs with the US, since in the US all rankings are carried out at the level of economics departments, not universities. It is then striking that when the per-member performance of European and US subcentres is looked at, the EUI Economics Department is ranked 3rd in the world, after Harvard and MIT's Economics Departments using the CL index, and 43rd in the world using the "blue" index!

Even though these studies are based on data which overlap only little with our reporting period they provide a useful snapshot of the Department's past performance and are therefore informative in this evaluation report. While the Department's ranking depends to some extent on the criterion used, the overall result is quite pleasing and shows that it is a top player in research among economics departments in the world.

departments in Europe: a statistical approach", also published in the *Journal of the European Economic Association*, the EUI Economics Department is ranked 54th when using all publications (appropriately weighted) and 44th when a more selected sample of publications is analyzed. Lubrano et al.'s methodology differs from Combes and Linnemer's, and it refers to the years 1991-2000. Further, since it is based on a flow measure, Lubrano et al. cannot give per-capita data.

Chapter 5

Students

In this chapter we provide information on the applications and intake of students, exchange programmes, completion rates and careers.

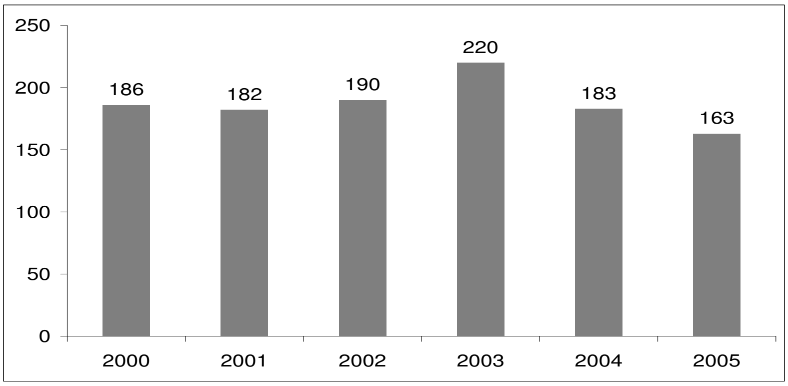
5.1 Application and Selection to the First Year

5.1.1 Applications Statistics

During the reporting period 2000–2005 1123 students applied for admission to the Department. Thus, there were almost 190 applications on average per year. The exact numbers for the individual years are shown in Figure 5.1. Although the variation in application numbers is not dramatic over the years, there is a slight downturn after the peak in 2003. This decline over the last two years may be due to increased competition from other PhD programmes which have been created in many European universities over the last years. Although the decline in numbers is not dramatic, the EUI and the Department felt that action should be taken to avoid further declines and perhaps increase application numbers again. In particular, the mailing lists for sending out information on our programme have been updated and professors have contacted colleagues individually to promote our programme. Also the Department has modified its postgraduate programme to make it more attractive to incoming students as described in Chapter 2. The special promotion efforts have resulted in a dramatic increase in applications of more than 50% for the academic year 2006/07 relative to 2005/06.

Figure 5.2 shows the distribution of applications by country. Obviously, there are quite remarkable differences. The largest numbers of applications during the reporting period were received from Italy, Poland and Germany. For Poland this is especially remarkable because Poland joined the EUI officially only in 2004 while many Polish students applied already during the years preceding the official accession of Poland. Italy and Germany were the main sources of applications already in the past whereas there are fewer applications from other large long-term member countries like France and UK (GBR). The numbers for these countries have actually declined further relative to those from the previous (5-year) reporting period where France had 75 and the UK had 29 applications. The previous self-evaluation report offered the following explanation for the low numbers. It referred to a recent report

Figure 5.1: Applications by Year



prepared for the Royal Economic Society ("Signs of Disintegration: A Report on UK Economics PhDs and ESRC Studentship Demand", by Stephen Machin and Andrew Oswald) which has shown that the number of UK students seeking to do a PhD in economics anywhere has fallen dramatically. Thus, the small application numbers reflect the decline in student numbers who seek further education in economics. For French students the previous report diagnosed a perception that French students doubt the acceptability of the EUI PhD qualification for academic employment in France.

Figure 5.2: Applications by Country

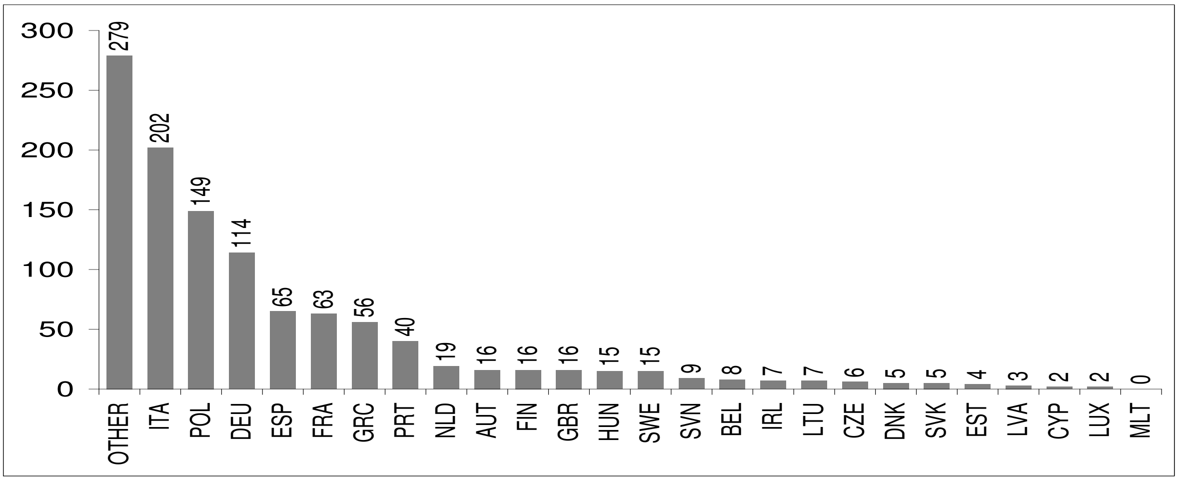


Figure 5.2[1] also shows that the Department has a substantial number of applications from countries which have not yet joined the EUI officially. This shows that the economics programme can be a valuable service for these countries and gives reason for optimism that these countries have a strong incentive to join in the near future.

5.1.2 The Selection Process

The procedure for selecting students for the first year of our programme combines the expertise of the faculty members with a set of fixed rules which are given by the EUI and the grant-providing authorities. Faculty members get together with students from the respective regions to discuss the applications. Thus, higher year students take an active part in the selection procedure.

Faculty members are assigned a country or group of countries to pre-select candidates. The assignment takes into account each professor's knowledge of national academic systems. Students from each nationality represented in the Department are asked to contribute their expertise and give an opinion on the applicants from their country of origin. Clearly, this input is of particular importance for countries which are not represented at the faculty level.

The preselection lists for the individual countries and in some cases groups of countries are discussed at a Department meeting. The final list of candidates to be interviewed is then decided in conjunction with the grant-providing authorities on the basis of the preselection lists.

The interviews are carried out by panels typically composed of two faculty members and one student. In setting up the panels the candidates' nationality is again taken into account although the interviews are carried out in English, the official language of the Department. Candidates are interviewed on their research interests and also their technical background, in particular, their familiarity with econometrics and mathematics because these abilities are important in the first year programme and in performing research in economics more generally.

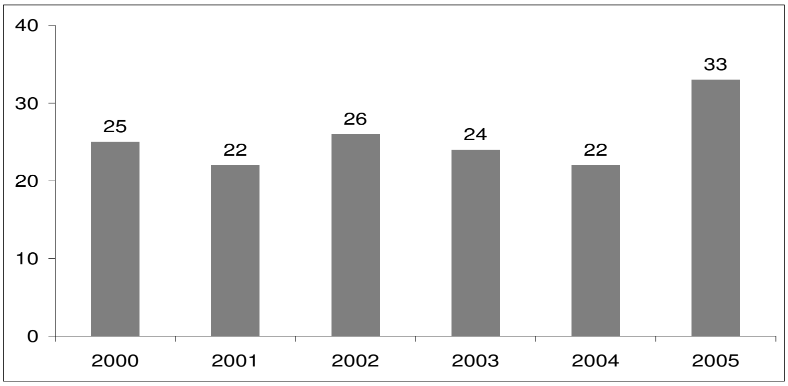
5.1.3 Student Intake

We have offered places to 120 students out of the 1123 applications over the reporting period 2000–2005. 108 of the 120 offers were accepted. Thus, we had an average student intake of almost 22 per year. Precise numbers for the six years covered by this report are shown in Figure 5.3.

Figure 5.4 shows the student intake by country. Clearly, the student intake from Germany and Italy is the largest in correspondence with the large number of applications and the grants available. Relatively large numbers of students also come from Spain and France followed by smaller countries like Austria, Greece, The

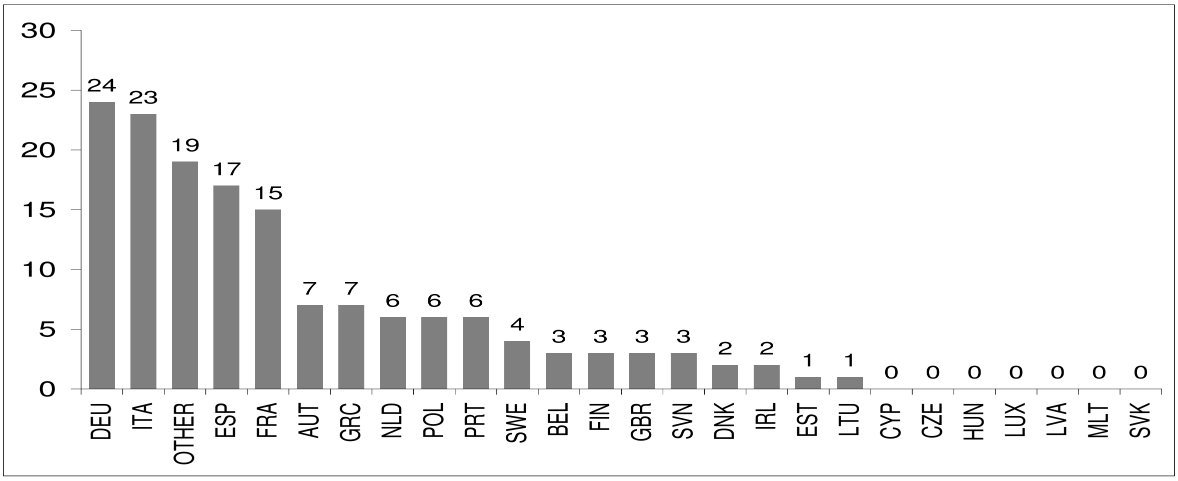
[1] AUT=Austria; BEL=Belgium; CYP=Cyprus; CZE=Czech Republic; DEU=Germany; DNK=Denmark; ESP=Spain; EST=Estonia; FIN=Finland; FRA=France; GBR=United Kingdom (UK); GRC=Greece; HUN=Hungary; IRL=Ireland; ITA=Italy; LTU=Lithuania; LUX=Luxembourg; LVA=Latvia; MLT=Malta; NLD=Netherlands; POL=Poland; PRT=Portugal; SVK=Slovakia; SVN=Slovenia; SWE=Sweden.

Figure 5.3: Intake by Year



Netherlands and Portugal. There is also a sizable student population from Poland already, although this country joined the EUI officially only in 2004.

Figure 5.4: Intake by Country over the Period 2000-2005



The distribution of applications and intake over time can be seen in Tables 5.1 and 5.2. As in previous years, Italy, Germany and Spain account for a large proportion of the intake each year. However, the intake from the new member country Poland has become quite sizable.[2]

[2]The intake each year can also be compared to the number of stipends offered each year. The most recent figures available (for the whole Institute) are as follows: ITA(42), DEU(35), ESP(40), FRA(32), GRC(15), PRT(13), GBR(26), NLD(22), IRL(11), AUT(11), BEL(12), DNK(12), FIN(12), SWE(14), and LUX(5). Furthermore: CH(5), NOR(4), EST(2), POL(29).

Table 5.1: Applications by Country Over Time

	2000	2001	2002	2003	2004	2005	Average
AUT	4	2	1	6	1	2	2.7
BEL	1	1	3	2	1	0	1.3
CYP	1	0	0	0	1	0	0.3
CZE	0	2	0	0	4	0	1.0
DEU	14	19	17	28	21	15	19.0
DNK	1	2	1	1	0	0	0.8
ESP	7	9	17	13	7	12	10.8
EST	1	0	0	1	0	2	0.7
FIN	7	2	1	2	3	1	2.7
FRA	19	7	10	13	11	3	10.5
GBR	3	2	0	4	1	6	2.7
GRC	12	7	11	10	7	9	9.3
HUN	3	3	3	2	3	1	2.5
IRL	2	1	1	1	1	1	1.2
ITA	35	28	33	39	30	37	33.7
LTU	3	1	2	1	0	0	1.2
LUX	2	0	0	0	0	0	0.3
LVA	1	0	1	0	1	0	0.5
MLT	0	0	0	0	0	0	0.0
NLD	2	3	2	2	7	3	3.2
POL	15	19	17	36	36	26	24.8
PRT	5	9	7	6	9	4	6.7
SVK	2	1	1	1	0	0	0.8
SVN	1	2	3	3	0	0	1.5
SWE	1	5	4	4	1	0	2.5
OTHER	43	57	55	45	38	41	46.5
Total	185	182	190	220	183	163	187.2

Students turning down our offers were identified as a problem in a previous Self-Evaluation Report. This problem does not seem to be dramatic anymore because 93% of the students offered places during 2000-2005 accepted their offers.

5.2 Exchange Programmes and Conference Participation

The Department encourages higher year students to present their own research at conferences. It also offers a number of exchange programmes which allow students to make contacts with researchers in their specific fields outside Florence. The Department is also member of the European Doctoral Programme (EDP) since 2004. In the following this new opportunity for students is briefly presented and also some information is provided on other exchange programmes and conference participation of students.

Table 5.2: Intake by Country Over Time

	2000	2001	2002	2003	2004	2005	Average
AUT	2	1	0	1	1	2	1.2
BEL	0	1	0	1	1	0	0.5
CYP	0	0	0	0	0	0	0.0
CZE	0	0	0	0	0	0	0.0
DEU	4	5	5	4	3	3	4.0
DNK	0	1	0	0	0	1	0.3
ESP	0	1	3	5	4	4	2.8
EST	0	0	0	0	0	1	0.2
FIN	2	1	0	0	0	0	0.5
FRA	4	2	4	2	1	2	2.5
GBR	0	0	0	1	0	2	0.5
GRC	1	1	1	1	1	2	1.2
HUN	0	0	0	0	0	0	0.0
IRL	1	0	0	0	0	1	0.3
ITA	3	4	6	2	3	5	3.8
LTU	0	0	1	0	0	0	0.2
LUX	0	0	0	0	0	0	0.0
LVA	0	0	0	0	0	0	0.0
MLT	0	0	0	0	0	0	0.0
NLD	0	0	0	1	3	2	1.0
POL	0	1	1	0	1	3	1.0
PRT	2	1	1	0	1	1	1.0
SVK	0	0	0	0	0	0	0.0
SVN	1	0	1	1	0	0	0.5
SWE	0	2	0	2	0	0	0.7
OTHER	5	1	3	3	3	4	3.2
Total	25	22	26	24	22	33	25.3

5.2.1 The European Doctoral Programme (EDP)

Description

Since 2004 the Economics Department is a full partner of the European Doctoral Programme (EDP), the first and more reputed European exchange programme of doctoral studies in economics. It is organized jointly with five top European Universities: Universitat Pompeu Fabra Barcelona, Rheinische Friedrich-Wilhelms-Universitt Bonn, London School of Economics, Université Catholique de Louvain, and Ecole des Hautes Etudes en Sciences Sociales (EHESS), Paris, with Tel Aviv University as exchange partner.

Objectives

The aim of the EDP is to promote the exchange of doctoral students between these institutions in order for their research training to benefit from the institutions' strengths in the various areas of quantitative economics.

Each institution offers courses for two years, referred to as the preliminary and advanced year respectively, and research supervision. Doctoral students participating in the programme spend these two years of course work and do research for their dissertation in the institutions of the EDP network. They are required to spend one year abroad in an EDP institution different from the one where their dissertation will be presented.

The Jamboree

All participants in the EDP get together each year for a meeting at one of the partner institutions of the network. The Jamboree consists of a series of sessions, devoted to seminars on special topics and student presentations. These sessions, drawing on the common faculty resources, also provide students with information about current research activities, help orient their own work, and offer guidance on research subjects and associated supervisors.

All EDP students from the advanced year of course work onwards are expected to attend these Jamborees. Moreover, it is mandatory to attend at least 2 Jamborees and to present a paper at least once. The 2005 Jamboree was organized by the EUI on 14 and 15 October and brought together 60 students and research fellows, and 18 professors from all the partner institutions.

EDP Students (from and to EUI) since 2004

- <u>EDP students from outside:</u>
  Ms Ghazala Azmat, LSE, (Jan.-June 2005)

- <u>EUI students going elsewhere:</u>
  Guido Schwerdt - LSE (2004-05)
  Zeno Enders - Universitat Pompeu Fabra (2004-05)
  Alain Gabler - EHESS (2005-06)
  Gregor Langus - Tel Aviv University (2005-06)
  Markus Poschke - Universitat Pompeu Fabra (2005-06)
  Michael Wycherley - Universitat Pompeu Fabra (2005-06)

5.2.2 Other Exchange Programmes

Students can take part in an exchange programme and visit another university. Alternatively, they may go on a stage (or traineeship). Summer internships are also available to students.

The Institute has developed a number of exchange programmes with universities in the US. Specifically, the Institute has exchange agreements with the University of California, Berkeley, the University of Wisconsin at Madison, and New York University. A total of twelve places are made available to the Institute each year. The allocation of students to universities is made on a competitive basis; students in each of the four departments in the Institute compete against each other on the basis of academic achievements, references and research proposals. In the past five years (including the present academic year) 21 students in the Department have visited universities in the US (8 to Wisconsin, 7 to Berkeley, and 6 to NYU)[3].

The students in the Institute also participate in the Socrates–Erasmus exchange programme. This programme funds visits (usually of 3 to 6 months duration) to partner universities in Europe. Students in the Department can visit among others the London School of Economics and Universitat Pompeu Fabra. Since 2000 three students have used Erasmus funding to go to the LSE; one student went twice to UPF.

An additional 27 students applied for leave to do research at other universities including UPF, University of Toulouse, MIT, Boston University and CenTER Tilburg. The length of leave varied from one to six months although their leave typically lasted one term.

It is also possible to organize — on an individual basis — traineeships and summer internships with European and international institutions. The institutions visited during the period 2000–2005 are as follows (number of students who went once or more often in parentheses): the ECB (15) the IMF (4), the World Bank (5), the European Investment Bank (5) and the EBRD in London (4).

5.2.3 Conference Participation

Students in their first year are able to apply for funding from the department to take part in summer schools which are considered by their supervisors to be useful for their research. From their second year onwards students are encouraged to attend and present their work at conferences outside the Institute. The department has a specific budget item for students' missions and, depending on how much the supervisor thinks the participation of each student is important in relation to the student's current research plan the student can obtain funding which will cover part of the cost of participation (travel costs, living costs and registration fees). Due to the limited length of professorial contracts at the EUI, students sometimes have to travel to talk to their supervisors who have left the Institute. There are also cases where students have an external supervisor or co-supervisor whom they have to consult in relation to their thesis. In these cases also they can apply for funding to cover the cost of travel.

5.3 Publications

In the previous Self-Evaluation Report the change in publication activity of students since the initial years of the EUI is documented. With the increased number of students who take up employment in academia after they have received their PhDs (see also Section 5.5), the tendency to publish their research in respectable scientific journals has continued. Indeed by now former EUI economics students have published in the very best professional journals. Many of the papers which are sent to

[3] During the former 5 year period 13 students went on exchange.

journals are first published as EUI Working Papers and, if they are submitted to the very best journals, it can take years before they are published externally, as is common. All Working Papers of the Economics Department published in 2000–2005 are documented in Appendix C.

Publications of Former Students

In the following a selective list of publications during the reporting period (2000-2005) is given of all former students of whom we had email addresses and who replied to our email survey. The list includes the most significant scientific journal publications only[4], many of these are joint publications and the name of the former EUI student is given in boldface.

Bertola, G., Hochgürtel, S., **Koeniger, W.**, "Dealer Pricing of Consumer Credit", *International Economic Review*, 46, 4, 2005, 1103-1142.

Bosch-Domènech, A., **Vriend, N.J.**, "Imitation of Successful Behaviour in Cournot Markets", *The Economic Journal*, 113, 2003, 495-524.

Calzolari, G., **Fiorentini, G.**, Sentana, E., "Constrained Indirect Estimation", *Review of Economic Studies*, 71, 2004, 945-973.

Carlier, G., **Renou, L.**, "A costly state verification model with diversity of opinions", *Economic Theory*, 25, 2, 2005, 497-504.

Desdoigts, A., Moizeau, F., "Community Membership Aspirations: The Link between Inequality and Redistribution Revisited", *International Economic Review*, 46, 3, 2005, 973-1007.

Ehrmann, M., **Fratzscher, M.**, "Equal Size, Equal Role? Interest Rate Interdependence Between the Euro Area and the US", *The Economic Journal*, 115, 2005, 928-948.

Fiorentini, G., **Planas, C.**, "Overcoming Non-Admissibility in ARIMA Model Based Signal Extraction" *Journal of Business and Economics Statistics*, 19, 2001, 455-464.

Fiorentini, G., Sentana, E., Calzolari, G., "Maximum Likelihood Estimation and Inference in Multivariate Conditionally Heteroskedastic Dynamic Regression Models with Student t Innovations", *Journal of Business and Economic Statistics*, 21, 4, 2003, 532-46.

Fiorentini G., Sentana, E., Shephard, N., "Likelihood-Based Estimation of Latent Generalised ARCH Structures", *Econometrica*, 72, 2004, 1481-1517.

[4] Only publications in the top-20 journals listed in: Kalaitzidakis, P., Mamuneas, T.P., Stengos, T., "Rankings of Academic Journals and Institutions in Economics", *Journal of the European Economic Association*, 1, 6, 2003, 1346-1366. are included.

Guembel, A., “Herding in Delegated Portfolio Management: When is Comparative Performance Information Desirable?”, *European Economic Review*, 49, 2005.

Hauk, E., Hurkens, S., “Secret Information Acquisition in Cournot Markets”, *Economic Theory*, 18, 3, 2001, 661-681.

Hoernig, S., “Asymmetry, Stability and Growth in a Step-by-step R&D-race”, *European Economic Review*, 47, 2, 2003, 245-257.

Hopkins, E., “Two Competing Models of How People Learn in Games”, *Econometrica*, 70, 2002, 2141-2166.

Hopkins, E., Seymour, R., “The Stability of Price Dispersion under Seller and Consumer Learning”, *International Economic Review*,43, 2002, 1157-1190.

Hopkins, E., Kornienko, T., “Running to Keep in the Same Place: Consumer Choice as a Game of Status”, *American Economic Review*, 94, 4, 2004, 1085-1107.

Hopkins, E., Duffy, J., “Learning, Information and Sorting in Market Entry Games”, *Games and Economic Behavior*, 51, 2005, 31-62.

Hopkins, E., Hofbauer, J., “Learning in Perturbed Asymmetric Games”, *Games and Economic Behavior*, 52, 2005, 133-152.

Hopkins, E., Posch, M., “Attainability of Boundary Points under Reinforcement Learning”, *Games and Economic Behavior*, 53, 2005, 110-125.

Lopez, H., “How Effective is Fiscal Policy in Raising National Saving?”, *The Review of Economics and Statistics*, 82, 2000, 226-238.

Marcellino, M., Stock, J.H., Watson, M.W., “Macroeconomic forecasting in the Euro area: country specific versus Euro wide information”, *European Economic Review*, 47, 1, 2003, 1-18.

Palomino, F., “Informational efficiency: ranking markets”, *Economic Theory*, 18, 2001, 683-700.

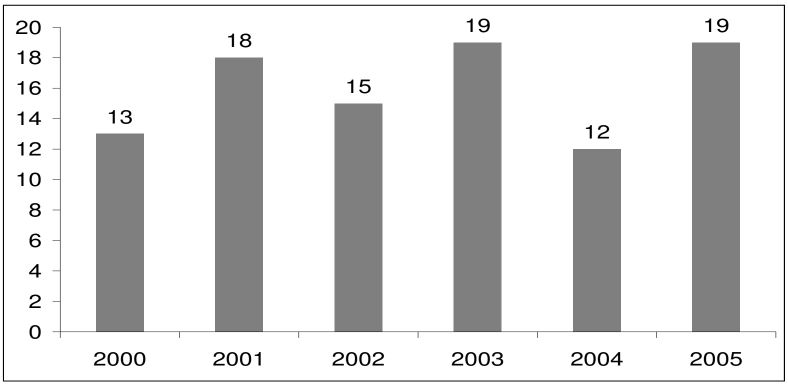
Sentana, E., **Fiorentini, G.**, “Identification, Estimation and Testing of Conditionally Heteroskedastic Factor Models”, *Journal of Econometrics*, 102, 2, 2001, 149-170.

Wagenvoort, J.L.M., Waldmann, R., “On B-robust instrumental variable estimation of the linear model with panel data”, *Journal of Econometrics*, 106, 2002, 297-324.

5.4 PhDs Defended and Completion Times

A total of 96 PhDs were defended in the Department during the six years of the reporting period. Thus, 16 PhDs were defended on average each year which is very close to the average of 17 per year in the previous Self-Evaluation Report. All 96 PhDs are listed in Appendix B. Precise annual numbers are shown in Figure 5.5. The distribution over the years is rather stable with a high of 19 in 2003 and 2005 and a low of 12 in 2004. The latter number may be caused by the fact that a full fourth year funding was introduced in 2004. Until then three years of funding were ensured for all students and partial fourth year funding was available to some students. With the full fourth year scholarships students were effectively given an incentive to finish only towards the end of their fourth year which may have delayed completion in some cases and may have shifted it from 2004 to 2005.

Figure 5.5: PhDs Defended by Year

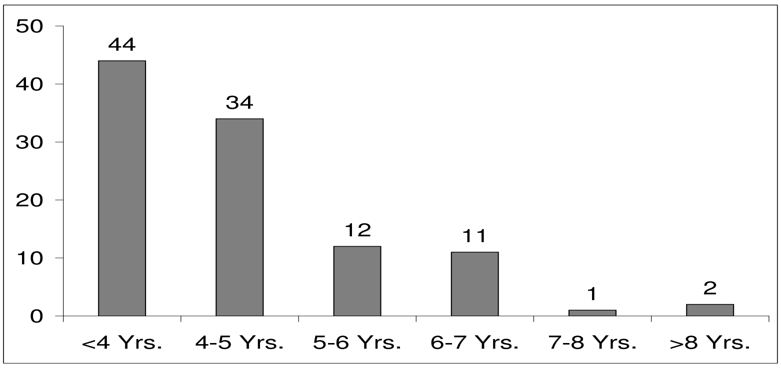


In Figure 5.6 the times to defence (TTDs) are shown. 44 of the 96 PhDs defended from 2000–2005 were completed within 4 years and another 34 were defended in the fifth year. Thus, more than 70% were completed within 5 years. The median completion time over the reporting period was 4.19 years, and the average 4.51, which is similar to the average completion time for the previous reporting period.

5.5 Careers of Economics Department Students

The Economics Department actively supports the placement of its PhDs. The related activities are coordinated by the placement office which is introduced next. We will then discuss some career statistics for our students and detailed information on the present positions of those students who completed their PhDs from 2000–2005 is given in Appendix B.

Figure 5.6: Time to Defence (TTD)



5.5.1 The Placement Office

The Placement Office at the Economics Department is in charge of assisting our students when they seek for a position and go to the job market. To this aim, the Placement Office carries out activities of information and training, hosts potential employers, and provides a link between employers and EUI students.

The activities of the Placement Office start in mid September with a meeting where students in the last years of their PhD are given the basic guidelines to prepare their job market applications. At this stage most students are still thinking whether or not to engage actively in job search, and, therefore, the meeting is mostly designed to help them make a decision. Typically, in this first meeting students are informed of the minimum requirements to participate in the market and of the deadlines to apply to most European and American Universities, and to non-academic Institutions. They are trained to write a vitae and to prepare an application package. They are also informed of the dates potential employers will visit the EUI.

In early October, the Placement Office hosts the visit of the International Monetary Fund (IMF), and, occasionally, of the World Bank. The IMF spends a whole day at the Economics Department interviewing job market candidates and meeting with professors gathering information on the candidates. The IMF is one of our main employers. In the past, the IMF also hired some of our students as interns.

In the first week of October, the Placement Office holds a second meeting, this time with those students who finally decided to engage in job search. In this meeting the dates for the mock interviews are set up (they typically take place in the first week of December). Job market candidates are given a document with information on where to find job openings. A document with information on how to prepare for the market is posted on our Intranet. They are also informed on the location and dates of the different job markets (the Spanish job market organized by the Spanish Economic Association, the job market organized by the London School of Economics, and also the American job market which typically takes place in the first week of January).

Mock interviews take place in early December. Each job market candidate is interviewed by two professors, who afterwards point out possible weaknesses and discuss strategies to improve the performance in interviews with real potential employers. Interviews are taped so that the student can work at home on the interview.

From mid December to the end of February, the Placement Office receives inquiries from potential employers. Most inquiries are related to the quality of our candidates and to whether we have someone in the market they might be interested in hiring. The Placement Office coordinates with all faculty members before providing such information.

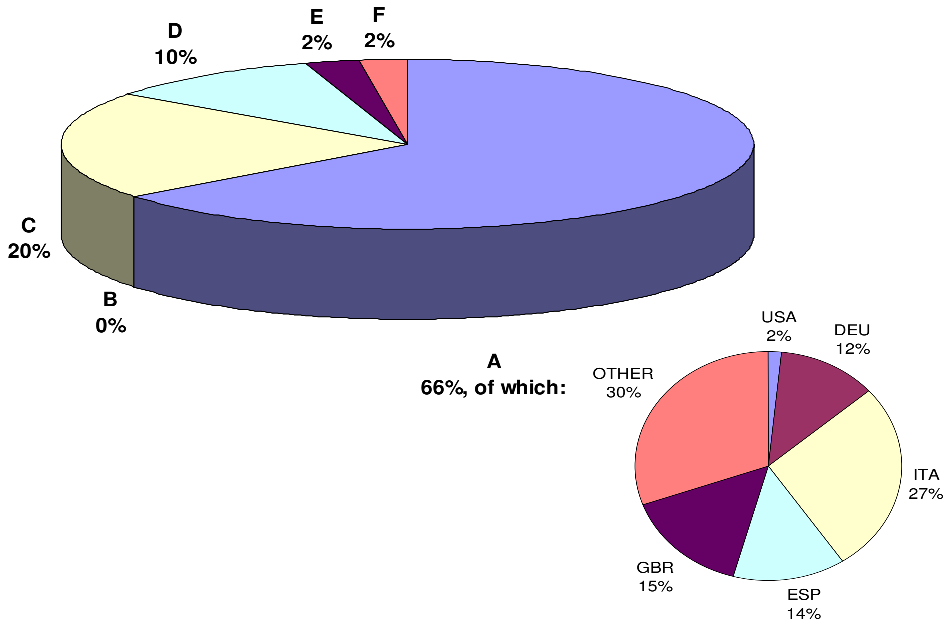
The placement of our PhDs has been very successful. The following statistics give an overview, and details for each completed PhD can be found in Appendix B. We have placed students in the best universities in Europe such as University of Frankfurt, University of Toulouse, Universidad Carlos III de Madrid and the University of Munich, among others. Some of our students have gained prestigious post-doctoral fellowships at top Universities such as Oxford University. Others have positions at the IMF, the European Central Bank, the Bank of England, etc.

5.5.2 Employment Statistics

In the last Self-Evaluation Report it was mentioned that 58% of the students who have defended between 1995 and 1999 worked in academia, teaching or research. This number has risen to 66% for the period 2000–2005 (see Figure 5.7). The figure also shows that Italy, the UK, Spain and Germany are the most popular destination countries for those entering into academics. A substantial number of them has also found employment in the US.

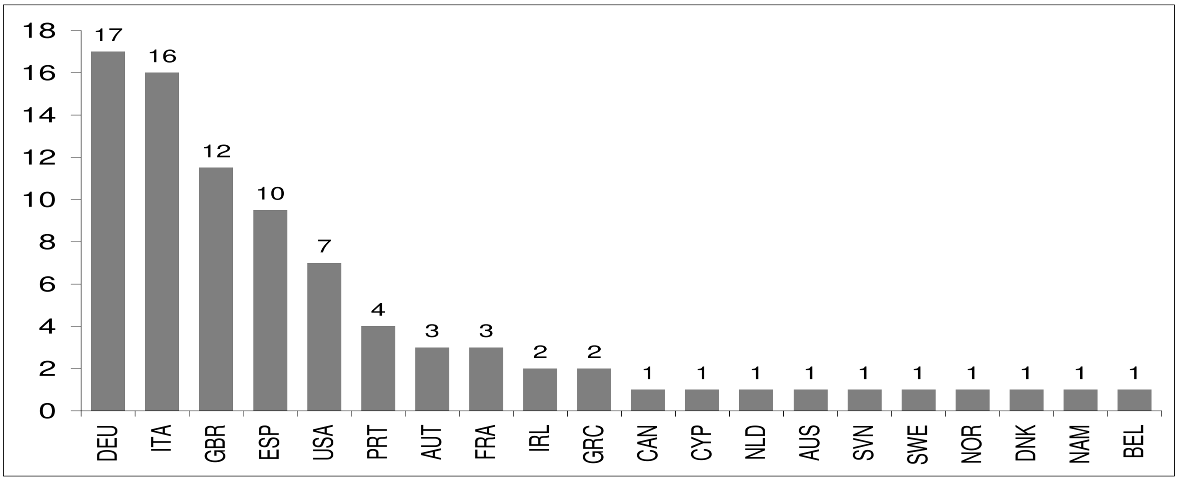
Figure 5.8 shows the destination countries of all our PhDs in the period 2000-2005. The fact that Germany attracts most of our students can clearly be explained with the fact that the ECB is located in Frankfurt and 60% of those students who went into central banking took up a position at the newly established ECB. As a result fewer PhDs went to the IMF and the World Bank during this reporting period than during 1995–1999.

Figure 5.7: Careers After Leaving the EUI, 2000–2005



A: Academia, teaching, research and post–doctoral research
B: Banking
C: Central banking
D: International/EU Organization
E: Ministry/Civil Service
F: Private sector/other

Figure 5.8: Destination Upon Leaving the EUI



Chapter 6

Report of the Students' Representatives

6.1 Year 2002-2003

ECO reps: Marco Galbiati, Martin Karlsson

The year 2002-03 meant big changes for the Economics Department as we were 'ousted' from the historical location in the Badia and relocated to Villa San Paolo. The shift was very much criticized and resisted by the whole department. We feared that the Department would be marginalized, being moved away from the library, the other departments, the mensa and the Fiasco. We were thus promised some benefits as a compensation. Among them, the newly restored VSP was going to have: 1) a higher number of per capita working spaces (WS) than the rest of the Institute, and most of them equipped with PCs; 2) a small library, with a library service (to obtain books stored in the main library in Badia and other services); 3) a small mensa / bar; 4) a shuttle service connecting VSP with the Badia.

It was also apparent that the operational service would have listened to our suggestions to make VSP as functional as possible. Overall, there was the feeling that this 'removal' of the Department from the Badia entitled us to some sort of informal (moral) credit by the Institute. This 'credit' was later spent to obtain more online journals.

Much to its surprise, at the end of the relocation the researcher community found itself quite happy with the deal, even though many missed the vicinity of the Badia, especially for social reasons. As reps, we found that the operational service (in the person of Kathinka España) was fairly open to suggestions. Beside working as a link between the Department and the operational service, our main contribution was to find a working space allocation which could respect as much as possible the preferences of the researchers. First, we asked via email each person about their preferences (each researcher was asked her/his 1st, 2nd and 3rd choice). Then, we chose an allocation minimizing the number of persons who got something worse than their 3rd choice. Surprise surprise: only very few persons had to content themselves with something worse than their 3rd choice. Also, the allocation was meant to be on trial for the first month, after which adjustments were possible.

Only minor adjustments were then required, most of them taking place in the form of 'exchanges' (researchers agreed to swap WS).

However, our allocation confined the 1st year students to 2 big common rooms on the ground floor, something that was accepted by the interested guys only because of the prospect of moving to the smaller (and less crowded) 'good' WS within a year's time -when they would pass to the 2nd year. Hence, a big question mark remained on what would have happened in the following years: the intake of the Department had been growing over time, and in fact it almost doubled between 2001 and 2005.

Another issue was the selection of new researchers, which the Reps could only survive because of the collaboration of many colleagues. The work of reading the CVs and examining applications was distributed among many, and it was dealt with quite efficiently. We found that the professors were genuinely interested in our advice. Not that we could have the final word of course, but our contribution was important to make sure that no 'good' candidate would pass unobserved only because buried in a mass of hundreds.

Finally, spending some time in the departmental meeting was interesting, to see from within how the Department works. The researchers took part in the selection of some new professors by attending the seminars given by the candidates. We were requested to give advice, although of course the decision was not made by us. In general, however, it was quite clear that the interests of researchers coincided with those of the professors.

6.2 Year 2003-2004

ECO reps: Giovanni Callegari, Andrea Gallice, Tomasz Kozluk

Our mandate took place during the first full year that the department spent in Villa San Paolo. Because of this, and in line with our predecessors, our attention has been mainly devoted to improving working conditions and researchers' welfare in VSP.

With this respect we mainly interacted with the logistic service in order to make the working spaces more user friendly: more tables where possible, new lamps, the installation of cupboards, shelves and coat hangers.

A key issue has also been the situation of the bar at VSP. Students were feeling discriminated because of narrower choice and higher prices with respect to the mensa in Badia. With the support of the Faculty we have been actively lobbying the logistic service, getting some first improvements and paving the way for future successes.

On the academic side we advised and helped some first year students who were having problems with the programme. And indeed the structure of the programme started to be rediscussed in staff meetings.

An important task was the enrichment and reorganization of the library. This was mainly done by the library assistant but we contributed in defining researchers' priorities and in the writing of the rules about borrowing and the related code of honor.

In general our relationships with the faculty were quite good: they were open to our suggestions and collaborative, especially for the Working Space problems. For what concerns the logistic service, we realized quite soon that its time of reaction to our requests was quite long, and that it was impossible to get immediately everything we needed. It must be said that our requests have been eventually satisfied, most of them after our mandate expired.

As a traditional duty we coordinated the selection of new students as well as being involved in the selection of a new professor, culminating in the appointment of Prof. Ravn.

6.3 Year 2004-2005

ECO reps: Markus Poschke, Claudia Trentini, Sanne Zwart

As student representatives of the year 2004/05, we started that year with serious concerns about transparency, representation, and the application of rules at the Department. Besides the lack of working spaces and other logistics issues already arising in previous years, this would remain a recurring theme during the year.

Motivated by some concrete cases, there was a feeling among students that criteria of assessment were not always clear, and maybe did not always reflect Institute rules. Although the Exam Committee's decisions held up in appeals, students felt that to say the least, decisions were not transparent. For this reason, we started several initiatives trying to formalize evaluation and feedback to students; in particular, anonymous evaluation of exams, and standardized evaluation sheets (as a minimum standard) for June Paper and Second and Third Year Forum. Although a common standard of good practice, anonymous evaluation of exams was introduced only against considerable resistance of professors, who apparently held very divided opinions. Standards for evaluating student presentations in the Second and Third Year Forum were introduced; they were rejected for the June Paper because the weeks remaining until June supposedly did not leave enough time.

To improve transparency of departmental decisions for students, we also requested to be present on the exam committee. Our mission as student representatives seems to suggest this. However, this proposal was strongly rejected by the departmental bodies lest it endanger the privacy of other students. To us, this seems to run counter to the spirit of representation, particularly when taken so far that representatives may not even assist the discussion of rules. The current structure makes it easy to exclude students from the discussion of uncomfortable issues, in some cases giving rise to an impression of arbitrariness. Needless to say that this foments rumours and makes students suspicious of goings-on 'above.' In combination with generally limited information flow between professors and students, it also discourages students from greater involvement with the institution beyond their own research. Running such a small institution as the EUI in a more participative way certainly would contribute to the quality of the department. It also is a pity since on a personal level, student-professor relations usually seem quite good.

One field where student involvement already works well is that of admissions. Students' opinions about the new first year programme were also taken into account. Generally, the new programme structure was seen as an improvement, mainly due to dropping the June Paper and to increasing the course offer. Concerns about the workload and about how much choice between courses there effectively is remain. Adjusting the new programme structure to remaining problems over the next years, it should benefit the department and the doctoral programme.

The second main thread of issues during our time as student representatives were logistical issues, first and foremost working spaces. The department apparently could not do much about this, so student reps lobbied the institute president instead. Currently, the issue largely seems to be solved with the rental of 'Villa San Paolino' next door. Hopefully, this will also improve the competitive position of the EUI, since other doctoral programmes in Europe might not have such a good reputation, but tables for everyone – a factor that should not be neglected.

The logistical situation of ECO researchers has improved in many other respects, too, partly because we lobbied the logistics service pretty intensively. Given how much time researchers spend there, Villa San Paolo is probably the most intensively used part of the EUI; this should be reflected in its infrastructure. It has improved considerably recently by addition of a snack vending machine, a fridge, a microwave, and, by far most importantly, the sale of proper food at the VSP bar. It would be desirable to align bar opening hours with those of the other buildings, to accommodate the large number of people using VSP in the afternoon. All this could alleviate the isolation of the department that arose after it was moved out of the Badia; despite an additional navette circulating on some days, distance remains an obstacle to access to the administration, services, and social life at the Badia.

The most visible development of the last year is the large class of 2005. With 33 first year students compared to 20-25 in previous years, it highlights both areas discussed above. Students worry that with so many first year students, many of them might not make it to second year, whereas the department affirms that there was no change of policy. Clearly, more students also put more strain on departmental resources, particularly if growth is to continue. Renting a room in the priests' part of the building helped for some months, after we remarked that there would not be enough space for everyone in the old seminar rooms. Administrative staff and the economics librarian, as always, were also extremely helpful.

In general, growth in the number of students should be interpreted as a positive sign about the quantity and quality of applicants to the department. Hence, if the institute can cope with the increased numbers (the department seems to be at it limits), this is a promising development. However, it also underlines the need for a departmental strategy. This should also address the relations of the department with the new post-doctoral programme, and try to shape them to the benefit of the department as a whole. Currently, students know about no such strategy, although their involvement might very well help.

6.4 Year 2005-2006

ECO reps: Joana Pereira, Marcello Sartarelli, Christoph Winter

In the year 2005-06 ECOReps have so far dealt with two types of issues.

The first is day-to-day management of relations among professors and researchers in the Economics Department and the rest of the EUI. Our work has mainly focused on the following issues:

- The pedagogical assessment of the quality of teaching in the department represents an invaluable source of information for researchers and professors. We then tried to convey this to the researchers and ensure as high a completion rate as possible

- Fast and reliable computing solutions for computing-intensive needs of researchers are crucial to deliver high quality research. We have then liaised with the Computing Service to evaluate possible solutions. The solution that has been agreed consists of a set or "farm" of interconnected computers whose computing power can be only exploited for research computing tasks. Its main advantages are *i*) to be accessible from any computer and *ii*) not reducing the computing power or the number of computers available to other researchers

- The Economics department benefits from a small but up-to-date and self-contained books collection open to researchers and professors. We have liaised with the Library specialist Thomas Bourke and Professor Pascal Courty for its sustainable development over time

- New working spaces have been added to the Economics department in an adjacent building and the researchers have welcomed this event by naming the working spaces area San Paolino. We assisted where possible the Logistics Service with suggestions on how to best meet the needs of researchers in the new working space area

- Environmental concerns are shared among researchers and we learnt our predecessors had put considerable effort in the set-up of a recycling policy. However, internal and external constraints have limited their implementation. We are working not to waste this precious effort with the aim of delivering a recycling policy for paper, bottles and cans

- A webpage to gather relevant information for researchers and applicants was set up last year by our predecessors. Our support for this initiative has led us to add features that allow to conduct surveys of researchers' preferences on such issues as working space allocation and timetables of navette services.

The second type of issues we have dealt with is mid- and long-term development of the doctoral programme in Economics at the EUI. Our work has mainly focused on the following issues:

- The small size of the department and the turnover of professors due to their contract setup makes appointment of new professors a deep concern among researchers. We have then tried to give a voice to researchers in the selection of candidates for the Applied Microeconomics chair that Professor Andrea Ichino will leave in Summer 2006

- The Economics department has been given the great opportunity to hire approximately ten additional post-doctoral fellows as part of the Max Weber programme of the EUI starting in September 2006. We are then working to maximise the positive externalities on the doctoral programme the Max Weber post-doctoral programme can bring

- The structure of the doctoral programme in Economics has been changed since September 2005. We have so far worked to assess how first year researchers cope with the new programme

- The EUI has in place a system of internal and external accountability aimed at enhancing the quality of its research activities. We are working to enhance the transparency of the methodologies used for example in the evaluation of professors' work for the renewal of their contracts and of departments' research assessment the Research Council conducts

- The process of job search is a crucial moment for researchers after completing the PhD. To this purpose a Placement Office has been set up to help them. We are working to try to make the most of the information graduating researchers gain in the job search with the aim of ideally identifying useful strategies to signal the quality and increasing the visibility of students in the job market

Our overall opinion on life and work in the department is positive and we think the potential that its small size and the cohesion of its research community offer will give fruitful results in the near future if all its members contribute to exploit them fully.

Chapter 7

Visitors and Jean Monnet Fellows

Each year the Department has hosted many visitors and a number of post-doctoral fellows within the framework of the Jean Monnet Fellowship Programme. Visitors and fellows contribute considerably to the Department life and also help to foster its reputation. The various programmes and contributions are discussed in this chapter.

7.1 Part-Time Visiting Faculty, Visiting Fellows and Students

7.1.1 Part-Time Visiting Faculty

Part-Time Professors have contributed to the teaching programme of the Department and they have also helped with the supervision of students. Given the small size of the Department they play an essential role in making the Department's programme attractive. They have offered specialized courses not covered by permanent faculty. These specialised courses have been very well received by students. Although these courses are not compulsory, they have been very well attended by students. The ability to attract many prominent colleagues as Part-Time Professors has clearly increased the Department's profile and reputation in the academic community. A listing of some of the Part-Time Professors during the reporting period follows.

David Autor (May/June 2002) - MIT
Bernard Caillaud (Oct./Nov. 2001) - CERAS and CEPREMAP
Fabrice Collard (October 2003) - GREMAQ, Toulouse
Russell Cooper (May-June 2003) - Boston University
Vicenzo Denicolò (Jan.-March 2003) - Università di Bologna
David Genesove (Jan.-Feb. 2005) - Hebrew Univ. of Jerusalem
Tony Hall (April/May 2002) (May 2004) - University of Technology - Sydney
Bronwyn Hall (April-May 2004) - University of California Berkeley
Bruno Jullien (Nov. 2000) - CNRS, GREMAQ (University of Toulouse) and IDEI
Katarina Juselius (Autumn 2000) - University of Copenhagen

Roger Klein (May-June 2003) - Rutgers University
Ronnie MacDonald (Nov.-Dec. 2000) - University of Strathclyde
James Markusen (October 2003) - University of Colorado
Alessandro Missale (Oct.-Nov. 2000 and Nov. 2001) - University of Florence
Andrew Rose (Oct.-Nov. 2001) - University of California Berkeley
Rajiv Sarin (Sept.-Dec. 2000, May-June 2001) - Texas A&M University
Fabio Schiantarelli (Jan.-June 2005) - Boston College
Jonathan Skinner (Jan.- June 2004) - Dartmouth College
Jacques-François Thisse (Oct.-Nov. 2002) - Center for Operations Research and Econometrics (CORE)

7.1.2 Visiting Fellows

The Department also benefits from the presence of a number of Visiting Fellows. They typically interact with faculty and students and often contribute to the Research Workshops. Their length of stay varies from one month to a whole academic year. A partial list of some of the Visiting Fellows of the previous years follows (in chronological order).

Atsushi Nishio, Meijigakuin University Tokyo, September 1999-March 2000
Giorgia Giovannetti, University of Florence, academic years 1999-2000, 2000-01
Katarina Juselius, University of Copenhagen, academic years 1999-2000, 2000-01
Giorgios Kouretas, University of Crete, January 2000
Giuliana Palumbo, University of Naples, May-July 2000
Pierre Mella-Barral, LSE, June-August 2000
Ken Kollman, Institute for Social Relations, Michigan, academic year 2000-01
Alessandro Sbuelz, CentER, University of Tilburg, December 2000
Martin Zagler, Vienna University of Economics and Business Administration, May-August 2001
Adriaan Hoogendoorn, CentER, University of Tilburg, June-July 2001
Stephen Cecchetti, Ohio State University, July-August 2001
Antti Suvanto, Bank of Finland, academic year 2001-02
Maria Luisa Escriche, University of Valencia, academic year 2001-02
Nora Lado Cousté, University Carlos III Madrid, academic years 2001-02, 2002-03; September 2004-January 2005; academic year 2005-06
Pierre Salmon, Université de Bourgogne, academic year 2002-03
Antonio Villar, University of Alicante, October 2002-February 2003
Roberto Rendeiro Martín-Cejas, Universidad de La Rioja, May 2003
Pentti Saikkonen, University of Helsinki, August-October 2003
Josep Lluis Carrion I Silvestre, University of Barcelona, September-December 2003
Jonathan Skinner, Dartmouth College, January-June 2004
Ulrike Leopold, Universität Graz, January-June 2004
Fabio Schiantarelli, Boston College, March-June 2004
Keith Pilbeam, City University London, October 2004-April 2005
Bill Russell, University of Dundee, October-December 2004
Laurence Lasselle, University of St. Andrews, November-December 2004
Antonella Ianni, University of Southampton, academic year 2004-05

Lisa Lynch, Tufts University, January-July 2005
Jonathan Crook, University of Edinburgh, January-April 2005
Pierpaolo Battigalli, Università Bocconi, Milan, February-June 2005
Marcelo Resende, Universidade Federal, Rio de Janeiro, March 2005-February 2006
Massimiliano Tani, University of New South Wales, July 2005-February 2006

7.1.3 Visiting Students

A number of students from other universities have visited the Department during the period 2000-2005. Students typically stayed for 3 to 6 months, never more than a year. They were usually privately funded; a few were funded by the Socrates-Erasmus programme. A total of 28 students have visited the Department in the last five years, see also table 7.1.3.

Table 7.1: Visiting Students

	2000	2001	2002	2003	2004	2005
Argentina				1	2	
Australia	1				1	
Denmark		1				
France	1			1	2	
Germany			2			
Italy		1		1		6
Japan	1					
Netherlands			1			
Slovenia		1		1	1	
Spain	1	1				
United Kingdom						1
Total	4	4	3	4	6	7

7.2 Jean Monnet Fellows

There have been some changes in the Jean Monnet Fellowship Programme during the reporting period. As mentioned in the previous report, these fellowships are awarded in order to allow the pursuit or continuance of post-doctoral research with no heavy teaching obligations. The fellowships are normally for periods of 6 to 10 months. Usually Jean Monnet Fellows (JMFs) are expected to publish at least some of the work produced during their fellowship tenure. Although the work should have a European perspective, this is interpreted in a broad sense and also includes methodological work or theory which can be applied to study European problems.

Fellows are encouraged to be associated with the Institute's teaching and research activities. Typically they are invited to contribute to the Department's Research Workshops and make contact with researchers working on topics close to their own. Thereby they can help with the thesis supervision tasks.

There have been two main changes in the JMF programme in the ECO Department. First, only post-docs in the initial phase after finishing their doctorate are eligible now. In the initial phase of the reporting period, the post-doc status was interpreted in a broader way by including also more senior candidates and considering everyone with a doctorate. This resulted in a number of senior people becoming JMFs. While more senior people are usually more experienced in supervising doctoral students, for example, and are therefore particularly valuable visitors from the point of view of helping with the main tasks of the Department, younger people often bring in fresh ideas and contribute to the dynamics of the research environment in the Department. They often benefit more from the fellowship because without that support they may be unable to free up the necessary research time in their particular career phase. Therefore it was decided that only young post-docs should be considered in the ECO Department from the academic year 2004/05 onwards.

Another important change is the introduction of a sponsor or contact person for each of the JMFs. A sponsor is a faculty member who should work in an area closely related to that of the JMF and should ideally work on a joint research project with the JMF. The effect is not only an increased interaction and integration of the JMF in the Department but the cooperation may also establish longer term relations which may result in joint research even after the JMF has left the EUI. A substantial number of joint publications with JMFs or former JMFs testifies to the successful integration of the JMFs in the Department. These publications are listed at the end of this section. Some of these publications have come out in good international journals only years after the JMF left the EUI. Obviously, longer term links between faculty and JMFs have been established in a number of cases. It may also be worth noting that some of the JMFs have returned for shorter visits to the EUI after the period of their fellowships. This again shows that longer term relations have been established. A list of the JMFs of the past six years follows.

Academic Year 2000-2001
J. Ignacio Conde Ruiz (Universitat Autonoma de Barcelona)
Marcelo Fernandes (Université Libre de Bruxelles)
Tony Hall (University of Technology Sydney)
Ed Hopkins (University of Pittsburgh)
Dilip Nachane (University of Mumbai)
Giovanni Peri (Università Bocconi Milano)
Rajiv Sarin (Texas A&M University)

Academic Year 2001-2002
Samuel Bentolila (CEMFI Madrid)
Petr Duczynski (Academy of Sciences, Prague)
Chiara Fumagalli (Università Bocconi)
Ana Beatriz Galvao (University of Warwick)
Lars Persson (The Research Institute of Industrial Economics, Stockholm)

Tommaso Proietti (Università di Udine)
Bill Russell (University of Dundee)

Academic Year 2002-2003
Eric Fisher (Ohio State University)
Maite Martinez-Granado (Universidad Carlos III Madrid)
Paul Mizen (University of Nottingham)
Gerd Muehlheusser (University of Bonn)
Theresa Osborne (Princeton University)
Tommaso Proietti (Università di Udine)
Carsten Trenkler (Humboldt University)

Academic Year 2003-2004
Ralf Brüggemann (Humboldt University)
Laurence Lasselle (University of St. Andrews)
Jan Magnus (CentER, Tilburg University)
Claudio Mezzetti (University of North Carolina)
Juan Alberto Rojas (Universidad Carlos III Madrid)

Academic Year 2004-2005
Christian Bayer (University of Dortmund)
Eliot Maenner (University of Essex)
Paulo Rodrigues (University of Algarve)
Andreas Schäfer (University of Rostock)
Yoshiaki Sugimoto (Brown University)
Martin Wagner (University of Bern)

Academic Year 2005-2006
Italo Carlos Bove (Universidad de la Republica, Montevideo)
Antonella Ianni (University of Southampton)
Markku Lanne (University of Jyväskylä)
Elena Pesavento (Emory University)
Anna Rendina (Columbia University)
Thomas Rønde (University of Copenhagen)

The programme of Departmental JMFs ends with the present academic year. Starting in the academic year 2006/07 a new programme for young post-docs, the Max Weber Fellowship Programme, and a new fellowship programme for senior fellows, the Fernand Braudel Senior Fellowship Programme, will come in to effect. They will be briefly introduced in the next section.

Joint Publications of Faculty with Jean Monnet Fellows

Banerjee, A., Russell, B., "The Relationship between the Markup and Inflation in the G7 Economies and Australia", *Review of Economics and Statistics*, 83, 2001, 377-84.

Banerjee, A., Russell, B., "Industry Structure and the Dynamics of Price Adjustment", *Applied Economics*, 33, 2001, 1889-1901.

Banerjee, A., Cockerell, L., Russell, B., "An I(2) Analysis of Inflation and the Markup", *Journal of Applied Econometrics*, 16, 2001, 221-40.

Banerjee, A., Mizen, P., "A Re-interpretation of the Linear-Quadratic Model When Inventories and Sales are Polynomially Cointegrated", EUI Discussion Paper No. ECO 2003/11, *forthcoming in Journal of Applied Econometrics*.

Banerjee, A., Russell, B., "A Reinvestigation of the Markup and the Business Cycle", *Economic Modelling*, 21, 2004, 267-84.

Banerjee, A., Russell, B., "Inflation and Measures of the Markup", *Journal of Macroeconomics*, 27, 2005, 289-306.

Banerjee, A., Russell, B., "A Markup Model for Forecasting Inflation in the Euro Area", *forthcoming in International Journal of Forecasting*, 2005.

Brüggemann, R., Lütkepohl, H., "Uncovered Interest Rate Parity and the Expectations Hypothesis of the Term Structure: Empirical Results for the U.S. and Europe", *Applied Economics Quarterly*, 51, 2005, 143-154.

Brüggemann, R., Lütkepohl, H., "Practical Problems with Reduced-rank ML Estimators for Cointegration Parameters and a Simple Alternative", *Oxford Bulletin of Economics and Statistics*, 67, 2005, 673-690.

Brüggemann, R., Lütkepohl, H., Saikkonen, P., "Residual Autocorrelation Testing for Vector Error Correction Models", EUI Discussion Paper No.ECO, 2004/08.

Corsetti, G., Bergin, P., "Towards a Theory of Firm Entry and Stabilization Policy", NBER Working Paper No. 11821, CEPR 537, 2005.

Ichino, A., Muelheusser, G., "How often should you open the door? Optimal monitoring to screen heterogeneous agents", CEPR Discussion Papers No. DP4255, 2004.

Jacobs, B., Ploeg, F. van der, "Guide to reform of higher education: A European perspective", prepared for the October 2005 Meeting of the *Economic Policy Panel*. Also CEPR Discussion Paper 5327, 2005.

Jacobs, B., Ploeg, F. van der, "Getting European universities into shape", *European Political Science*, 2005.

Lütkepohl, H., Saikkonen, P., Trenkler, C., "Comparison of Tests for the Cointegrating Rank of a VAR Process with a Structural Shift", *Journal of Econometrics*, 113, 2003, 201-229.

Lütkepohl, H., Saikkonen, P., Trenkler, C., "Testing for the Cointegrating Rank of a VAR Process with Level Shift at Unknown Time", *Econometrica*, 72, 2004, 647-662.

Saikkonen, P., Lütkepohl, H., Trenkler, C., "Break Date Estimation and Cointegration Testing in VAR Processes with Level Shift", EUI Discussion Paper No. ECO, 2004/24.

7.3 New Fellowship Programmes

7.3.1 Max Weber Fellows

The new Max Weber Fellowships (MWFs) are available for junior post-docs who would like to pursue an academic career and improve their teaching and professional skills. They will stay at the EUI for one or two years and will be located in the Villa La Fonte in San Domenico, about 25 minutes walking distance from VSP. They will have the opportunity to improve skills which are important for an academic career. Research, teaching and thesis supervision are of course main elements in the qualifications of academics. Thus, there will be a training component in the MWF Programme which will partly rest on the shoulders of the EUI Departments.

There will be a total of 40 MWFs in residence during each year. Thus, it is expected that about 10 of them will be economists. Providing some kind of training for them will obviously shift resources to the new programme. It will be a challenge to organize the interaction with the MWFs in such a way as to ensure that no reductions in quality of the post-graduate programme are incurred. There has already been some discussion in the Department on how to integrate the MWFs. It is envisaged that they can help faculty with teaching and supervision tasks to compensate for shifting resources to the new programme and hence away from the post-graduate programme. Another possible compensation may come from the new senior fellowship programme.

7.3.2 Fernand Braudel Senior Fellowships

As stated on the EUI homepage, the Fernand Braudel Senior Fellowship Programme provides a framework for established academics with an international reputation for the pursuit of research at the Institute. They can stay up to 10 months and in the ECO Department a minimum stay of three months is envisaged. The idea is that Fellows carry out their research in one of the Institute's four departments and get involved in the departmental activities such as seminars and workshops. It is also hoped that Fellows will make contact with researchers in their special fields of academic interests and get involved in the thesis supervision tasks of EUI professors. Thus, they may also compensate for possible shifts of faculty resources away from the post-graduate programme.

Thus, in the future the JMFs in the Departments will be replaced by junior fellows who have some connection with the departments although their centre of activities will be in Villa La Fonte and senior fellows who are hosted within the departments. Overall this should strengthen the post-graduate programme and the research activities of the Department.

Chapter 8

External Projection of the Department

The Department engages in a number of activities with an external projection. In this chapter we present the EIB lectures series, the conferences held at the EUI, conferences organised by Department members outside the EUI, the Departmental homepage and its working paper series, the Finance and Consumption Programme as well as the Department's relation to the RSCAS.

8.1 European Investment Bank Lectures

For a number of years the European Investment Bank (EIB) has sponsored a lecture series for which a prestigious speaker was invited roughly once a year. It has usually attracted a large audience partly from outside the Institute. The lectures presented during 2000-2005 are listed below.

1. "Psychology and Economics Self Confidence: Interpersonal Strategies and Psychology and Economics Self Confidence and Social Interactions"
   Jean Tirole, 2000

2. "Lessons from the Microsoft Case"
   Richard Schmalensee, 2002

3. "How to Value Changes in the Environment"
   Daniel McFadden, 2003

4. "Consumer Welfare and Economic Efficiency Changes from New Goods"
   Jerry Hausman, 2003

5. "International Trade and Foreign Direct Investment: New Perspectives"
   Elhanan Helpman, 2005

8.2 Conferences Held at the EUI

In the following a listing of conferences and summer schools held at the EUI is presented which were organized by Department members.

- Econometrics Summer School: "State Space Modelling with Applications to Business Cycle Analysis", held at the European University Institute 11 - 16 September 2000.
- Workshop on "Evolutionary Microeconomics", held at the European University Institute, Badia Fiesolana 20-23 October 2000.
- "Financial Supervision of Banks and Specialized Banks in the EU", held at the European University Institute, Badia Fiesolana, 15 December 2000.
- Conference on "Bridging Economics and Econometrics: Empirical Applications and Econometric Methods", European University Institute, 6 - 9 June 2001.
- TSER Project on "Labour Demand, Education and the Dynamics of Social Exclusion", Convitto della Calza, Florence, final meeting 10 - 12 June 2001.
- Workshop on "Learning and Bounded Rationality in Markets", held at the European University Institute, Badia Fiesolana 15 - 18 June 2001.
- EUI-RSCAS Summer School - Competitiveness and EU Enlargement, 3 - 8 September 2001.
- Conference on "Evolving Credit Markets and Business Cycle Dynamics", European University Institute, Villa Schifanoia - Sala Europa, 8-9 February 2002.
- "Computational Aspects of New Approaches to the Study of Economic Fluctuations", Villa San Paolo, 28 - 29 March 2003.
- Finance and Consumption Workshop "The Economics of Consumer Credit: European Experience and Lessons from the US", Badia Fiesolana, Theatre, 13-14 May 2003.
- First Annual Conference of the Euro-Latin Study Network on "Integration and Trade", An initiative of the Inter-American Development Bank, Barcelona, 6-7 November 2003.
- Conference on the Accession Countries - "Economic, Econometric and Cross-Disciplinary Aspects of European Union Enlargement", 13-15 May 2004.
- Finance & Consumption Conference - "The Micro-Foundations of Credit Contracts", 21-22 May 2004.
- Second Annual Conference of the Euro-Latin Study Network on "Integration and Trade", An initiative of the Inter-American Development Bank, Florence, Italy, 29-30 October 2004.

- “Open Macro and Policy Models in the Development of the European Economy”, A Conference in Honour of Professor Michael Artis, EUI, 15-16 October 2004.
- Third Labour Economics Workshop “Brucchi Luchino”, Hosted by Economics Department of the European University Institute, 10-11 December 2004.
- “Macroeconomics and Household Borrowing”, Finance and Consumption Programme, 27-28 May 2005.
- Conference on “Inflation, Interest Rates and Relative Prices”, jointly organised by The Pierre Werner Chair Programme on European Monetary Union and The Center for International Economics and Development (Northwestern University), Villa Schifanoia, Sala Europa, 13-14 June 2005.
- Workshop on “Vintage Modelling in Economics and Economic Demography”, 26 - 27 September 2005.
- “Credit, Consumption and the Macro Economy”, Finance and Consumption Programme, 14 -15 October 2005.
- EUI Competition Day, 24-25 November 2005.

8.3 Conferences and Workshops Outside the EUI

Department members were also involved in organising conferences which were held outside Florence. In the following we list some of them.

- III to X “Workshops on Dynamic Macroeconomics”, Universidad de Vigo, Spain, July 1998 to 2005, by Omar Licandro.
- XXV Simposio de Análisis Económico, Barcelona, 2000, by Omar Licandro (member of the Evaluation Committee).
- European Winter Meeting of the Econometric Society, Berlin, Jan. 2002, by Helmut Lütkepohl.
- Long Memory, Structural Breaks and Stock Market Volatility, City University Business School in London, Dec. 5th-7th 2002, co-organized by Anindya Banerjee.
- Annual Meeting of the Econometrics Committee of the *Verein für Socialpolitik*, Rauischholzhausen, Mar. 2002 and 2003, by Helmut Lütkepohl.
- Workshop in Economic Theory, Vigo, 2003, by Salvador Ortigueira (session organizer).

- Conference on "Lumpy Investment, Durable Purchases and Technical Change", FEDEA, Madrid, June 2003, by Omar Licandro.
- Summer Meeting of Economic Analysis. "Lumpy Investment and Durable Purchases" and "Topics in Technology Adoption and Growth", Universidad de Vigo, Spain, September 2003, by Omar Licandro (organizer of the invited sessions).
- First Conference of the Euro-Latin Study Network on "Integration and Trade", An initiative of the Inter-American Development Bank, Barcelona, November 2003, by Omar Licandro.
- Encuentro de Jóvenes Economistas. "Human Capital, Life Expectancy and the Process of Development" and "Education and Growth", Santiago de Compostela, Spain, September 2004, by Omar Licandro (organizer of the invited sessions).
- Third Annual Conference of the Euro-Latin Study Network on "Integration and Trade", An initiative of the Inter-American Development Bank, Kiel, Germany, 21-22 October 2005, by Omar Licandro.
- European Summer Symposium in Macroeconomics (ESSIM), Limassol, Cyprus, 25 - 28 May 2005, by Giancarlo Corsetti.
- Meetings of the Association of Southern European Theorists, ASSET, in Crete, 2005, by Salvador Ortigueira (EUI representative).
- Meetings of the Society for the Advancement of Economic Theory, SAET, in Baiona, 2005, by Salvador Ortigueira (session organizer).
- 2005 SAET Conference. Organizer of the invited session: "Economic Growth", Baiona, Spain, June-July 2005, by Omar Licandro.
- Unit Root and Cointegration Testing Conference in Faro, Portugal, Sept./Oct. 2005, by Helmut Lütkepohl and Paulo Rodrigues.
- 3rd Conference of the Euro-Latin Study Network on Integration and Trade, Kiel, Germany, October 2005, by Omar Licandro.
- CESifo Area Conference for Public Sector Economics, Munich, 2005 and 2006, by Rick van der Ploeg.

8.4 Departmental Homepage

Since 1996 the Economics Department has had its own homepage; in January 2003 a completely new appearance was given to the Departmental homepage when it adopted a new format in keeping with the rest of the EUI Community. The new templates give a professional look to the ECO Homepage and tie it structurally to the other Institute Web sites. The amount of information included on the Homepage has constantly expanded and improved since its development; one can find a history of the Department as well as current activities. The main informational themes of the Homepage are: people (present and past), alumni, current research activities, current and past postgraduate programme, defended theses, current Job Market candidates, European Doctoral Programme information and publications information. Other important permanent links include the EUI Library and the Finance and Consumption Chair. The above-mentioned topics are featured on the entry page of the ECO Website along with precise details about location of the Department. The entry portal also contains a column dedicated to current events occurring in the Department: weekly programme activities and changes, conferences, noteworthy events. The Homepage has been found to be a productive publicity tool used in the search for postgraduate candidates. Each professor of the Department has a personal homepage some of which are utilized more than others according to the discretion of the owner. Use of the ECO Homepage has shown steady growth over the years to the point where it is the most consulted among the academic departments of the EUI. We can therefore conclude that the Economics Homepage has become a vital tool whether speaking of external or internal use. (http://www.iue.it/ECO/)

8.5 Working Paper Series

The EUI publishes its own Working Paper series. In turn, each Department has its own sub-series. Editorial responsibility lies with each department. Contributors have to be a member of the Institute. In 2001 the Department decided to make the ECO Working Paper Series accessible on the Internet only excluding the costly printing mechanism. The papers are uploaded in a database now known as CADMUS http://cadmus.iue.it which is part of the open repository DSpace. A complete listing of the Economics Working Papers during the period 2000-2005 is provided in Appendix C. As with any other working paper series, it allows authors to get their research officially documented and circulated before entering the often lengthy refereeing process. EUI Economics Working Papers are also entered into the RePec (**Re**search **P**apers in **Ec**onomics) database which is the largest bibliographic database dedicated to economics and available without cost on the Internet.

8.6 Finance and Consumption Programme 2000-2005

8.6.1 Overview

The Finance and Consumption Research Programme is hosted by the EUI Economics Department and sponsored entirely by FINDOMESTIC Banca S.p.A and

CETELEM. The Programme started in 1999 and focuses on empirical trends and economic policy issues in the fast-evolving consumer credit industry. It is intended to provide a focal point for interactions among academic researchers, industry experts, and policy makers. Particular attention is paid to structural and institutional aspects of credit markets, exploiting the rich diversity of European experiences, and identifying possible paths for the development of a common institutional framework at the EU level.

Research is carried out by resident fellows, research visitors, and visiting research associates in conjunction with the EUI Economics Department faculty. The Programme regularly organizes research workshops, conferences, and seminars to disseminate its work and promote related scholarship.

8.6.2 Mission Statement

The structure of financial markets has broad and important effects on economic development, macroeconomic trends and fluctuations, and individual access to economic opportunities. In Continental Europe, financial markets are currently less developed than those of otherwise similar countries. Housing mortgages and hire-purchase contracts are more expensive and much less common in Italy, France, and Germany than in the United States, and credit cards are fewer in Italy as a whole than in London alone.

More generally, many European families hold poorly diversified portfolios, and find it difficult to shelter their consumption patterns from income fluctuations and to distribute resources optimally over their lifecycle.

In the context of the European economic and monetary union process, however, the member countries' economies will unavoidably become increasingly similar to each other as they integrate in a single financial market. This market's development might evolve along lines previously followed in the United States and more recently the United Kingdom, and should be closely monitored by policymaking authorities.

Members of the Scientific Committee of the Finance and Consumption Programme agreed that it should produce research of the highest possible standard in two areas:

- International and cross-national analysis of consumer behaviour, with particular attention to consumer debt.
- Competitive, institutional, and contractual design issues in formal and informal credit provision, with particular attention to the supply of credit to consumers.

The programme can build on an established body of theoretical and empirical work in each of the two areas. Its focus on consumer-credit issues, however, offers a novel perspective on both consumers' and banks' problems. On the one hand, the programme will study how availability or lack of credit may influence broader aspects of consumers' problems, including household portfolio management strategies and consumption patterns over individual lifecycles. On the other hand, the programme will explore differences and similarities between the industrial organisation of credit supply to firms for investment purposes, and credit supply to families for consumption-smoothing purposes. In both lines of research, particular attention will be paid to institutional aspects of the relevant markets, exploiting the rich diversity of European experiences and identifying possible paths for the development of a common institutional framework and market structure at the EU level.

Development of new information and data sources was also identified as a priority aim of the Programme. In cooperation with specialist banks, the Finance and Consumption in the European Union Programme will endeavour to collect and make available the relevant institutional information and to prepare suitable data sets for academic research.

8.6.3 People

Since the academic year 2004/2005, an *Administrative Coordinator* and a *Scientific Coordinator* are jointly responsible for the Programme's activities. The *Scientific Coordinator* oversees scientific activities, suggests names of individuals who should be invited to work in the Programme and topics for conferences and workshops. Further, he examines and approves research and workshop projects by Fellows and Research Associates, as well as assessing their research output. The *Administrative Coordinator* oversees the administration of the Programme and in cooperation with the *Scientific Coordinator*, ensures that the research and organizational output of the Fellows and Associates is within the scope of the Finance and Consumption programme. Both Coordinators are responsible for maintaining a link between the sponsors and the programme's activities. Before 2004, the duties of the Academic and the Scientific Coordinator were under one supervisory Chair Coordinator.

All Coordinators report to:

- the *Steering Committee*, which sets and reviews research and fund-use priorities for the Programme,

- the *Scientific Committee*, which controls and certifies the scientific quality of the Programme's personnel and research output; its members also work in an advisory capacity on all aspects of the Programme's scientific activities.

The Programme employs Research Fellows, Research Visitors, Visiting Research Associates, Part-time Professors, and Research Assistants. *Research Fellows* are resident fellows, and carry out both organisational work for the Programme as well as research projects in the relevant field. They submit activity programmes for approval to the Scientific and Administrative Coordinators, who monitor their scientific and organizational output. *Research Assistants*, who are also resident in the Department, provide research support for the Programme.

Visiting Research Associates hold academic posts elsewhere, but collaborate with the Programme under a contract. They visit the Programme periodically and carry out work on research projects approved by the Scientific Coordinator and the Administrative Coordinator. Academics who hold a post elsewhere and visit the Programme for a short period of time do so as *Research Visitors* or as *Part-time Professors* in order to present and discuss their work with the Fellows and Associates.

List of Names

Administrative Coordinator	Massimo Motta, EUI , 2004-present
Scientific Coordinator	Giuseppe Bertola, Università di Torino, 2004-present
Chair Coordinator	Pascal Courty, 2003-2004 Giuseppe Bertola, EUI, 1999-2003
Event Coordinator	Michael Artis (EUI Professorial Fellow), 2004-2005

(The event coordinator was designated to convene the high-visibility macroeconomic policy conference that was held in October 2005, bringing together academics, central bankers and policymakers.)

Research Fellows	Nur Ata, EUI, 2005-present Alena Bickov, EUI, 2005-present Burcu Duygan, EUI, 2004-present Charles Grant, University of Reading, 2001-2004 Theresa Osborne, EUI, 2003-2005 Stefan Hochguertel, Free University of Amsterdam, 1999-2002
Visiting Research Associates	Charles Grant, University of Reading, 2004-present Winfried Koeniger, IZA Bonn, 2004-present Mario Padula, University of Salerno, 2004-present Stefan Hochguertel, Free University of Amsterdam, 2004-present
Research Assistants	Anzelika Zaiceva, EUI, 2004-present Lapo Filistrucchi, EUI, 2004-present

The programme also hosted many established Part-time Professors and Research Visitors, including Jonathan Crook (University of Edinburgh), John V. Duca (Federal Reserve Bank of Dallas), Michael Haliassos (Goethe University Frankfurt and University of Cyprus), Richard Disney (University of Nottingham), Chris Carroll (Johns Hopkins University), Tullio Jappelli (CSEF University of Salerno), Luigi Guiso (University of Sassari and Ente Luigi Einaudi), Rob Alessie (Utrecht University), Guglielmo Weber (University of Padua), and Christian Gollier (University of Toulouse).

8.6.4 Research Activities

The Programme conducts research on theoretical and applied aspects of financial markets and consumer behaviour. The emphasis is put on the international and cross-national analysis of consumer behaviour, with particular interest in consumer debt, and the competitive, institutional, and contractual design issues in formal and informal credit provision, with particular attention to the supply of credit to consumers. The research is disseminated through working papers, publications, and regular conferences and workshops.

Publications

Books

- "The Economics of Consumer Credit", Edited by Giuseppe Bertola, Richard Disney and Charles Grant, MIT Press, Forthcoming in 2006.
- "Household Portfolios", Edited by Luigi Guiso, Michael Haliassos and Tullio Jappelli, MIT Press, 2001.

Scientific Papers

- "Consumer Credit: Evidence from Italian Micro Data", by Rob Alessie, Stefan Hochguertel, and Guglielmo Weber, *Journal of the European Economic Association*, 91, 3, 144-178, 2005.
- "Uncertainty and Consumer Durable Adjustment", by Giuseppe Bertola, Luigi Guiso, and Luigi Pistaferri, *Review of Economic Studies*, 72, 973-1007, 2005.
- "Household Debt and Credit", by Giuseppe Bertola and Stefan Hochguertel, F&C Working Paper, 2005.
- "Dealer Pricing of Cosumer Credit", by Giuseppe Bertola, Stefan Hochguertel, and Winfried Koeniger, *International Economic Review*, 46, 4, 1103-1142, 2005.
- "On the Role of Market Insurance in a Dynamic Model", by Helge Braun and Winfried Koeniger, F&C Working Paper, 2005.
- "Welfare Cost of Financial Crises When Risk-sharing is Imperfect: Evidence from Turkey", by Burcu Duygan, F&C Working Paper, 2005.
- "Redistributive Taxation and Personal Bankruptcy in US States", by Charles Grant and Winfried Koeniger, F&C Working Paper, 2005.
- "Aggregate Shocks, Idiosyncratic Risk, and Durable Goods Purchases: Evidence from Turkey's 1994 Financial Crisis", by Burcu Duygan, F&C Working Paper, 2004.

- "Product Quality, Lender Liability and Consumer Credit", by Elisabetta Iossa and Giuliana Palumbo, *Oxford Economic Papers*, 56, 331-43, 2004.
- "Consumption Smoothing and the Structure of Labour and Credit Markets", by Giuseppe Bertola and Winfried Koeniger, F&C Working Paper, 2003.
- "Estimating Credit Constraints among US Households", by Charles Grant, F&C Working Paper, 2003.
- "On the Dynamic Effects of Credit Under Uncertainty", by Theresa Osborne, F&C Working Paper, 2003.
- "Debt Revolvers for self Control", by Carol C. Bertaut and Michael Haliassos, F&C Working Paper, 2002.
- "Changes in Consumption Behaviour: Italy in the 1990s", by Charles Grant, Raffaele Miniaci and Guglielmo Weber, *Giornale Degli Economisti e Annali di Economia*, 61, 1, 61-101, 2002.
- "Strategic Defaults and Penalties on the Credit Market with Potential Judgement Errors", by David Alary and Christian Gollier, F&C Working Paper, 2001.
- "Consumer Bankruptcy Law, Credit Constraints and Insurance: Some Empirics", by Charles Grant, F&C Working Paper, 2001.
- "Screening, Monitoring and Consumer Credit", by Fahad Khalil and Bruno M. Parigi, F&C Working Paper, 2001.

Conferences and Workshops

- Conference on Credit, Consumption and the Macro Economy, October 14-15, 2005, organized by Michael Artis.
- Workshop on Macroeconomics and Household Borrowing, May 27 and 28, 2005, Organized by Giuseppe Bertola, Burcu Duygan and Winfried Koeniger.
- Joint Workshop "Quali regole per la diffusione delle informazioni creditizie: tutela della privacy e efficienza del mercato", March 14, 2005, Organized by Massimo Motta (EUI and Finance and Consumption) and Lorenzo Stanghellini (Università di Firenze).
- The Chair sponsored a session on consumer credit at the annual conference of the Society of Economics and Dynamics (SED). Program of the session July 1-3, 2004 in La Pietra (Florence, Italy).
- Conference on the Micro Foundations of Credit Contracts, May 21 and 22, 2004, Organized by Pascal Courty, Theresa Osborne and Charles Grant.
- Conference on the Economics of Consumer Credit: European Experience and Lessons from the US, May 13-14, 2003, Organized by Charles Grant.

- Workshop on Credit, Credit Constraints and Information, November 29 and 30, 2002, Organized by Estelle Malavolti and Charles Grant.
- Informal Meeting on Credit Research Using Micro Data, May 10, 2002, Organized by Stefan Hochguertel.
- Workshop on Evolving Credit Markets and Business Cycle Dynamics, February 8-9, 2002, Organized by Paul Mizen and Charles Grant.
- Workshop on the Economics of Consumer Credit, March 26-27, 2001.
- Conference on Financial Supervision of Banks and Specialised Banks in the EU, December 15, 2000.
- Workshop on Administrative Financial Microdata and Economic Modeling, June 16, 2000, Organized by Stefan Hochguertel.
- Workshop on Information Creation and Transmission in the Consumer Credit Market, May 3, 2000, Organized by Giuliana Palumbo.

The Programme also hosted seminars jointly with the EUI Economics Department's Macroeconomics, Microeconomics, and Econometrics Research Workshops.

8.7 The Robert Schuman Centre

The Robert Schuman Centre for Advanced Studies (RSCAS) promotes interdisciplinary research on European issues. Until 2002 there was one economics professor (Michael Artis) with a joint appointment at the RSCAS and since 2003 there are two such positions (Rick van der Ploeg and Giancarlo Corsetti). They have organized various RSCAS activities with a strong economics component and in close cooperation with the ECO Department and its faculty. In the following the major activities of this type are introduced.

8.7.1 PAGE - Policy Analysis in a Global Economy

Faculty

Prof. Mike Artis (ECO-RSCAS)
Prof. Anindya Banerjee (ECO)
Prof. Giancarlo Corsetti (ECO-RSCAS)
Prof. Giovanni Federico (HEC)
Prof. Rick van der Ploeg (ECO-RSCAS)
Prof. Helen Wallace (RSCAS)

Introduction

The focal point of the PAGE project is the study of policy issues for the global economy, divided into five inter-linked areas. The first covers research into monetary integration in an enlarged EMU, dealing particularly with economic stabilization, the interaction of fiscal and monetary policy rules and tracking the business cycle of the economy of the Euro area. The second is concerned with the international financial system, the transmission mechanism and international dimensions of stabilization policies. The third considers public finance issues relevant for the international economy, including taxation policy, pension reform and environmental policy. A historical dimension is provided as part of the fourth area, dealing with the precedents for the current international financial system and the process of globalization. The final area of research is an up-to-date conjunctural, forecasting and business cycle analysis of the Euro area and the new member states. Interdisciplinarity is a key component of the research, drawing upon insights from lawyers, historians and political scientists, and from academics, private institutions and government agencies. The seminar series is particularly useful in facilitating these interactions. A list of speakers and topics is given in Appendix D. The PAGE research is disseminated via its web pages, research trips and conferences organised under the aegis of this project, and the Pierre Werner Chair based at the RSCAS. Moreover, a number of scholars have visited the Institute under the PAGE framework.

Visiting Professors

Professor Massimiliano Marcellino from Bocconi University

Professor Bill Russell from University of Dundee

Professor Ana Beatriz Galvao from University of Warwick

8.7.2 Pierre Werner Chair Programme on EMU

Faculty

Rick van der Ploeg (2003)
Paul De Grauwe (2003)
Loukas Tsoukalis (2003)
Michael Artis (2003)
Giancarlo Corsetti (2003-now)

Overview of activities (2003-2005)

The Pierre Werner Chair (PWC) Programme on Monetary Union focuses on economic policy and the political economy of European monetary integration. The Programme aims at identifying policy priorities consistent with the new European economic constitution, as well as the factors that can foster economic growth and prosperity in a stable macroeconomic environment at both regional and global levels. To this goal, it promotes and carries out policy-oriented and academic research on monetary unions and economic integration.

A specific objective of the Pierre Werner Chair Programme is to improve public and scholarly understanding of economic policy issues in a monetary union, promoting dissemination activities and publications that raise public awareness of these issues and are directly targeted at an audience of students and non specialists. The activities of the PWC Programme include sponsoring research, hosting visiting research fellows, organising workshops and conferences, and publishing policy-relevant results.

The area of interest of the Programme includes:

1. governance in the European Union;
2. the design of stabilization policies, goals and instruments with a comparative analysis of the experience of the European Central Bank, and the US Federal Reserve system;
3. the building of macro and policy models of heterogeneous currency areas;
4. public finance and fiscal policy in the context of the EMU, with particular reference to the economic and political requirements of sound fiscal policy in a currency union without political union (and the stability and growth pact);
5. the growth and development of European financial institutions;
6. the regulation and operations of financial markets in the European Union;
7. the economic and institutional consequences of the Euro in the world monetary system;
8. enlargement of the European Union and the adaptations it entails both for the arrangements for economic and monetary union and for the future member states.

The scope and breadth of these areas of interest are meant to encompass the domestic and international dimensions of monetary unions. The first few years of the process of European monetary unification have defeated many a sceptical view about the viability of a European common currency without political integration. Yet the challenges to the project are still formidable as regards the political, economic and institutional developments required to sustain the new monetary arrangement, and to make it consistent with the ultimate goals of the European Union. These challenges have strong implications for the definition of appropriate stabilization policies and the correct mix of domestic and area-wide policy impulses. Stabilization policies interact with structural reforms and economic processes that change the European economy and create a new context for policy making. By the same token, the launch of the euro has modified the international monetary system, raising issues in the international transmission of shocks, the adjustment to global imbalances, and forms of international policy coordination. The introduction of the euro is widely regarded as a new model of monetary cooperation where financial and monetary institutions are integrated in a deeper and faster fashion than political and legal ones. In the future, this new model could in principle be adopted in other areas of the world. Global economic modelling, and the shape of international policy action, may need to be re-considered in the new context.

The Pierre Werner Chair Programme on Monetary Union was established by the Robert Schuman Centre for Advanced Studies of the European University Institute in the academic year 2002/3, with funding generously provided by the Luxembourg Government for a chair named in honour of Pierre Werner.

The Programme is co-directed by Helen Wallace, Director of the Schuman Centre, and Giancarlo Corsetti, appointed as Pierre Werner Chair in September 2003. The Programme benefits from the contributions of EUI Professors Rick van der Ploeg (joint Robert Schuman Centre for Advanced Studies and Economics Department), Morten Ravn (Economics Department) and Giovanni Federico (History Department). In addition, since autumn it has benefited from numerous fellows in residence, including Dr Michele Ruta (Jean Monnet Fellow). Professor Mike Artis (Robert Schuman Centre for Advanced Studies) was also an active contributor to the programme until 2005, when he left for the University of Manchester. He still occasionally collaborates on PWC Programme activities.

Programming

Visiting Professors and Fellows

The Programme has a Visiting Professors and Fellows scheme, targeted at international researchers capable of producing work on different theoretical and policy-related topics of interest. These so far have included Prof. Ester Faia (Universitat Pompeu Fabra) in 2004, Prof. Roel Beetsma (University of Amsterdam) in 2004, Prof. Paul Bergin (University of California, Davis) in 2004 and 2005, Prof. Charles Engel (University of Wisconsin) in 2004, Prof. Nouriel Roubini (New York University) in 2004, Prof. Paolo Pesenti (New York Fed) in 2004 and 2006 (expected), Prof. Philippe Martin (University of Paris-1 Pantheon Sorbonne) in 2004 and 2005. Prof. Mikael Carlsson (University of Uppsala) in 2005, Dr Luca Dedola (European Central Bank) in 2005, Dr Sylvain Leduc (Federal Reserve Board) in 2005, Dr Pedro Teles (Banco do Portugal) in 2005. Scheduled visitors for 2006 so far include Prof. Alessandra Casella (Columbia University), and Prof. Sergio Rebelo (Northwestern University).

A competitive Pierre Werner scholarship/fellowship targeted at researchers employed in central banks and national monetary authorities has been established with the aim of fostering collaboration across institutions and academia. The first call for applications was issued in autumn 2005.

Seminar Series and Lectures by Policymakers

The Programme sponsors a seminar series engaging both public policy and academic experts on the wide range of topics of interest to the Programme. Most of these seminars are conducted jointly with other programmes at the Schuman Centre or departments in the EUI, thereby exploiting synergies and encouraging the development of a stable, multi-disciplinary audience at the Institute. The PWC seminar in the RSCAS has established itself as a high profile event among researchers at the Institute as well as in the local community. The seminar series in 2005 opened with four lectures on International Policy Coordination by Dr Padoa-Schioppa. A listing of the seminars since 2003 is given in Appendix D.

In addition to the seminar series, the programme has also promoted a series of policymakers' lectures, with the generous collaboration of the members of the Advisory Board. The PWC Programme also sponsors occasional roundtables on emerging policy issues. More details on these activities are provided at the end of this section.

International workshops and conferences

The PWC programme has focused its resources on hosting international workshops and conferences on selected topics including 'Fiscal Aspects of the EMU' (2003), 'Governance and Legitimacy in EMU' (2003), 'Enlargement and EMU' (2003), 'Open Economy Models and Policy in the Development of the European Economy' (2004), and 'Inflation, Interest Rates and Relative Prices' (2005).

These initiatives aim to promote a discussion of the main policy issues of concern in the process of European integration, and combine rigorous scientific analysis with the dissemination of policy-relevant conclusions. Future conferences include an international scientific conference on 'Europe and Global Macroeconomic Adjustment', followed by a policy panel, and international workshops on topics related to financial market integration and macroeconomic stability.

Dissemination activities

As regards dissemination activities all seminar series and meetings have resulted in numerous types of publications. Two specific activities merit special mention. First, the PWC has sponsored the Euro Homepage at the EUI http://www.iue.it/RSCAS/Research/Eurohomepage/Index.shtml, a vast web site that provides readers with analyses of European Economic and Monetary Integration and a large reference list. The objective of the site, previously hosted by Yale University, is to promote a transatlantic and international dialogue on progress in the construction of a European single market and monetary integration. The website is a potentially important means of disseminating European policy analysis. Once sufficiently developed, it will be presented to the public at large as a source of state of the art information and a window onto current academic and policy debates. This homepage will be included in the new EVLIM initiative, described below.

Second, the Pierre Werner Chair has focused on developing a graduate textbook on stabilization policy. The strategy is motivated by the following observation. As the theory and practice of stabilization policy in Europe as well as in other areas of the world have made substantial and important progress in the last decade, the technical content of the new developments has become quite demanding. This has two important consequences. First, the strategy and actions of (European) monetary authorities may not be sufficiently understood by the general public. Second, teaching of economic policy in most universities is still based on models that cannot easily account for the new stabilization rules, making communication between policy makers and the public quite difficult. Consistent with the Programme's specific goal of promoting works that bridge such a gap, the Pierre Werner Chair is promoting a graduate textbook which explains how a potentially intricate analysis of stabilization may be presented via an accessible graphical apparatus similar to the popular IS-LM model, without compromising on a rigorous analytical framework. The aim of this text is to provide university teachers with a tool for rethinking European union policy issues within the new framework, in a way that is also accessible to undergraduates. The main chapters of this textbook already have been used in specific lecture series in universities and central banks.

Conferences and Workshops

- Workshop on Fiscal Aspects of EMU, April 4-5, 2003, directed by Rick van der Ploeg (Joint Chair, RSCAS - ECO).
- Workshop on Governance and Legitimacy in EMU, June 27-28, 2003, Directed by Loukas Tsoukalis, Pierre Werner Chair and University of Athens.
- Workshop on Enlargement and EMU, October 2-3, 2003, Directed by Paul de Grauwe, Pierre Werner Chair and Catholic University of Leuven.
- Conference on Open Macro Models and Policy in the Development of the European Economy, October 15-16, 2004.
- Conference on Inflation, Interest Rates and Relative Prices, June 13-14, 2005, Organised with the Center for International Economics and Development, Northwestern University.

Roundtable

On January 21st, 2004, a Roundtable was organized on "The Crisis in the EMU Growth & Stability Pact: Political, Economic and Legal Viewpoints" with:

Prof. Martin Rhodes (SPS/EUI)
Prof. Giancarlo Corsetti (RSCAS/EUI)
Prof. Michael Artis (RSCAS/EUI)
Prof. Bruno de Witte (LAW/EUI)
Prof. Rick van der Ploeg (RSCAS/EUI)
Prof. Helen Wallace (RSCAS/EUI)
Dr Robert Hancké (SPS/EUI)

Special Lectures

March 3, 2003
"Enlargement and Economic Catching Up by the Candidate Countries"
Prof. Leszek Balcerowicz (National Bank of Poland)

May 5, 2003
"Le Concept d'Union Economique et Monétaire : de Pierre Werner aux défis d'aujourd'hui"
Dr Jean-Claude Trichet (European Central Bank)

March 9, 2004
"Costs and Benefits of Fiscal Consolidation: the Spanish Experience"
Dr José Manuel González-Páramo (Universidad Complutense de Madrid - Banco de España):

January 25, 2005
"Reflections on 36 years of Changing Ideas and Policy Processes"
Dr Tommaso Padoa-Schioppa (European Central Bank)

January 26, 2005
"The Economic Literature on Economic Liberalism"
Dr Tommaso Padoa-Schioppa (European Central Bank)

January 26, 2005
"Current Issues in International Policy Coordination"
Dr Tommaso Padoa-Schioppa (European Central Bank)

January 27, 2005
"Recent Analytical Work on Macro-Economic Coordination"
Dr Tommaso Padoa-Schioppa (European Central Bank)

8.7.3 Fellows at the RSCAS

The RSCAS has also hosted a number of fellows who have worked on economic issues in close cooperation with the joint chairs.

1999-2000
Andreas Beyer (Banco de España):
"European Monetary Policy an Empirical Policy Analysis Based on Co-Integration, Common Trends and Economic Forecasting"

2000-2001
Luca De Benedictis (University of Macerata): "Trade Specialisation and Employment in a Monetary Union"

2001-2002
Roberto Di Quirico (University of Pisa): “Existing Euro Currency Crisis, Exit Temptations and the Future of European Integration Processes”

Farouk Soussa (Bank of England): “The Changing Financial Landscape and Crisis Management of the Eurozone”

2002-2003
Lucia Quaglia (University of Sussex): “Autonomy, Competence and Authority”

Graham Avery (European Commission): “Enlargement of the European Union”

2003-2004
Fabio Ghironi (Boston College): “Understanding Transatlantic Interdependence: Macroeconomics and Trade”

Jesus Rodriguez Lopez (Universidad Pablo de Olivade de Sevilla): “How Tight Should One’s Hands be Tied? Fear of Floating and Credibility of Exchange Rate Regimes”

2004-2005
Michele Ruta (Columbia University): “Special Interest Politics and European Monetary Integration”

Maria Bejan (Universidad Carlos III de Madrid): “The Role of European Integration and Trade Agreements in International Comovements”

Bas Jacobs (University of Amsterdam): “Tax and Human Capital Policies in Modern Economies”

Paul Bergin (University of California, Davis): “Trade Costs: Market Integration, and Macroeconomic Implications”

Carlos Usabiaga (Universidad Pablo de Olavide de Sevilla): “Macroeconomic Analysis of the Labour Market”

2005-2006
Arnaud Lefranc (University of Cergy-Pontoise and CNRS): “Understanding the Determinants of the Intergenerational Transmission of Inequality”

John Latsis (University of Cambridge): “Method and the Arbitrary Economy”

8.8 European Forum

Every year the European Forum addresses a specific topic under the direction of an EUI professor. It involves a number of external visitors. For the 2005/06 academic year the Forum is directed by Rick van der Ploeg and focuses on an economic topic. Some other ECO professors also participate in the Forum.

8.8.1 European Forum 2005-2006 – A Growth Agenda for Europe, Directed by Rick van der Ploeg

The key question for Europe is how to raise economic growth through higher labour market innovations and a boost to innovation and entrepreneurship. The focus of attention is on labour markets, financial markets, competition policy, R&D, tax policy and education and their effects on growth and public finance. With higher growth the problems and challenges arising from globalisation, the ageing population, technological developments and European enlargement can be tackled more easily. Understanding of the political economy of growth is crucial in order to come to an agenda that generates broad support in Europe. The research activities fall under five headings:

- Financial obstacles to growth (Professors Giancarlo Corsetti and Anindya Banerjee);
- Supply-side and regional determinants of economic growth (Professors Omar Licandro and Salvador Ortiguera);
- How public finance matters for economic growth (Professor Rick van der Ploeg);
- Situations where governments and the political system fail due to rent-seeking, lobbying and lack of competitive pressure (Professor Rick van der Ploeg);
- Historical dimension and precedents for the current international system and the process of globalisation over time (Professor Giovanni Federico).

Organisation, activities and outputs

The 2005/6 Forum is directed by Rick van der Ploeg who holds a joint chair with the RSCAS and the Economics Department. It is however a joint undertaking of the RSCAS, the Department of Economics (with professors Anindya Banerjee, Giancarlo Corsetti, Omar Licandro, Salvador Ortigueira) and the Department of History and Civilization (with professor Giovanni Federico). Michael Artis will be associated with the Forum and will bring in his expertise and network as well.

The 2005-6 European Forum builds on the Research Programme Policy Analysis for the Global Economy (PAGE) by offering an umbrella for promising, young researchers from outside EUI to work for a year on understanding economic growth and what policies might help to stimulate economic growth in Europe. In this sense the Forum may really help to give a worthwhile follow-up to and filling in of the Lisbon Agenda. Our attempt is to pool resources in order to establish a significant research framework for the study of a growth agenda for Europe to take the Sapir Report further and also as a complement to the activities organised under the auspices of the Pierre Werner Chair on European Monetary Union.

The Jean Monnet Fellows of the Forum have a ready network of researchers at EUI to collaborate and interact with. The Forum is carried out within a collaborative framework of networks such as the European Forecasting Network (funded by the European Commission), the Network on the Macroeconomic Policy Design for Monetary Unions (sponsored by the European Commission), and the research group on trade and economic growth sponsored by the Bank of Italy. It also draws on the CEPR and CESifo networks.

The Forum encourages interdisciplinarity by drawing upon insights from lawyers, historians and political scientists, as well as from academics, private institutions, government agencies and politicians. A lively weekly seminar series facilitates these interactions. As far as output is concerned, it is expected that each Jean Monnet Fellow on the Forum will endeavour to publish an innovative piece in a reputable international academic journal. To reach a more policy-oriented and interdisciplinary audience, the objective is to publish an edited volume with a reputable, international publisher on a growth agenda for Europe. It is expected that the scholars associated with the Forum will produce a more policy relevant piece for this volume as well. The research output of the Forum is also disseminated via the web pages, and the EUI-RSCAS Working Paper series.

8.8.2 Jean Monnet Fellows for the European Forum 2005-2006

Nina Bandelj (University of California at Irvine): "Social Foundations of Economic Transformations: Foreign Direct Investment in Central and Eastern Europe"
Mentors: Rick van der Ploeg and Giancarlo Corsetti

Michele D'Alessandro (Università degli Studi di Milano - Bicocca): "Seeking Governance for World Markets. The Economic and Finance Organisation of the League of Nations and the International Economy"
Mentors: Giancarlo Corsetti and Omar Licandro

Paolo Giordani (University of New South Wales): "Finance and R&D Investment decisions under Uncertainty in Schumpeterian Growth Theory"
Mentors: Rick van der Ploeg and Omar Licandro

Michele Ruta (Columbia University): "Political Integration, Rent Seeking and Growth"
Mentors: Rick van der Ploeg and Giancarlo Corsetti

Saverio Simonelli (University of Napoli Federico II): "US-EU Productivity Differential at the Industry Level: the Role of Embodied Technology Progress"
Mentors: Rick van der Ploeg and Omar Licandro

Ahmed Tritah (University of Toulouse 1): "The Brain Drain: A Challenge for Europe"
Mentors: Rick van der Ploeg and Salvador Ortigueira

Annamaria Viterbo (University of Torino): "The European Community as a Community Based on Stability. What Kind of Responsibility of Price Stability?"
Mentors: Rick van der Ploeg and Giancarlo Corsetti

Hosny Zoabi (Hebrew University of Jerusalem): "Can International Trade be Beneficial for all the Countries all the Time?"
Mentors: Rick van der Ploeg and Giancarlo Corsetti

Chapter 9

The Move to Villa San Paolo

9.1 The New Building

In January 2003 the Economics Department moved from the Badia Fiesolana to Villa San Paolo (VSP), in the *Cure* part of Florence, at the bottom of the Fiesole hills. Although not as legendary as the other EUI buildings, the old part of the villa dates from the beginning of the 18th century. The then privately-owned building was called "Villa La Topaia" (The Mousehole). In 1933 Villa San Paolo was restored and a new wing was added which became a Barnabite seminary. In the 1950s the new part of the villa was rented to Stanford University and later to the Regione Toscana. The old part of the villa is still occupied by the Barnabite priests.

9.2 Adjustments to the Move

This move was not our choice, and was seen by some as a negative thing. However, evaluating the situation after the first three years, on the whole it has its pros and cons. Clearly it makes the department more compact. Organisationally it is certainly positive, in that everyone is in the same building so it is easy to find someone, and also the Department has its own seminar rooms, avoiding squabbles with other departments. On the negative side is the fact that we are isolated from the other departments, and moving between here to another of the EUI buildings is sometimes difficult for those who don't have their own means of transport. New students and faculty who have joined the Department after the move was made and who have never been among the colleagues from other departments have a more difficult time to establish personal relations outside the ECO Department. Clearly that has negative effects for the standing of the Department within the central decision-making bodies such as Academic Council. Already now the Department seems to be viewed as being a more distant unit than the other departments. It will be a challenge for the future to stop the widening of the gap between ECO and other departments.

At the beginning VSP didn't have a canteen, only the bar which served frozen meals heated up in a microwave oven, but after protests (mainly from the students), VSP got its own canteen, with food cooked at the Badia but brought down here in thermal containers. The canteen is rather small, with not many tables, which proves to be a problem in the winter, when some students have to take their trays into the computer rooms to eat, as there is no space in the canteen, but in the warmer months the problem is solved by the part of the garden the Department is allowed to use, which has several tables and chairs, and makes a lovely environment to lunch in.

For the secretarial staff, the fact of being isolated from the Badia means that a lot of things fall on their shoulders, particularly from a "human" point of view. Whilst at the Badia there are particular people students can turn to in Academic Service for personal problems, at Villa San Paolo students are more likely to turn to the secretariat (mainly Jessica). Also, the fact of being in a separate building means that a lot of things which would be dealt with by the Logistics Service if we were at the Badia have to be dealt with by the secretarial staff, such as checking out furniture for the rooms here, and other things which would take too long to deal with if someone had to come here from the Badia so we do them ourselves.

9.3 The Library

Since the main library of the EUI is located in the Badia and, hence, is difficult to access for people working in VSP, a special library service has been established for the Department after a transition period in which possible improvements were discussed. In particular, the ECO library is now looked after by Thomas Bourke, the Subject Specialist. The following quantitative and qualitative changes to the way in which Library services and collections are made available to economists have been implemented since 2003:

- A daily book delivery service is provided.
- An article delivery service is provided where journals are not available online.
- 400 books and manuals are maintained in the VSP Reference Collection.
- The Subject Specialist is present at the Economics and Statistics Information Desk at the VSP three afternoons per week (Monday, Wednesday, Friday).

These Library services are unique to the Economics Department - due to the distance between the Badia Fiesolana and the VSP.

The necessity for effective communication on Library-Departmental matters has become an important priority. To deepen this exchange, two significant measures were introduced in November 2003:

- The Economics Collection Web was expanded to over 150 internet pages (72 are now devoted to data descriptions) and Economics Collection developments are presented on the homepage.
- The Economics Collection Weekly Bulletin is published each Friday, and is now approaching its 100th issue.
- The new books and manual acquisitions are posted on a new VSP Library notice board.

The Economics Collection is both a physical (paper) collection and - of increasing importance - a virtual collection of data, journals and working papers in electronic format.

The move to the VSP has accelerated and underlined the trend towards a comprehensive DeskTop Library for economists. The online data and journals collections have been significantly expanded to facilitate the Department's work at the VSP.

For full details of the Economics Collection at the EUI Library - and for latest news about collection development - see:
http://www.iue.it/LIB/Guides/Economics/Index.shtml.

9.4 Computing Service

As a result of the move from the Badia to Villa San Paolo, the whole of the Economics Department's supporting CS infrastructure has also been de-centralised. A completely new IT infrastructure has been created from scratch at VSP to host the CS needs of the staff and, above all, of the researchers. After a long transition period of about one year with very limited support locally at VSP, Martin Legner finally became the Site Officer in January 2004 and since then ensured an excellent IT support for the Department.

Achievements

Nowadays the Economics Department has its own servers and backup means, several public rooms for the researchers and, since summer 2004, is connected to the rest of the Institute buildings by a modern laser link which is much more reliable, efficient and faster than the previous, very slow, Telecom phone-line connection.

At the beginning of 2005 the main public areas of Villa San Paolo (public rooms on the ground and first floors, the lounge area and part of the garden) have been provided with 3 secured wireless access points, thus boosting the Department's connectivity.

The public rooms, hosting a total of 44 PCs, are provided with the most powerful machines available on the entire Institute's premises and in the recent past the Department has bought some additional PCs to satisfy the needs of both researchers and visiting fellows. In 2005 a visiting student generously donated 6 PCs for students' use.

Two easy-to-use multi-function printers, providing a means to print, photocopy and scan documents, are installed on the first two floors of VSP for the use of the researchers, whereas all staff members have their own private laser printers plus a common accessible multi-function printer on their floor as well.

The two seminar rooms in VSP are equipped with modern data projectors which can be connected to a computer. This situation is a major advance relative to the situation in the Badia before the move.

During the last 2 years, the VSP computing site officer has tried to work as much as possible in close collaboration with the student reps to be able to figure out and satisfy researchers' IT needs in a strong effort to fulfill their expectations. An example is the case-study of the so-called "super-computing" project, due to be implemented at the beginning of 2006, which should greatly improve user-friendliness and therefore accessibility of computing resources which are usually restricted to a limited amount of users with higher IT expertise.

Pros and Cons

The somewhat isolated status of the Department has both positive and negative side-effects on the local CS: among the benefits is the acquired autonomy which facilitates upgrading or expanding of the CS infrastructure, since it is not linked to former "space" restrictions anymore (from an IT point of view). On the other hand, this same newly-acquired autonomy causes some trouble to the specific management of the public rooms. The rather "private" use of the public workspaces involves the necessity for the CS to schedule in advance any work which has to be done to (public) computers. The major drawback is that the, usually continuous, software upgrade flow available in the rest of the Institute can thus not be applied to VSP public rooms, as well as emergencies which have to be dealt with on a case-by-case study rather than being automated.

Future Challenges

Although the average quality of the PCs is within the standard, a small amount of PCs, mostly for the use of external/visiting fellows, are rather out-dated and need to be updated/renewed. Apart from the unquestionable advantages for the user, this would ease the maintenance and management of VSP's entire holding of computers due to the gained uniformity.

From the users' point of view, instead, one of the major constraints the CS still has to work hard on is the low storage capacity of its servers, which translates into mostly insufficient private/personal storage areas compared to today's standards. A new project by the CS, due to be implemented by the end of the year 2006, is now in progress to reduce this (last) gap.

In the future it will also be important to adapt quickly to new needs by researchers, faculty and visitors. Unfortunately, the acquisition rules of the EUI sometimes make it difficult or impossible for faculty to obtain special hardware and software needed for research quickly. Implementing more flexible rules at the central level would undoubtedly increase the Department's research efficiency without necessarily increasing the computing budget.

Chapter 10

Conclusions: Achievements and Challenges

The achievements reported in the previous chapters justify a high degree of satisfaction with the development of the Department over the past six years. The Department has a doctoral programme which has provided high level education and it is highly regarded by the profession for its research output.

As regards the postdoctoral programme, we were able to report a high PhD completion rate and a satisfactory time to completion. Another measure for assessing the quality of the postgraduate programme is the employment record of its graduates. This Report documents that the Department's graduates have been extremely successful in acquiring employment in the academic sector as well as in policy institutions such as central banks at the national and international level. Despite the success in terms of completion rates, time to completion and its graduates' employment opportunities, the Department is aware that it has to adjust continuously to new developments. It has made major efforts to monitor the backgrounds of the students applying for admission and to adapt its programme better to the needs of incoming students. This has resulted in a major adjustment in the first year programme which now focuses more on course work than in the past to provide the right level of prerequisites for successful research in economics. The Department has also further improved its careers advisory and placement services for finishing PhD candidates.

Moreover, the Department has been very productive in producing research output. As pointed out in this Report, the success in its research activities is documented in independent comparative studies of the research output of economics departments in Europe. Even in worldwide comparisons the Department was ranked highly despite its relatively small size. Although many of the research topics have a European perspective, there have also been many theoretical contributions with a more general orientation. Generally, the research output in all three fields, macroeconomics, microeconomics and econometrics has been substantial.

Although the Department has been successful in its main activities, i.e., running a doctoral programme and doing high level research in economics, there are challenges that have to be addressed. Some of them require permanent adjustments and efforts while others are more specific to the present situation. A permanent challenge is to attract the best students from each of the member countries and another permanent concern is the faculty turnover and recruitment of the very best professors. Specific challenges are (1) the integration of students from new member countries, (2) integration of the new postdoctoral programmes while at the same time maintaining the same high level postgraduate education and (3) keeping the widening gap between Economics and the rest of the EUI under control. The gap is largely a consequence of the new location of the Department.

As reported in Chapter 5, the Department has made special efforts to stop the decline of application numbers for its postgraduate programme that was observed over the last few years. The major increase in applications over the previous year of more than 50% for the coming academic year, shows that these efforts have been overall extremely successful. We are still facing the problem of low application numbers from some of the EUI member countries, however. In particular the numbers from the UK and France are unsatisfactory. The Department will continue its special efforts to address this problem although it is clear that it has deeper roots in these countries which cannot be overcome by departmental efforts. Generally, the new structure of our postgraduate programme is hoped to make it more attractive for applicants from some of the EUI member states and in the medium term may raise application numbers from regions for which they are low at present while at the same time maintaining high numbers from those countries which have traditionally had large numbers of applicants.

The Department is very happy about the high application numbers and the quality of the candidates' background and abilities from some of the new member states. Poland is a particularly positive example. Unfortunately, there are still very few grants for students from other new EUI member countries. It is hoped that our programme adjustments make it sufficiently attractive for them to join the EUI in the near future. The Department would clearly be happy to welcome more students from these countries. Of course, handling larger student numbers with the same body of faculty will necessarily result in a larger average number of students per supervisor. To maintain the same supervision quality will undoubtedly require a growing number of faculty.

In this context the specific conditions for faculty recruitment at the EUI are also of importance. Given that all faculty is hired on limited time contracts there is a constant turnover. Although some turnover is quite positive to bring in fresh blood with new ideas, there have been times where the turnover reached problematic levels which detracted from a good supervision. Clearly, doctoral supervision needs some continuity. Given the current employment structure of professorial staff it is clear that there will always be times with a problematic level of turnover. If student numbers increase further in the future the number of faculty should also be increased accordingly. Thereby some negative effects of high turnover may be alleviated. It may also be worth noting in this context that professorial salaries at the EUI are quite good compared to those in some of the member countries. Certainly they are not competitive, however, compared to salaries for economics faculty paid in some US universities. Also in some European countries the salary levels for economists have increased substantially over the last years. If the EUI wants to attract the very best economists in the future, it will have to be attentive to the problem that it may not offer sufficiently attractive conditions to compensate for the limited contract duration of its professorial staff.

Another immediate challenge for the Department is the introduction of new postdoc programmes. In particular, the new Max Weber Fellows and the Fernand Braudel Senior Fellows will have to be integrated in the Department. Given the setup of the Max Weber Fellowship programme as a training programme for young postdocs, it is clear that it will absorb some resources which are now used in the postgraduate programme, in particular, professorial supervisory capacity. To compensate for this shift in resources without compromising the quality of the postgraduate programme will be a challenge in the future. The Department hopes to integrate the new Max Weber Fellows in the teaching and supervision process in a way that compensates partially for the extra resources directed towards the new programme. It also hopes to use the Senior Fellowship programme to improve the supervision and teaching capacities. Clearly, since these fellows come for relatively short periods (from three to ten months only), they do not fully substitute for longer term supervision. The Department will do its best to avoid reductions in the quality of the postgraduate programme due to the introduction of the new postdoctoral activities of the EUI.

Finally, there are problems which were created by moving the Department to a distant location from the other units of the EUI. Clearly, the growth of the Institute made it necessary to expand also in terms of office space. Therefore it was unavoidable that the Institute had to decentralize its locations. For the ECO Department it had its pros and cons to be moved to Villa San Paolo, a rather distant location. On the positive side it acquired more space for students, faculty and staff. Some changes in computing and library facilities have been made to compensate for the VSP being far away from the center. Still a wide gap between the Department and the other units of the EUI has been created. It is not so much the distance in terms of kilometers which is important in this context but people from ECO have much less opportunity to meet colleagues on a personal level during working hours. Such personal meetings may result in exchange over research or administrative procedures. There is still some personal interaction at the student and staff level. Unfortunately, at the professorial level it has been reduced substantially, the main reason being that the Badia offers too few attractions for ECO professors to make it worthwhile to go there more often than absolutely necessary. Although the ECO Department can live with this situation and focus more on its own activities, in many respects more interaction with other departments could be beneficial for the Institute more generally. It would be desirable that the central administration takes the special situation of ECO more into consideration and makes attempts to reduce the gap to the Department.

Closing with such a list of problem areas and future challenges shows that the Department is fully aware that it has to work hard in the future to fulfill its mission. We believe, however, that the Department has done a more-than-adequate job in running a highly successful postgraduate programme and producing an impressive flow of research results over the last six years. This past performance makes us believe that we can deliver the same quality output in terms of PhDs and research in the future.

Appendices

Appendix A

Publications by Current and Former Faculty Members

The following list of research publications includes work that has been published during the reporting period (2000-2005) by current faculty whereas generally only publications of former faculty during their tenure (2000-end of term) are included. The latter persons are marked with as asterisk.

A.1 Michael Artis*

Books

The Euro: A challenge and opportunity for financial markets (editor with A. Weber and E. Hennessy), Routledge, London and New York, 2000.

The Economics of the European Union (editor with N. Lee), Oxford University Press, 1994; 1997 (second edition); (with F. Nixson, third edition), 2001.

Contributions to Books

"One Size Fits All? EMU and Procrustes", in M.J. Artis, A. Weber and E. Hennessy (eds.), *The Euro: A challenge and opportunity for financial markets*, Routledge, London and New York, 2000.

"The Solvency of European Government Finances" (with M. Marcellino), in Banca D'Italia (ed.), *Fiscal Sustainability*, Banca D'Italia, Rome, 2001.

"European Monetary Union" (with R. Bladen-Hovell) and "The European economy" (with N.Weaver), in M. Artis, and F. Nixson (eds.), *The Economics of the European Union*, 3rd edition, Oxford University Press, Oxford, 2001.

"Comment" (on a paper by N.C. Garganas and G.S.Tavlas), in R.C. Bryant, N.C. Garganas, and G.S. Tavlas (eds.), *Greece's Economic Performance and Prospects*, The Bank of Greece and the Brookings Institution, Athens and Washington, 2002.

"The Stability and Growth pact: Fiscal Policy in the EMU" in F. Breuss, G. Fink, and S. Griller (eds.), *Institutional, Legal and Economic aspects of the EMU*, Springer, Vienna, 2002.

"Comments" (on five papers), in Banca D'Italia (ed.), *The Impact of Fiscal Policy*, 2002.

"The Evolution of EMU's 'fiscal constitution"' (comment on a paper by Buti and Giudice), in J.H.H. Weller, I. Begg, and J. Peterson (eds.), *Integration in an Expanding European Union*, Blackwell, Oxford, 2003.

"Discussion" (of a paper by E. Carletti and P. Hartmann, "Competition and stability: what's special about banking?") in P. Mizen (ed.), *Monetary History, Exchange rates and Financial Markets , Essays in Honour of Charles Goodhart*, Vol 2, Edward Elgar, Cheltenham, 2003.

Articles

"Should the UK join EMU?", *National Institute Economic Review*, 171, 2000, 70-81.

"Christopher Dow on Major Recessions" (with J. Flemming, R. Matthews, and M. Weale), *National Institute Economic Review*, 173, 2000, 89-105.

"Close to balance or in Surplus? A Policy-maker's guide to the implementation of the Stability and Growth Pact" (with M. Buti), *Journal of Common Market Studies*, 38, 4, 2000, 563-91.

"Testing for Common Patterns in European Business Cycle Chronologies" (with J. Toro), *Greek Economic Review*, 20, 2, 2000.

"Fiscal Forecasting - the track record of the IMF, OECD and EC" (with M. Marcellino), *Econometrics Journal*, 4, 1, 2001, 20-36.

"Setting Medium-Term Fiscal Targets in EMU" (with M.Buti), *Public Finance and Management*, 1, 1, 2001.

"Core and periphery in EMU: a cluster analysis" (with W.Zhang), *Economic Issues*, 6, 2001, 39-59.

"The Performance of the European Central Bank", *International Review of Applied Economics*, 16, 1, 2002, 19-30.

"Membership of EMU: A Fuzzy Clustering Analysis of Alternative Criteria" (with W.Zhang), *Journal of Economic Integration*, 17, 1, 2002, 54-79.

"Dating the Business Cycle in Britain", *National Institute Economic Review*, 182, 4, 2002, 90-95.

“Le Rouaume-Uni devrait-il rejoindre l’Union Economique et Monetaire?”, *Economie Internationale*, 91, 2002, 93-114.

“EMU Four Years On”, *Transactions of the Manchester Statistical Society*, 2003.

“EMU Four Years On - the assessment” (with C. Allsopp), *Oxford Review of Economic Policy*, 2003.

“Reflections on the Optimal Currency Area criteria in the light of EMU”, *International Journal of Finance and Economics*, Special Issue, Monetary Union and Dollarization, 2003.

Working Papers

“Close to Balance or in Surplus - A Policy Maker’s Guide to the Implementation of the Stability and Growth Pact” (with M. Buti), EUI Working Papers, RSC 2000/28; CEPR DP, 2515, 2000.

“The Exchange Rate - A Shock-Absorber or Source of Shocks? A study of four open economies” (with M. Ehrmann), EUI Working Papers, RSC 2000/38; CEPR DP, 2550, 2000.

“The UK and the EMU”, EUI Working Papers, RSC, 67, 2000.

“Factor Forecasts for the UK” (with A. Banerjee and M.Marcellino), EUI Working Papers, ECO 2001/15; CEPR Discussion Papers, 3119, 2001.

“Domestic and International Influences on Business Cycle regimes in Europe” (with M. Sensier, D.R. Osborn and C.R. Birchenhall), Centre for Growth and Business Cycle Research Discussion Papers, 11, University of Manchester, 2002.

“The Transmission Mechanism in a Changing World” (with A. Galvao and M. Marcellino), CEPR DP, 4014, 2003.

“Dating the Euro Area Business Cycle” (with M. Marcellino and T. Proietti), CEPR DP, 3696, 2003.

“Is there a European Business Cycle?”, CESifo Working papers, 1053, 2003.

A.2 Pierpaolo Battigalli*, Università Bocconi

Working Papers

“Imperfect Contracting” (with G. Maggi), *Working Papers in Economic Theory*, 00S11, Princeton University, 2000.

"Rationalizable Bidding in General First Price Auctions" (with M. Siniscalchi), *IGIER Working Paper*, 190, 2000.

A.3 Anindya Banerjee

Books

Modelling structural breaks, long memory and stock market volatility, edited Annals Issue, vol. 129, *Journal of Econometrics*, 129, 2005.

Articles

"Industry Structure and the Dynamics of Price Adjustment" (with B. Russell), *Applied Economics*, 33, 2001, 1889-1901.

"An I(2) Analysis of Inflation and the Markup" (with L. Cockerell and B. Russell), *Journal of Applied Econometrics*, 16, 2001, 221-240.

"The Relationship between the Markup and Inflation in the G7 Economies and Australia" (with B. Russell), *Review of Economics and Statistics*, 83, 2001, 377-384.

"A Reinvestigation of the Markup and the Business Cycle" (with B. Russell), *Economic Modelling*, 21, 2004, 267-284.

"Some Cautions on the Use of Panel Methods for Integrated Series of Macroeconomic Data" (with M. Marcellino and C. Osbat), *The Econometrics Journal*, 7, 2004, 322-340.

"Factor Forecasts for the UK" (with M.J. Artis and M. Marcellino), *Journal of Forecasting*, 24, 2004, 279-98.

"Testing for PPP: Should we Use Panel Methods" (with M. Marcellino and C. Osbat), *Empirical Economics*, 30, 2004, 77-91.

"Inflation and Measures of the Markup" (with B. Russell), *Journal of Macroeconomics*, 27, 2004, 289-306.

"Leading Indicators for Euro-Area Inflation and GDP Growth" (with M. Marcellino and I. Masten), *Oxford Bulletin of Economics and Statistics*, 67, 2005, 785-813.

Working Papers

"The Long-Run Relationships among Relative Price Variability, Inflation and the Markup" (with P. Mizen and B. Russell), EUI Discussion Paper No. ECO 2002/01.

“A Markup Model for Forecasting Inflation in the Euro Area” (with B. Russell), EUI Discussion Paper No. ECO 2002/16.

“Are There Any Reliable Leading Indicators for US Inflation and GDP Growth?” (with M. Marcellino), EUI Discussion Paper No. ECO 2002/21.

“Leading Indicators for Euro-Area Inflation and GDP Growth” (with M. Marcellino and I. Masten), CEPR Discussion Paper, 3893, 2003.

“Bootstrapping Sequential Tests for Multiple Structural Breaks” (with S. Lazarova and G. Urga), (revised 2003) EUI Discussion Paper No. ECO 98/25.

“Sequential Methods for Detecting Structural Breaks in Cointegrated Systems” (with G. Urga), (revised 2003) EUI Discussion Paper No. ECO 98/24.

“A Re-interpretation of the Linear-Quadratic Model When Inventories and Sales are Polynomially Cointegrated” (with P. Mizen), EUI Discussion Paper No. ECO 2003/11.

“A New Look at the Feldstein-Horioka Puzzle using an Integrated Panel” (with P. Zanghieri), CEPII Discussion Paper 2003-22.

“Breaking panel cointegration” (with J. Carrion-i-Silvestre), mimeo.

A.4 Giuseppe Bertola*, Università di Torino

Books

Protezione sociale, occupazione ed integrazione europea, Ed. with T.Boeri and G.Nicoletti, il Mulino, 2001.

Welfare and Employment in a United Europe, ed. with T. Boeri and G. Nicoletti, MIT Press, 2003.

EMU: Assessing the impact of the euro, ed. with R. Baldwin and P. Seabright, Blackwell Publishing, 2003.

Contributions to Books

“Europe’s Unemployment Problems” in M.Artis and F.Nixson (eds.), *Economics of the European Union*, 2nd edition, Oxford University Press, 2000.

“Macroeconomics of Income Distribution and Growth” in A.B.Atkinson and F.Bourguignon (eds.), *Handbook of Income Distribution vol.I*, Amsterdam: North-Holland, 2000.

"Aspectos agregados y desagregados de empleo y desempleo" in M.U.Montoya (ed.), *Empleo y Economía*, Bogotá: Banco de la República, 2001.

"Cross-Sectional Wage and Employment Rigidities vs. Aggregate Employment" in J.E. Stiglitz and P.-A. Muet (eds.), *Governance, Equity, and Global Markets - The Annual Bank Conference on Development Economics - Europe*, Oxford University Press, 2001.

"Taxes and Social Policy in the European Union: Trilemmas and labour market implications", 11-21, in M.Bordignon, D. da Empoli (eds.), *Politica Fiscale, flessibilità dei mercati e crescita*, Milano: Franco Angeli, 2001.

"EU Welfare Systems and Labor Markets: Diverse in the past, integrated in the future?" (with J.F. Jimeno, R. Marimon, C.Pissarides), in G. Bertola, T. Boeri, G. Nicoletti (eds.), *Welfare and Employment in a United Europe*, MIT Press, 2001. (Italian translation, *Protezione sociale, occupazione ed integrazione europea*, il Mulino, 2001).

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A.12 Ramon Marimon*, Universitat Pompeu Fabra

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A.15 Roberto Perotti*, IGIER - Università Bocconi

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A.16 Rick van der Ploeg

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De Invloed van ICT op Maatschappij en Overheid - Naef Vooruitgangsgeloof of Harde Werkelijkheid? (The Influence of ICT on Society and Government - Naive Belief in Progress or Tough Reality?) with C. Veenemans (eds.), Salom/Amsterdam University Press, Amsterdam, 334 pp., 2001.

Leven na Paars? - Linkse Visies op de Derde Weg (Life after the Purple Coalition? - Visions on the Third Way) with J. Bussemaker (eds.), Prometheus, Amsterdam, 237 pp., 2001.

De Burger als Spin het Web (The Citizen as Spider in the Web) with C. Veenemans (eds.), SDU/Infodrome, The Hague, 193 pp., 2001.

Foundations of Modern Macroeconomics (with B. Heijdra), Oxford University Press, Oxford, 751 pp., 2002.

Ik Geloof in Europa - Naar een Sterker, Veiliger en Democratischer Europa (I Believe in Europe - Towards a Stronger, Safer and More Democratic Europe), Bert Bakker, Amsterdam, 65 pp., 2004.

Contributions to Books

"The political economy of a consensus society", 167-192 in B. Marin, D. Meulders and D.J. Snower (eds.), *Innovative Employment Initiatives*, European Centre Vienna and Ashgate, Aldershot, England, 2000.

"Culture as an economic crowbar", 107-111 in *Economy and Culture. A Partnership for the 21st Century*, Prague, 2000.

"Environmental policy, public finance and the labour market in a second-best world" (with A.L. Bovenberg), 112-153, and "Tax reform, structural unemployment and the environment" (with A.L. Bovenberg), 379-396, reprinted in L.H. Goulder (ed.), *Environmental Policy Making in Economies with Prior Tax Distortions, New Horizons in Environmental Economics*, Edward Elgar, Cheltenham, U.K., 2002.

"Copyright and the cultural industries: the policymaker's view", in R. Towse (ed.), *Copyright in the Cultural Industries*, Edward Elgar, 2002.

"Role of employers in transforming disability into ability: Learning from Dutch Mistakes", 341-348 in B. Marin, C. Prinz and M. Queisser (eds.), *Transforming Disability into Ability*, Ashgate, Aldershot, 2004.

"Macroeconomics of fiscal policy and government debt", 187-208 in P. de Gijsel and H. Schenk (eds.), *Multidisciplinary Economics: The Birth of a New Economics Faculty in the Netherlands*, Springer, Dordrecht, 2005.

"Culture and the creative economy", 70-75 in F. van Woerden and T. de Neef (eds.), *All That Dutch - International Cultural Politics*, NAi Publishers, Rotterdam, 2005.

Book Reviews

European Monetary Integration (Cambridge, Mass.: The MIT Press) edited by H.-W. Sinn, M. Widgrén and M. Köthenbürger, *Economica*, 72, 286, 2005, 362-363.

Articles

"In art we trust?", *De Economist*, 150, 4, 333-362, 2002.

"Comment - Convention on cultural diversity: A Trojan horse?", *Journal of Cultural Economics*, 28, 4, 257-261, 2004.

"Euro: d'abord la méfiance, ensuite l'amour (also translated as Liebe auf den zweiten Blick - der Euro and The Euro: the long road to popularity)", *De Gids*, 86-91, May/June, 2004.

"Beyond the dogma of the fixed book price agreement", *Journal of Cultural Economics*, 28, 1, 1-20, 2004.

Working Papers

"Rolling back the public sector: differential effects on growth, employment and investment", Oxford Economic Papers, 20 pp. Also CEPR DP 4896, 2005.

"Back to Keynes?", CESifo Economic Studies, 51, 4, 777-822. Also CEPR DP 4897, 2005.

Other

"Blindstaren op staatsschuld brengt grote schade (Budgetary anorexia harms the economy)", 13-15 in *Jaarboek 2002/2003, Koninklijke Vereniging voor Staathuishoudkunde*, Lemma/ESB, Utrecht, 2003.

"Filling an Important Research and Pedagogical Gap: Cultural Heritage at the EUI" (with F. Francioni, T. Molho and S. Settis), 2004.

"Nieuwe zorgstelsel leidt tot explosie van premies en ondermijning van solidariteit (Reform of health care leads to explosion of premiums and erosion of solidarity)", *Economische Statistische Berichten*, 2004, 558-561.

"Innovatie kan niet zonder pure wetenschap (Innovation needs pure science)", 187-190 in *Innovatie in Nederland - De Markt Draalt en de Overheid Faalt*, B. Jacobs and J.J.M. Theeuwes (eds.), *Preadviezen van de Koninklijke Vereniging van Staathuishoudkunde*, Lemma/ESB, Utrecht, 2004.

A.17 Morten Ravn

Articles

"The Macroeconomic Effects of German Unification: Real Adjustments and the Welfare State" (with F. Canova), *Review of Economic Dynamics*, 3, 2000, 423-60.

"On Adjusting the HP-filter for the Frequency of Observations" (with H. Uhlig), *Review of Economics and Statistics*, 84, 1, 2002, 371-80.

"Non-Linearities and Real Exchange Rate Dynamics" (with J. Imbs, H. Mumtaz and H. Rey), *Journal of the European Economic Association*, I, 2-3, 2003, 639-649.

"International Business Cycles: The Quantitative Role of Transportation Costs" (with E. Mazzenga), *Journal of International Money and Finance*, 23, 4, 2004, 645-71.

"Asymmetric Effects of Monetary Policy in the US: Positive vs. Negative or Big vs. Small?" (with M. Sola), *Quarterly Review*, Federal Reserve Bank of St. Louis, September/October 2004, 41-60.

"Markov Switching Causality and the Money-Output Relationship" (with Z. Psaradakis and M. Sola), *Journal of Applied Econometrics*, 20, 5, 2005, 665-83.

"PPP Strikes Back: Aggregation and the Real Exchange Rate" (with J. Imbs, H. Mumtaz and H. Rey), *Quarterly Journal of Economics*, 120, 1, 2005, 1-43.

A.18 Karl Schlag

Contributions to Books

"Group Report: Why and When Do Simple Heuristics Work?" (with D. Goldstein, G. Gigerenzer, R. Hogarth, A. Kacelnik, Y. Kareev, G. Klein, L. Martignon and J. Payne) in Gigerenzer, G., and Selten, R. (Eds.), *Bounded Rationality: The Adaptive Toolbox*, Cambridge, MA: MIT Press, 2001.

"Extensive Form Bandits" (with R. Cressman), *The Dynamics of Extensive Form Evolutionary Games*, Chapter 8.4, MIT Press, 2003.

Articles

"Sophisticated Imitation in Cyclic Games" (with J. Hofbauer), *Journal of Evolutionary Economics*, 10, 5, 2000, 523-543.

"Does Noise Undermine the First-Mover Advantage? An Evolutionary Analysis of Bagwell's Example" (with J. Oechsler), *International Game Theory Review*, 2, 1, 2000, 83-96.

"Evolutionarily Stable Sets" (with D. Balkenborg), *International Journal of Game Theory*, 29, 4, 2001, 571-595.

"Evolutionary Insights on the Willingness to Communicate" (with S. Hurkens), *International Journal of Game Theory* 31, 4, 2003, 511-526.

A.19 Richard Spady

Contributions to Books

"The Performance of Empirical Likelihood and Its Generalizations" (with G.W. Imbens), in D. Andrews and J. Stock (eds.) *Identification and Inference for Econometric Models*, Cambridge University Press, 2005, 216-244.

Articles

"Confidence Intervals in Generalized Method of Moments Models" (with G.W. Imbens), *Journal of Econometrics*, 107, 2002, 87-98.

A.20 Frank Vella*, Georgetown University

Articles

"Non-parametric Estimation of Sample Selection Models" (with M.Das and W.Newey), *Review of Economic Studies*, 70, 2003, 33-58.

"Auction Price Anomalies: Evidence from Australian Wool Auctions" (with C.Jones and F.Menezes), *Economic Record*, 80, 2004, 271-288.

"Estimation of Dynamic Models from Series of Repeated Cross Sections" (with M.Verbeek), *Journal of Econometrics*, 127, 1, 2005, 83-102.

"The Expansion of College Education in the United States: Is there Evidence of Declining Cohort Quality?" (with C.Juhn and D.Kim), *Economic Inquiry*, 43, 2005, 303-315.

A.21 Eyal Winter*, Hebrew University

Contributions to Books

"The Shapley Value", in R. J. Aumann and S. Hart (eds.), *The Handbook of Game Theory*, North-Holland, 2002, 2026-2052.

Articles

"Subscription Mechanisms for Network Formation" (with S. Mutuswami), *Journal of Economic Theory* 106, 2002, 242-264.

"Stability and Segregation in Group Formation" (with I. Milchtaich), G*ames and Economic Behavior*, 38, 2002, 318-346.

"Coordination and Learning Behavior in Large Groups with Asymmetric Players" (with A. Rapoport, D. Seale), *Games and Economic Behavior*, 39, 2002, 111-136.

"On Risk Aversion and Bargaining Outcomes" (with O. Volij), *Games and Economic Behavior*, 41, 2002, 120-140.

"A New Axiomatization of the Nash Bargaining Solution" (with N. Dagan and O. Volij), *Social Choice and Welfare*, 19, 2002, 811-823.

"Constitutional Implementation" (with B. Peleg), *Review of Economic Design*, 7, 2002, 187-204.

"A Non-Cooperative Axiomatization of the Core" (with A. Okada), *Theory and Decision*, 53, 2002, 1-28.

Appendix B

Theses Defended January 2000–December 2005

The following listing of PhDs includes the name of the successful candidate, the thesis title, the names of the thesis committee and at the end the first or current employment of the candidate where this information is available.

KOLEV Alexandre — 17/1/00 F

"Three Essays on Living Standards and Access to Alternative Sources of Labour Income in Russia during Transition"

Simon Commander, EBRD
Andrea Ichino, EUI
John Micklewright, UNICEF, supervisor
Michel Sollogoub, Université de Paris-Sorbonne

World Bank - Europe and Central Asia Region

HOERNIG Steffen — 17/3/00 D

"Essays on R&D - Races and Cournot Oligopoly"

Fernando Branco, Catholic University of Lisbon
Vincenzo Denicol, Università di Bologna
James Dow, London Business School, Supervisor
Massimo Motta,EUI
Karl Schlag, EUI

Universidade Nova de Lisboa

GUEMBEL Alexander — 17/3/00 D

"Essays on Delegated Portfolio Management and Trade on Differential Information"

Pierpaolo Battigalli, EUI, Co-supervisor
Bruno Biais, Université de Toulouse
James Dow, London Business School, Supervisor
Robert Waldmann, Università di Roma "Tor Vergata"

Fellow in Management Studies Lincoln College Oxford. Also a University Lecturer in Finance at the Saïd Business School.

ARJONA Roman 2/6/00 E
"A Dynamic General Equilibrium Analysis of the Spanish Social Security System"
Steven Ambler, University of Quebec
Omar Licandro, FEDEA, Madrid
Ramon Marimon, EUI, Supervisor
Alfred Steinherr, EIB and Free University of Bolzano
OECD, Paris

SKOURAS Spyros 23/6/00 GR
"On Decision Rules for Investors in Financial Markets"
Søren Johansen, EUI
Ramon Marimon, EUI, Supervisor
Hashem Pesaran, University of Cambridge
Allan Timmermann, University of California at San Diego
Assistant Professor, Athens University of Economics and Business

GONZALEZ DE LARA Yadira 23/6/00 E
"Enforceability and Risk Sharing in Financial Contracts: From the Sea Loan to the Commenda in late Medieval Venice"
Avner Greif, Stanford University
Ramon Marimon, EUI, Supervisor
Leandro Prados de la Escosura, Universidad Carlos III
Jaime Reis, EUI
Universidad de Alicante

SCHURE Paul 29/6/00 NL
"Essays on Financial Intermediation"
Franklin Allen, Wharton School
Pierpaolo Battigalli, EUI, internal supervisor
Dave Cass, University of Pennsylvania, Supervisor
Joseph Zeira, Hebrew University of Jerusalem
Assistant Professor, University of Victoria (Canada)

EHRMANN Michael 17/7/00 D
"Monetary Policy Transmission - the same for all? Comparing country and firm responses to Central Bank action"
Michael Artis, EUI, Supervisor
Stephen Cecchetti, Ohio State University
Roger Farmer, EUI
Frank Smets, European Central Bank
Research Department, European Central Bank

HERREINER Dorothea 29/9/00 D

"Random Matching and Trade Relationships in Decentralized Markets"

Roger Farmer, UCLA and EUI, internal advisor
Itzhak Gilboa, Tel Aviv University
Alan Kirman, GREQAM Marseille, Supervisor
Avner Shaked, University of Bonn

Department of Economics, Bowdoin College

BARDASI Elena 9/10/00 I

"The Italian Government as an Employer: Comparisons between Public and Private Sector Workers in the first half of the 90s"

Carlo Dell'Aringa, Università Cattolica di Milano
Joop Hartog, University of Amsterdam
Andrea Ichino, EUI
John Micklewright, UNICEF, Supervisor

University of Essex - ESRC Research Centre for Micro-social Change

TRILLAS Francesc 8/12/00 E

"Privatized Utilities: Regulatory Reform and Corporate Control"

James Dow, London Business School, Supervisor
Paul Grout, University of Bristol
Ramon Marimon, EUI and Ministry of Science & Technology, Madrid, Co-Supervisor
Vicente Salas, Universitat de Zaragoza

London Business School and Universitat Autònoma de Barcelona

FUGAZZA Marco 8/12/00 F

"Three Essays on Labor Markets and Institutions: a search theoretic analysis"

Giuseppe Bertola, EUI Pierre Cahuc, Université de Paris I
Ramon Marimon, EUI and Ministry of Science & Technology, Madrid, Supervisor
Fabrizio Zillibotti, Stockholm University

UNCTAD, Geneva

DE FIORE Fiorella 15/12/00 I

"Essays on Monetary Policy and Taxation"

Michael Artis, EUI, Supervisor
V.V. Chari, University of Minnesota
Isabel Correia, Universidade Catolica Portuguesa
Pedro Teles, Universidade Catolica Portuguesa and Bank of Portugal, Co-supervisor

Research Department, European Central Bank

PINA Alvaro — 2/2/01 P

"Essays on Macroeconomic Policy in EMU"

Michael Artis, EUI, Supervisor
Ray Barrell, NIESR, Co-Supervisor
Roel Beetsma, University of Amsterdam
David Vines, Balliol College Oxford

Assistant Professor Economics Department, Universidade Técnica de Lisboa

BORGHESI Simone — 23/2/01 I

"Essays on Environmental Economics"

Pierpaolo Battigalli, EUI, Supervisor
Marzio Galeotti, Università di Bergamo
Geoffrey Heal, Columbia Business School
Andrea Ichino, EUI, Second advisor

Dipartimento di Economia Politica, Università di Siena

SORO BONMATI Asuncion — 19/3/01 E

"From School-to-Work: a comparison of labour market traditions and leaving home decisions in Germany, Italy and Spain"

Samuel Bentolila, CEMFI, Madrid
Richard Breen, EUI
Andrea Ichino, EUI, Supervisor
Juan Jimeno, Alcala de Henares
Massimo Motta, EUI, Second advisor

ADAM Klaus — 4/5/01 D

"Learning and Price Behavior: micro and macroeconomic implications"

Seppo Honkapohja, University of Helsinki
Ramon Marimon, EUI, Supervisor
Thomas Sargent, Stanford University
Karl Schlag, EUI

Research Department, European Central Bank, Frankfurt and Department of Economics, University of Frankfurt

GENNARI Elena — 14/5/01 I

"Econometric Modelling of Regime Shifts: Money Demand And Monetary Transmission Mechanisms in Italy"

Anindya Banerjee, EUI
Giorgio Calzolari, Università di Firenze
Grayham Mizon, EUI, Supervisor
Timo Terasvirta, Stockholm School of Economics

Bank of Italy

COUTINHO Leonor 18/5/01 P

"International Monetary Policy Transmission after EMU"

Michael Artis, EUI, Supervisor
Giuseppe Bertola, EUI
Ronald MacDonald, University of Strathclyde
Paul Mizen, University of Nottingham

CEPS, Bruxelles

CALEIRO Antonio 19/5/01 P

"Essays on Election Dates, Economic Policies and Voters"

Manfred Gärtner, University of St. Gallen
Ramon Marimon, EUI, Co-Supervisor
Patrick Minford, Cardiff Business School
Mark Salmon, City University Business School, Co-Supervisor

Departamento de Economia, Universidade de Evora

LIBORIO Joao 21/5/01 P

"Four Essays on the Econometric Analysis of Dynamic Yield Curve Models"

Giuseppe Bertola, EUI
George Jiang, York University
Søren Johansen, EUI, Supervisor
Eric Renault, University of Montreal

KOENIGER Winfried 29/6/01 D

"Essays on Insurance, Institutions and Aggregate Labor Markets"

Giuseppe Bertola, EUI, Supervisor
Michael Burda, Humboldt University Berlin
Christopher Flinn, New York University
Massimo Motta, EUI

Institut zur Zukunft der Arbeit (IZA) (Institute for the Study of Labor), Bonn

MENASCE Emmanuelle 1/10/01 F

"Essays on Labour Standards, Welfare and Trade"

Giuseppe Bertola, EUI, Supervisor
Lionel Gérard Fontagné, CEPII, Paris
André Sapir, Université Libre de Bruxelles
Massimo Motta, EUI

FERNANDES Pedro 15/10/01 P
"Essays on Customer Loyalty and on the Competitive Effects of Frequent-Flyer Programmes"
Pedro Barros, Universidade Nova de Lisboa
Ramon Caminal, IAE, Barcelona
Massimo Motta, EUI, Supervisor
Karl Schlag, EUI
Founding partner of Reckon: Regulation & Competition Economics, London

CABRAL Ines 15/10/01 P
"Mergers and Information"
Pedro Barros, Universidade Nova de Lisboa
Vincenzo Denicolò, Università di Bologna
Massimo Motta, EUI, Supervisor
Karl Schlag, EUI
Research Department, European Central Bank

FABRA Natalia 24/10/01 E
"Market Power in Electricity Markets"
Pierpaolo Battigalli, EUI and Università Bocconi
Massimo Motta, EUI, Supervisor
Patrick Rey, Université de Toulouse
Xavier Vives, IAE, Barcelona
Assistant Professor at Universidad Carlos III de Madrid

TOKAR Steven 5/11/01 UK
"Three Essays on Competition Policy and Information Asymmetries"
Stephen Martin, University of Amsterdam, Co-Supervisor
Massimo Motta, EUI, Supervisor
Damien Neven, Université de Lausanne
Lars-Hendrik Roeller, Wissenschaftszentrum Berlin

KEARNEY Ide 9/11/01 IRL
"Do Relative Factor Prices Matter? The long-run demand for labour in the Irish manufacturing sector"
Anindya Banerjee, EUI
Gerry Boyle, University of Maynooth
John Micklewright, UNICEF, Co-Supervisor
Grayham Mizon, University of Southampton, Co-Supervisor
Andrew Newell, University of Sussex
Central Bank of Ireland

BECKER Sascha 9/11/01 D
"University Dropouts, Returns to Education, Job Displacement and International Risk-Sharing: four essays in empirical economics"
Mike Artis, EUI
David Card, University of California at Berkeley
Andrea Ichino, EUI, Supervisor
Joern-Steffen Pischke, LSE
Assistant Professor, University of Munich and Research Fellow Institute for the Study of Labor (IZA)

ELLISON Martin 23/11/01 UK
"Money Matters - Four Essays on Monetary Economics"
Mike Artis, EUI, Supervisor
Ramon Marimon, Ministry of Science & Technology Madrid
Mark Salmon, City University Business School
Tom Sargent, Stanford University
Lecturer, Economics Department, University of Warwick

BON Julie 7/12/01 F
"Competitive Aspects of Vertical Restraints"
Ulrich Kamecke, Humboldt University Berlin
Bruce Lyons, University of East Anglia
Massimo Motta, EUI, Supervisor
Anne Perrot, CREST, Paris

TORO Juan 8/4/02 E
"Essays on Business Cycle Measurement and Structural Breaks"
Mike Artis, EUI, Supervisor
Juan Dolado, Universidad Carlos III Madrid
Andrew Harvey, University of Cambridge
Søren Johansen, University of Copenhagen
Centro de Estudios Andaluces - Sevilla

LASAOSA Ana 19/4/02 E
"Job Search Decisions in Spain: a comparative analysis"
Andrea Ichino, EUI
John Micklewright, UNICEF, Supervisor
Jan van Ours, Tilburg
Jonathan Wadsworth, LSE
Centre for Economic Performance, London School of Economics

MESSINA Julian 1/6/02 E
"Product Market Regulation and Structural Change"
Giuseppe Bertola, EUI, Supervisor
Juan Jimeno, Universidad Alcala de Henares Madrid
Giuseppe Nicoletti, OECD Paris
Roberto Perotti, EUI
Research Department, European Central Bank

JANSEN Marcel 7/6/02 NL
"Essays on Efficiency in Markets with Frictions"
Giuseppe Bertola, EUI
Ramon Marimon, Ministry of Science & Technology, Madrid, Supervisor
Claudio Michelacci, CEMFI, Madrid
Dale Mortensen, Northwestern University
Assistant Professor, Universidad Carlos III de Madrid

GIL MARTIN Samuel 10/6/02 E
"Secular Inflation, Interest Rates and Distribution of Wealth: a theoretical approach"
Roger Farmer, UCLA, Supervisor
Omar Licandro, EUI
Harald Uhlig, Humboldt Universität Berlin
Robert Waldmann, Università Tor Vergata, Supervisor

FRATZSCHER Marcel 12/6/02 D
"On the Growing Economic Interdependence in a Global Economy: The Role of Contagion, EMU and Monetary Policy"
Mike Artis, EUI, supervisor
Roberto Perotti, EUI
Andrew Rose, University of California, Berkeley
Axel Weber, University of Cologne
Research Department, European Central Bank

SIEBERN-THOMAS Frank 21/6/02 D
"Contributions to Causal Inference with an Application to the Estimation of Returns to Job Mobility during Transition and Returns to Education in Germany"
Bart Cockx, Université Catholique de Louvain
Andrea Ichino, EUI, Supervisor
Jennifer Hunt, Université de Montréal
Grayham Mizon, University of Southampton, Supervisor
European Commission (DG Employment)

ARCHONTAKIS Fragiskos 28/6/02 GR
"Essays on Nonstationary Time Series"
Anindya Banerjee, EUI
Niels Haldrup, University of Aarhus
Søren Johansen, supervisor, external EUI and Copenhagen
Paolo Paruolo, Università dell'Insubria
Universidad de Valencia

TURUNEN Jarkko 29/7/02 Fin

"Essays on Worker Mobility, Skills and Unemployment in Transition Economies"

Mike Artis, EUI
Simon Commander, EBRD
Andrea Ichino, EUI, supervisor
Barbara Petrongolo, LSE

Research Department, European Central Bank

HAMMERSLAND Roger 23/9/02 N

"The Degree of Independence in Goods and Capital Markets"

Michael Artis, EUI, Co-supervisor
Giorgio Calzolari, Università di Firenze
Søren Johansen, University of Copenhagen, Supervisor
Grayham Mizon, University of Southampton

Norwegian Central Bank

O'BRIEN Dermot 24/9/02 IRL

"Essays on Financial Development and Banking Efficiency"

Anindya Banerjee, EUI, Co-Supervisor
Søren Johansen, University of Copenhagen, Supervisor
Tommaso Proietti, Università di Udine
Bill Russell, University of Dundee

NCB Stockbrokers Ltd., Dublin

FAGIOLO Giorgio 27/9/02 I

"Essays on Decentralized Economies with Interacting Agents: individual behaviors and aggregate dynamics"

Giovanni Dosi, Scuola Superiore Sant'Anna Pisa
Sanjeev Goyal, Queen Mary College London
Alan Kirman, GREQAM, Supervisor
Karl Schlag, EUI

Sant'Anna School of Advanced Studies, Pisa, Laboratory of Economics and Management

VASCONCELOS Helder 3/10/02 P

"Three Essays on Collusion and Mergers"

Pierpaolo Battigalli, external EUI and Bocconi
Luis Cabral, New York University
Massimo Motta, EUI, Supervisor
Karl Schlag, EUI
John Sutton, LSE

Assistant Professor, Università Bocconi

ANDRE Viviane 11/10/02 F
"Agricultural Liberalization, Income Distribution and Welfare"
Michael Artis, EUI
Jean-Marc Boussard, INRA, Paris
Roger Farmer, UCLA, Supervisor
Hubert Kempf, Université de Paris I
Direction des Etudes Economiques et de l'Evaluation Environnementale, Ministère de l'Ecologie et du Développement Durable, Paris

STROZZI Chiara 17/12/02 I
"Union coordination and economic integration"
Giuseppe Bertola, EUI, Supervisor
Massimo Motta, EUI
Grazielle Bertocchi, Università di Modena
Robin Naylor, University of Warwick
Università di Modena e Reggio Emilia

VALLA Natacha 14/3/03 F
"Learning and Distribution in Monetary Economics"
Giuseppe Bertola, EUI, Supervisor
Roberto Perotti, EUI
Franck Portier, Université de Toulouse
Volker Wieland, Universität Frankfurt
Research Department, European Central Bank (on leave at Banque de France, 2005-08)

HOUGH Simon 28/4/03 UK
"Priceless or Worthless? Four Essays on Art as an Investment"
Mike Artis, EUI, Supervisor
Victor Ginsburgh, CORE
Søren Johansen, University of Copenhagen, Supervisor
Luc Renneboog, Tilburg University

STEINBERGER Thomas 10/5/03 A
"Macroeconomic consequences of imperfections in financial markets"
Giuseppe Bertola, EUI, Supervisor
Omar Licandro, EUI
Fumio Hayashi, University of Tokyo
Josef Zechner, University of Vienna
Post-Doctoral RTN Fellow, University of Salerno

VURI Daniela 12/5/03 I
"Fertility and Divorce"
Andrea Ichino, EUI, Supervisor
Frank Vella, EUI
Daniela Del Boca, Università di Torino
John Ermisch, ISER, Essex
Associate professor, University of Firenze

KIEFER Rainer 19/5/03 D

"Essays on Corporate Distress"

James Dow, London Business School, Supervisor
Andrea Ichino, EUI
Julian Franks, London Business School
Jan Krahnen, Johann Wolfgang Goethe-Universität Frankfurt

London Business School

PEDERSEN Michael 6/6/03 DK

"Essays on Applications of I(1) and I(2) Cointegrated VAR Models on Issues in International Price Parities"

Søren Johansen, Supervisor, External EUI and Copenhagen
Anindya Banerjee, EUI
Marius Ooms, Free University Amsterdam
Andrew Harvey, University of Cambridge

Central Bank of Denmark

OOMEN Roel 13/6/03 NL

"Three Essays on the Econometric Analysis of High Frequency Financial Data"

H. Peter Boswijk, University of Amsterdam
Søren Johansen, external EUI and Univ. of Copenhagen, Supervisor
Helmut Lütkepohl, EUI
Stephen Taylor, Lancaster University

Lecturer of Finance, Warwick Business School

HINTERMAIER Thomas 13/6/03 A

"Four Essays in Dynamic Macroeconomics"

Roger Farmer, UCLA, Supervisor
Berthold Herrendorf, Universidad Carlos III Madrid
Omar Licandro, EUI
Franck Portier, Université de Toulouse

Institute for Advanced Studies, Vienna

WIEDERHOLT Mirko 16/6/03 D

"Markets for Information, Allocation of Capital and Growth"

Giuseppe Bertola, EUI, Supervisor
Omar Licandro, EUI
Timothy Besley, LSE
Jean-Charles Rochet, Université de Toulouse

Assistant Professor, Humboldt University Berlin

SANZ DE GALDEANO Anna 27/6/03 E
"Essays on Labour Economics, Health Economics and Gender"
Andrea Ichino, EUI, Supervisor
Frank Vella, EUI
Lola Collado, Universidad de Alicante
Dan Hamermesh, University of Texas
Post-Doctoral Marie Curie Fellow, University of Salerno

SANTAMARIA GARCIA Juana 26/9/03 E
"Markets with Imperfections: Essays on Bargaining and Search"
Pierpaolo Battigalli, Supervisor, Università Bocconi
Samuel Bentolila, CEMFI, Madrid
Barbara Petrongolo, London School of Economics
Karl Schlag, EUI
Universidad de Alicante

PEKKARINEN Tuomas 26/9/03 Fin
"Job Complexity and Wages"
Andrea Ichino, EUI, Supervisor
Markus Bruno Jäntti, University of Tampere
Francis Vella, EUI
David H. Autor, M.I.T.
Research Fellow, Nuffield College, Oxford

MILLIOU Chrysovalantou-Vasiliki 29/9/03 GR
"Vertical Relations, Competition and Innovation"
Vincenzo Denicoló, Università di Bologna
Massimo Motta, EUI, Supervisor
Karl Schlag, EUI
Margaret Slade University of Warwick
Assistant Professor, Universidad Carlos III de Madrid

HALLAK Issam 13/11/03 F
"Essays on Sovereign Loan Contract Designs"
Anindya Banerjee, EUI
James Dow, London Business School, Supervisor
Jan Krahnen, Johann Wolfgang Goethe-Universität Frankfurt
Marco Pagano, Università di Salerno
Assistant Professor, Università Bocconi

GIAMMARIOLI Nicola 10/12/03 I
"Essays on Dynamic General Equilibrium Models"
Roger Farmer, UCLA, Supervisor
Omar Licandro, EUI
Frank Smets, European Central Bank
Mark Weder, Humboldt Universität zu Berlin
Research Department, European Central Bank

KONSTANTINOU Panagiotis 12/12/03 GR
"Essays in Economics: What can we infer from the data?"
Anindya Banerjee, EUI
Roger Farmer, UCLA
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ECO No. 2004/31
"Properties of Recursive Trend-Adjusted Unit Root Tests"
Paulo M. M. RODRIGUES

ECO No. 2004/32
"Competition, the Lisbon Strategy and the Euro"
Anindya BANERJEE / Bill RUSSELL

ECO No. 2004/33
"A General Test of Gaming"
Pascal COURTY / Gerald MARSCHKE

ECO No. 2004/34
"Consumption and Debt Dynamics with (Rarely Binding) Borrowing Constraints"
Alexis ANAGNOSTOPOULOS

ECO No. 2004/35
"Potential Welfare Losses from Financial Autarky and Trade Sanctions"
Alexis ANAGNOSTOPOULOS

C.6 Working Papers 2005

ECO No. 2005/01
"Policy mix and debt sustainability: evidence from fiscal policy rules"
Peter CLAEYS

ECO No. 2005/02
"Structural Vector Autoregressive Analysis for Cointegrated Variables"
Helmut LÜTKEPOHL

ECO No. 2005/03
"Endogenous Globalization and Income Divergence"
Yoshiaki SUGIMOTO

ECO No. 2005/04
"Mergers and Acquisitions Waves in the U.K.: a Markov-Switching Approach"
Marcelo RESENDE

ECO No. 2005/05
"The Performance of Panel Unit Root and Stationarity Tests: Results from a Large Scale Simulation Study"
Jaroslava HLOUSKOVA / Martin WAGNER

ECO No. 2005/06
"Who is against Free Migration? Lobbying, the Non-traded Sector and the Choice between the Customs Union and the Common Market"
Cyrille SCHWELLNUS

ECO No. 2005/07
"Estimating market power in a two-sided market: the case of newspapers"
Elena ARGENTESI / Lapo FILISTRUCCHI

ECO No. 2005/08
"Uncovered Interest Rate Parity and the Expectations Hypothesis of the Term Structure: Empirical Results for the U.S. and Europe"
Ralf BRÜGGEMANN / Helmut LÜTKEPOHL

ECO No. 2005/09
"Autoregressive Approximations of Multiple Frequency I(1) Processes"
Dietmar BAUER / Martin WAGNER

ECO No. 2005/10
"Robust Monopoly Pricing: The Case of Regret"
Dirk BERGEMANN / Karl SCHLAG

ECO No. 2005/11
"Fairness vs. Social Welfare in Experimental Decisions"
Stefan KOHLER

ECO No. 2005/12
"The Impact of Internet on the Market for Daily Newspapers in Italy"
Lapo FILISTRUCCHI

ECO No. 2005/13
"Measuring Market Conduct in the Brazilian Cement Industry: a Dynamic Econometric Investigation"
Rodrigo M. ZEIDAN / Marcelo RESENDE

ECO No. 2005/14
"Modeling Conditional Skewness in Stock Returns"
Markku LANNE / Pentti SAIKKONEN

ECO No. 2005/15
"The Impact of Multinational Entry on Domestic Market Structure and R&D"
Helmut LÜTKEPOHL

ECO No. 2005/16
"Problems Related to Over-identifying Restrictions for Structural Vector Error Correction Models"
Stefanie A. HALLER

ECO No. 2005/17
"Head-content or Headcount? Temporary Labour Movements as a Source of Growth"
Massimiliano TANI

ECO No. 2005/18
"Liquidity runs with endogenous information acquisition"
Sanne ZWART

ECO No. 2005/19
"The Effect of a Transaction Tax on Exchange Rate Volatility"
Markku LANNE / Timo VESALAY

ECO No. 2005/20
"The effects of replacement schemes on car sales: the Spanish case"
Omar LICANDRO / Antonio R. SAMPAYO

ECO No. 2005/21
"Openness and the case for flexible exchange rates"
Giancarlo CORSETTI

ECO No. 2005/22
"Twin Deficits: Squaring Theory, Evidence and Common Sense"
Giancarlo CORSETTI / Gernot J. MÜLLER

ECO No. 2005/23
"DSGE Models of High Exchange-Rate Volatility and Low Pass-Through"
Giancarlo CORSETTI / Luca DEDOLA / Sylvain LEDUC

ECO No. 2005/24
"Towards a theory of firm entry and stabilization policy"
Paul BERGIN & Giancarlo CORSETTI

ECO No. 2005/25
"Structural Vector Autoregressions with Nonnormal Residuals"
Markku LANNE & Helmut LÜTKEPOHL

ECO No. 2005/26
"The simple geometry of transmission and stabilization in closed and open economies"
Giancarlo CORSETTI / Paolo PESENTI

ECO No. 2005/27
"Buying Frenzies"
Pascal COURTY

Appendix D

Workshop Programmes

D.1 Microeconomics Research Workshop 2000–2005

Academic Year 2000-2001

Marciano Siniscalchi (Princeton)
"Rationalizable bidding in first-price auctions"

David Alary (Finance & Consumption, EUI)
"Do insurance defrauders want to be punished?"

Jacques Thisse (CORE)
"Agglomeration and Market Interaction"

Andrea Ichino (EUI)
"Are judges biased by labor market conditions?"

Bruno Jullien (Toulouse)
"Resale price maintenance and collusion"

Ines Cabral (EUI)
"Merger waves"

Fausto Panunzi (Bocconi)
"Agency conflicts, ownership concentration, and legal shareholder protection"

Eric Fisher (Ohio State)
"The forward premium in a model with heterogeneous prior beliefs"

Giuliana Palumbo (EUI)
"Decision making and endogenous monitoring: rules versus discretion"

Marcel Boyer (University of Montreal)
“ Bankruptcy cost, financial structure and technological flexibility choice”

Ed Hopkins (EUI)
“Consumer choice as a game of status”

Robert Rosenthal (Boston University)
“Three-object two-bidder simultaneous auctions: chopsticks and tetrahedra”

Pierpaolo Battigalli (Bocconi University)
“Contracting over time when writing is costly”

Giacinta Cestone (Autonoma Barcelona)
“Venture capital meets contract theory: risky claims or formal control?”

Nikolaos Vettas (Duke and Athens Universities)
“Foreign direct investmentand exports with growing demand”

Volke Nocke (Nuffield)
“Imperfect competition, market size and firm turnover”

Academic Year 2001-2002

Lars Persson (Stockholm)
“Investment liberalization: who benefits from cross-border M&As?”

David Spector (MIT)
“Horizontal mergers, entry, and efficiency defences”

Paul Seabright (Toulouse)
“Competition and the spread of knowledge in economic growth”

Stephen Martin (Amsterdam)
“Foreclosure in experimental markets”

Chaim Fershtman (Tel Aviv University)
“The limit of public policy: endogenous preferences”

Christian Gollier (Toulouse)
“Equilibrium portfolio choices and savings with consumption externalities”

Chiara Fumagalli (EUI)
“Internal capital markets, cross-subsidization and product market competition”

Sergiu Hart (Hebrew University of Jerusalem)

"The evolution of rationality"

Massimo Motta (EUI)
"Trade secret laws, labour poaching, and innovation"

Luca Lambertini (Bologna)
"Export restraints in a model of trade with capital accumulation"

Eyal Winter (EUI)
"Incentives and discrimination"

Bhaskar Dutta (Warwick University)
"Equilibrium agenda formation"

James Anderson (Boston College)
"From Wild West to the Godfather: Enforcement market structure"

Leonardo Felli (LSE)
"Endogenous Lobbying"

Francis Bloch (GREQAM)
"Market sharing agreements and collusive networks"

Ernst-Ludwig Von Thadden (Lausanne University)
"On the political economy of bank and market governance"

Hamid Sabourian (Cambridge)
"Complexity and competition"

Antonio Cabrales (UPF)
"Organizations as problem-solving networks"

John Kagel (Ohio State)
"Bargaining in legislatures: an experimental investigation of open versus closed amendment rules"

Elhanan Helpman (Harvard)
"Outsourcing in a global economy"

Douglas Gale (NYU)
"Financial fragility"

Alessandro Lizzeri (NYU)
"Why Did the Elites Extend the Suffrage? Democracy and the Scope of Government, With an Application to Britain's 'Age of Reform"'

Asher Wolinsky (Northwestern University)
"Sequential procurement"

Academic Year 2002-2003

Ernst-Ludwig Von Thadden (Lausanne)
"On the political economy of bank and market governance"

Antonio Villar (University of Alicante)
"Rationing problems and solution rules"

Estelle Malavolti (Toulouse)
"Competition Policy and Agreements Between Firms"

Gerd Muehlheusser (JMF)
"When being better is not enough: Contests with asymmetric contestants"

Michael Landsberger (Haifa)
"Participation in auctions"

Giovanni Dosi (Pisa)
"Heterogeneity and interactions at work: evidence from industrial dynamics"

Zvika Neeman (Boston University)
"Inspection in Markets"

Ben Lockwood (University of Warwick)
"The Overinvestment Trap: Hold Up, Outside Options and Competition"

Francesca Cornelli (London Business School)
"Donations"

Frank Verboven (Leuven)
"Liberalizing a Distribution System: the European Car Market"

Michael Baye (University of Indiana)
"Price Dispersion in the Small and in the Large: Evidence from an Internet Price Comparison Site"

Klaus Schmidt (Munich)
"Fairness, Incentives and Contractual Incompleteness"

Academic Year 2003-2004

Patrick Rey (Université des Sciences Sociales)
"Transferable control"

Margaret Slade (Warwick University)
"Commodity Spot Prices: An Exploratory Assessment of Levels and Volatilities"

Helder Vasconcelos (Bocconi University)
"Efficiency gains and myopic antitrust authority in a dynamic merger game"

Joe Harrington (Johns Hopkins)
"Cartel Pricing Dynamics in the Presence of an Antitrust Authority"

Jim Markusen (Univ of Colorado)
"Export-Platform Foreign Direct Investment"

Ann Carlos (Univ of Colorado)
"Survival through Generosity: Property Rights and Hunting Practices of Native Americans in the Sub-Arctic"

Laurence Lasselle (JMF)
"Heterogeneous Expectations, Dynamics, and Stability of Markets"

Claudio Mezzetti (JMF)
"Mechanism Design with Interdependent Valuations: Efficiency and Full Surplus Extraction"

Andrea Ichino (EUI)
"How often Should you Open the Door? Optimal Monitoring to Screen Heterogeneous Agents"

Thomas Rønde (University of Copenhagen)
"Resting on Laurels: A Theory of Inertia in Organizations"

Karl Schlag (EUI)
"Selling without Information - Presentation of Preliminary Results"

Luca Rigotti (Duke University)
"Fans in the Stands"

Bronwyn Hall (University of California Berkeley)
"Does the Market Value R&D Investment by European Firms? Evidence from a Panel of Manufacturing Firms in France, Germany, and Italy" (with R. Oriani)

Gianni De Fraja (University of York)
"Reverse Discrimination and Efficiency in Education"

Peter Zemsky (INSEAD, Paris)
"Creating and Sustaining Competitive Advantage with Time Compression Diseconomies" (joint with Goncalo Pacheca de Almeida)

Alfonso Gambardella (Scuola Superiore Sant'Anna)
"Technology, Entrepreneurship and Inequality" (with D. Ulph)

Frederic Palomino (HEC School of Management, Jouy-en-Josas)
"Collective vs. Individual Sale of TV Rights in League Sports" (with S. Falconieri and J. Sakovics)

Giacomo Calzolari (University of Bologna)
"On the Optimality of Privacy in Sequential Contracting" (with A. Pavan)

Eyal Winter (The Hebrew University of Jerusalem)
"Trust and Reciprocity among Europeans: A South-North Comparison"

Stephanie Rosenkranz (Utrecht School of Economics)
"The Manufacturer's Suggested Retail Price"

Ronald J. Gilson (Charles J. Meyers Professor of Law and Business - Stanford Law School)
"The Mechanisms of Market Efficiency Twenty Years Later: The Hindsight Bias"

Olivier Compte (Ecole Nationale des Ponts et Chaussées)
"Inefficiencies in Bargaining: Departing from Akerlof and Myerson-Satterthwaite" (with Philippe Jehiel)

Juuso Valimaki (University of Southampton)
"Monopoly Pricing of Experience Goods" (with Dirk Bergemann)

Peter Norman Sørensen (Institute of Economics, University of Copenhagen)
"Late Informed Betting and the Favorite-Longshot Bias" (with Marco Ottaviani)

Roy Ruffin (University of Houston)
"International Trade Under Oligopoly Conditions"

Jan Boone (Universiteit van Tilburg)
"Optimal competition: a benchmark for competition policy"

Ulrike Leopold-Wildburger (Dept. Statistics and Operations Resarch, Karl-Franzens-Universität Graz)
"Some Results from Experimental Economics"

Eliana La Ferrara (Università Bocconi)

“Descent rules and inter-vivos transfers”

Curtis Taylor (Duke University)
“Privacy and Information Acquisition in Competitive Markets”

Antoine Faure-Grimaud (LSE)
“Time to Think: The Decision Problem (with applications to contract design)” (with P. Bolton)

Gary Biglaiser (University of North Carolina)
“Moonlighting: Public Service and Private Practice” (with Ching-to Albert Ma)

Simon Anderson (University of Virginia)
“Junk mail” (with A. de Palma)

Peyton Young (Johns Hopkins University and Brookings Institute)
“Regret testing: A Simple Payoff-Based Procedure for Learning Nash Equilibrium” (with D.P. Foster)

Philippe Jehiel (CERAS-ENPC and UCL)
“Dynamic processes of social and economic interactions”

Academic Year 2004-2005

Urs Fischbacher (University of Zurich)
“ Indirect Reciprocity and Strategic Reputation Building in an Experimental Helping Game,” (joint with Dirk Engelmann)

Pedro Pita Barros (Universidade Nova de Lisboa)
“Sectoral Regulators and the Competition Authority: Which Relationship is best?” (with S. Hoernig)

Shmuel Nitzan (Bar-Ilan University Israel)
“The Costs of Implementing the Majority Principle: The Golden Voting Rule”

Sofronis Clerides (University of Cyprus)
“Intermediaries as Quality Assessors in Markets with Asymmetric Information: The Case of Tour Operators” (with P. Nearchou and P. Pashardes)

Jeroen Hinloopen (University of Amsterdam and Tinbergen University)
“Cartel stability with time-dependent detection probabilities”

Eliot Maenner (JMF)
“Negotiation in Repeated Cournot Duopoly”

Christian Bayer (JMF)
"The other side of limited liability: Investment timing and predatory behavior"

Andrew Oswald (University of Warwick)
"Rank Dependence in Employees' Wellbeing"

Robin Mason (University of Southampton)
"Independence and Heterogeneity in Games of Incomplete Information" (with A. Valentinyi)

Natalia Fabra (Universidad Carlos III de Madrid)
"Dynamic price competition with switching costs in vertically related markets"

Ignacio Palacios-Huerta (Brown University)
"Rejecting Small Gambles Under Expected Utility"

Yves Zenou (Stockholm University)
"Who's Who in Crime Networks. Wanted: The Key Player" (with C. Ballester and A. Calvo-Armengo)

Antonella Ianni (University of Southampton)
"Gossiping"

David Genesove (Hebrew University of Jerusalem)
"The Relative Deterioration of the Incumbency Advantage: Lessons from The Dye Famine"

Simon Burgess (University of Bristol)
"Cities, Matching and the Productivity gains from Agglomeration" (with F. Andersson and J.I. Lane)

Rosemarie Nagel (Universitat Pompeu Fabra)
"It is Hobbes, not Rousseau: An Experiment on Social Insurance" (with A. Cabrales and J.V. Rodríguez Mora)

Pierpaolo Battigalli (Bocconi University)
"Dynamic Psychological Games"

Bruno Jullien (GREMAQ and IDEI, Université de Toulouse I)
"Competing with Advertising Resources" (with C. Crampes and C. Haritchabalet)

Christoph Kuzmics (Kellogg School of Management, Northwestern University)
"Stochastic Evolution with Large Populations and (Iterated) Dominance"

Gilles Chemla (Imperial College London)
"Optimal Portfolio Diversification and Product-Market Interactions"

Andrea Fosfuri (Universidad Carlos III de Madrid)
"Modeling the tension between exploitation and exploration"

Hamid Sabourian (Cambridge University)
"Herd behaviour in efficient financial markets with sequential trading"

Nicola Persico (University of Pennsylvania)
"Estimating Deterrence Effects Using Random Crackdowns: Theory and Evidence" (with J. Eeckhout and P. Todd)

Kalyan Chatterjee (Pennsylvania State University)
"Lifelong Employment Commitments in Academia" (with R. C. Marshall)

Godfrey Keller (Oxford University)
"Strategic Experimentation with Undiscounted Bandits" (with S. Rady)

David Reiley (Eller College of Management - University of Arizona)
"The War for the Fare: How Driver Compensation Affects Bus System Performance" (R. M. Johnson and J. C. Muñoz)

Eric Gould (The Hebrew University of Jerusalem)
"Technological Peer Effects Between Workers: Evidence From Professional Baseball"

Stefano DellaVigna (University of California, Berkeley)
"The Fox News Effect: Media Bias and Voting" (with E. Kaplan)

Ulrike Malmendier (Stanford Graduate School of Business)
"Superstar CEOs" (joint with G. Tate)

D.2 Macroeconomics Research Workshop 2000–2005

Academic Year 2000-2001

Mike Artis and Mathias Hoffman (IUE)
"The Consumption Correlation Puzzle and the Measurement of International Risk Sharing"

Mark Taylor (Warwick)
"Why is it so difficult to forecast exchange rates?"

Antonio Ciccone (Pompeu Fabra)

"Human capital and externalities in cities"

Frederique Bec (Cergy-Pontoise)
"Nonlinear monetary policy rules: evidence for the U.S., French and German Central Banks"

Ronnie MacDonald (Strathclyde)
"title to be announced"

Huw Dixon (York University)
"Entry dynamics, capacity utilisation and productivity in a dynamic open economy"

Plutarchos Sakellaris (University of Maryland and University of Ioannina)
"Patterns of plant adjustment"

Paul De Grauwe (Leuven)
" PPP and the quantity theory: some results and some puzzles"

Michele Fratianni (Indiana)
" Fiscal dominance and money growth in Italy: the long record"

Luisa Lambertini (UCLA)
" Fiscal discretion destroys monetary commitment"

Marianne Sensier (Manchester)
"Asymmetric interest rate effects for the UK real economy"

Marco Buti (European Commission)
"Stabilising output and inflation: policy conflicts and co-operation under a Stability Pact"

Michael Haliassos (Frankfurt)
"Revolvers for self control"

Bertrand Candelon (Maastricht)
"Common cycles: A frequency domain approach"

Lawrence Ball (Bank of England/Johns Hopkins)
"Intergenerational risk sharing in the spirit of Arrow, Debreu, and Rawls, with an application to social security design"

Ignacio Conde Ruiz (JMF) "Early retirement"

Vincenzo Galasso (Carlos III)
"On the political complementariety between health care and social security"

Giovanni Peri (JMF)
"Learning externalities: Why do educated young prefer larger cities?"

Academic Year 2001-2002

Luis Puch (Universidad Complutense de Madrid)
"Costly capital reallocation and energy use"

Thorvaldur Gylfason (University of Iceland, Reykjavík)
"Natural resources and economic growth: The role of investment"

David Card (Berkeley)
"The case against skill biased technical change"

Fabrice Collard (Toulouse)
"Why has the tradeoff between employment growth and productivity growth been so strong among industrial countries?"

Salvatore Rossi (Banca d'Italia)
"Ingredients for the New Economy: how much does finance matter?"

Michael Krause (CentER)
"Inter-industry wage differentials and job flows"

Salvador Ortigueira (Carlos III)
"Unemployment benefits and the persistence of European unemployment"

David de la Croix (IRES, UCL)
"Inequality and growth: why differential fertility matters"

Maurizio Iacopetta (NYU)
"Technological dissemination in market and planned economies"

Luigi Montrucchio (Torino)
"On bubbles in Lucas Asset Pricing models"

Angel de la Fuente (Autonoma Barcelona)
"Is the allocation of public capital across the Spanish regions too redistributive?"

Kiminori Matsuyama (Northwestern University)
"Good and bad investment: an inquiry into the causes of credit cycles"

Pietro Reichlin (Università di Roma La Sapienza)
"Risk and intermediation in a dual financial market model"

Marco Pagano (Salerno)
“The political economy of corporate governance”

Andrew Newman (UCL)
“Globalization and insecurity”

Christian Schultz (Copenhagen)
“Strategic campaigns and special interest politics”

Juan Jimeno (Fedea)
“Youth unemployment in OECD countries: demographic shifts, labour market institutions and macroeconomic shocks”

Guido Lorenzoni (Princeton)
“Bubbles and Private Liquidity”

Harald Uhlig (Humboldt)
“What moves real GNP?”

Samuel Bentolila (CEMFI)
“Social networks and occupational choice”

Charles Engel (Wisconsin University)
“Expenditure switching and exchange rate policy”

Academic Year 2002-2003

Jorn Rattso (JMF)
“Learning by exporting and productivity-investment interaction: An intertemporal general equilibrium analysis of the growth process in Thailand”

Giovanni Pica(JMF)
“International Political Spillovers: the Case of Labor Market Regulation”

Hernando Zuleta (Pompeu Fabra)
“Alpha. Can we say something more about endogenous growth?”

Uwe Sunde (IZA Bonn)
“Human Capital Formation, Life Expectancy and the Process of Development”

Roberto Perotti (EUI)
“Fiscal Policy and Monetary Integration in Europe”

George C. Bitros (Athens University of Economics and Business)

"A rehabilitation of economics replacement theory"

Fabien Postel-Vinay (Bristol)
"Wage Bargaining with On-the-job Search: A Structural Econometric Model"

Claudio Michelacci (CEMFI, Madrid)
"Technology Shocks and Job Flows"

Jaume Ventura (CREI, Universitat Pompeu Fabra)
"Bubbles and capital flows"

Francois Bourguignon (Delta-Ens)
"Representative versus real households in the macro-economic modeling of inequality"

Roland Benabou (Woodrow Wilson School, Princeton University)
"Belief in a Just World and Redistributive Politics"

Hubert Kempf (Univ. Paris-1 Sorbonne, Paris)
"Regional debt: taxation or monetization"

Mohamad Hammour (Delta, ENS)
"Speculative Growth"

Bart Hobijn (Federal Reserve Bank, New York)
"Cross Country Technology Adoption: Making the Theories Face the Facts"

Francesco Busato (Columbia University)
"Business Cycles . . . without Productivity Shocks"

Winfried Koeniger (IZA, Bonn)
"Employment Protection, Product Market Competition and Growth"

Russell Cooper (Boston University)
"Financial Frictions and Investment: A Requiem in Q*"

Michele Boldrin (University of Minnesota)
"Perfectly Competitive Innovation"

Paolo Brito (ISEG - Lisbon)
"Global indeterminacy in two sector models of endogenous growth"

Roger E. A. Farmer (UCLA)
"Identifying the Monetary Transmission Mechanism using Structural Breaks"

Academic Year 2003-2004

Bas Jacobs (Universiteit van Amsterdam)
"Redistribution and Education Subsidies are Siamese Twins"

Fabrice Collard (University of Toulouse)
"Globalization, Gains from Specialization and the World Distribution of Output"

Andrew Rose (Berkeley)
"Financial Integration: A New Methodology and an Illustration"

Manuel Santos (Arizona State University)
"Estimation by Simulation of Monotone Dynamical Systems"

Lutz Weinke (Universitat Pompeu Fabra)
"What do we know about Capital in a Calvo style sticky price model?"

Giancarlo Corsetti (EUI)
"International Risk-Sharing and the Transmission of Productivity Shocks"

Jose Maria da Rocha (Universidad Carlos III de Madrid)
"Devaluation Beliefs and Debt Crisis: The Argentinian Case"

Guido Cozzi (Università degli Studi di Roma "La Sapienza")
"The Self-fulfilling International Allocation of Innovation"

Roger Guesnerie (DELTA)
"A Generic (General) Factor Price Equalisation Theorem"

Laurence Lasselle (JMF)
"Endogenous, Imperfectly Competitive Cycles with Underemployment"

Juan Rojas (JMF)
"Pension Reform with Endogenous Borrowing Constraints"

Juan Carlos Conesa (Universitat Pompeu Fabra)
"Optimal Design of Social Security Reforms"

Wouter den Haan (London Business School)
"Temporary shocks and unavoidable transitions to a high-unemployment regime"

Richard Nelson, Henry R. Luce (Columbia University)
"Evolutionary Theories of Cultural Change"

David Domeij (Stockholm School of Economics)
"Population Aging and International Capital Flows"

Fabio Schiantarelli (Boston College)
"Capital Accumulation and Growth: A Demise Prematurely Foretold?"

Kosuke Aoki (Universitat Pompeu Fabra)
"Rule-based monetary policy under central bank learning" (with Kalin Nikolov)

Hashmat Khan (Bank of England)
"The Phillips Curve Under State-Dependent Pricing"

Joseph Zeira (Hebrew University of Jerusalem)
"Innovations, Patent Races and Endogenous Growth"

Joao M. Ejarque (University of Essex)
"Lessons from taking an AK model to the data"

Ana Fernandes (CEMFI and Universitat Pompeu Fabra)
"Knowledge, Technology Adoption and Financial Innovation"

Stephanie Schmitt-Grohe (Duke University)
"Deep Habits" (with M. Ravn and M. Uribe)

Jean Mercenier (Université Cergy-Pontoise)
"An applied GE investigation of tax-deferred savings plans in an ageing context" (with M. Mérette)

Luigi Guiso (Ente Luigi Einaudi, Roma)
"Cultural Biases in Economic Exchange"

Academic Year 2004-2005

Christopher Pissarides (LSE)
"Structural Change in a Multi-Sector Model of Growth" (with Rachel Ngai)

Burcu Duygan (EUI-ECO Finance and Consumption Programme)
"Aggregate Shocks, Idiosyncratic Risk, and Durable Goods Purchases: Evidence from Turkey's 1994 Financial Crisis"

Manuel Santos (University of Arizona)
"Numerical Solution of Dynamic Economic Models with Heterogeneous Agents" (with Jianjun Miao)

Vincenzo Galasso (IGIER, Bocconi University)
"Cross-Skill Redistribution and the Trade-Off Between Unemployment Benefits and Employment Protection (T. Boeri and J. I. Conde-Ruiz)

Seppo Honkapohja (University of Cambridge)
“Near Rational Exuberance” (with J. Bullard and G.W. Evans)

Nobuhiro Kiyotaki (LSE)
“A Model of Job and Worker Flow” (with R. Lagos)

Raquel Fernandez (LSE)
“Culture: An Empirical Investigation of Beliefs, Work, and Fertility”

Gerhard Sorger (University of Vienna)
“A model of common property assets with appropriation costs and wealth effects”

Gernot Müller (EUI)
“Understanding the Dynamic Effects of Government Spending on Foreign Trade”

Yoshiaki Sugimoto (JMF)
“Endogenous Globalization and Income Divergence”

Alexis Anagnostopoulos (EUI)
“Consumption and Debt Behaviour with (rarely binding) Borrowing Constraints”

Yves Zenou (Stockholm University)
“Who’s Who in Crime Networks. Wanted: The Key Player” (with C. Ballester and A. Calvo-Armengo)

Tufan Ekici (Ohio State University)
“The Effect of Price Expectations and Consumer Confidence on Credit Card Borrowing: Are Agents Rational?”

Andreas Schafer (JMF)
“Fertility and Inequality”

Felix Kuebler (University of Mannheim)
“Pareto improving social security reform when financial markets are incomplete”

Mariacristina De Nardi (University of Minnesota)
“Taxation, Entrepreneurship, and Wealth (joint with M. Cagetti)

David Lopez-Salido (Bank of Spain)
“Optimal Monetary Policy with Endogenous Capital Accumulation”

Dirk Krueger (University of Frankfurt)
“Does Income Inequality Lead to Consumption Inequality? Evidence and Theory” (with F. Perri)

Sumru Altug (Koc University)

"Spill-Over Effects, Bank Lending and Growth" (with M. Usman)

Adrian Pagan (Australian National University)
"Making a Match: Combining Theory and Evidence in Policy-Oriented Macroeconomic Modeling" (with G. Kapetanio and A. Scott)

Kjetil Storesletten (University of Oslo and IIES, Stockholm)
"Insurance versus opportunities: The welfare implications of rising wage dispersion"

Gianmarco Ottaviano (University of Bologna)
"Market Size, Trade, and Productivity" (with M. Melitz)

Thomas Sargent (New York University)
"Turbulence with Matching, Search, and Employment Lotteries" (with Lars Ljungqvist)

Jorge Duran (Universidad de Alicante)
"Physical and human capital investment: Relative substitutes in the endogenous growth process"

Philippe Martin (Université Paris 1 Panthon-Sorbonne et CERAS)
"Make Trade not War?" (with T. Mayer and M. Thoenig)

David de la Croix (Université Catholique de Louvain)
"Early Literacy Achievements, Population Density and the Transition to Modern Growth" (with R. Boucekkine and D. Peeters)

Cuong Le Van (University of Paris 1-Pantheon-Sorbonne)
"When Does a Developing Country Use New Technology" (written with Olivier Bruno and Benopit Masquin)

Fabrizio Perri (NYU Stern)
"The international diversification puzzle is not as bad as you think"

John Hassler (IIES, Stockholm University)
"On the Optimal Timing of Capital Taxes"

Fabio Schiantarelli (Boston College)
"Banks and Innovation" (with L. Benfratello, and A. Sembenelli)

Julio Davila (University of Pennsylvania)
"Optimal allocations in the one sector neoclassic growth model with uninsurable idiosyncratic shocks" (with V. Rios-Rull and P. Krusell)

Harald Uhlig (Humboldt-University of Berlin)

"Macroeconomics and Asset Prices: Some Mutual Implications"

D.3 Econometrics Research Workshop 2000–2005

Academic Year 2000-2001

Eric Ghysels (North Carolina at Chapel Hill)
"Seasonal adjustment and volatility dynamics"

Joop Hartog (Amsterdam)
"On risk compensation in wages"

Søren Johansen (EUI)
"Controlling inflation in the cointegrated vector autoregressive model - with an application to US data"

Tony Hall (Sydney)
"Using Bayesian variable selection methods to choose style factors in global stock return models"

Barbara Petrongolo (Carlos III, Madrid)
"Looking into the black box: A survey of the matching function"

Ian Walker" (Warwick University)
"There's no such thing as a free lunch: agency and altruism effects from in-kind transfers"

Massimiliano Marcellino (IGIER)
"A dynamic factor analysis of the EMU (jointly written with James Stock and Mark Watson)

Maia Guell (Pompeu Fabra)
"The effects of fixed-term contracts on the duration distribution of unemployment: the Spanish case"

David Figlio (Florida University)
"Competition between private and public schools: testing stratification and pricing predictions"

Juan Dolado (Carlos III, Madrid)
"A fractional Dickey-Fuller test with an application to forecast political opinion poll series"

Valentina Corradi (Exeter University)

"Bootstrap tests with dependent observations and parameter estimation error"

Grayham Mizon (Southampton University)
"Reformulating Empirical Macro-Econometric Modelling"

Mark Salmon (City University Business School)
"Using copulae to measure the dependency between non-Gaussian assets in finance with applications to risk management and option pricing"

Stefan Hochguertel (Amsterdam)
"Ownership of stocks and mutual funds: a panel data analysis"

Michael Salemi (North Carolina)
"Econometric policy evaluation and inverse control"

Per-Anders Edin (Uppsala)
"Ethnic enclaves and the economic success of immigrants - evidence from a natural experiment"

Rajeev Dehejia (Columbia University)
"When is ATE Enough? Rules of thumb and decision analysis in evaluating training programs"

Academic Year 2001-2002

Denise Osborn (Manchester)
"Cointegration for seasonal time series processes"

Arthur Van Soest (Tilburg)
"Non-parametric bounds in the presence of item nonresponse, unfolding brackets, and anchoring"

Robert Barsky (Michigan)
"The determinants and effects of consumer confidence"

David Card (Berkeley)
"The case against skill biased technical change"

Bill Russell (JMF)
"Relative price variability and the long-run relationship between inflation and the markup"

Andrew Chesher (UCL)
"Exogenous impact and conditional quantile functions"

Hidehiko Ichimura (UCL)
"Direct policy evaluation"

Giovanni Peri, (UC Davis)
"Innovation and Spillovers in Regions, Evidence from European Patent Data"

Søren Johansen (Copenhagen)
"What is a positive relation? The interpretation of cointegrating coefficients"

Andrea Ichino (EUI)
"The effect of employment protection on worker effort. A comparison of absenteeism during and after probation"

Helmut Luetkepohl (EUI)
"The transmission of German monetary policy in the pre-Euro period"

Orazio Attanasio (UCL)
"Empirical implications of limited commitment. Evidence from Mexican villages"

Theresa Osborne (EUI, Schuman Centre)
"Market news in commodity price theory: application to the Ethiopian grain market"

Mario Padula (UCL)
"Education, employment and wage risk"

Marco Manacorda (QM & CEP, LSE)
"Intergenerational transfers and household structure. Why most Italian youths live with their parents"

Adriana Kugler (UPF)
"Protective or counter-productive? European labor market institutions and the effect of immigrants on EU natives"

Per-Anders Edin (Uppsala)
"Blind dates: quasi-experimental evidence on discrimination"

Katerina Kyriazidou (UCLA)
"Credit constraints in the market for consumer durables: evidence from micro data on car loans"

Peter Robinson (LSE)
"The bootstrap and the Edgeworth correction for semiparametric averaged derivatives"

Jean Marc Robin (CREST)
"Twenty years of rising inequality in US lifetime labor income values"

Chris Flinn (NYU)
"An equilibrium model of health insurance provision and wage determination"

David Autor (MIT)
"Women, war and wages: the impact of female labor supply on the wage structure at mid-century"

Ana Beatriz C. Galvão (JMF)
"An Evaluation of the Forecasting Performance of Smooth Transition and Threshold Vector Autoregressive Models"

Adrian Pagan (Nuffield)
"Learning about models and their fit to data"

Academic Year 2002-2003

Victor Lavy (Hebrew University of Jerusalem)
"Paying for Performance: The Effect of Teachers' Financial Incentives on Students' Scholastic Outcomes"

Tommaso Proietti (JMF)
"Some Reflections on Trend-Cycle Decompositions with Correlated Disturbances"

Carsten Trenkler (JMF)
"What drives economic intgeration? A Threshold Cointegration Analysis of the Law of One Price for Poland (1924-1937)

Maite Martinez-Granado (JMF)
"Self-employment and labour market transitions: A Multiple State Model"

Lutz Kilian (ECB)
"A Selection of Forecasting Models"

Kenneth R. Troske (University of Missouri-Columbia)
"Using State Administrative Data to Measure Program Performance"

Wolfgang Haerdle (Humboldt University)
"The Dynamics of Implied Volatilities: A Common Principal Components Approach"

Oliver Linton (LSE)

"Consistent Testing for Stochastic Dominance under General Sampling Schemes"

Yuichi Kitamura (University of Pennsylvania)
"Empirical likelihood for conditional moments"

Andrea Ichino (EUI) Giovanni Pica (JMF, RSCAS - EF)
"Employment in Europe"

Mario Padula (EUI, Finance and Consumption)
"Retirement Expectations and Pension Reforms"

Ernesto Villanueva (Pompeu Fabra)
"The Marginal Propensity to Spend on Adult Children"

Frank Kleibergen (University of Amsterdam)
"Testing parameters in GMM without assuming that they are identified"

Roger Koenker (University of Illinois)
"Pessimistic Portfolio Allocation and Choquet Expected Utility"

Costas Meghir (University College London)
"The Impact of Financial Incentives on Education Choice"

John G. Treble (University of Wales, Swansea)
"Luck, Risk and Reward in an Organisational Hierarchy"

Werner Ploberger (University of Rochester)
"On the admissibility of tests for unit-root type experiments"

Jim Powell (Berkeley)
"Endogeneity in Semiparametric Binary Response Models"

Peter Boswijk (University of Amsterdam)
"Why frequency matters for unit root testing"

Academic Year 2003-2004

Daniele Paserman (Hebrew University of Jerusalem)
"The Dynamic Impact of Immigration on Natives' Labor Market Outcomes: Evidence from Israel, (joint with Sarit Cohen-Goldner)

Pentti Saikkonen (University of Helsinki)
"On mixture autoregressive models"

Joel Horowitz (Northwestern University)

“Nonparametric Estimation in the Presence of Instrumental Variables”

Ralf Brüggemann (JMF)
“A Structural Vector Error Correction Model of the German Labor Market”

Piero Cipollone (Bank of Italy)
“Endogenous social interactions in schooling: evidence from an earthquake”

Robert Engle (Stern Business School NYU)
“Dynamic Conditional Correlation–New Results”

Whitney Newey (MIT)
“Jackknife and Analytical Bias Reduction for Nonlinear Panel Models”

Marno Verbeek (University of Rotterdam)
“Survival, Look-Ahead Bias and the Persistence in Hedge Fund Performance”

Karim Abadir (University of York)
“The Memory of Financial and Macro Markets”

Jonathan Skinner (Dartmouth College)
“Technological Diffusion in Health Care”

Jan Magnus (JMF)
“On the Harm that Pretesting Can Cause (joint with D. Danilov)

Theresa K. Osborne (EUI, Research Fellow - Finance and Consumption)
“Health and ’Poverty Traps’ in Rural Developing Economies”

Erik Plug (University of Amsterdam)
“Intergenerational effect estimations in Sweden: What can we learn from adoption data?” (with Anders Bjorklund and Mikael Lindahl)

Paolo Paruolo (Università degli Studi dell’Insubria)
“Common trends and cycles in I(1) and I(2) systems”

Tony Hall (University of Technology Sydney)
“ASX Spreads”

Steve Bond (Nuffield Oxford University)
“Uncertainty and company investment: an empirical investigation using data on analysts’ profits forecasts’ (joint with Jason Cummins)

Pentti Saikkonen (University of Helsinki)
“A skewed GARCH-in-mean model: An application to U.S. stock returns”

Francisco H.G. Ferreira (The World Bank)
"Why are Income Distributions Different?: A Comparison of Brazil and the United States" (with F. Bourguignon and P. G. Leite)

Academic Year 2004-2005

Paulo Rodrigues (JMF)
"Recursive Mean Adjusted Unit Root Tests under Structural Breaks"

Herman van Dijk (Erasmus University Rotterdam, Rotterdam School of Economics)
"Valuing structure, model uncertainty and model averaging in vector autoregressive processes" (with R.W. Strachan)

Eilev Jansen (Bank of Norway)
"Empirical Macroeconometric Modelling"

Jaap Abbring (Free University and Tinbergen Institute, Amsterdam)
"A Firm's First Year"

Simon Lee (UCL)
"Comparative Advantage and Schooling" (with P. Carneiro)

Frank Smets (European Central Bank)
"Price Setting in General Equilibrium: Alternative Specifications"

Robert Taylor (University of Birmingham)
"Stationarity Tests for Irregularly Spaced Observations and the Effects of Sampling Frequency on Power" (with F. Busetti)

Steve Machin (UCL)
"The Literacy Hour" (with S. McNally)

William E. Griffiths (Melbourne)
"Estimating Variable Returns to Scale Production Frontiers with Alternative Stochastic Assumptions" (with C. J. O'Donnell)

Peter Robinson (LSE)
"Effciency Improvements in Inference on Stationary and Nonstationary Fractional Time Series"

Stepan Juraida (CERGE, Prague)
"Are There Increasing Returns to Local Concentration of Skills? Evidence on Wages and Returns to Education in Transition"

Martin Wagner (JMF)

"Cointegration Analysis in the State Space Framework"

Ghazala Azmat (LSE)
"Gender Gaps in Unemployment Rates in OECD Countries" (with M. Güell and A. Manning)

Alena Bicakova (Johns Hopkins University)
"Unemployment Versus Inactivity: An Analysis of the Earnings and Labor Force Status of Prime Age Men in France, the UK, and the US at the Turn of the Century"

Oriana Bandiera (LSE)
"Managerial Incentives in Hierarchies: Evidence from a Firm Level Experiment" (with I. Barankay and I. Rasul)

Quang Vuong (Pennsylvania State University)
"Econometrics of Incentive Regulation: Nonparametric Identification" (with I. Perrigne)

Hartmut Lehmann (University of Bologna)
"Disentangling Treatment Effects of Active Labor Market Policies: The Role of Employment Histories (J. Kluve and C. M. Schmidt)

Taku Yamamoto (Graduate School of Economics, Hitotsubashi University)
"Forecasting in Large Cointegrated Processes" (with Hiroaki Chigira)

Wolfgang Polasek (Institute of Advanced Studies, Vienna)
"Forecasting Regional Growth by Spatio-Temporal Models"

Frank Windmeijer (Institute of Fiscal Studies, UK)
"Unit roots: identification and testing in micro panels"

Walter Kraemer (Dortmund)
"On evaluating probability forecasts - with an application to the international rating industry"

Charles Manski (Northwestern University)
"Minimax-Regret Treatment Choice with Missing Outcome Data"

Ed Vytlacil (Stanford University)
"Threshold Crossing Models and Bounds on Treatment Effects: A Nonparametric Analysis" (with Azeem Shaikh)

Lisa Lynch (Tufts University)
"Investments in Organizational Capital: Evidence, Challenges, and Future Research Directions"

Pentti Saikkonen (University of Helsinki)
"A Multivariate Generalized Orthogonal Factor GARCH Model"

D.4 Robert Schuman Centre Seminar

PAGE - Policy Analysis in Global Economy

Panagiotis Konstantinou, (Università Roma Tre)
"The dynamics of US net foreign Liabilities"

Michael Artis (EUI)
"Economic theory as a decision tool. OCA theory: the UK and the Euro"

Coen Teulings (University of Rotterdam)
"Education and Efficient Redistribution"

Klaus Waelde (University of Dresden)
"Endogenous Business Cycles and Growth"

Peter Birch Sorensen (University of Copenhagen)
"Improving the Equity Efficiency Trade-Off. Mandatory Saving Accounts for Social Insurance"

Kevin O'Rourke (Trinity College, Dublin)
"From Malthus to Ohlin: Trade, Industrialisation and Distribution Since 1500"

Dilip Nachane (Indira Gandhi Institute for Development Research in Mumbai, India)
"'Relationship Banking' and the Credit Market in India. An Empirical Analysis"

Forrest Capie (Cass Business School City of London)
"The Political Economy of Financial Regulation over the Lung-Run"

Aart De Zeeuw (Tilburg University)
"The Effect of Varying the Causes of Environmental Problems on Stated WTP Values. Evidence from a Field Study"

Dimitri Zenghelis (HM Treasury)
"UK and EMU"

Heikki Oksannen (European Commission)
"Population Ageing, Pension Reform and Public Finance Targets"

Sean Holly (Cambridge University)
"Inflation, Targeting, Committee Decision Making and Uncertainty: The Case of the Bank of England's MPC"

Jamele Rigolini" (Warwick University)
"Inequality, Transfers and Political Activism in Autocratic Regimes"

Kenneth Sokoloff (UCLA)
"Institutions and Technological Innovation During the Early Economic Growth, Evidence from the Great Inventors of the United States 1790-1930"

Mark Flandreau (Université de Sciences Politiques, Paris)
"The Logic of Compromise (An Anti-Optimum Currency Area Manifesto)

Dalia Marin (University of Munich)
"Globalization and the Empowerement of Talent"

Paul J. G. Tang (CPB - Netherlands Bureau for Economic Policy Analysis)
"Environmental Policy and Differential Tax Treatment: A Case for Tighter Coordination"

Paolo Manasse (International Monetary Fund)
"Rules of Thumb for Sovereign Debt Crises"

Paul Mizen (University of Nottingham)
"Evaluating the Taylor Principle Using Quantile Regressions: Evidence from the US, UK and Japan"

David Canning (Harvard University)
"The Effect of Improvements in Health and Longevity on Optimal Retirement and Savings"

Enrico Perotti (University of Amsterdam)
"The Political Economy of Financial Fragility"

Guglielmo-Maria Caporale (Brunel University)
"The Feldstein-Horioka Puzzle Revisited. A Monte Carlo Study"

Simon Price (Bank of England)
"Forecast Combination and the Bank of England's suite of Statistical Forecasting Mode"

Pierre Werner Chair Programme on EMU

Nicoletta Batini (Bank of England)
"Euro Area Inflation Persistence"

Loukas Tsoukalis (RSCAS-University of Athens)
"Living with the Euro: Democracy and Economic Orthodoxy"

Giancarlo Corsetti (RSCAS-ECO)
"Self-Validating Optimum Currency Areas"

Moisa Altar (Academy of Economic Studies, Bucarest)
"Fiscal and Monetary Policies and Economic Growth"

Michael Artis (RSCAS-ECO) and Andreas Beyer (European Central Bank)
"The Euro Zone Demand for Money"

Svend E. Hougaard Jensen (Centre for Economic and Business Research, Copenhagen)
"On the Role of Labour Market Reform for the Enlargement of a Monetary Union"

Javier Perez (Fundacion Centra, Sevilla)
"Forecasting the General Government Déficit in the Euro Area: the Role of Fiscal Leading Indicators"

Dr Geert Peersman (Bank of England)
"What Caused the Early Millenium Slowdown? Evidence Based on Vector Autoregressions"

Hubert Kempf (University of Paris 1-La Sorbonne)
"Regional Debt: Taxation or Monetization"

Peter Kenen (RSCAS-Princeton University)
"The Euro's Challenge to Dollar Dominance"

Ivo Maes (RSCAS-National Bank of Belgium)
"Macroeconomic and Monetary Thought at the European Commission in the 1960s"

Fabio Ghironi (RSCAS-University of Boston)
"International Trade and Macroeconomic Dynamics with Heterogeneous Firsm"

Philippe Martin (University of Paris 1 - Panthéon)
"Subsidies to Poor Regions and Inequalities: Some Unpleasant Arithmetic"

Hans-Werner Sinn (University of Munico and Ifo Institute for Economic Research)

"The Laggard of Europe"

Nouriel Roubini (New Work University)
"Bailins vs Bailouts: Responding to Financial Crises in Emerging Markets"

Paolo Pesenti (Federal Reserve Bank of New York)
"Benefits and Spillovers of greater Competition in Europe: a Macroeconomic Assessment"

Tommason Monacelli (Bocconi University-IGIER) and Ester Faia (RSCAS)
"Ramsey Monetary Policy and International Relative Prices"

"Euro Area Inflation Differentials"
Dr Ignazio Angeloni (European Central Bank)
Gianluca Benigno (London School of Economics)
"Designing Targeting Rules for International Monetary Policy Co-operation"

Luca Dedola (European Central Bank)
"What Does a Technology Shock Do? A VAR Analysis with Model-Based Sign Restrictions"

Eduard Hochreiter (Österreichische Nationalbank)
"Two Roads to the Euro: the Monetary Experiences of Austria and Greece"

Marco Buti (European Commission)
"Fiscal Policy in EMU: Rules, Discretion and Political Incentives"

Jesus Rodriguez Lopez (RSCAS - Universidad Pablo de Olavide de Sevilla)
"How Tight Should One's Hand be Tied? Fear of Floating and Credibility of Exchange Rate Regimes"

Francesco Lippi (Banca d'Italia)
"The Demand for Currency at Low Interest Rates: Implications for the Optimal Rate of Inflation"

Joel Mokyr (Northwestern University)
"The Intellectual Origins of Modern Economic Growth"

Charles Engel (University of Wisconsin)
"Home Bias in Equities Under the New Open Economy Macroeconomics"

Martin Ellison (University of Warwick)
"Strong Contagion and Weak Spillovers"

Cedric Tille (Federal Reserve Bank of New York)
"Financial Integration and the Wealth Effect of Exchange Rate Fluctuations"

Natalie Chen (Warwick University)
“Competition, Globalization, and the Decline of Inflation”

Jamele Rigolini (Warwick University)
“Inequality, Transfers, and Political Activism in Autocratic Regimes”

Bartosz Mackowiak (Humboldt University, Berlin)
“Optimal Sticky Prices Under Rational Inattention”

Guido Tabellini (Bocconi University, Milan)
“Culture and Institutions: Economic Development in the Regions of Europe”

Philippe Bacchetta (Study Center Gerzensee)
“Can Information Heterogeneity Explain the Exchange Rate Determination Puzzle?”

Raoul Minetti (Michigan State University, East Lansing)
“Liquidity Cycles”

Huw Lloyd-Ellis (Queen’s University, Kingston)
“Schumpeterian Restructuring”

Pedro Teles (Bank of Portugal)
“Monetary Policy with Single Instrument Feedback Rules” jointly with the European Forum 2005-2006

Lawrence J. Christiano (Nortwestern University)
“Assessing Stuctural VARs”

Claudia Buch (University of Tuebingen)
“Trade Openess and Firm Volatility”

European Forum 2005-2006 - A Growth Agenda for Europe

Michele Ruta (EUI)
“Political (Dis)Integration, Rent Seeking and Growth”

Pedro Teles (Bank of Portugal)
“Monetary Policy with Single Instrument Feedback Rules” jointly with the Pierre Werner Chair Programme

Fabio Mariani (EUI)

"The Political Economy of Immigrants Naturalization"

Martin Zagler (EUI)
"New Technologies, Growth and Cycles"

Philip Sauré (EUI)
"International Competition, Learning by Doing and Growth"

Saverio Simonelli (EUI)
"Sectors, Long-run Restrictions, and the Identification of Technology Shocks"

Federico Etro (Università Cattolica del Sacro Cuore di Milano)
"Market Leaders and Industrial Policy"

Annamaria Viterbo (EUI)
"Granting the Euro Legal Tender Status: Legal Issues Related to Exchange Rate Stability, ERM 2 and Euroisation"

Michel D'Alessandro (EUI)
"Seeking Governance for World Markets. The Economic and Financial Organization in the International Economy in the 1920s"

Paolo Giordani (EUI)
"Attitude Towards Uncertainty and R&D Investments in Schumpeterian Growth Theory"

Dr Hosny Zoabi (EUI)
"Does Longevity Cause Growth? A Theoretical Critique"

Appendix E

Courses Offered 2000–2005

Academic Year 2000–2001

First Term

Statistics, Mathematics and Econometrics	A. Banerjee/S. Johansen
Macroeconomics	G. Bertola/A. Missale
Microeconomics	P. Battigalli/K.Schlag
The Cointegrated VAR Model: Econometric Methodology and Macroeconomic Applications	K. Juselius
Industrial Organisation	M. Motta
The Problem of Causality in the Analysis of Educational Choices and Labor Market Outcomes	A. Ichino
Contract Theory	B. Jullien
Experiments on Decision - Theoretic Rationality	R. Sarin
International Macroeconomics	R. MacDonald

Second Term

Advanced Microeconomics	P. Battigalli
Advanced Macroeconomics	G. Bertola
Time Series and Cointegration	S. Johansen
Topics in Microeconometrics	A. Ichino
Competition Policy	M. Motta
European Monetary Integration	M. Artis
Evolutionary Microeconomics	K. Schlag
Topics in Advanced Econometrics	A. Banerjee
Topics in Macroeconomics	P. Reichlin

Third Term

Topics in Applied Econometrics	J. Angrist
Recent Developments in the Theory of Regulation	M. Armstrong
Growth, History and Institutions	G. Bertocchi
International Finance and International Monetary Economics	M. Devereux
Monetary Economics	P. Mizen
Political Economy	G. Tabellini

Academic Year 2001-2002

First Term

Statistics, Mathematics and Econometrics	A. Banerjee/F. Vella
Macroeconomics	O. Licandro/A. Missale
Microeconomics	K. Schlag/E. Winter
Industrial Organisation	M. Motta
The Problem of Causality in the Analysis of Educational Choices and Labor Market Outcomes	A. Ichino
The Economics of Auctions	B. Caillaud
Empirical Open Economy Macroeconomics	A. Rose

Second Term

Advanced Macroeconomics	R. Perotti
Game Theory and Information Economics	K. Schlag
Mechanism Design and Social Choice	E. Winter
Time Series Econometrics	H. Lütkepohl
Microeconometrics	A. Ichino
Competition Policy	M. Motta
European Monetary Integration	M. Artis
The Econometrics of Structrural Breaks, I(2) Models and Panel Data	A. Banerjee
Distribution, Savings and Labor Market Institutions	G. Bertola
Technological Progress and Economic Growth	O. Licandro
Microeconometrics Methods	F. Vella
Stochastic dynamic programming	L. Montrucchio

Third Term

Skill Biased Technological Change: What is the Evidence? What are the Alternatives?	D. Author
Structural Vector Autoregressive Models	T. Hall

Academic Year 2002-2003

First Term

Statistics, Mathematics and Econometrics	A. Banerjee/F. Vella
Macroeconomics	O. Licandro/R. Perotti
Microeconomics	K. Schlag/E. Winter
Background Course on Mathematics	I. Giorgiev
Consumption and Inequality in Macroeconomics	G. Bertola
The Problem of Causality in the Analysis of Educational Choices and Labor Market Outcomes	A. Ichino
Asymptotic Theory for Time Series Macroeconomics and Non-linear Time Series Models	H. Lütkepohl
Agglomeration and Trade	J. Thisse

Second Term

Fiscal and Monetary Policy	R. Perotti
Technological Progress and Economic Growth	O. Licandro
Industrial Organisation	M. Motta
Game theory and Strategic Decision-making from the Perspective of Learning and Evolution	K. Schlag
Time Series Econometrics	H. Lütkepohl
Microeconometrics	A. Ichino
European Monetary Integration	M. Artis
The Econometrics of Structural Breaks, Markup Models and Panel Data	A. Banerjee
Employment and Labor Market Institutions	G. Bertola
Microeconometric Methods	F. Vella
Topics in Public Finance	R. van der Ploeg
Economics of Information	V. Denicol

Third Term

Dynamic Programming: Theory and Empirical Applications in Macroeconomics	R. Cooper
Semiparametric Models	R. Klein

Academic Year 2003-2004

First Term

Background Course on Mathematics	P. Cerqueira
Statistics, Mathematics and Econometrics	A. Banerjee/F. Vella
Macroeconomics	O. Licandro/ S. Ortigueira
Microeconomics	K. Schlag/P. Courty
Asymptotic Theory for Time Series Econometrics	H. Lütkepohl
The Problem of Causality in the Analysis of Educational Choices and Labor Market Outcomes	A. Ichino
An Introduction to International Trade Theory	J. Markusen
Numerical Methods	F. Collard

Second Term

Labor Markets, Labor Market Institutions and Macroeconomic Performance	S. Ortigueira
Open Macro Macroeconomics	G. Corsetti
Game Theory and Information Economics	K. Schlag
Applied Contract Theory	P. Courty
Industrial Organisation	M. Motta
Time Series Econometrics	H. Lütkepohl
Micro Econometrics	F. Vella
European Monetary Integration	M. Artis
The Econometrics of Integrated Panel Data, Structural Breaks and I(2) Models	A. Banerjee
Applied Economics and Econometrics of Industrial Organisation and Innovation	B. Hall
Personnel Economics	A. Ichino
Technological Progress and Economic Growth	O. Licandro
Dynamic Models of Consumption, Saving and Health	J. Skinner
Topics in Public Finance	R. van der Ploeg

Third Term

Open Macroeconomics	E. Faia
Empirical Methods for Labour Economics and Consumer Choice Behaviour	M. Keane
Matrix and Optimization Methods	J. Magnus

Academic Year 2004-2005

First Term

Background Course in Mathematics	S. Zwart
Statistics and Econometrics	A. Banerjee/F. Vella
Macroeconomics	O. Licandro/ S. Ortigueira
Microeconomics	K. Schlag/P. Courty
Asymptotic Theory for Time Series Econometrics	H. Lütkepohl
The Problem of Causality in the Analysis of Educational Choices and Labor Market Outcomes	A. Ichino
Macroeconomic policymaking in EMU	R. Beetsma
EC Competition Law: Economic and Legal Perspectives	G. Amato/M. Motta

Second Term

Labor Markets, Labor Market Institutions and Macroeconomic Performance	S. Ortigueira
Open Macro Macroeconomics	G. Corsetti
Quantitative and Empirical Macroeconomics	M. Ravn
Models of Bounded Rationality and Learning	K. Schlag
Applied Contract Theory	P. Courty
Industrial Organisation	M. Motta
Time Series Econometrics	H. Ltkepohl
Micro Econometrics	F. Vella
The Econometrics of Integrated Panel Data, Structural Breaks and I(2) Models	A. Banerjee
Personnel economics	A. Ichino
Technological Progress and Economic Growth	O. Licandro
Topics in Public Finance	R. van der Ploeg
Monetary Economics: Capital Market Imperfections, Financial Structure and Investment: Business Cycle and Growth Effects	F. Schiantarelli
Empirical Methods in Industrial Organization	D. Genesove

Third Term

International Macroeconomic Fluctuations	M. Ravn

Appendix F

Supervision Assessment

Answers to the Supervision Assessment, Academic year 2004-2005

Academic Year : 2004-2005
Total forms returned : 226

Legend: NA - Not answered 1 - Not at all, 2 - Not very much, 3 - Average, 4 - Considerably, 5 - Very much so
NS - Not specified

Department: ECO Returned: 35

4. How often during the current academic session (i.e. 2004-2005) have you met your supervisor for a supervision?

6 - More than once per month 5 - Roughly once per month 4 - More than once per term but less than once per month
3 - Roughly once per term 2 - Only once or twice over the whole session 1 - Not at all

Year	N/A	%	1	%	2	%	3	%	4	%	5	%	6	%
1		0%		0%		0%		0%		0%	2	13%	13	87%
2		0%		0%		0%		0%	2	29%	2	29%	3	43%
3		0%		0%		0%	1	17%	1	17%		0%	4	67%
4		0%		0%		0%		0%	1	50%	1	50%		0%
5	1	50%		0%		0%		0%		0%		0%	1	50%
7		0%		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%		0%		0%		0%	1	100%

5a. Do you consider this to have been (A) not enough, (B) about right, (C) too often?

Year	N/A	%	A	%	B	%	C	%
1		0%		0%	15	100%		0%
2		0%	1	14%	6	86%		0%
3		0%	1	17%	5	83%		0%
4		0%		0%	2	100%		0%
5		0%		0%	2	100%		0%
7		0%		0%	2	100%		0%
NS		0%		0%	1	100%		0%

5b. If you have answered (A) (i.e. not enough), did you try to meet your supervisor more often?

Year	Yes	%	No	%
1		0%		0%
2		0%	2	100%
3		0%	1	100%
4		0%		0%
5		0%		0%
7		0%		0%
NS		0%		0%

6. Are you normally able to arrange meetings with your supervisor within a reasonable period of time?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	1	7%		0%	1	7%	1	7%	1	7%	11	73%
2		0%		0%		0%		0%	4	57%	3	43%
3		0%		0%		0%	1	17%	2	33%	3	50%
4		0%		0%		0%	1	50%	1	50%		0%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%	2	100%		0%
NS		0%		0%		0%		0%		0%	1	100%

Department: ECO Page 1

Answers to the Supervision Assessment, Academic year 2004-2005

Academic Year : 2004-2005
Total forms returned : 226

Legend: NA - Not answered 1 - Not at all, 2 - Not very much, 3 - Average, 4 - Considerably, 5 - Very much so NS - Not specified

7. If you contact your supervisor, do you normally receive a prompt reply?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1		0%		0%		0%	1	7%	3	20%	11	73%
2		0%		0%		0%	3	43%	1	14%	3	43%
3		0%		0%		0%	3	50%	1	17%	2	33%
4		0%		0%		0%	1	50%	1	50%		0%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%	2	100%		0%
NS		0%		0%		0%		0%		0%	1	100%

8. Generally speaking, are you satisfied with your supervisor?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1		0%		0%		0%		0%	5	33%	10	67%
2		0%		0%		0%		0%	5	71%	2	29%
3		0%		0%	2	33%		0%	2	33%	2	33%
4		0%		0%		0%		0%	2	100%		0%
5		0%		0%		0%		0%		0%	2	100%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%		0%	1	100%		0%

9. Generally speaking, do you find your supervisor approachable?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1		0%		0%		0%	1	7%	4	27%	10	67%
2		0%		0%		0%		0%	5	71%	2	29%
3		0%		0%		0%	1	17%	2	33%	3	50%
4		0%		0%		0%	1	50%		0%	1	50%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%		0%		0%	1	100%

10. How satisfied are you with the contribution of your supervisor in providing ...

a) academic guidance on the development of your thesis?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	1	7%		0%		0%	2	13%		0%	12	80%
2		0%		0%		0%	1	14%	3	43%	3	43%
3		0%	1	17%		0%		0%	3	50%	2	33%
4		0%		0%		0%	1	50%	1	50%		0%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%	1	100%		0%		0%

Answers to the Supervision Assessment, Academic year 2004-2005

Academic Year : 2004-2005

Total forms returned : 226

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NS - Not specified

b) useful critical feedback on your written work?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	4	27%		0%		0%	1	7%	6	40%	4	27%
2		0%		0%	1	14%	3	43%	2	29%	1	14%
3		0%	1	17%	3	50%		0%	1	17%	1	17%
4		0%		0%		0%		0%	2	100%		0%
5		0%		0%		0%		0%		0%	2	100%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%		0%	1	100%		0%

c) a timely response to your written work?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	7	47%		0%		0%	2	13%	1	7%	5	33%
2	1	14%	1	14%		0%	4	57%		0%	1	14%
3		0%	2	33%	1	17%	1	17%	2	33%		0%
4		0%		0%		0%	1	50%	1	50%		0%
5		0%		0%		0%		0%		0%	2	100%
7		0%		0%		0%		0%	2	100%		0%
NS		0%		0%		0%		0%	1	100%		0%

d) appropriate methodological guidance for your thesis?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1		0%		0%		0%		0%	5	33%	10	67%
2		0%		0%	2	29%	4	57%		0%	1	14%
3		0%	1	17%		0%	1	17%	3	50%	1	17%
4	1	50%		0%		0%		0%	1	50%		0%
5		0%		0%		0%	1	50%		0%	1	50%
7		0%		0%		0%		0%	2	100%		0%
NS		0%		0%		0%	1	100%		0%		0%

e) general guidance on the structure and style of your thesis?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	3	20%		0%		0%	3	20%	2	13%	7	47%
2		0%		0%		0%	3	43%	2	29%	2	29%
3	1	17%		0%		0%	3	50%	1	17%	1	17%
4	1	50%		0%		0%		0%	1	50%		0%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%	1	100%		0%		0%

Answers to the Supervision Assessment, Academic year 2004-2005

Academic Year : 2004-2005

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NS - Not specified

f) guidance and advice on on courses and seminars in the EUI and elsewhere?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	4	27%	1	7%	1	7%	1	7%	4	27%	4	27%
2		0%		0%		0%	2	29%	4	57%	1	14%
3	3	50%		0%	1	17%	2	33%		0%		0%
4	1	50%		0%		0%	1	50%		0%		0%
5		0%		0%		0%	1	50%		0%	1	50%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%		0%	1	100%		0%

g) guidance and advice on the planning and timetabling of your work?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	2	13%	1	7%		0%	3	20%	4	27%	5	33%
2		0%		0%	1	14%	3	43%	2	29%	1	14%
3	2	33%		0%		0%	1	17%	1	17%	2	33%
4	1	50%		0%		0%	1	50%		0%		0%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%	2	100%		0%
NS		0%		0%		0%	1	100%		0%		0%

h) general support, motivation and encouragement in the development of your work?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1		0%		0%		0%	1	7%	5	33%	9	60%
2		0%		0%		0%		0%	4	57%	3	43%
3		0%		0%		0%		0%	3	50%	3	50%
4		0%		0%		0%	1	50%	1	50%		0%
5		0%		0%		0%		0%	1	50%	1	50%
7		0%		0%		0%		0%		0%	2	100%
NS		0%		0%		0%		0%		0%	1	100%

i) general advice and assistance in your pursuit of an academic (or, where relevant, non-academic) career?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	6	40%	1	7%		0%	1	7%	2	13%	5	33%
2		0%		0%	1	14%	1	14%	2	29%	3	43%
3	3	50%		0%	1	17%	1	17%	1	17%		0%
4		0%		0%		0%		0%	2	100%		0%
5		0%		0%		0%		0%	2	100%		0%
7		0%		0%		0%		0%	2	100%		0%
NS		0%		0%	1	100%		0%		0%		0%

Answers to the Supervision Assessment, Academic year 2004-2005

Academic Year : 2004-2005
Total forms returned : **226**

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NS - Not specified

j) support and advise (if and) when you have approached him/her with a problem not directly related to your thesis (i.e. a problem concerning your personal welfare)?

Year	N/A	%	1	%	2	%	3	%	4	%	5	%
1	7	47%		0%		0%		0%	1	7%	7	47%
2	2	50%		0%		0%		0%		0%	2	50%
3	5	83%		0%		0%		0%	1	17%		0%
4	1	50%		0%		0%		0%	1	50%		0%
5	2	100%		0%		0%		0%		0%		0%
7		0%		0%		0%		0%		0%	2	100%
NS	1	100%		0%		0%		0%		0%		0%