

A Self–Evaluation Report

(1995 to date)

The Department of Economics

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Throughout this Report, former faculty are indicated with an asterisk (*).

Chapter 1

Introduction: The Department's “Mission Statement”

This Report is produced as part of the regular cycle of self-evaluation with which EUI departments work. Owing to staffing problems the production of the Report was delayed beyond the normal point and comes five (rather than three) years after our first Report. The need to account for developments over a relatively long period of time is one reason why the Report is quite large.

The Department of Economics' “mission statement” has two parts. The first is a dedication to provide doctoral teaching to our students at the highest international level, the second is a commitment to provide a flow of applied research oriented towards European concerns. This Report is fashioned to reflect the way in which these objectives have been achieved, within the perspective of the last five years.

We start with an account of the postgraduate programme, in Chapter 2. When the Department last reported (in March 1995), a formal postgraduate programme, with required coursework, had just been put in place. Since that time the programme has been extended and altered in the light of experience and in response to what we see as the requirements to be met if we are to make good our claim to be providing a training which is competitive at the best world levels. What this means is spelled out in detail in Chapter 2 in detail.

Chapter 3 provides an account of the hiring policies pursued during the period under consideration and lists all the members of faculty, current and former. Turnover has been high and whilst presenting the advantage of a constant flow of new faces and new experiences, this can also have its drawbacks, not least for students. Firming up our commitment to a mission statement which emphasizes a European dimension in applied research was seen as one means of providing the outside world with a view of a Department which combines excellence with purpose and exploits the comparative advantage of being at the heart of Europe. This was the substance of a report made to the President by a small committee of economists organized through the Research Council in 1997 (*Report by the Committee Ad Hoc for the Economics Department of the European University Institute to the Principal of the EUI*).

Chapter 4 gives an account of the Department's research activities. It highlights the synergies between the research programmes of the individuals involved and the

positive spillovers that can be seen in terms of joint publications (including those with students). That there is large volume of work with a “European” emphasis will be clear. An appointment is pending to the second Joint Chair with the Robert Schuman Centre which can be expected to provide a further impetus to the consolidation of the Department’s “European” orientation.

In Chapter 5 we discuss a number of issues related to the student body over the period 1995–1999. A high proportion of our students have gone on to academic jobs, and a large fraction to policy–making institutions at the national and international level. Increasing attention has been paid to providing careers advice, and to helping our students “present themselves” well in their critical first labour market contacts.

Chapter 6 is devoted to the Department’s visitors, notably including those who come as Jean Monnet Fellows. Each year the Department plays host to (typically) some half–dozen Visiting Fellows under the auspices of the EUI’s Jean Monnet Fellowship programme. The visitors enliven our seminar programmes, interacting strongly between themselves and our faculty.

In Chapter 7 we report on a package of arrangements of various kinds that provide a projection of the Department to the rest of the EUI and to the world outside. In particular, two members of the Department were jointly responsible, as Directors, for the 1996/1997 European Forum on the Political Economy of an Integrated Europe; Department members have been active affiliates of TMR programmes in recent years, and two summer schools have been organized by Department members at the EUI. In addition, a number of conferences and workshops have been organized on the initiative of Department members. Every year the Department also plays host to a lecture sponsored by the European Investment Bank.

Chapter 8 provides some conclusions to our assessment and speculates about future trends and what they might mean for the Department.

Acknowledgements

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The Report was typeset using the software LaTeX2e in PCTeX. Further, we particularly appreciated the utility of two free shareware programmes: “Excel2LaTeX v1.2” by Joachim Marder (Trier) and the macro package “fancyheadings v1.7” by Piet van Oostrum (Utrecht).

Chapter 2

The Postgraduate Programme

Together with research, the postgraduate programme is the central activity of the Department. In the period 1995–2000 there have been several improvements aimed at consolidating the programme. The aim has been to make the economics programme one of the leading programmes in Europe. The first class to enter the economics postgraduate programme was the 1976 class. Although twenty years had passed by 1996 and 88 theses had been defended, the impact of the programme — in particular, on the European academic community — had been very limited. There is no doubt that the change, at the beginning of the 1990s, from a programme based almost exclusively on individual advising, to a programme with a minimal structure of courses and workshops, played a pivotal role in increasing the number of students finding work in academia. It also helped bolster the reputation of the programme among international organizations and, more generally, in reducing time-to-degree (TTD) rates.¹ Nevertheless, it was felt — particularly by the new faculty — that quality could be enhanced by further strengthening the structure of the programme. Although more radical changes were envisioned, in the end the option adopted was to reinforce the programme, within the bounds of the existing institutional constraints. The main constraints that were taken into account were the institutional limitations on acceptance and funding of students. In particular, the need to finish the PhD within the fourth year was taken as a *dictum*, even if the starting class is, typically, fairly heterogeneous. Before we discuss the programme in detail, we want to emphasize the features that we think distinguish our postgraduate programme.

2.1 Characteristics of the EUI Economics Postgraduate Programme

1. It is a large postgraduate programme: With an average of 17 PhDs produced each year since the beginning of 1995, it appears to be amongst the largest in Europe and is certainly of comparable size with the largest US programmes.²

¹The main change in the early 1990s was to introduce compulsory courses in the first two terms of the first year. See the March 1995 Self-Evaluation Report of the Economics Department of the EUI, for a more detailed account of the programme at that time.

²For example, the Tier I programmes — i.e., the programmes ranked in the top 20% in the US (that also have the largest average size) — produced an average of 16.3 economics PhDs in 1998

2. Practically all students are fully funded — without teaching requirements — for over three years.
3. Although there are fairly strict rules for the selection of students, strictness is limited by the pressure to admit students from all the member state countries, more or less evenly across departments. As a result, first-year classes tend to be fairly heterogeneous.
4. Coursework requirements in the first two years of the programme are less than in standard US programmes, but are greater than those to be found in more “advisor oriented” programmes. In contrast to standard US programmes, there is considerable emphasis on “getting started with your own research”. Moreover, there is typically closer supervision of students than in standard US programmes (although possibly less than in “advisor-oriented” programmes with low student-to-faculty ratios).
5. It is not a specialized programme and its relative strengths have been shifting with the faculty in residence. Nevertheless, econometrics and macroeconomics have been traditional strengths in the period under consideration, while microeconomics has just started to regain its strength in the last two years. While traditionally the emphasis was mainly theoretical, applied fields are now also strong, in particular in applied macroeconomics (such as labour) and in EU policy-related areas (such as competition policy).
6. It has a remarkably low time-to-degree rate (TTD) that contrasts sharply with other programmes. Major US programmes typically have TTDs above 7 years in the social sciences. The average TTD for the Department over the period 1995–1999 was 4.48 years. Even if one accounts for the fact that many EUI students have one-year MA degrees, or the equivalent, the Department’s TTD in recent years is remarkably low (see also Figure 5.7).
7. Completion rates are also very high. This, together with a very low TTD, produces the result that the EUI economics programme has a record low “student year cost per doctoral degree received” (SYC), where

$$\text{SYC} = (\sum \text{Student Years Invested}) / (\text{Number of PhDs earned}).$$

This is the efficiency index proposed by Bower and Rudestine (1992) in their study of the performance of the leading US programmes in the social sciences. They found, for example, that among the top five US universities the SYC for economics was 8.7 in the 1970s. The 1970s are, however, acknowledged to have been years of low TTD in comparison to current rates of TTD. Given the more generous levels of student support, the 1970s were also years with relatively high completion rates. Although we do not have exact figures, the SYC index for leading US economics programmes in the last few years is likely to be closer to 10. In contrast, for the period 1995–1999, the SYC for the Department was 4.8.

(see Table 4.5 in: Bowen W.G. and N.L. Rudestine (1992), *In Pursuit of the PhD*, Princeton University Press).

8. As in other EUI departments, economics PhDs tend to be fluent in more than two European languages and are used to developing independent work; these are features that ultimately help them in the work environment.
9. The recent placement record is very strong — in particular, in international organizations and in academia although, as already remarked, the academic impact was minimal until the middle of the 1990s. The current placement effort compares well with the most active US departments.
10. Faculty is relatively small (a maximum of 11), given the size of the programme, and turnover is quite high. Size is an important factor in both absolute and relative terms. For example, Bower and Rudestine (1992) emphasize that successful graduate programmes tend to be relatively large, for only then is there a sufficiently broad coverage of fields with enough ideas being floated around to generate a productive environment. Our programme satisfies the size requirement in terms of student numbers, but not in terms of faculty. Faculty in comparable programmes tend to be at least twice as large. It is true, of course, that in other universities one must allow for the other obligations of the faculty, 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. To measure the relative size of the faculty, we can define the ratio of Faculty Efficiency (FE) to be:

$$FE = (\text{Number of PhDs defended}) / (\text{effective faculty}),$$

where the “effective faculty” is the number of faculty in the Department properly corrected for the percentage of teaching and advising time spent on the postgraduate programme (100% at the EUI). We obtain an average FE of 1.9 for our Department. Unfortunately, we do not have comparable figures for other major programmes, but one would expect such ratios to be well below this figure.

11. As we have just said, faculty turnover is high, a feature that is imbedded in the fixed term structure of EUI contracts. If we consider the eleven members of faculty (whose names appear in Table 2.1) who are no longer with the Department, their average stay was 6.36 years (the maximum term is eight years) and, as Table 2.1 shows, in the period under consideration a major wave of (forced) turnovers took place in the academic year 1996–1997. There is no doubt that the “at most eight year limit” is disruptive and complicates thesis supervision, especially so when it has a major effect on a particular area of study (as happened in microeconomics in recent years). As a matter of fact, the tail of the distribution of the TTD is mostly composed of students whose advisors are no longer in the faculty (even disregarding those who took longer to finish than the average stay of the faculty).

Table 2.1: Faculty Turnover

Academic Year:	Tenure	95/96	96/97	97/98	98/99	99/00	PhDs
Alan Kirman	1987–1995						18
Stephen Martin	1988–1995						14
Agustín Maravall	1989–1996	x					5
John Micklewright	1989–1996	x					16
David Cass	1995–1997	x	x				1
Louis Philips	1989–1997	x	x				12
Mark Salmon	1989–1997	x	x				14
Spyros Vassilakis	1993–1997	x	x				4
Robert Waldmann	1989–1997	x	x				21
James Dow	1995–1998	x	x	x			2
Grayham Mizon	1991–1999	x	x	x	x		6
Michael Artis	1995–	x	x	x	x	x	4
Ramon Marimon	1994–	x	x	x	x	x	3
Søren Johansen	1996–		x	x	x	x	1
Giuseppe Bertola	1997–			x	x	x	0
Pierpaolo Battigalli	1998–				x	x	0
Roger Farmer	1998–				x	x	0
Andrea Ichino	1998–				x	x	0
Massimo Motta	1998–				x	x	0
Karl Schlag	1999–					x	0
Anindya Banerjee	2000–					x	0
Faculty in attendance		11	10	6	9	10	

Note: Alan Kirman and Stephen Martin left in August 1995. They were, therefore, present for the 1995 calendar year, but not the entire 1995–1996 academic year. Likewise, Agustín Maravall left in August 1996, hence he left before the start of the 1996–1997 academic year.

2.2 Changes in the Programme

Since 1996, several changes have been made to the programme:

1. In the **first term of the first year** the three compulsory courses (micro, macro, and statistics) have been doubled in terms of hours of lectures and corresponding material covered. Students are no longer required to take an extra optional course. A list of the compulsory and optional courses offered over time is given in Appendix G.
2. In the **second term of the first year** students are now required to take four courses, at least one of which must be a core advanced course (almost as before).
3. In **June** of the first year students have to complete a first paper (called the “June paper”). This has been a historical and institutional feature of the programme. The change in the last few years has been one of emphasis. Rather than being regarded as a complete paper, the June paper is now perceived as the first step in a research strategy that, properly developed, will yield a

successful paper for the second-year workshop and a sound basis for the first chapter of the PhD thesis.

4. In the **second year** students are now required to take two additional courses (moreover, a total of two core advanced courses must be taken within the first two years). Previously, there were no coursework requirements imposed on second-year students. Students are also required to present a paper in the second-year workshop which, since 1999, has taken the form of a **student forum** at the end of the first term. Typically, several members of faculty (not only advisers) play a part in each student's presentation in the forum.
5. In the **third term of their third year** 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.
6. Second and third-year students, as well as fourth-year students with completion grants, are required to participate in, on average, at least one workshop or departmental seminar each week.³
7. Since 1999 all 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.⁴
8. Since the academic year 1998–1999, the Department has had its own Placement Officer — who actively supports students in the process of finding a job. While this service is not part of the programme, as such, it has helped students focus on completing their PhDs.

In part, due to these changes (with the corresponding course requirements)⁵, there is currently a “work-oriented” atmosphere among students. There is also more interaction between students and faculty. Group interaction has also been fostered by the introduction of informal “group advising”. The forums and workshops have also helped students make the transition from coursework to research, a typical weak spot in most graduate programmes. Last, but not least, other informal initiatives — such as a “weekly coffee hour” — have helped to further integrate students and faculty.

In summary, while it was initially feared that increasing the coursework requirements would lengthen the time to completion (i.e., increase the TTD), the figures to hand do not support these fears. Completion times (TTDs) have been kept low, despite considerable faculty turnover in the period under consideration. Furthermore, it seems that the quality of the work produced by students has been rising

³Although we do not have an attendance record, the faculty who have been here longest have noted a substantial increase in attendance rates among students.

⁴In the past, an internal adviser was nominated, but only after the first adviser had left. Unfortunately, the new internal adviser often had little knowledge of the student's work.

⁵See 2000–2001 Postgraduate Programme booklet for details.

over time. One corollary of this increase in quality is the success students have had publishing their own work in refereed journals. We discuss student publications in more detail in Chapter 5.

2.3 Some Issues to Debate

Within the special characteristics (and constraints) of the EUI, the economics postgraduate programme has evolved to become one of the best in Europe and would probably rank among the top twenty–five worldwide⁶. It has certainly improved in most dimensions since the last Self–Evaluation Report. Nevertheless, a critical self–evaluation must also raise questions and indicate problems that may lie ahead. We list a few of them here.

1. **Competition.** A number of competing European programmes have been established in the recent past. At the same time the demand for PhDs has not expanded. Consequently, the EUI programme faces competition from top US programmes (in particular in countries where grants to study in the US are widely available, such as Spain, Italy and Portugal) and from recently established (and established) European programmes. The programme, like other international programmes, also suffers as a result of the “local character” of academia, and the corresponding tendency of students “to study at home if they ultimately want to live at home” (France is a case in point). In the face of this competition, and in order to fulfil a useful social role in Europe, the programme must maintain or, if possible, increase its academic reputation. It may also be necessary to consider some form of specialization and/or changes in the structure of the programme. Efforts to attract the very best students should also be increased in the face of new competition.

2. **Size and turnover.** Although it has been recognized that strong PhD programmes tend to be relatively large and non–specialized (see Bower and Rudestine, 1992), the current programme may be too large given the faculty (and its turnover), i.e., the FE index may be too high. In short, *small faculty size and high turnover are the main weaknesses of the programme*: It may deter potential students and faculty, and may well be the main obstacle towards enhancing the programme’s academic reputation. That said, turnover is a direct consequence of the EUI’s contracts. Forced turnover brings new faculty and ideas to the Department, but also tends to weaken the commitment and identification of existing staff. While zero turnover may be a sign of stagnation, the rates experienced by the Department in recent years are certainly too high to be optimal. Although this is not the place to discuss this issue at length, its impact on the postgraduate programme should not be trivialized and should be stressed. Within current EUI constraints, two (non exclusive) solutions may be considered: (a) reduce the number of PhD students (which could be achieved under current acceptance rules by having an MA programme, as in

⁶Unfortunately, no one has done a proper comparative study and while the figures that we have gathered support these claims, they are far from achieving scientific standards.

the Law Department); (b) increase the faculty — say, to fifteen. The current increase is a welcome step in that direction. Allowing for a variable-size faculty (with 12 being the average), as was suggested in the 1997 *Report to the Committee Ad hoc*, can help to smooth transitions and avoid the clustering of faculty departures (like the one experienced in the recent past). More importantly, some of the existing visiting positions could — with additional resources from states newly subscribing to the EUI Treaty and external funding — be effectively transformed into long-term Post-Docs. These Post-Docs could participate in the programme — with, say, reduced teaching — and help as second advisors. A measure of this type could expand the effective faculty to fifteen, incorporating valuable young researchers.

3. **Programme structure.** As we have seen, the changes introduced since 1996 have strengthened the postgraduate programme. While it is not advisable to change the programme too often, the Self-Evaluation Report may be a good occasion to begin a reassessment of the current structure. Such reassessment should be concerned with two different aspects. First, as just mentioned, there is the possibility of developing a dual structure offering both MAs and PhDs. A dual structure may be an adequate response to the problem of size and to the fact that students tend to be very heterogeneous. Nevertheless, there is also a fairly large supply of MA programmes in Europe — possibly, an oversupply of low-quality ones. A new MA programme ⁷ should not be launched without properly evaluating its role, its specific structure and its interrelation with the PhD programme. In particular, one option that may be appropriate at the EUI, and is worth considering, is to offer one (or several) interdisciplinary MA programmes. The second, and perhaps more straightforward, aspect that should be open to discussion is a reassessment of the current postgraduate programme. As has been mentioned, an option that could be envisioned, in order to gain comparative advantage, is to further specialize the postgraduate programme. However, as already stated, strong programmes in economics are seldom specialized and, furthermore, the turnover of the EUI faculty does not make such an option very advisable. With respect to the course structure, as noted, the number of required courses has increased, but it is still relatively low in comparison to standard US programmes. Nevertheless, the emphasis placed on making an early start on research (with the June paper) has often been viewed as a characteristic strength of the EUI programme. Is the current balance the right one? Should the number of short courses by visitors be expanded and further integrated into the programme (e.g. with a more flexible credit system)? Given that TTD rates should be kept low and students are financed for twelve months, are students' long absences from EUI — in particular, during the summer — appropriate? It is not the aim of the Self-Evaluation Report to provide a final answer to these questions and issues, but to open the debate.

⁷The current MA has little presence and the programme is almost exclusively a PhD-based programme.

Chapter 3

Faculty

This chapter provides a brief professional biography of the faculty members present during the years 1995–2000 and describes some characteristics of the hiring process. Last, but not least, it refers to the Department’s supporting secretarial and administrative staff.

3.1 Hiring Policy of Faculty

There are several reasons why hiring policy needs to be relatively self-conscious and kept under review. The first is the point, already stressed in Chapter 2, that the average stay of faculty is relatively short and turnover high; the second is that the market for academic economists can be highly competitive — we have had several experiences of making offers to candidates who, in the end, preferred to stay at home having used our offer to increase their remuneration there. The Department has taken steps to protect itself from these features by instituting (in the most recent case where we have been searching for a senior applied microeconomist) a quasi-permanent “search committee”, and by adding a “final interview” hurdle to the eligibility requirements placed on candidates.

There are other reasons why hiring policy needs to be kept under review. In a small department the issue of balance is quite acute — and there are several such “balance” issues to be aware of: nationality, fields of expertise, the representation of different “schools of thought”, age, and gender. So far we would claim to have been successful in striking the right balance in many of these various respects, though our representation of macroeconomics has recently been proportionately higher than in most economics departments and we cannot claim to have succeeded in striking a gender balance. The Institute is an equal opportunity employer, but the community of academic economists is overwhelmingly male, so the applications lists for jobs in the Department are correspondingly dominated by males. In the past five years the Department sponsored one job offer to a woman (which was turned down in the event). We have also found it hard to attract faculty from France and from Germany: In these cases, potential candidates will tell us that there is little effective security of tenure on offer from their home institution. We think that we have been particularly effective in attracting younger, as well as older, members of the profession: In the ranks in between, demographic factors (children’s education, partner’s careers) can

be more inhibiting.

Traditionally, the applications lists for jobs in the Department have been very lengthy and of high average quality. For the last two jobs advertised, though, this has not been the case. It is too soon to know whether this is a special and passing feature or represents a new trend. It may be that the Institute is no longer such a “special deal” as it has been in the past.

3.2 Composition of Faculty

Since the beginning of 1995 there have been a total of 21 members of faculty in the Department. At the time of writing there are 10 members of faculty, half of whom entered in 1998 or 1999. As noted in Chapter 2, the Institute’s eight-year employment rule was responsible, in large part, for a wave of departures at the end of the 1996–1997 academic year — as several long-serving members of faculty reached the end of their tenures. In fact, only 2 faculty members have been with the Department since the beginning of 1995. Table 2.1 in Chapter 2 shows the composition of faculty over time.

It was pointed out in Chapter 1 that the high turnover of faculty within the Department is, on the one hand, beneficial in the sense that there is a constant flow of new faces and new experiences. On the other hand, this turnover has potentially very serious implications regarding the continuity of student supervision which, in turn, impacts on completion times (TTDs). A move towards a “committee system” of supervision may minimise this “turnover distortion”.

Another consequence of the relatively small size of the Department is that the burden of administration falls heavily on the faculty. Members of faculty take on a number of administrative roles. These administrative duties are distributed, to a greater or lesser extent, across the entire faculty. The main administrative load clearly falls on the Department Chairman. That said, the Department has a number of other administrative positions. The Director of Graduate Studies is responsible for the postgraduate programme. The Examination Committee Chairman is responsible for the organization of the first-year examination programme and the annual meeting at which the Department discusses the progress of all students and their passage into subsequent years. The External Relations Officer is responsible for the external projection of the Department. The Department has a Computer Officer who liaises with the Computing Service. The Department has also recently appointed a Student Liaison Officer whose remit is to deal with problems — be they academic or non-academic in nature — that students feel they are unable to discuss with their supervisor. Similarly, as was noted in Chapter 2, the Department recently appointed a Placement Officer.

3.3 Current Full-Time Faculty

Brief summaries of the backgrounds of current faculty members are given below.

Michael Artis (BA, Oxford, 1959)

(Department Chairman — Joint Appointment with the Robert Schuman Centre)

Michael Artis came to the EUI in January 1995 on leave from the University of Manchester where he was appointed Professor of Economics in 1976. He had previously held the Chair in Applied Economics at Swansea University College. Graduating from Oxford University in 1959, he subsequently held positions at Oxford, Adelaide and Flinders Universities and the National Institute of Economic and Social Research in London. He has been the Chairman of the Department since September 1997. He has published two books with Oxford University Press, has contributed articles to various books and has published in a number of journals, including Oxford Economic Papers, the International Journal of Finance and Economics, the Oxford Review of Economic Policy and the Economic Journal. He has been Associate Editor of the Economic Journal and Editor of the Manchester School of Economic and Social Studies. He is currently on the Editorial Boards of, *inter alia*, the World Economy, the International Journal of Finance and Economics, the Open Economies Review, the Journal of Public Policy and the Revue Française d'Économie. He was elected Fellow of the British Academy in 1988 and is a Research Fellow of the CEPR.

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

Joined the Institute in January 2000, on leave from the University of Oxford where he is Barnett Fellow in Economics in Wadham College. He has held positions in the University of Florida, the John F. Kennedy School in Harvard, Queen's University, Canada and the University of Canterbury in New Zealand. He visited the Institute in 1998 as a Jean Monnet Fellow. He is Managing Editor of Oxford Economic Papers and Associate Editor of the Oxford Bulletin of Economics and Statistics. He has published in the Rand Journal of Economics, International Economic Review, the Journal of Business and Economic Statistics and the Oxford Bulletin of Economics and Statistics.

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

Joined the Institute in September 1998. 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 recently 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)

Full-Time Professor at the Institute since September 1997, on leave from University of Torino where he is Professore Ordinario di Economia Politica, Facoltà di Scienze Politiche. He previously held other teaching positions in Torino and visiting positions in various places, and during 1989–1993 was Assistant Professor and Assistant Director of the International Finance Section, Princeton University. He is a CEPR Research Fellow, Associate Editor of European Economic Review and

Macroeconomic Dynamic and Condirettore of *Giornale degli Economisti e Annali di Economia*. His work is published in the *Review of Economic Studies*, the *American Economic Review*, the *European Economic Review* and other academic journals and books. He is the author of chapters in the *Handbook of Labor Economics* and the *Handbook of Income Distribution* (North-Holland) and co-author of a graduate textbook, *Metodi Dinamici e Fenomeni Macroeconomici* (Il Mulino).

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

Is from UCLA where he was a Tenured Professor from 1988. Previously he held positions at the University of Toronto and the University of Pennsylvania. He is currently a Research Fellow of the CEPR and has held visiting positions at Cambridge University and at the Innocenzo Gasparini Institute in Milan. He recently published two books, *The Macroeconomics of Self-Fulfilling Prophecies* (MIT Press, 1993) and *Macroeconomics* (South-Western College Publishing, 1998). He also contributed to a book on Macroeconomics and has published extensively in journals such as the *Journal of Economic Theory*, *Review of Economic Studies*, *Quarterly Journal of Economics* and the *American Economic Review*. Roger Farmer is Associate Editor of *Macroeconomic Dynamics* and the *Journal of Economic Growth*.

Andrea Ichino (PhD, MIT, 1990)

Became a Full-Time Professor in the Department in 1998 — having first visited the EUI as a Jean Monnet Fellow in 1997. Since he left MIT in 1990, where he obtained his PhD in Economics, he has been an Assistant Professor and an IGIER Research Fellow at Bocconi University, Milan. His work has been published in the *European Economic Review*, *Journal of Public Economics*, *Journal of Population Economics* and *Quarterly Journal of Economics* as well as in other academic journals and books. He is currently Research Fellow of the CEPR, London, of CES, Munich, and of IZA, Bonn. He is Associate Editor of *Lavoro e Relazioni Industriali* and of the *Giornale degli Economisti*.

Søren Johansen (Dr.Phil., University of Copenhagen, 1974)

Joined the Department in September 1996, on leave from a Chair of Statistics at the Institute of Mathematical Statistics at the University of Copenhagen, where he has worked since 1964. He has held visiting positions at a large number of places including the University of California, Berkeley, Imperial College, London, Stanford University and University of California, San Diego. His textbook *Likelihood-Based Inference in Cointegrated Vector Auto-Regressive Models* (Oxford University Press) was followed by a *Workbook on Cointegration*, jointly with P.R. Hansen. He is an Associate Editor of *Econometric Theory* and *Econometrica*. He has also recently published papers in *Econometrica*, *Journal of Econometrics*, *Econometric Theory* and the *Oxford Bulletin of Economics and Statistics*. He is an Associate Editor of *Econometric Theory* and *Econometrica*. He has been elected Fellow of IMS.

Ramon Marimon (PhD, Northwestern University, 1984)

Came to the EUI in 1994 from Universitat Pompeu Fabra (UPF), Barcelona. He has been Assistant and Tenured Associate Professor at the University of Minnesota and Full Professor at the UPF, as well as one of its founding members. He

is Research Fellow of CREI, NBER and CEPR. He has been Fellow of the Hoover Institution and Visiting Professor at Stanford University, the Santa Fe Institute, Federal Reserve Bank of Minneapolis, IMF and Cambridge University. His most recent work has appeared in the *American Economic Review*, the *European Economic Review*, *Econometrica* and the *Journal of Economic Theory*. He is one of the Editors of the *Review of Economic Dynamics*, is Co-Editor of a book, *Computational Methods for the Study of Dynamic Economies* (Oxford University Press, forthcoming), and co-authored a book on the Spanish economy and its prospects in the EMU (*La Economía Española: Una visión diferente*, A. Bosch Publ., 1996, Barcelona). Jointly with Michael Artis he directed the 1996–1997 European Forum on the Political Economy of an Integrated Europe.

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

Came to the Department in 1998 from Universitat Pompeu Fabra, Barcelona, where he was Full Professor from 1997 — having joined them in 1992, from CORE, Louvain. He is currently on leave from Universitat Pompeu Fabra. His work has been published in several journals, including the *Economic Journal*, the *International Economic Review*, the *European Economic Review* and the *Journal of Industrial Economics*. He is a Research Fellow of CEPR and in the Editorial Board of *Economica*, *European Economic Review*, *Mercato*, *Concorrenza*, *Regole* and *Giornale degli Economisti*.

Karl Schlag (PhD, Northwestern University, 1992)

Took up his Chair in Microeconomics at the Economics Department in September 1999 from the University of Bonn, where he was a Lecturer. He has recently contributed to a book, *Handbook of Evolutionary Economics* (Springer-Verlag, forthcoming), and has published papers in the *Journal of Economic Theory*, the *Journal of Mathematical Economics*, *Economics Letters*, and in *Rationality and Society*.

3.4 Former* Full-Time Faculty

David Cass*

David Cass was a member of the Department for two years from 1995 to 1997. On leaving the Department, David Cass went back to the University of Pennsylvania where he is currently Paul F. and E. Warren Shafer Miller Professor and Director of CARESS. He has recently published papers in *Econometrica*, the *Journal of Mathematical Economics*, and *Economic Theory*.

James Dow*

James Dow was a member of the Department from 1995 to 1998. He was previously at the London Business School and at the University of Pennsylvania. He was Chairman of the Department during the academic year 1996–1997. James Dow was also an Editorial Board Member of the *Review of Economic Studies*, the *Rand Journal of Economics* and a Research Fellow of CEPR. His publications have appeared in the *Review of Economic Studies*, the *Journal of Finance*, the *Journal of Economic Theory*, and *Econometrica*.

Alan Kirman*

Alan Kirman first joined the Department in 1984 (as Visiting Professor). He joined the full-time faculty in 1987. He was Chairman of the Department during the academic year 1989–1990. He also contributed to a number of books and published papers in, amongst others, the *Journal of Economic Perspectives*, the *Economic Journal*, the *Quarterly Journal of Economics and Economic Policy*. He left the Department in 1995. Currently, Alan Kirman has a joint appointment at the *Ecole des Hautes Etudes en Sciences Sociales* and the *Université d’Aix-Marseille III*.

Agustín Maravall*

Agustín Maravall was a Full-Time Professor for seven years from 1989 to 1996. His research was directed towards the analysis of time-series processes. Agustín Maravall developed two computer programmes (SEATS and TRAMO) for the analysis and treatment of economic time series, contributed to a number of books on econometrics and time series and published papers in, amongst others, the *Journal of Econometrics* and the *Journal of Forecasting*. He was also elected a Member of the *International Statistical Institute*. Currently, Agustín Maravall is at the *Bank of Spain*.

Stephen Martin*

Stephen Martin joined the Department in 1988. Before coming to the EUI he was Assistant, Associate, and then Full-Time Professor at *Michigan State University*. Stephen Martin served as Chairman of the Department for a total of three years, contributed to a number of books on industrial economics and published papers in, amongst others, the *European Journal of Political Economy*, the *Review of Industrial Organization* and the *European Review*. He left the Department in 1995 to become Director of the *Centre for Industrial Economics* at the *University of Copenhagen* and is currently Professor of *Industrial Organization* in the *Faculty of Economics and Econometrics*, *University of Amsterdam*.

John Micklewright*

John Micklewright joined the Department in 1989 from *Queen Mary and Westfield College, University of London*. His previous appointments were as *Prize Research Fellow* at *Nuffield College, Oxford*, and as *Lecturer* and then *Reader* at *Queen Mary and Westfield College*. He published in the *Journal of Economic Literature*, the *European Economic Review* and *Oxford Economic Papers*. He also co-authored a book, *Economic Transformation in Eastern Europe and The Distribution of Income* (*Cambridge University Press*), and was *Co-Editor* of *Household Welfare in Central Asia* (*Macmillan*). John Micklewright is currently *Director* of the *Economic and Social Policy Research Unit*, *International Child Development Centre*, *UNICEF*, *Florence*.

Grayham Mizon*

Grayham Mizon joined the Department in 1991 from the *University of Southampton* — where he had been *Leverhulme Professor of Econometrics*. He published in the *European Economic Review*, *Econometric Theory*, *Econometrica*, the *Oxford Bulletin of Economics and Statistics*, the *Journal of Business and Economic Sta-*

tistics, the Scandinavian Journal of Economics and the Journal of Econometrics. Grayham Mizon returned to Southampton in 1999.

Louis Philips*

Louis Philips was a Professor of Economics at the Catholic University of Louvain before joining the Department in 1989. With research interests in microeconomics and industrial economics, he published papers in the European Economic Review, the Journal of the Economics of Business and the International Journal of Industrial Organization, in addition to several book chapters. His latest book, *A Game-Theoretic Perspective*, has just been published. In 1995, Louis Philips was President of the European Economic Association.

Mark Salmon*

Mark Salmon came to the EUI from the University of Warwick in 1989, having previously worked at the Australian National University, the Bank of England and the London Business School. He had also held visiting appointments at Oxford, Princeton, Paris I, Sorbonne, Aix-Marseille, Bordeaux IV and Illinois. He published articles in *Econometrica*, the Journal of Econometrics, the Economic Journal, the Journal of Economic Dynamics and several book chapters. He Co-Edited *Learning and Rationality in Economics and Nonlinear Dynamics and Economics*. He served as a consultant to a number of City institutions and was a member of a task force set up by the European Commission to consider exchange rate policy for the Euro. He also advised the National Bank of Hungary on transition policies towards membership of the European Union. At the same time he was a Research Fellow of the CEPR. Mark Salmon left the Department in 1997 to join the City University Business School, London.

Spyros Vassilakis*

Spyros Vassilakis was at the EUI for 4 years from 1993 to 1997. He studied bounded rationality and logical programming and published in the Journal of Mathematical Economics.

Robert Waldmann*

Robert Waldmann joined the Department in 1989. In fact, it was his first academic appointment. He published in the Journal of Business, the Journal of Political Economy, the Journal of Finance and the Quarterly Journal of Economics. Robert Waldmann stayed with the Department for eight years and now holds a position at the Università di Roma, Tor Vergata.

3.5 Secretarial and Administrative Support

The day-to-day running of the Department is made easier by the excellent secretarial support provided by the Administrative Assistant Jacqueline Bourgonje and the three Secretaries within the Department: Barbara Bonke, Jessica Spataro and Marcia Gastaldo.

Jacqueline Bourgonje has been with the Department since 1978. She is in charge of general Departmental administration and budgeting. Jacqueline organizes exam

committee meetings and departmental meetings. She is also responsible for the course programme, the seminar programmes, weekly programmes, exams and thesis defences.

Barbara Bonke (currently Secretary to Professors Johansen, Ichino and Motta) has been with the Department since 1979. She is responsible for correspondence, the organization of missions, organization of conferences and meetings and the typing of scientific text.

Jessica Spataro (currently Secretary to Professors Artis, Banerjee, Bertola and Schlag) has been with the Department since 1982. She is responsible for correspondence, the organization of missions, organization of conferences and meetings and the typing of scientific text. Jessica also organizes the research workshops, the student workshops and the student forum.

Marcia Gastaldo (currently Secretary to Professors Marimon, Farmer and Battigalli) has been with the Department since 1991. She is responsible for correspondence, the organization of conferences and meetings, the organization of missions and the typing of scientific text. Marcia is also the Departmental Webmaster, liaises with the Computing Service and is responsible for the Department's Working Paper series.

The Department also employs a number of students from time to time as Research Assistants. Each Research Assistant works for a Professor on his research project — usually for a period of a few months. Research Assistants are usually paid for using Research Council funding.

The Department also has a Library Assistant. As far as computing is concerned, the Department would like to obtain more Department-specific computing assistance, and is looking forward to the execution of the EUI's current plan for Computing Service provision, which envisages such a dedicated service.

Chapter 4

Research

In this chapter we discuss research undertaken since the beginning of 1995. We start with a general overview of faculty members' interests. In Section 4.2, we discuss projects funded by the Research Council and externally funded projects. In Section 4.3, we discuss — in some detail — ongoing research projects. Section 4.4 discusses the impact of publications associated with these projects. A complete list of publications can be found in Appendix A.

Five features are outstanding. First, the Department's research output in absolute terms (in terms of the output of books, contributions to books, academic journals, working papers etc.) has been considerable.

Second, the Department's research output, at least as far as journal publications are concerned, has been shown to have considerable impact in the academic community. In short, the average “quality” of an article, measured by “input” factors, is high.

Third, although the distribution of faculty by research area has changed over time, the Department has had a number of traditional strengths. Econometrics is a case in point, as is macroeconomics. Research in the field of microeconomics diminished somewhat in period 1997–1998 due to an under-representation of microeconomists in the Department; this imbalance has since been addressed and output in the field of microeconomics is increasing again.

Fourth, much of the research published in, say, 1995 was theoretical. Lately, the amount of applied research has increased considerably.

Finally, much of the research undertaken in the Department has a strong European orientation.

4.1 Research Agendas

4.1.1 Microeconomics

Pierpaolo Battigalli

David Cass*

James Dow*

Alan Kirman*

Stephen Martin*

Massimo Motta
Louis Philips*
Karl Schlag
Spyros Vassilakis*

Brief Description

In the last ten years, competition policy has come to play an important role in Europe due to a movement away from regulation and towards market forces. Industrial organization has been the traditional method of investigation. Among the microeconomists at the EUI there has been a deep interest in gaining an understanding of the micro ingredients influencing the competitive behavior of markets. Important issues are related to anti-trust, regulation and the emergence of a decentralized market structure. Topics investigated in more detail were concerned with (a) secretive collusion, (b) effects of regulation (M. Motta), markets for information (K. Schlag) and the effects of research and development joint ventures (S. Martin), (c) emergence of consumer loyalty from boundedly rational behaviour (A. Kirman) and (d) competitive pressures on managing design complexity (S. Vassilakis). Fundamental research (P. Battigalli) has helped understand how beliefs are formed in strategic decisions.

The Microeconomics Research Workshop meets regularly to discuss research in this area. Appendix F lists the papers presented in the Workshop. Likewise, the Department has its own Competition Policy Workshop (established by Massimo Motta). Moreover, students in the field of Microeconomics have formed their own discussion group: the Microeconomics Students Working Group.

4.1.2 Macroeconomics

Michael Artis
Giuseppe Bertola
Roger Farmer
Ramon Marimon
Mark Salmon*
Robert Waldmann*

Brief Description

Macroeconomics has been one of the most active fields of research in the Department, with a very large number of publications and PhD theses being produced (see Appendix B). The range of topics under study covers a very wide spectrum of macroeconomics. A focal theme has been macroeconomic problems faced by EU and EMU. In particular, employment and social welfare reforms, and monetary and exchange rate issues concerning the creation and development of EMU (see the work of M. Artis, G. Bertola, R. Marimon, M. Salmon and R. Waldmann, as well as of their students). The macro research on labour markets has also benefited from the microeconomic work in the field. In addition to these more policy-oriented issues, research has also been very active in developing dynamic macroeconomic theory, covering fields such as: monetary theory (R. Farmer and R. Marimon), in-

ternational finance (R. Farmer, M. Artis and G. Bertola), real business cycles and growth (M. Artis, G. Bertola, R. Farmer and R. Marimon) and learning and expectations formation (R. Farmer, R. Marimon, M. Salmon and R. Waldmann). The research in these areas has been enhanced by the organization of many international conferences and workshops (see Chapter 7) and by the research activity of many Jean Monnet Fellows and visitors (S. Ambler, G. Ascari, L. Bartolini, C. Belzil, E. Cardia, M. Gehrig–Merz, G. Giovannetti, O. Kirchkamp, G. Ottaviano, P. Teles, M. Zagler, etc.). The Macroeconomics Research Workshop meets regularly. Papers presented in this Workshop can be found in Appendix F.

4.1.3 Econometrics

Anindya Banerjee
Søren Johansen
Agustín Maravall*
Grayham Mizon*
Mark Salmon*

Brief Description

The development of statistical methods for econometric analysis has mainly focussed upon time series analysis, and many of the substantive issues dealt with in theses and papers have been inspired by the new economies in transition and the creation of the EMU. Special methodological topics that are dealt with are policy (G. Mizon), seasonality (A. Maravall), non–linearity (M. Salmon) and non–stationarity (S. Johansen and A. Banerjee). The Econometrics Research Workshop meets regularly. Papers presented in this Workshop can be found in Appendix F. Søren Johansen and Anindya Banerjee jointly chair the Econometrics Working Lunch.

4.1.4 Labour Economics

Giuseppe Bertola
Andrea Ichino
John Micklewright*
Robert Waldmann*

Brief Description

Microeconomic data for the analysis of labour markets have only recently started to be made available in Europe. Although we are still far away from having the wealth of information which scholars can use to study the US labour market, research in this field is now possible for our continent, and scholars from EUI have contributed significantly to this growing literature. A lot of what is currently known about the labour markets of economies in transition comes from the work of John Micklewright and the students supervised by him. Robert Waldmann, on the other hand, focussed on labour–managed firms and the effects of inequality and democracy on health and on economic growth. More recently, with the arrival of Andrea Ichino, the

focus has shifted towards the analysis of the interactions between labour markets and social institutions, like the education system and the family, with particular attention being paid to cross-country comparisons based on household panel data sets. Andrea Ichino currently chairs the Labour Working Lunch, where students present their work to fellow students and members of faculty.

4.2 Research Funding

Research is funded, in the main, by EUI Research Council grants. That said, members of faculty have had considerable success in attracting external funding. In what follows we list — in some detail — Research Council funded projects. We also list externally funded projects.

4.2.1 Research Council Funded Projects

Table 4.1 lists the research projects funded by the Research Council, undertaken since 1995. We also give the date when projects were first presented to the Research Council, if they are still ongoing. The projects of former* faculty are listed without dates.

4.2.2 Externally Funded Projects

Michael Artis

Leverhulme Foundation grant (1999–2001) (with colleagues at Manchester University)

“International Growth and Business Cycles”

TMR grant from the European Commission

“New Approaches to the Study of Economic Fluctuations”

Foreign and Commonwealth Office grant (1997)

Leverhulme Foundation grant (1994–1996)

“Asset Markets, Structural Convergence and European Monetary Policy”

Anindya Banerjee

Economic and Social Research Council grant (2000–2002)

“Modelling, Forecasting and Policy in the Evolving Macroeconomy”

Giuseppe Bertola

Grant from the European Commission; Instituto de Prospectiva Tecnológica, Sevilla
 “The Demand and Supply of Skills: Technology, Education and the Labour Market”

Findomestic SpA and CETELEM

“Finance and Consumption in the European Union”

IUE 4/2000 (CR 2)

Table 4.1: Research Council Funded Projects

Date	Applicant	Research Project
Microeconomics		
1998	Pierpaolo Battigalli	Foundations of the Theory of Dynamic Games and Applications to Economic Models with Incomplete Information
—	David Cass*	Competitive Equilibrium with Imperfections on Financial Markets
—	James Dow*	Welfare Economics of Financial Markets and Innovation; Economic Implications of Decision-Making Under Knightian Uncertainty
—	Alan Kirman*	Price Formulation: Theoretical Problems and Empirical Studies of Particular Markets and of Emerging Markets in Eastern Europe
—	Stephen Martin*	European Community Regional Policy; Determinants of Market Performance in Oligopoly
1998	Massimo Motta	Competition Policy; Foreign Direct Investments
—	Louis Philips*	Oligopoly Pricing Under Imperfect Information
1999	Karl Schlag	Learning Boundedly Rational Economic Agents
—	Spyros Vassilakis*	Bounded Rationality and Logic Programming
Macroeconomics		
1994	Michael Artis	Asset Markets, Structural Convergence and European Monetary Policy; Business Cycles and Employment in Europe
1997	Giuseppe Bertola	Distribution, Institutions and Labour Market Dynamics; Policy Interventions in Monetary and Financial Markets
1998	Roger Farmer	Growth, Exchange Rates and Self-Fulfilling Prophecies
1998	Ramon Marimon	Credibility, Learning and Delegation**
—	Mark Salmon*	Economic Inference; Exchange Rate Target Zones and Exchange Rate Volatility
—	Robert Waldmann*	Procyclical Productivity
Econometrics		
1999	Anindya Banerjee	Modelling and Forecasting Economic Time Series in the Presence of High Orders of Integration and Structural Breaks in Data
1996	Søren Johansen	The Econometric Analysis and Application of Statistical Models for Non-Stationary Economic Time Series
—	Agustín Maravall*	Structure of Time Series
—	Grayham Mizon*	Econometric Modelling of Economic Time Series
Labour Economics		
1998	Andrea Ichino	Microeconomic Analysis of Labour Markets and Social Institutions
—	John Micklewright*	Microeconomic Analysis of Labour Markets and Consumer Behaviour

** This is Prof. Marimon's second Research Council funded project. His first project was entitled "Recursive Contracts and Adaptive Learning in Macroeconomics". A detailed description of this earlier project can be found in the Economics Department's submission to the Research Council in 1994. Document IUE 328/94 (CR7).

Grant from the European Commission (DG XII Research)
 “Labour Productivity Increase and Other Factors Behind Labour Demand”, within
 the project “Growth and European Labour Markets”

James Dow*

TMR grant from the European Commission (1996–2000) (with Amsterdam Univer-
 sity, Bonn University, Groupe HEC, LBS, Mannheim University, Oxford University
 and Toulouse I University)
 “Financial Market Efficiency and Economic Efficiency”

Roger Farmer

National Science Foundation, Arlington, Virginia. Grant 952912 (1996–1999)

Andrea Ichino

TSER grant from the European Commission (DG XIIG) ERBSOE2–CT973052
 (with Aarhus Universitet, CREST, Ludwig–Maximilians–Universität München, ESRI,
 Bar–Ilan University, CEMFI, Universidade de Lisboa, Lunds Universitet and the
 University of Essex)
 “Labour Demand, Education and the Dynamics of Social Exclusion”, within the
 project “Research into Social Integration and Social Exclusion in Europe”

Søren Johansen

Danish Research Council for Social Sciences and the Research Council for the Nat-
 ural Sciences (1993–1998)
 “Analysis of Non–Stationary Time Series — Statistical Methodology and Econo-
 metric Applications”

Ramon Marimon

Grant from the European Commission (DGXII) (1994–1997) (with CORE)
 “Human Capital Mobility”

Ministerio de Educación, Spain. DGICYT grant (1993–1996)

John Micklewright*

World Bank Research Committee (1995) (with S. Ismail)
 “Nutrition, Household Welfare and Anthropometric Measurement in Central Asia”

Grayham Mizon*

Economic and Social Research Council grant L116251015

Economic and Social Research Council grant R000233447

Grant from the European Commission. Phare ACE Project (P25–2145–R)
 “Inflation and Unemployment in Economies in Transition”

IUE 4/2000 (CR 2)

4.3 Research Activity of Current Faculty Members

The current research activity of faculty is best described on an individual basis; summaries are given below. For more detailed information on individual faculty members, please consult the Department's Website (www.iue.it/ECO/Welcome.html).

4.3.1 Michael Artis

Michael Artis has two fields of research, both of which have a strong European orientation. The first covers asset markets, structural convergence and European monetary policy. The second relates to business cycles and employment within Europe.

1. Asset Markets, Structural Convergence and European Monetary Policy

The objectives of this research project are evolving with the creation of the European Monetary Union. The initial objectives were to study the preconditions for monetary union, the performance of the Exchange Rate Mechanism and, more generally, the functioning of foreign exchange markets. The project now concerns itself with the European Central Bank's monetary strategy, the functioning of the Stability and Growth Pact as the fiscal counterpart of EMU, the development of the European Financial Area and the assessment of the prospects for long-term convergence among the constituent countries of Euroland. This last topic in turn relates closely to work carried out under the second heading.

2. Business Cycles and Employment in Europe

Michael Artis's research into business cycles employs rigorous techniques, including those pioneered by the NBER in the US, to identify and measure business cycles in Europe. Particular interest attaches to the study of synchronicity between countries in the phases of their business cycles as this has immediate policy relevance. The single "one-size-fits-all" monetary policy which member countries of the European Monetary Union enjoy is less suitable for countries the less synchronous their business cycles and the larger their amplitude. A key issue for research is whether — and, if so, at what rate — the business cycles of the Euroland countries can be expected to become more synchronous and similar. Europe's unemployment problem and its solution can also be related in part to its business cycle experience.

4.3.2 Anindya Banerjee

Anindya Banerjee's research concerns the modelling and forecasting of economic time series in the presence of high orders of integration and structural breaks in the data. This broad proposal encapsulates three related areas. First, arising out of a long-standing research collaboration with D. Hendry, G. Mizon and M. Clements, they aim to improve understanding of the evolving macro-economy through more

powerful statistical analyses, more robust forecasting tools and new policy analysis methods for econometric models.

Anindya Banerjee's second area of research is on investigating the implications of different types of structural breaks in systems of equations for modelling and forecasting and on methods of detecting such breaks. A focus of this work is to address the distinctions that might be made between (a) abrupt and deterministic economic shocks and (b) more fundamental changes introduced via switches in the operating regime of an economy.

Finally, Anindya Banerjee's research into modelling inflation and the mark-up, in wide-ranging micro and macro data using techniques developed for variables integrated of order two, has interesting implications for the existence of long-run and short-run relations between inflation and unemployment and the behaviour of the mark-up in business cycles.

4.3.3 Pierpaolo Battigalli

Pierpaolo Battigalli's research is mainly directed towards game theory. He explores the foundations of the theory of games by rigorously formulating transparent assumptions about how players form their beliefs, including how beliefs are revised when players receive new and possibly unexpected information while playing a dynamic game. Backward induction and several forms of forward induction are considered. The analysis is cast in the general framework of games of incomplete information where belief revision plays a crucial role. The aim is to try to characterise known solution concepts as well as to propose new ones suggested by epistemic analysis. In particular, several variations of the "rationalisability" solution concept are characterized. This analysis provides new perspectives on modeling economic situations with incomplete, asymmetric information. Applications to market signaling and bidding behavior in auctions are considered.

Another direction of Pierpaolo Battigalli's research concerns the theory of contracts. Incompleteness of contracts is endogenously derived within a formal framework where it is costly to provide precise descriptions of relevant contingencies and contractual obligations. This framework provides a rationale for different forms of contractual incompleteness (excessive rule rigidity or excessive discretion), the provision of default legal rules and long-term contracting.

4.3.4 Giuseppe Bertola

Giuseppe Bertola's research analyzes aggregate labour market performance in light of such institutional features as the ease with which employers can shed redundant labour and the flexibility afforded by wage-setting mechanisms in the face of labour demand shocks. His current projects in this field aim at a better understanding of labour market institutions' distributional effects, especially as regards their interaction with the European process of economic and monetary unification.

Giuseppe Bertola is also working on implications of reserve requirements and central bank intervention rules for the dynamic behaviour of money market interest rates, both in the United States Federal Funds market and from an international

comparative perspective.

4.3.5 Roger Farmer

Roger Farmer has developed a theory that builds on the dominant macroeconomic paradigm, real business cycle theory. By making small departures from its assumptions he is able to generate very different results. Since real business cycle theory does not explain the data well, these departures are able to improve the ability of the paradigm to understand the world. Specifically, Roger Farmer studies the economics of “self-fulfilling prophecies”.

Roger Farmer’s current research has three main strands: European unemployment, monetary policy and exchange rates. His work on unemployment starts from the observation that European unemployment is high by U.S. standards and has remained persistently high for long periods. Traditionally these secular differences have been ascribed to hysteresis — the idea that there is a highly persistent component in the natural rate of unemployment. Roger Farmer’s work explores, instead, the idea that high secular unemployment can be directly attributed to European monetary policy. In a related project he is studying the link between interest rates and unemployment at business cycle frequencies. His work relies on the self-fulfilling prophecies model in which mass psychology may influence markets. This approach has been quite successful in helping to understand how psychology may affect the business cycle, but it has not previously been applied to studies of the monetary transmission.

Roger Farmer’s work on exchange rates extends his joint work with A. Lahiri from one-commodity to multi-commodity models. Research to date has studied the impact on growth rates of shifting financial resources from one country to another in a simple one-good model of the world economy. It differs from many existing models of international trade by explaining growth endogenously. The extensions envisaged would allow for multiple commodities and different monies, thereby enabling the authors to explore the impact of shifting financial assets on exchange rates and growth.

4.3.6 Andrea Ichino

Andrea Ichino’s research is directed towards the application of microeconomic methods to the analysis of labour markets and social institutions. Particular attention is devoted to the role of family networks and education systems in shaping labour market outcomes. An example of this focus is given by his work on family networks and unemployment, in which he looks at the role played by family ties in reducing consumption losses due to unemployment in Southern Europe.

The interaction between the characteristics of school systems and family background is also explored in his analysis of the patterns of intergenerational mobility in terms of education, incomes and occupations. In all these studies a crucial role is played by the comparison of results for different countries based on household panel data.

Thanks to the possibility of accessing personnel data for a large Italian company,

another important line of research concerns the study of labour relations inside the firm. An example is provided by the study of the effects of group interactions, local characteristics and individual background on absenteeism, but the plan is to explore further the data with the goal of shedding light on the mechanisms of wage determination, promotions, internal mobility, gender discrimination and industrial relations conflicts.

From a methodological point of view, the problem of the identification and estimation of “true” causal relationships (as opposed to simple correlations) has always received particular attention in Andrea Ichino’s research, as shown, for example, by the study of the long-run educational cost of WW II.

This interest has recently developed into a new line of research focussed on the evaluation of the effectiveness of labour market programmes in Italy, where little if anything is done to assess the causal effects of government intervention to reduce unemployment and improve the training of the workforce.

4.3.7 Søren Johansen

Søren Johansen’s current research interests are centred on the project “The Econometric Analysis and Application of Statistical Models for Non-Stationary Economic Time Series”. The project centers on the statistical methodology of multivariate cointegration analysis that Søren Johansen has been developing over the last 15 years (with Katarina Juselius).

The background for the project is the readily available non-experimental macro economic time series. Søren Johansen has developed a methodology for the statistical analysis of such series. The methodology is the multivariate cointegration analysis and it differs from earlier econometric methods in a number of significant ways. First, it accounts for the non-stationarity of the data. Second, it models a full system rather than a single equation. Third, the models combine the effects of the long run and the short run. Finally, the discussion of the identification of economic relations in the context of cointegrating long-run relations and asymptotic analysis allows one to test theoretical economic hypotheses on the interaction between the variables.

Some particular problems that Søren Johansen is currently doing research on are: seasonally varying time series; so-called I(2) processes and their application in the analysis of price series; multi-period factor models for cumulated asset returns; recursive methods for checking the stability of the obtained results; small sample properties of the test statistics in the so-called I(1) model; computer programmes for the application of the methods developed and common trends and their interpretation.

4.3.8 Ramon Marimon

Ramon Marimon’s research covers different areas of macroeconomics. They range from more policy-oriented problems, such as unemployment and social policy in EU, to more theoretical problems, such as the design of optimal policies when agents and policy makers must learn from past experience, may default or face other incentive,

institutional or political constraints. Within social policy issues, he has been studying problems such as: employment patterns across EU countries; the difference in performance of US and European labour markets in response to different unemployment insurance policies; the employment and redistributive effects of reducing working time, the design of EU welfare policies, taking into account the EU political economy constraints, etc.

Within his main research project at EUI, “Credibility, Learning and Delegation”, Ramon Marimon has been studying topics such as: the development of a general framework to characterize dynamic contracts and credible policies (the interaction of competition and reputation as a disciplinary mechanism (for example, in the context of currency competition); the effect on real business cycles and industry dynamics of limited contract enforceability; the distortionary effect of nominal debts in the conduct of optimal sequential monetary policies; the different responses of the monetary transmission mechanism in a monetary union with heterogeneous financial structures; the analysis of alternative stabilization policies when agents form their expectations adaptively; the interaction between learning and reputation and, more specifically, how taking the learning process into account may help to better characterize the processes of acquisition of reputation and the design of economic policies.

Since the study of expectations formation raises many empirical issues, concerning how human subjects learn and behave, in relatively complex economic environments, Ramon Marimon — together with his Research Assistant Klaus Adam and professional programmers — has been developing a new software package for performing a wide class of experiments with dynamic economies, a new and useful tool for research and teaching. He has also co-edited a book on Computational Economics that has become a very useful tool in many graduate schools.

4.3.9 Massimo Motta

Massimo Motta’s research to date has dealt with various aspects of industrial organization and international trade. He currently has two projects in these fields. The first project deals with competition policy. The second concerns the study of the effects of foreign direct investment.

1. Competition Policy

Massimo Motta has a number of projects dealing with competition and antitrust issues. He is also in the process of writing a book which covers both theoretical and practical aspects of competition policy. The main objective here is to draw from the industrial organization literature and the literature on the theory of the firm to formulate policy recommendations of practical use. The motivation behind this work is the feeling that competition law and practice are not well founded and the belief that theory can offer guidance to improve the way authorities deal with such issues as mergers, collusion and vertical agreements.

2. Multinational Firms and Foreign Direct Investment

The second part of Massimo Motta’s research is aimed at extending the eco-

economic analysis of multi-national corporations, examining the economic impact of multi-nationals and foreign direct investment on the home country and the host country and studying the implications for policy at both the national and the international level.

4.3.10 Karl Schlag

Karl Schlag is interested in evolutionary economics, bounded rationality, game theory, industrial organization and economic theory. His previous research has focussed on imitation as one of the most common rules of behaviour. His aim (with a small group of co-authors) is to make predictions in dynamic microeconomic models that include boundedly rational agents adapting their behaviour over time using simple heuristics such as imitation and reinforcement. These predictions can then be contrasted with the rational predictions as well as the empirical data. In parallel, he plans to investigate actual behaviour of economic agents in order to uncover alternative hypotheses about boundedly rational behaviour. Some of the topics that Karl Schlag considers most promising are discussed below:

1. Price competition of rational (or boundedly rational) firms when facing boundedly rational consumers who learn about prices and products over time possibly through interaction with other consumers.
2. Price formation in pure exchange economies when agents do not know the preferences of others or are not aware of their own complete preferences.
3. The role of imitation and adaptation when individuals undertake financial and savings decisions.
4. The empirical testing of existing theories (or discovery of alternative behavioural patterns) using micro data created when individuals trade and interact over the Internet.

4.4 Impact of Publications

An account of all the material — books, journal articles, working papers etc. — published by faculty members follows. A list of all the material published by each faculty member since their arrival (dating back to the beginning of 1995) can be found in Appendix A.

One indication of the productivity of the Department can be gleaned from the number of journal articles published in the so-called Diamond core; for a discussion of the Diamond core, see the article by Burton and Phimister (1995).¹ The output of faculty is clearly considerable; faculty members have written or co-authored a total of 113 articles since the beginning of 1995. Diamond sought to evaluate the relative quality of journals and construct a ranking of economic journals. He constructed a list of twenty-seven “top-flight” economic journals — which he called the “core”

¹Burton M.P. and E. Phimister (1995), “Core journals: a reappraisal of the Diamond list”, *The Economic Journal* 105, 361–373.

journals. 18 of the 21 faculty members listed in Table 2.1 published papers in the Diamond core during their stay at the EUI (or wrote Working Papers during their stay at the EUI which were subsequently published in journals in the “core”). In fact, 43 of the 113 articles listed in Appendix A were published in the Diamond core, see Table 4.2.²

Table 4.2: Diamond Core Publications

	1995	1996	1997	1998	1999	2000	Total
Michael Artis	2	1	0	1	1	0	5
Anindya Banerjee	0	0	0	0	0	0	0
Pierpaolo Battigalli	0	0	0	0	1	0	1
Giuseppe Bertola	0	0	2	0	0	0	2
David Cass*	0	1	0	0	0	0	1
James Dow*	2	0	1	0	0	0	3
Roger Farmer	0	0	0	0	0	1	1
Andrea Ichino	0	0	0	0	2	1	3
Søren Johansen	0	0	0	1	1	2	4
Alan Kirman*	0	1	0	0	0	0	1
Agustín Maravall*	0	0	0	0	2	0	2
Ramon Marimon	0	0	1	1	1	2	5
Stephen Martin*	0	0	0	0	0	0	0
John Micklewright*	0	1	0	0	1	0	2
Grayham Mizon*	1	0	1	0	0	0	2
Massimo Motta	0	0	0	0	0	2	2
Louis Phlips*	0	1	0	0	1	0	2
Mark Salmon*	0	1	1	0	0	0	2
Karl Schlag	0	0	0	0	0	0	0
Spyros Vassilakis*	0	0	1	0	0	0	1
Robert Waldmann*	0	1	0	1	0	2	4

The “quality” of the articles published by a number of universities, including the EUI, was also the subject of a recent report published by the Institute for Advanced Studies (IHS) in Vienna.³ They also consider journal publications as the relevant measure of research output. They compute the quality-adjusted output of a given department by counting the number of journal publications published by a department and then weighting the publications by the Social Sciences Citation

²The Diamond “core” consists of the American Economic Review, Brookings Papers on Economic Activity, Canadian Journal of Economics, Econometrica, Economic Inquiry, Economic Journal, Economica, Economics Letters, European Economic Review, International Economic Review, Journal of Development Economics, Journal of Econometrics, Journal of Economic Literature, Journal of Economic Theory, Journal of Financial Economics, Journal of International Economics, Journal of Labour Economics, Journal of Law and Economics, Journal of Mathematical Economics, Journal of Monetary Economics, Journal of Political Economy, Journal of Public Economics, Oxford Economic Papers, Quarterly Journal of Economics, Rand Journal of Economics, Review of Economic Studies and Review of Economics and Statistics.

³Institute for Advanced Studies (IHS), Vienna. Newsletter Vol. 7, No. 1, March, 1999, page 2.

Table 4.3: Average Impact Factor per Journal Publication

Year	1995	1996	1997	1998
EUI	0.554	0.553	0.520	0.533
IHS	0.384	0.381	0.377	0.411
TU Vienna	0.373	0.367	0.354	0.357
University of Vienna	0.314	0.334	0.321	0.333
WIFO	0.178	0.184	0.192	0.198
WIIW	0.068	0.049	0.080	0.083
WU Vienna	0.287	0.290	0.263	0.232
WZB	0.253	0.282	0.281	0.282
University of Bonn	0.396	0.376	0.380	0.404
Universitat Pompeu Fabra	0.622	0.553	0.538	0.533

(Source: IHS 3/1999)

Index (SSCI) impact factor for 1997.⁴ The impact factor provides information about how often articles, published in a given journal, are referred to in other journals.

The report considers the average quality of an article measured by factor inputs. Specifically, the authors first counted the number of journal articles published by a given department; they then computed the total impact factor by multiplying each article by its SSCI weight. They computed the average impact factor by dividing this value by the number of articles published by a given department. This produces a striking result. The authors note that, by 1998,

“the leaders of average journal publication quality are the EUI and Universitat Pompeu Fabra with an average factor of about one half”.

As Table 4.3 shows, they are followed by the IHS and the University of Bonn, with an average impact factor of 0.4. According to the authors, the average impact factor at the Wissenschaftszentrum Berlin is about half of the level of the EUI and Universitat Pompeu Fabra.

⁴They do this for a number of universities, namely: the Austrian Institute for Economic Research, University of Economics and Business Administration, University of Technological Science, University of Vienna, Vienna Institute for Comparative Economic Studies, the IHS, the EUI, the University of Bonn, Universitat Pompeu Fabra and the Wissenschaftszentrum Berlin.

Chapter 5

Students

In what follows we discuss a number of issues related to the student body over the period 1995–1999: applications, intake, areas of research, completion rates, careers, etc.

A number of other universities in Europe and the US provided us with figures concerning their own PhD programmes. Accordingly, we are able to measure the performance of EUI students in a global setting.¹

5.1 Selection and Admission to the First Year

Students admitted to the Department are selected according to a procedure resulting from a combination of rules and the accumulated experience of faculty members. Every faculty member and some students beyond the first year are actively involved in the procedure.

Each member of the faculty is assigned a particular country (or group of countries, as in the case of the selection of Tempus students) to pre-select candidates. The division of labour is usually related to each professor's knowledge of one or more national academic systems. In this preliminary phase, one or two second or third-year students from each nationality represented in the Department are asked to give an opinion on the applicants from their country of origin. Their input is particularly valuable when candidates come from countries which are not represented at the faculty level and/or countries whose university system is not well known to the faculty.

For each country a certain number of potentially interesting candidates are selected and the resulting lists are discussed at the Departmental meeting.

Finally, a list of candidates to be interviewed is decided upon, taking into account the expertise present in the Department.

The interviews are organized as small panels, generally composed of two or three faculty members and one student. The composition of the panel depends both on the nationality of the candidate and on their research area. The candidates are

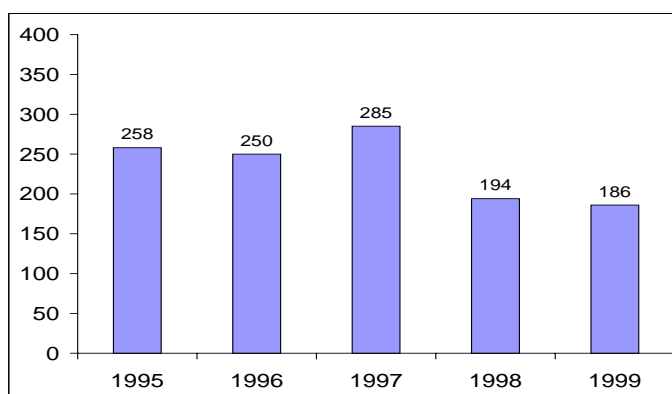
¹The Department approached a number of universities in Europe and the US. Thirteen were kind enough to provide figures on their own PhD programmes. The thirteen universities are: Autònoma de Barcelona (UAB), Bonn, Carlos III (UCIII), Essex, Harvard, IHS, Minnesota, Munich, Oslo, Pompeu Fabra (UPF), Stockholm, Toulouse I and Warwick.

interviewed in English, which is the official language of the Department. Given the structure of the first-year programme, candidates are interviewed both on the basis of their proposed research and on their technical background, in particular, their familiarity with econometrics and mathematics.

5.2 Applications and Admissions

During the period 1995–1999 the Department received a total of 1173 applications — an average of almost 235 per year. Figure 5.1 shows the number of applications over time. The number of applications remained fairly constant during the first two years, peaked at 285 in 1997, and has fallen off since. This decline may, in part, be attributed to the rapid increase in the number of competing PhD programmes. One can compare the number of applications received over this five-year period with the number of applications received in the five years prior to 1995. Applications peaked in 1993 (when the Department received approaching 350 applications). Annual applications over the period 1995–1999 are clearly well below the 1993 peak. In general, the number of applications has fallen year on year since 1993, although there was a slight recovery in 1997.

Figure 5.1: Applications by Year



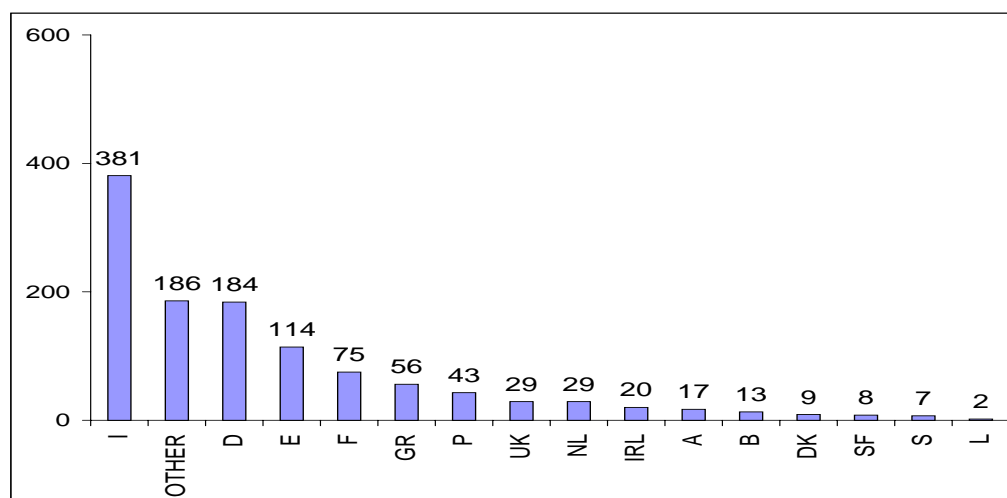
In terms of applications by country, Figure 5.2 shows that Italy is clearly the largest source of applications, followed, in turn, by Germany, Spain, France, Greece and Portugal.

The previous Self-Evaluation Report studied applications from the five largest EU countries in some detail. The UK was singled out as a cause for concern. It was noted that, by 1995, applications from the UK had fallen back to pre-1989 levels, reflecting a decline in the number of students in the UK wishing to continue in further education. The figures to hand indicate that the number of applications from the UK remains low, despite efforts to increase applications from that country.² (See Chapter 8 for a further comment on this issue.)

Another interesting feature of the data is the increase in the number of applications from Eastern European countries; this pattern seems to be common to several

²See the March 1995 Self-Evaluation Report of the Economics Department of the EUI.

Figure 5.2: Applications by Country



other PhD programmes. (University of Toulouse I, IHS and University Carlos III all experienced similar increases).

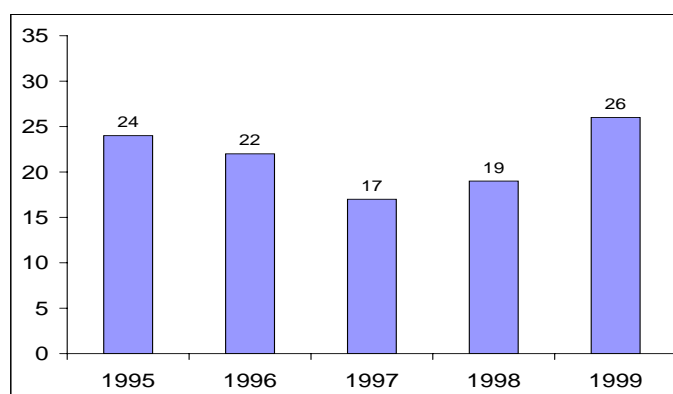
Table 5.1 lists the average number of applications by university. As far as European universities are concerned, only Toulouse I received more applications. The two US universities in the sample received considerably more applications than their European counterparts.

Table 5.1: Number of Applications and Sources Compared 1995–1999

	Average Number	EU	Rest of Europe	US	Rest Of World
Bonn (D)	70	70%	0%	0%	30%
Essex (UK)	30	20%	20%	0%	60%
EUI	235	84%	11%	0%	5%
Harvard (US)	500	—	—	—	—
IHS (A)	50	70%	20%	5%	5%
Minnesota (US)	300–400	5%	10%	25%	60%
Munich (D)	20–25	80%	10%	0%	10%
Oslo (N)	8	0%	95%	0%	5%
Stockholm (S)	80	70%	9%	1%	20%
Toulouse I (F)	300–350	63%	5%	1%	31%
UAB (E)	100	60%	10%	2%	28%
UCIII (E)	90–100	65%	20%	5%	10%
UPF (E)	193	64%	25%	1%	10%
Warwick (UK)	100	90%	—	—	—

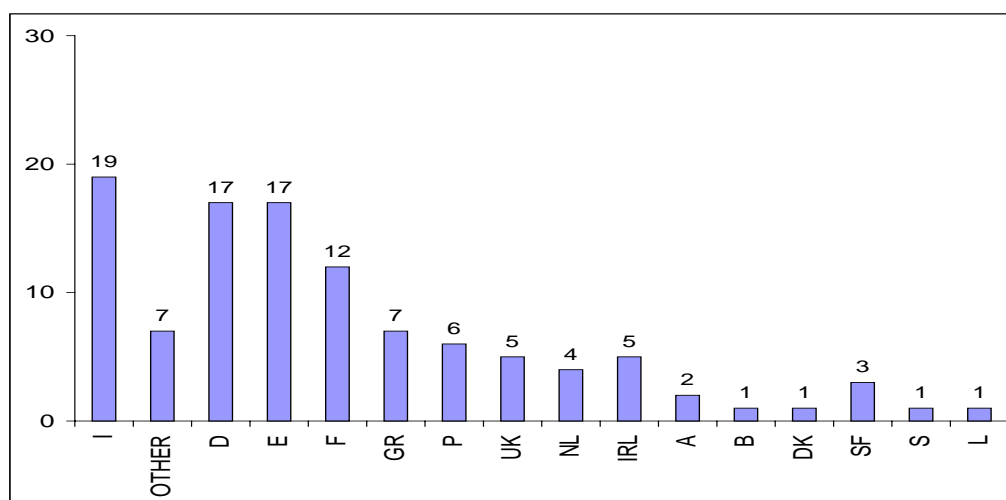
Of the 1173 applications received by the Department, places were offered to a total of 120 students over the period 1995–1999. 108 of the 120 students offered places took up the offer; an average of almost 22 students per year. Figure 5.3 shows the student intake over time.

Figure 5.3: Intake by Year



When one looks at the total intake by country (see Figure 5.4), the Italian intake is the largest, followed, again, by Germany, Spain, France, Greece, Portugal and the UK.

Figure 5.4: Intake by Country



Tables 5.2 and 5.3 show the distribution of applications and intake by country over time. It tends to be the same three countries — Italy, Germany and Spain — which account for a large proportion of the intake each year. Interestingly, the intake from non-EU countries — mainly non-EU European countries — remained constant during the period 1997–1998; it then increased five-fold in 1999.³

The previous Self-Evaluation Report discussed, at some length, the number of students who chose to drop out at the last moment after having been offered places on the programme. Moreover, it was noted that it was often impossible to make

³The 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: I(29), D(29), E(25), F(26), GR(12), P(13), UK(26), NL(15), IRL(8), A(10), B(7), DK(9), SF(5), S(7), and L(3).

Table 5.2: Applications by Country Over Time

	1995	1996	1997	1998	1999	Average
A	4	1	1	10	1	3.4
B	7	4	1	1	0	2.6
D	47	43	41	34	19	36.8
DK	1	4	1	1	2	1.8
E	30	19	31	16	18	22.8
F	18	20	10	10	17	15
GR	12	11	11	9	13	11.2
I	70	80	102	71	58	76.2
IRL	9	3	5	1	2	4
L	1	0	0	0	1	0.4
NL	5	8	10	3	3	5.8
OTHER	37	34	44	27	44	37.2
P	12	12	11	4	4	8.6
S	0	1	4	2	0	1.4
SF	2	1	4	0	1	1.6
UK	3	9	9	5	3	5.8
Total	258	250	285	194	186	234.6

Table 5.3: Intake by Country Over Time

	1995	1996	1997	1998	1999	Average
A	0	0	0	2	0	0.4
B	1	0	0	0	0	0.2
D	4	4	3	3	3	3.4
DK	0	0	0	0	1	0.2
E	5	4	3	2	3	3.4
F	3	3	2	1	3	2.4
GR	1	1	0	2	3	1.8
I	3	4	3	5	4	3.8
IRL	2	0	1	1	1	1
L	0	0	0	0	1	0.2
NL	2	1	1	0	0	0.8
OTHER	0	0	1	1	5	1.4
P	1	3	1	1	0	1.2
S	0	1	0	0	0	0.2
SF	1	0	1	0	1	0.6
UK	1	1	1	1	1	1
Total	24	22	17	19	26	21.6

Table 5.4: Student Intake and Sources Compared 1995–1999

	Av. No.	% of Appl.	EU	Rest Europe	US	Rest World
Bonn (D)	10	14	90%	0%	0%	10%
Essex (UK)	12	40	42.5%	—	—	—
EUI	22	9	93.5%	5.6%	0%	0.9%
Harvard (US)	28	6	24%	3%	30%	43%
IHS (A)	12	24	70%	23%	5%	2%
Minnesota (US)	16–22	5	2%	6%	3%	11%
Munich (D)	8–10	40	90%	5%	0%	5%
Oslo (N)	6	75	0%	95%	0%	5%
Stockholm (S)	10	13	90%	5%	0%	5%
Toulouse I (F)	20–25	7	51%	17%	8%	24%
UAB (E)	15	15	54%	26%	0%	20%
UCIII (E)	25	26	80%	10%	0%	10%
UPF (E)	15	8	86%	11%	0%	3%
Warwick (UK)	12	12	—	—	—	—

offers to alternative candidates — on the reserve list — due to time constraints. This feature now appears to be less of a problem. On average, 90% of the students offered places over the period 1995–1999 took up their offers. The annual values range from a low of 81% in 1997 to a high of 96% in 1999.

Table 5.4 lists student intake by university. The Department’s intake (on average, 22 students per year) makes it one of the largest programmes in the sample. In Europe, only the programmes at the University of Toulouse I and University Carlos III are of comparable size.

5.3 Conference Participation and Academic Exchange Programmes

The Department actively encourages students beyond their first year to participate in and present papers at conferences outside the Institute. To this end, the Department makes available to students in their second and third years a small travel allowance to cover travel expenses and conference fees. This initiative appears to have been popular among former students: all the former students who returned the Departmental questionnaire had visited at least one external conference. Former students had visited, on average, four external conferences. At the same time, almost 73% of students had presented their own work at external conferences.⁴

Students in the Department also have the opportunity to spend time (usually in their third year) at a number of other research institutes and universities, provided such leave is considered as furthering the student’s progress and does not hinder the appropriate fulfillment of the Institute’s PhD requirements. Such leave of absence

⁴The figures under this heading should be interpreted with some caution since they are based on a fairly small sample — the 22 former students who returned the Department questionnaire.

is coordinated by the Academic Service.⁵

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) thirteen students in the Department have visited universities in the US (7 to Berkeley, 4 to NYU and 2 to Madison).

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 University College Dublin, GREQAM (Marseille) or the London School of Economics. Since 1995 two students have used Erasmus funding to go to the LSE; one student went to GREQAM.

An additional seven students applied for leave to do research at other universities including the University of Copenhagen, Georgetown University, Oxford University and Universitat Pompeu Fabra. The length of leave varied from one to six months although their leave typically lasted one term.

The European Commission in Brussels offers five traineeships, twice a year, to students from the Institute. Students learn to compile data and acquire an insight into the Commission. During the period 1995–1999, four students took part in this programme.

EUI students also regularly take up summer internships with the World Bank, IMF, the European Investment Bank (EIB) and the OECD.

5.4 Publications

An account of all the material — books, journals, working papers etc. — published by the 85 students who have defended since 1995 follows. A list of all the material published by students can be found in Appendix E (Source: Econlit. 3/2000). In terms of journal publications, 8 students published articles in the Diamond core.

Of the students who returned the Departmental questionnaire, 35% have published at least one article in an academic journal *during* their time at the EUI.⁶

We also found that a considerable number of students in our sample had published work (which stemmed from their research at the EUI) *since* leaving the Institute. In fact, 55% of students had published work in an academic journal since leaving the EUI.

Another indication of the productivity of both current and former students can be

⁵See the 1997 Guide to Traineeships, Stages and Exchange Programmes.

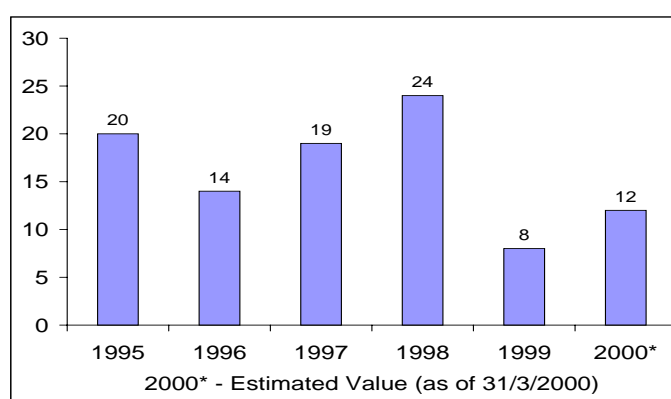
⁶See Footnote 4.

gleaned from the list of Working Papers published by the Department (see Appendix D).

5.5 PhDs Defended and Completion Times (TTDs)

During the period 1995–1999 a total of 85 PhDs were defended in the Department; an average of 17 per year. A complete list of the 85 PhDs defended can be found in Appendix B. Figure 5.5 shows that the actual number of PhDs defended each year ranges from a low of 8 in 1999 to a high of 24 the previous year. At the time of writing another 12 PhDs are due to be defended in the year 2000 (see Appendix C).

Figure 5.5: PhDs Defended by Year



Looking at Figure 5.6, which shows the number of PhDs defended over a longer time interval, it can be seen that more PhDs were defended in the last five years than in the fifteen years prior to 1995. In fact, more than twice as many PhDs were defended in the last five years than in the five years prior to 1995.

Figure 5.7 shows that of the 85 PhDs defended in the last five years, 47 were completed in less than four years. A further 19 were defended in less than five years. Consequently, over 50% were completed within four years; an additional 22% were completed within five years.

The average completion time over the period 1995–1999 was 4.48 years.

This figure compares favourably with completion times at other universities. As shown in Table 5.5, only the University of Bonn has a similar proportion of students completing their PhDs within four years.

5.6 Careers of Economics Department Students

It was stated in Chapter 2 that the impact of the programme on the academic community was very limited until, that is, the 1990s — when the structure of the postgraduate programme was changed markedly. Currently, more than half—58%—of the students who have defended since 1995 work in academia, teaching or research

Figure 5.6: PhDs Defended by Year

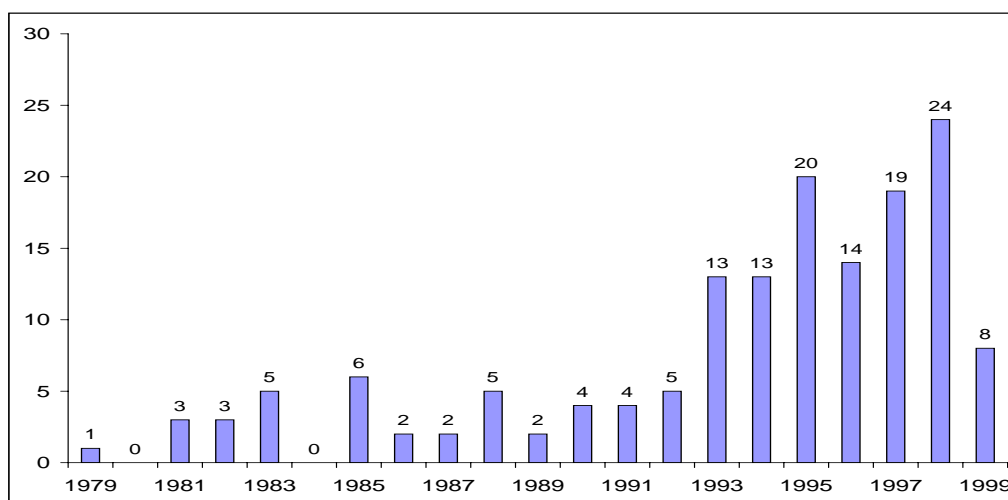
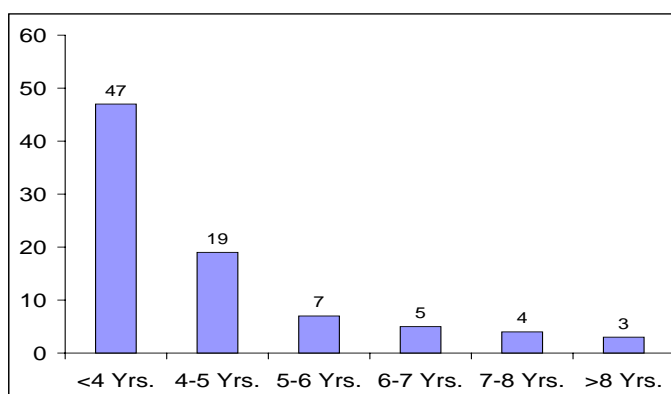


Figure 5.7: Time to Defence (TTD)



(see Figure 5.8).⁷

As far as careers in academia are concerned, Italy, Spain and the UK are the three major employers: almost 62% of the students currently employed in academia work in these three countries.

A further 10% found employment in the Central Banks of Germany, Ireland, Spain and the UK.

In the previous Self-Evaluation Report, it was noted that, at the time of writing in 1995, a quarter of the students enrolled in the IMF's Young Professionals' Programme came from the Department. Moreover, the Department was the largest single contributor of students to the Young Professionals' Programme in 1995. This may account for the fact that 8% of students completing the programme since 1995 have gone on to the IMF. A further 5% of former students went to the World Bank.

Table 5.6 indicates career choices by university. Not surprisingly, most PhDs

⁷Of the 85 students who have defended since the beginning of 1995, we were able to establish the whereabouts of 59. The figures under this heading relate to these 59 students.

Table 5.5: Completion Times Compared

University:	Less than 4 Yrs.	4 to 5 Yrs.	5 to 6 Yrs.	More than 6 Yrs.
Bonn (D)	55%	40%	5%	0%
Essex (UK)	40%*	—	—	—
EUI	55.3%	22.4%	8.2%	14.1%
Harvard (US)	3%	80%	17%	0%
IHS (A)	40%	35%	20%	5%
Minnesota (US)	10%	35%	35%	20%
Munich (D)	50%	40%	10%	0%
Oslo (N)	50%	15%	15%	20%
Stockholm (S)	5%	—	90%	5%
Toulouse I (F)	—	—	—	—
UAB (E)	20%	60%	15%	5%
UCIII (E)	5%	50%	40%	5%
UPF (E)	—	—	—	—
Warwick (UK)	—	—	—	—

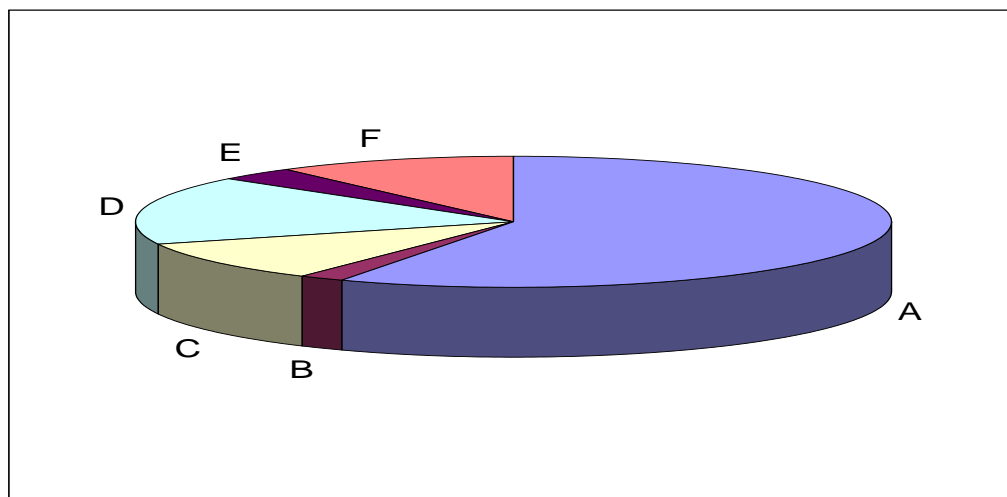
* This figure relates to the period 1992–1995, which included a particularly bad year: 1993. Historically, a more representative figure would be 50–60%.

found work in academia.

Figure 5.9 indicates that former students are quite widely dispersed geographically. The UK is the single largest employer of former students (20%), followed closely by Italy (17%). Spain and the US take 15% each; 8% went to work in Germany.

Finally, it is worth noting that former EUI students display considerable geographical mobility: Over 47% of former students are currently employed outside their country of origin.

Figure 5.8: Careers After Leaving the EUI

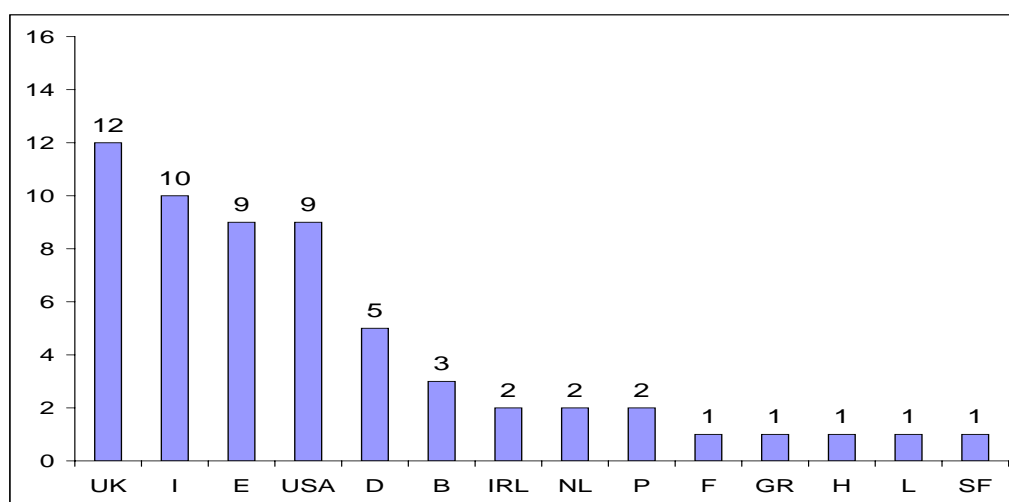


- A: Academia, Teaching, Research and Post-Doctoral Research
 B: Banking
 C: Central Banking
 D: International/EU Organization
 E: Ministry/Civil Service
 F: Private Sector/Other

Table 5.6: Careers Compared

	A	B	C	D	E	F
Bonn (D)	50%	20%	0%	0%	10%	20%
Essex (UK)	50%	—	—	—	—	—
EUI	58%	2%	10%	17%	3%	10%
Harvard (US)	80%	0%	10%	7%	0%	3%
IHS (A)	30%	10%	20%	10%	25%	15%
Minnesota (US)	65%	0%	10%	10%	5%	10%
Munich (D)	30%	20%	0%	10%	20%	20%
Oslo (N)	80%	0%	17%	3%	0%	0%
Stockholm (S)	—	—	—	—	—	—
Toulouse I (F)	68%	5%	0%	3%	6%	7%
UAB (E)	83%	5%	2%	0%	0%	5%
UCIII (E)	90%	1%	1%	1%	2%	5%
UPF (E)	65%	15%	0%	0%	0%	20%
Warwick (UK)	—	—	—	—	—	—

Figure 5.9: Destination Upon Leaving the EUI



Chapter 6

Visitors and Jean Monnet Fellows

This chapter discusses the Department's "visitors programme": Part-Time Visiting Faculty, Visiting Fellows and Students; and the Jean Monnet Fellowship programme.

6.1 Part-Time Visiting Faculty, Visiting Fellows and Students

Part-Time Visiting Faculty

Given the small size of the Department and the impact this has on supervision and teaching — discussed at length in Chapter 2 — the appointment of Part-Time Professors has been tremendously useful. Their role over the period in question has been twofold.

Their presence in the Department has provided the opportunity to offer courses, often of a specialised nature, in areas not covered by permanent faculty. At this point, it should be said that the specialised courses offered by the Part-Time Professors have been very well received by students and attendance at these courses, though not compulsory, has generally been high.

Part-Time Professors also provided additional cover when faculty members were thinly spread — as was the case in the academic year 1997–1998.

In short, Part-Time Professors serve as an important channel of communication between the Department and the wider academic community. The ability to attract the very best has, without doubt, increased the Department's profile and reputation in the academic community. Below, we list some of the Professors who have visited the Department.

Steven Ambler (University of Quebec at Montreal)
Yves Balasko (University of Paris I and University of Geneva)
Ray Barrell (National Institute of Economic and Social Research, London)
Andreas Beyer (Bank of Spain)
Christian Dustmann (University College London)
Giampiero Gallo (University of Florence)
Ronald MacDonald (University of Strathclyde)
Andrew Rose (University of California, Berkeley)

Aldo Rustichini (CentER Tilburg)
Anthony Shorrocks (University of Essex)
Pedro Teles (Bank of Portugal and Universidade Católica Portuguesa)
Antonio Villanacci (University of Florence)

Each Part–Time Professor stayed, on average, three and a half months.

Visiting Fellows

The Department also benefits from the presence of a number of Visiting Fellows. The number of Fellows varies each year, but there are currently five Visiting Fellows in the Department.

Giorgia Giovannetti (Università di Firenze)
Henrik Hansen (University of Copenhagen)
Katarina Juselius (University of Copenhagen)
George Koutras (University of Crete)
Atsushi Nishio (University of Tokyo)

Visiting Students

A number of students from other universities have visited the Department during the period 1995–1999. 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 31 students have visited the Department in the last five years, one third of the students were on leave from universities in the UK. Concerning country origin, the majority came from Germany (9), followed by France (7) and Italy (5).

6.2 Jean Monnet Fellows

Jean Monnet Fellowships are awarded in order to allow the pursuit or continuance of post–doctoral research with no heavy teaching obligations. Fellowships are awarded to those candidates whose research has the greatest potential of leading to publications (articles or a monograph), either under the Institute’s imprint (for instance in the form of a Working Paper), in a journal, or with a publisher with which the Fellow is already in contact.

Work must fall within one of the following three major categories: comparative research in a European perspective; research on the European Union or on a topic of interest for the development of Europe; or fundamental research, provided that it relates to an innovative subject of importance in one of the disciplines contributing to the development of Europe’s cultural and academic heritage.

The Institute encourages Fellows to be associated with the Institute’s teaching and research activities. To this end, the Institute’s departments and the Robert

Schuman Centre invite Fellows to the activities which they organize (seminars, workshops, colloquia), and may likewise propose that they give a weekly or fortnightly seminar on their research or an area in which they specialize. They also hope Fellows will make contact with researchers with the same academic interests as them, so that they can assist professors in their training and thesis supervision tasks. Fellows may be associated with one of the research projects under way at the Institute and may also be invited to teach in their area of specialization.

There are currently six JMFs in the Economics Department. In previous years, the Department has taken between four and six JMFs each year. Each JMF stayed, on average, one year.

The list below gives the names (and universities of origin) of all the JMFs who have visited the Department since the beginning of 1995. It should be noted that the Department has also greatly benefitted from the presence of Schuman Centre-sponsored JMFs. In the current academic year, Andreas Beyer (Bank of Spain); in 1997–1998, Gabriele Tondel (University of Economics and Business Administration, Vienna).

Since most of the Fellowships are intended to support post-doctoral research by young academics in the early stages of their professional career, it is hardly surprising that the vast majority of JMFs came from academia. That said, a number came from outside academia (from the IMF, Banca d'Italia, etc.). These were professionals on sabbatical at the Institute.

In keeping with the objectives of the Jean Monnet Fellow programme — discussed above — JMFs have contributed to the Department's workshop and seminar programme: JMFs presented seven papers in the Microeconomics Research Workshop; seven papers in the Macroeconomics Research Workshop and five papers in the Departmental Seminar programme.

JMFs have also published a number of papers in the Department's Working Paper series. See Appendix D for a list of Working Papers.

Moreover, two former JMFs — Andrea Ichino and Anindya Banerjee — are current full-time members of faculty.

Academic Year 1999–2000

Steven Ambler (University of Quebec at Montreal)
Emanuela Cardia (University of Montreal)
Marcelo Fernandes (Université Libre de Bruxelles)
Ulrich Kamecke (Humboldt-Universität zu Berlin)
Donald Robertson (University of Cambridge)
Martin Zagler (Wirtschaftsuniversität, Wien)

Academic Year 1998–1999

Guido Ascari (University of Warwick)
Leonardo Bartolini (IMF)
Bernard Fingleton (University of Cambridge)
Gianmarco Ottaviano (University of Bologna)
Barbara Pistori (University of Modena)
Francesco Spadafora (Banca d'Italia)

Academic Year 1997–1998

Anindya Banerjee (Oxford University)
Monika Gehrig–Merz (Rice University, Houston)
Luis Gil Alana (London School of Economics)
Andrea Ichino (Università Bocconi)
William Jack (Australian National University)

Academic Year 1996–1997

Michele Bernasconi (Università di Pavia)
Oliver Kirchkamp (University of Bonn)
Leonard Mirman (University of Virginia)
Paolo Vitale (King’s College, Cambridge)

Academic Year 1995–1996

Christian Belzil (Concordia University and University of Gothenburg)
Giovanna Paladino (University of Rome, “La Sapienza”)
Hamid Sabourian (Kings’ College, Cambridge)
Pravin Trivedi (Indiana University)
Gérard Debreu, Nobel Laureate (University Paris II and U.C. Berkeley)

Chapter 7

External Projection of the Department

There are many ways in which the Department's activities provide a projection to the outside world. Here we comment on the most prominent of these, starting with the EIB lecture series.

7.1 European Investment Bank Lectures

The European Investment Bank started to sponsor a yearly seminar series held at the EUI in 1997. Each year a prestigious speaker is invited to address a large audience drawn from across the Institute and beyond. Lectures are held in the theatre at the Badia, the occasion being chaired by the President of the Institute. The paper is subsequently printed under a dedicated cover as part of a special series, which is circulated to the same individuals and institutions as receive our Working Papers. Like these Working Papers, it is also made available as a downloadable file on the Institute's Website.

The titles of the first four lectures and the names of the speakers are listed below.

1. "Psychology and Economics"
Jean Tirole (18.1.2000)
Institut d'Economie Industrielle, Université de Toulouse
2. "Towards a New International Economic Architecture: Principles and Policies"
Joseph Stiglitz (15.10.1998)
Chief Economist and Senior Vice President, World Bank
3. "The Conquest of American Inflation"
Tom Sargent (8.1.1998)
University of Chicago and Hoover Institution of Stanford
4. "The Political Economy of European Monetary Union"
Mervyn King (17.11.1997)
Chief Economist and Executive Director, Bank of England

7.2 Conferences Held at the EUI

A large number of conferences in the field of economics have been held at the EUI. The titles of these conferences and the organizers are listed below.

“Information Creation and Transmission in the Consumer Credit Market”

3 May 2000, co-organized by Giuseppe Bertola (Finance and Consumption in the European Union)

“Household Portfolios”

17–18 December 1999, co-organized by Giuseppe Bertola (Finance and Consumption in the European Union)

“TMR Workshop on Financial and Economic Efficiency”

4–5 December 1998, organized by James Dow

“Employment Protection Regulations: Measurement Issues and Impact on Employment Adjustment”

8 July 1998, organized by Giuseppe Bertola

“European Unemployment and Wage Determination: Empirical Applications and Econometric Methods”

5–6 June 1998, organized by Søren Johansen

“The Political Economy of the European Union”

June 1997, co-organized by Ramon Marimon

“EC2 Conference on Simulation Methods in Econometrics”

12–14 December 1996, organized by Grayham Mizon

“Recent Developments in the Design and Implementation of Competition Policy”

29–30 November 1996, organized by Louis Phlips

“Inflation and Unemployment in Economies in Transition”

6–7 October 1996, organized by Grayham Mizon

“Competition Policy in Transition Economies”

7–8 June 1996, organized by Louis Phlips

“The Econometrics of Economic Policy”

12–14 October 1995, organized by Grayham Mizon

7.3 Conferences and Workshops Outside the EUI

Similarly, conferences and workshops have been organized outside the Institute by EUI faculty (see list below).

“Analysis of I(2) Processes”

Workshop in Bertinoro

27–29 January 2000, co-organized by Søren Johansen

“Expectations, Economic Theory and Economic Policy”

Conference in Perugia

23–26 September 1999, co-organized by Roger Farmer and Ramon Marimon

“The Political Economy of Fiscal and Monetary Stability in EMU”

Barcelona

December 1998, chaired by Ramon Marimon

“Antitrust and Regulation”

Series of Meetings, co-organized by Massimo Motta

18 February, 2000, Turin

22 October 1999, Padua

28 May 1999, Naples

19 February 1999, Milan

20 November 1998, EUI

“Nuevas fronteras de la política económica en España”

CREI–Expansión Forum in Barcelona

29 May 1998, organized by Massimo Motta

“The Political Economy of the European Union”

Florence

June 1997, co-organized by Ramon Marimon

“Society of Economic Dynamics and Control 1995 Meetings”

Barcelona

July 1995, organized by Ramon Marimon

“Economic Growth, Property Rights and Political Institutions”

Barcelona

April 1995, co-organized by Ramon Marimon

7.4 Departmental Homepage

In 1996 the Economics Department created its own homepage. The amount of information included on the homepage has been expanding ever since. On the Department’s homepage one can find information about teaching, faculty members with their research programmes, vacant positions and the weekly academic programme. One can also download the papers included in the EUI Working Paper series. Currently the homepage also includes a list of seminar speakers (with downloadable papers) and a list of jobmarket candidates (one year after its launch, the jobmarket Website recorded 1260 hits in October 1999). Since 1998 the Department has maintained a Website called “Socio–Economic Data Sets at the EUI”

(www.iue.it/CDC/RSG/LDataSets/) that contains cross-sectional longitudinal and time-series data for research in economics and social sciences (772 hits were recorded for this Website in the first three months of 1999).

Figures 7.1 and 7.2 show the number of “hits” the Departmental Website has received since September 1998 and the number of “hits” on individual faculty members’ homepages, respectively. Figure 7.3 shows “hits” on Working Papers and abstracts.

Figure 7.1: Economics Department Website “Hits”

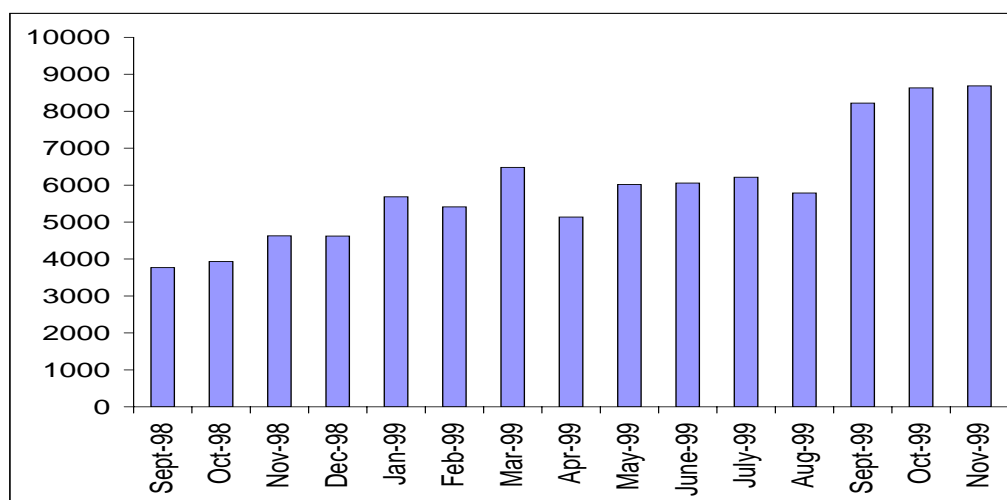
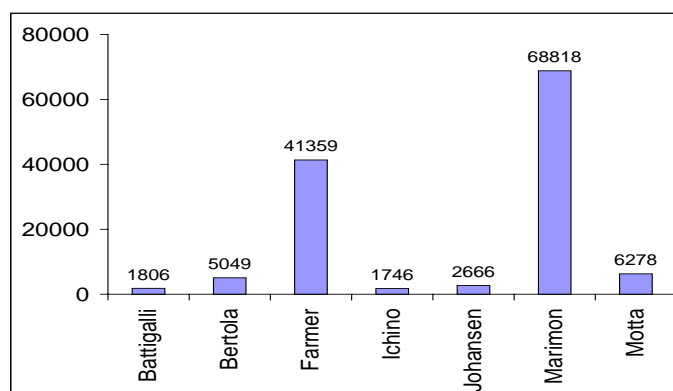


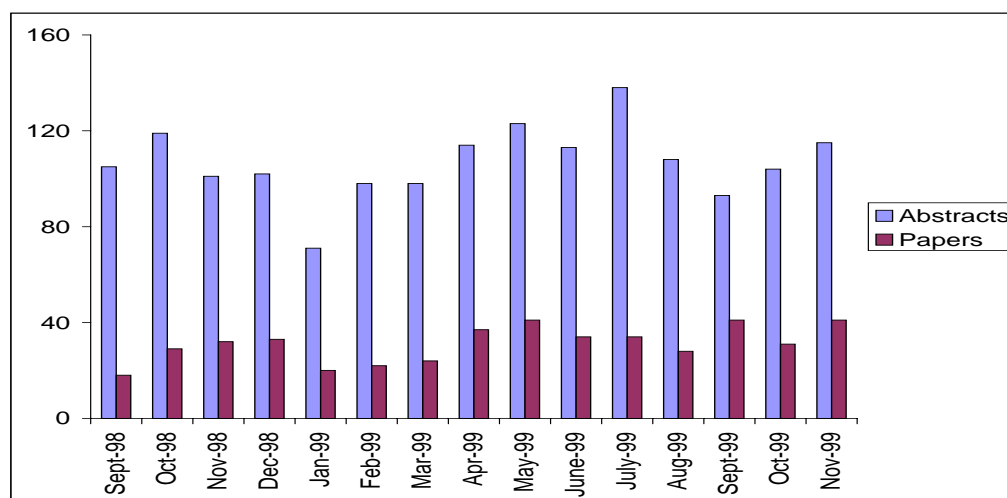
Figure 7.2: Personal Homepage “Hits” September 1998–November 1999



7.5 Summer Schools

Two Summer Schools have been organized by the Department since 1995. Each Summer School attracted a number of prestigious speakers.

Figure 7.3: Working Paper Series “Hits”



7th Summer School of the European Economic Association

3–13 September, 1996

“Computational Methods for the Study of Dynamic Economies”

Programme Chair: Ramon Marimon

Lecturers

Craig Burnside (The World Bank)

Graham Candler (Aerospace Engineering and Mechanics, University of Minnesota)

Ellen MacGratten (Federal Reserve Bank of Minneapolis)

Albert Marcet (Universitat Pompeu Fabra)

Ramon Marimon (EUI)

Víctor Ríos-Rull (Federal Reserve Bank of Minneapolis)

Mark Salmon (EUI)

Thomas Sargent (University of Chicago and Hoover Institute, Stanford)

Andrew Scott (Bank of England)

Harald Uhlig (CentER, Tilburg University)

6th Summer School of the European Economic Association

26 June–8 July, 1995

“Local Public Finance, Urban Economics and Economic Geography”

Programme Chair: Robert Waldmann

Lecturers

Vernon Henderson (Brown University)

Suzanne Scotchmer (University of California at Berkeley)

Jacques-François Thisse (Université de Paris I–Sorbonne and CERAS–ENPC)

David Wildasin (Vanderbilt University)

7.6 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 either a member of the Institute or a visitor. The papers are distributed free of charge by the Institute. A large number go to subscribers, including national depository libraries, universities, research institutes and individual academics. In many cases the Institute has an exchange agreement with these subscribers. A list of recently published papers, which includes an order form, is sent twice yearly to circa 1000 economists worldwide.

A full list of EUI Working Papers is available on the Web to which each Department maintains links (<http://www.iue.it/PUB/eco.html>). This list gives direct access to a large number of papers which are accessible full-text, on-line.

Over the past 10 years there have been roughly 40 economics publications per year. 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.

7.7 Finance and Consumption

1. Presentation

The Finance and Consumption research programme — hosted by the EUI Economics Department and entirely financed by private funds — focusses on empirical trends and economic policy issues in the fast-evolving consumer credit industry. The four-year project (inaugurated in September 1999), financed by the credit institutions Findomestic Banca SpA and Cetelem, is intended to provide a focal point for interaction among academic researchers, industry experts and policy makers. Like the Mediterranean programme, it includes a number of medium-term projects carried out by international research teams in consultation with members of the EUI Economics Department. A strong point of the research programme is the availability of a unique data set that will allow the detailed analysis of aspects of the consumer credit market in Italy and France.

Scientific and Steering Committees were formed in early 1999. The Scientific Committee evaluates and approves proposals on activities (such as research and visitors) of the Finance and Consumption group. The Steering Committee evaluates financial feasibility and consistency with the sponsors' goals. Members of these two Committees belong, in the main, to European universities as well as to the sponsors and to Assofin (an association of credit institutions).

2. People

The initiative is organized around a number of specific research programmes, workshops, and conferences. It is supervised by a Chair Coordinator, and will employ several research fellows on a part- or full-time basis over 1999–2002.

For the entire project Giuseppe Bertola has been designated the Chair Coordinator. The Chair Coordinator is responsible for maintaining a link between the sponsors and the programme's activities. The group has its own secretary who does translations, takes care of external contacts and deals with administrative issues.

Researchers are divided according to their status: long-term and short-term fellows, short-term professors (who stay more than a month), visiting fellows (who do not receive financial support), and visitors (who stay for less than one month).

Research fellows perform independent research, as is appropriate at their career stage, and collect and organize background information in support of the Programme. Senior research collaboration is configured as part-time professorships in the Economics Department. During their time in residence, part-time professors may contribute to the Department's teaching programme and should stimulate and supervise research by the EUI's doctoral students. Part-time professors should also act as co-directors of specific projects within the research programme, in cooperation with external collaborators.

List of Names

Chair Coordinator: Giuseppe Bertola, EUI
Secretary: Marie Noëlle Michaëlis

Research Fellows

Stefan Hochguertel, Uppsala University
Pierfederico Asdrubali, Michigan State University
Giuliana Palumbo, ECARE-ULB
Alessandro Sbuelz, London Business School

Visiting Professors

Christian Gollier, University of Toulouse I
Rob Alessie, Free University of Amsterdam

Visiting Fellows

Pierre Mella-Barral, LSE

Visitors

Bruno Parigi, University of Padova
Elisabetta Iossa, Brunel University London

3. Issues

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 there are fewer credit cards in Italy as a whole, than in London.

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 to form 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 policy making authorities.

Members of the Scientific Committee agreed that the programme should produce research of the highest possible standard in two areas:

- (i) International and cross-national analysis of consumer behaviour, with particular attention to consumer debt.
- (ii) 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 these 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 organization 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. The development of new information and data sources was also identified as a key aim of the programme. In cooperation with specialist banks, the Finance and Consumption in the European Union Chair will endeavour to collect and make available the relevant institutional information and to prepare suitable data sets for academic research.

4. Activities

Members formulate specific projects from the research goals. Each project organizes workshops, research meetings, and conferences so as to pursue the programme's aim of coordinating and stimulating high-quality research of pan-European scope and to maximize its visibility to academic, business, and policy audiences.

5. Conferences and Workshops

A major conference on "Household Portfolios" was held at the Institute in December 1999 (programme and papers available). It was organized by Professors Luigi Guiso

(Università di Sassari and Ente Einaudi, Roma), Michael Haliassos (University of Cyprus) and Tullio Jappelli (Università di Salerno and CSEF). The conference has consolidated the first of the Chair's two research directions by providing a comprehensive account of the status of theoretical knowledge and methodological achievements in the analysis of family portfolios. Methodological papers have focussed on how use of household-level data may offer deep insights into issues of particular interest for policy design. Empirical papers have offered an original comparative analysis of the structure of household portfolios in a set of countries which are representative of a wide spectrum of financial developments, with particular attention to consumer-credit issues. The project provides a stimulus for the development of new papers that will follow a common set of guidelines provided by the coordinators but will also allow considerable scope for author originality and discretion. Contributors and discussants included many of the leading researchers on the economics of consumption choices. MIT Press has recently agreed to publish the papers in a volume.

A conference on "Information Creation and Transmission in the Consumer Credit Market" will take place at the Villa Schifanoia on May 3, 2000. A preliminary programme will soon be available.

6. Seminars

The Chair invites speakers to discuss their most recent research both in a seminar series associated with the programme and in the regular EUI seminar programme. In what follows we list past and upcoming seminar presentations organized and financed by the Finance and Consumption group.

"Why Do Merchants Accept Credit Cards?"

Sujit Chakravorti, Federal Reserve Bank of Chicago
Finance & Consumption Working Lunch, 1 June 2000

"Credit Market Imperfections and Bank Loan Supply: Does the Structure of the Bank Sector Matter?"

Charlotte Ostergaard, London School of Economics
Finance & Consumption Working Lunch, 28 April 2000

"Labour and Financial Market Interactions: The Case of Labour Income Risk and Car Insurance in the UK 1969-1995"

Winfried Koeniger, EUI
Labour Working Lunch, 22 March 2000

"Information Spillovers and Factor Adjustment"

Luigi Guiso, Ente Luigi Einaudi
Econometrics Research Workshop, 3 March 2000

"Systemic Risk, Interbank Relations and Liquidity Provision by the Central Bank"

Bruno Parigi, University of Padova
Microeconomics Research Workshop, 21 February 2000

“On the Empirics of International Smoothing”

Pierfederico Asdrubali, EUI

Macroeconomics Research Workshop, 11 February 2000

“Understanding Time Diversification”

Christian Gollier, University of Toulouse I

Microeconomics Research Workshop, 13 December 1999

“Corporate Walk-Out Decisions and the Value of Default”

Pierre Mella-Barral, London School of Economics

Microeconomics Research Workshop, 15 November 1999

“Female Labour Supply and the Demand for Housing”

Rob Alessie, Free University of Amsterdam

Econometrics Research Workshop, 29 October 1999

7.8 The Robert Schuman Centre

The Robert Schuman Centre exists to promote research on a multi- and inter-disciplinary basis on problems with a European character. One of the Department’s faculty, Michael Artis, holds a joint appointment with the Robert Schuman Centre. He has instituted there a Programme in Economic Policy, which embraces conferences, a seminar series and his personal research.

The seminar series is offered through the Department of Economics and, whilst not a part of the Department’s teaching programme, succeeds in attracting a good audience of students from the Department. In addition, the policy orientation of the programme has, on occasion, resulted in participation from other departments. For the record, the 1995–1998 seminar list is given in Appendix H. When the programme was first launched it was uncertain what themes would be most profitable to exploit, bearing in mind that some interdisciplinary involvement was desirable. So, to begin with, there were seminars on environmental issues and on the economics of crime as well as in the areas of monetary integration and unemployment. It ultimately became clear that the latter two themes commanded the most salience, and subsequently the seminar programmes were devoted to one or the other of the two.

Alongside the seminar series a series of conferences were launched, the titles and dates of which are indicated below. The conferences on employment and unemployment issues were financed by DG-V and the participation of economists working at policy-making and policy-advisory institutions alongside academics was a notable feature of these conferences. The conferences on monetary aspects of the European integration process were a product of collaboration with two learned journals — the Oxford Review of Economic Policy and the International Journal of Finance and Economics — a quite different, but equally successful model for conference organization.

The Robert Schuman Centre Conference Series

“Macro–Economic Policy After EMU”

30 April–1 May 1999, organized by Michael Artis

“Economic Policy in EMU: Opportunities and Challenges”

28–29 November 1998, organized by Michael Artis

“Unemployment: Micro–Economic Aspects”

17–18 April 1997, organized by Michael Artis

“European Unemployment: Macroeconomic Aspects”

21–23 November 1996, organized by Michael Artis

“Unemployment and Policies Towards it”

12–13 April 1996, organized by Michael Artis

Michael Artis’ personal research, incorporated into the Programme in Economic Policy at the Robert Schuman Centre has already been described above (see Chapter 4); likewise the Schuman Centre Working Papers prepared by him are listed with his other publications (see Appendix A).

Other members of the Department have also played a role in the activities of the Robert Schuman Centre by presenting papers or acting as discussants at Schuman Centre conferences (G. Bertola, A. Ichino, R. Marimon and M. Motta), by presenting seminars to Robert Schuman Centre working groups (A. Ichino) or publishing work in the Working Papers series (G. Bertola, A. Ichino and M. Motta (forthcoming)). In addition, Massimo Motta has initiated a Competition and Regulation Working Group as a joint project with the Robert Schuman Centre (with substantial interdisciplinary participation), whilst Andrea Ichino has also embarked on running an interdisciplinary group on labour issues.

There has been a sense, in the past, that Economics was removed from other disciplines at the Institute — a perception which outlived the considerable change in the character of the Department. To tackle this, a meeting was held between the Department and Robert Schuman Centre professors (this development was noted in the Robert Schuman Centre’s own Self–Evaluation Report). The meeting itself was instrumental in alerting people — both in the Department and elsewhere in the Institute — to the value of deeper contacts and collaboration and the results so far, as indicated above, seem very favourable.

7.9 European Forum

Participation in the European Forum represents another way in which the Department projects itself to the outside world. The orientation of the Forum has been changing to emphasize a more focussed commitment on the part of the Institute to post–doctoral education and its role as a Centre for Advanced Studies (see the Schuman Centre’s Self–Evaluation Report). However, it was originally seen as a means of exhaustively tackling a problem over a period of a year. This problem–oriented

format involved a series of conferences and workshops organized around a nucleus of short-term visiting fellows and a core of longer-term visitors.

It was on such a basis that the 1996–1997 Forum was co-directed by two members of the Economics Department, Michael Artis and Ramon Marimon. It was dedicated to the theme of “The Political Economy of an Integrated Europe” and was directed at an exhaustive evaluation of the institutional set-up in which economic policy in an increasingly integrated Europe was being, and could be, carried out. There was a strong interdisciplinary component in the Forum programme, which involved economists, political scientists, historians, lawyers and policy-makers in a concentrated attack on the Forum theme, spaced out over a year. There was a weekly seminar programme and an additional six conferences and workshops.

A particular highpoint of the Forum was a large conference organized with the cooperation of the European Science Foundation on the theme of “The Political Economy of Economic Policy”. This conference attracted as many as sixty participants, including most of the leading figures in the study of the “new political economy”. In addition to the large number of visitors who participated in the Forum via the conferences and workshops, there were some twenty-five visiting fellows, of which some six attended throughout the year, with others participating for shorter periods. A complete list of the Visiting Fellows, and reports on the conferences and seminars held can be found in the May 1998 Activities Report of the European Forum. Whilst we welcome the more focussed commitment to post-doctoral training and education that the subsequent re-orientation of the Forum involves (and in which we expect to participate in future), the virtues of the pre-existing format were not negligible. Not least among them was the fact that it provided the opportunity for faculty and students in the Department to benefit from contact with leading figures in the profession in a highly focussed context.

Chapter 8

Conclusions: Achievements and Challenges for the Future

In the light of the record disclosed in the preceding chapters of this Report we believe that we are entitled to report a high degree of satisfaction with the development of the Department over the five years since the last Report. We are confident that the Department is well-regarded, that its postgraduate programme delivers high quality education and that its research output is of a high level of quality.

An index of the quality of the postgraduate programme is the success with which our graduates have been able to acquire employment in the academic sector and in the demanding areas in which institutions furnishing policy advice, at the national and international level, operate. The programme has been extended in terms of the coursework requirements it makes and the Department has put additional effort into monitoring student progress and in the provision of a careers advisory service, an innovation which past graduates clearly felt to be desirable. We have been able to maintain a highly satisfactory completion rate.

The Department's research activity has not flagged; the past five years have seen a remarkable volume of output of books and journal articles. A considerable portion of that output has a European emphasis — which serves to identify a comparative advantage of the Department. At the same time there have been numerous contributions at the highest theoretical level, both in econometrics and in economics.

Although small in size, the Department has been able to maintain a good balance between various special areas in economics and between the major “schools of thought” within the subject at large. This has made it an exciting place in which to work and it has provided students with the opportunity to appreciate the subject “at the frontier”.

Nevertheless the Department has faced some problems and must expect to have to devote continuing effort in the future to resolving these.

Student recruitment is one such problem. The Department's student constituency — rather different from that of most graduate schools in Europe — has been essentially limited to students from the European Union. Within that constituency, applications from students from France and the UK have been especially limited in number. A recent report 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) has shown that the number of UK students seeking to do a PhD in economics anywhere has fallen dramatically: the Department's experience is not out of line with this. The disappointingly small numbers of applications from students of French nationality has a different explanation. There has been a perception reported to us, that French students doubt the acceptability of the EUI PhD qualification for academic employment in France. The Department has done what it can to minimize this, by extending the scope of the report required on the thesis to dimensions comparable to the standard expected in France. We remain hopeful that in time we will receive more applications from France. Meanwhile, the Department has welcomed the provision in recent years of more finance for extra-EU students from Central and Eastern Europe and from Russia. A consolidation of this into a more reliable and larger quantity would be welcome. In any event an increase in the amount of fourth-year funding available will be essential. As described above we have increased the coursework content of the postgraduate programme for good (indeed, essential) reasons, but this inevitably means that it is increasingly unreasonable to expect a student to complete the full programme, including the dissertation, without the benefit of some fourth-year funding.

Another recurring problem has been that of a high faculty turnover and difficulties in recruitment. Even at full strength — as documented in Chapter 2 — the Department is small in relation to the needs of a high-level teaching programme. These problems constitute the most notable “downside” to the functioning of the Department. The Department's experience has been that it is harder to attract some nationals than others, even from member countries of the European Union to which the Treaty applies and thus where a leave of absence to work at the EUI should be “automatic” (assuring the person concerned a passage back into his national system). We have also found that it is easier to attract more senior and more junior members of the profession than it is to attract people in the middle ranks, for reasons to do with the education of children, employment of partners etc. At the same time the procedures for hiring at the EUI are somewhat cumbersome; the market for economists is international and the “culture” is such that quick decision-making is required. As a result the Economics Department is usually in the position of having to ask Academic Council for an “accelerated procedure”, a request to which Academic Council is normally tolerant — nonetheless it would be an improvement if there were no exceptionality implied. A more satisfactory situation could probably only be brought about, however, if the Department's “establishment” were to be interpreted as a medium-term allowance, so that in some years the Department could operate “above establishment” to compensate for the years in which it operates “below establishment”. Such a recommendation was made in the 1997 *Report by the Committee Ad Hoc* on the Department and time has shown its merits. Otherwise, we may be doomed to operate always “below establishment”. Of course another solution is simply to raise the “establishment”. In 2001 we shall already be going from an “establishment” of 11 to one of 12. A further effective expansion might be possible, as adumbrated in Chapter 2, if we were to use our visitor programme more shrewdly. Developments like these would clearly be helpful.

Beyond this, we are bound to have under consideration the possibility of more radical change — for example, introducing a one-year MA programme: Chapter 2

discusses some variants on this idea.

Important as it is to ventilate the problems the Department faces, it would strike the wrong note to conclude only with such a catalogue. On the contrary, perhaps the principal point we wish to make — or to reiterate — is that the Department in our belief has done a more-than-adequate job in responding to its “mission”. To do so has required dedication and hard work as well as the insight to see how the challenges should be faced. We expect to be able to display these same qualities in the future.

Appendices

Appendix A

Publications by Current and Former* Faculty Members

This list of publications pertains to work published during the tenure of the faculty member concerned, together with any material derived from work at the EUI, which may have been published at a later date.

A.1 Michael Artis

Books

The Economics of the European Union (with N. Lee), 2nd edition, Oxford University Press, Oxford 1997.

The UK Economy, 14th edition, Oxford University Press, Oxford 1996. (Successor to Prest and Coppock's *Manual of Applied Economics*.)

Contributions to Books

"The Stability Pact: trading off flexibility for credibility?" (with B. Winkler), in A. Hughes-Hallett, M.M. Hutchinson and S.E. Hougaard Jensen (eds.), *Fiscal Aspects of European Monetary Integration*, Cambridge University Press, Cambridge 1999.

"The UK and EMU", in D. Cobham and G. Zis (eds.), *From EMS to EMU: 1979 to 1999 and Beyond*, Macmillan, London 1999.

"The United Kingdom", in J. Forder and A. Menon (eds.), *The European Union and National Macroeconomic Policy*, Routledge, London 1998.

"The International Dimension of Macroeconomic Policies in the United Kingdom", in M.U. Fratianni, D. Salvatore and J. von Hagen (eds.), *Macroeconomic Policy in Open Economics*, Greenwood Press, Westport 1997.

"How Accurate are the IMF's Short-Term Forecasts? Another Examination of the World Economic Outlook", *Staff Studies for the World Economic Outlook*, IMF, Washington, December 1997.

"Inflation in the UK in the 1980s" (with Z. Kontolemis), in P. de Grauwe, S. Micossi and G. Tullio (eds.), *Inflation and Wage Behaviour in Europe*, Oxford University Press, Oxford 1996.

"Another Look at the 'EMS Effect' in European Labour Markets" (with P. Ormerod), in P. de Grauwe, S. Micossi and G. Tullio (eds.), *Inflation and Wage Behaviour in Europe*, Oxford University Press, Oxford 1996.

- “Currency Substitution in European Financial Markets”, in P.D. Mizen and E.I. Pentecost (eds.), *The Macroeconomics of International Currencies: Theory, Policy and Evidence*, Edward Elgar, Aldershot 1996.
- “Après le déluge: Monetary and Exchange-Rate Policy in Britain and Europe” (with M.K. Lewis), in T. Jenkinson (ed.), *Readings in Macroeconomics*, Oxford University Press, Oxford 1996. (Reprinted from the *Oxford Review of Economic Policy*.)
- “Lessons of Exchange Rate Targeting”, in J. Michie and J. Grieve Smith (eds.), *Managing the Global Economy*, Oxford University Press, Oxford 1995.
- “Has the EMS a Future?” (with M.K. Lewis), in D.A. Currie and J. Whitley (eds.), *EMU after Maastricht: Transition or Revaluation?*, Lothian Foundation Press, 1995.
- “The Effects of Misalignment on Desired Equilibrium Exchange Rates: Some Analytical and Applied Results” (with M.P. Taylor), in C. Bordes, E. Girardin and T. Mélitz (eds.), *European Currency Crises and After*, Manchester University Press, Manchester 1995.
- “The European Monetary System” (with N. Healey), in N. Healey (ed.), *The Economics of the New Europe*, Routledge, London 1995.

Discussion of

- “On the Real Effects of Monetary Policy” by J. Viñals and J. Vallés, in *Möglichkeiten und Grenzen der Geldpolitik*, Austrian National Bank, 1999.
- A paper by C. de Boissieu, in J. Arrowsmith (ed.), *Thinking the Unthinkable about EMU. Coping with Turbulence between 1998 and 2002*, National Institute of Economic and Social Research, Occasional Papers 51, London 1998.

Evidence to Committees of the Houses of Parliament

- Memorandum of Evidence on Preparation for Stage Three of EMU*, House of Commons Committee on the Treasury and Civil Service, 1998.

Articles

- “Should the UK join EMU?”, *National Institute Economic Review* 171, January 2000, 70–81.
- “Further Evidence on International Business Cycles and the ERM: Is There a European Business Cycle?” (with W. Zhang), *Oxford Economic Papers* 51, January 1999, 120–132.
- “The Stability Pact: Safeguarding the Credibility of the European Central Bank” (with B. Winkler), *National Institute Economic Review*, January 1998, 87–98.
- “The European Central Bank and Inflation Targeting” (with Z. Kontolemis), *International Journal of Finance and Economics* 3, March 1998, 27–38.
- “The Linkage of Interest Rates within the EMS” (with W. Zhang), *Weltwirtschaftliches Archiv* 134(1), 1998, 117–132.
- “Trade and the Number of Optimum Currency Areas in the World” (with M. Kohler and J. Mélitz), *Open Economies Review* 9(5), Special Issue, November 1998.
- “The Unemployment Problem”, *Oxford Review of Economic Policy* 14(3), Autumn 1998, 98–109.
- “Inflation Targeting: What Can the ECB Learn From the Recent Experience of the Bank of England?” (with P. Mizen and Z. Kontolemis), *Economic Journal* 108(405), Policy Forum, November 1998, 1810–1825.

- “International Business Cycles and the ERM” (with W. Zhang), *International Journal of Finance and Economics* 2(1), January 1997.
- “Classical Business Cycles for G-7 and European Countries” (with Z. Kontolemis and D. Osborn), *Journal of Business* 70(4), April 1997, 249–279.
- “The US and the European Monetary System (EMS)” (with S. Gazioglu), *Applied Economics* 28(1), 1996, 13–20.
- “Labour Subsidies: A New Look” (with P.J.N. Sinclair), *Metroeconomica* 47(2), June 1996, 105–124.
- “Alternative Transitions to EMU”, *Economic Journal* 106(437), July 1996, 1005–1015.
- “The Lira and the Pound in the 1992 Currency Crisis: Fundamentals or Speculation?”, *Open Economies Review* 7 (Special Issue), Supplement, December 1996, 573–600.
- “Turning Point Prediction for the UK Using CSO Leading Indicators” (with D. Osborn, R. Bladen-Hovell, G. Smith and W. Zhang), *Oxford Economic Papers* 4, July 1995.
- “The Inflation Cycle in the UK” (with D. Osborn, R. Bladen-Hovell, G. Smith and W. Zhang), *Economic Journal* 105, September 1995, 1145–1165.
- “Turning Points in the International Business Cycle: An Analysis of the OECD Leading Indicators for the G-7 Countries” (with R. Bladen-Hovell and W. Zhang), *OECD Economic Studies*, June 1995, 125–165.
- “Misalignment, Debt Accumulation and Fundamental Equilibrium Exchange Rates” (with M.P. Taylor), *National Institute Economic Review*, August 1995, 73–83.

Working Papers

- “The European Business Cycle” (with H.-M. Krolzig and J. Toro), EUI Working Paper ECO No. 99/24 and CEPR Discussion Papers No. 2242, 1999.
- “Fiscal Forecasting: The Track Record of the IMF, OECD and EC” (with M. Marcellino), EUI Working Paper ECO No. 99/22 and CEPR Discussion Papers No. 2206, 1999.
- “Membership of EMU: A Fuzzy Clustering Analysis of Alternative Criteria” (with W. Zhang), EUI Working Paper RSC No. 98/52.
- “Core and Periphery in EMU: A Cluster Analysis” (with W. Zhang), EUI Working Paper RSC No. 98/37.
- “Fiscal Solvency and Fiscal Forecasting in Europe” (with M. Marcellino), EUI Working Paper ECO No. 98/2 and CEPR Discussion Papers No. 1836.
- “Inflation Targeting and the European Central Bank: What Can be Learnt from UK Experience?” (with Z. Kontolemis and P. Mizen), Working Paper 5.78, Center for German and European Studies, University of California, Berkeley 1998.
- “On Identifying the Core of EMU: An Exploration of Some Empirical Criteria” (with W. Zhang), EUI Working Paper RSC No. 97/52 and CEPR Discussion Papers No. 1689.
- “Volatility Clustering and Volatility Transmission: A Non-Parametric View of Exchange Rates” (with W. Zhang), CEPR Discussion Papers No. 1594.

A.2 Anindya Banerjee

Working Papers

- “The Relationship Between the Markup and Inflation in the G7 Plus One Economies” (with Bill Russell), EUI Working Paper ECO No. 2000/7.
- “Simultaneous Versus Sequential Move Structures in Principal–Agent Models” (with A. Beggs), EUI Working Paper ECO No. 98/27.
- “An I(2) Analysis of Inflation and the Mark–Up” (with L. Cockerell and B. Russell), EUI Working Paper No. 98/26.
- “Bootstrapping Sequential Tests for Structural Breaks in Cointegrated Systems” (with S. Lazarova and G. Urga), EUI Working Paper ECO No. 98/25.
- “Sequential Methods for Detecting Structural Breaks in Cointegrated Systems” (with G. Urga), EUI Working Paper ECO No. 98/24.

A.3 Pierpaolo Battigalli

Contributions to Books

- “Synchronic Information and Common Knowledge in Extensive Games” (with G. Bonanno), in M. Bacharach, L.A. Gérard–Varet, P. Mongin and H. Shin (eds.), *Epistemic Logic and the Theory of Games and Decisions*, Kluwer, Dordrecht. Also published in *Research in Economics (Ricerche Economiche)* 53, 1999, 77–99.

Articles

- “Recent Results on Belief, Knowledge and the Epistemic Foundations of Game Theory” (with M. Siniscalchi), *Research in Economics (Ricerche Economiche)*, 1999, 149–225.
- “Hierarchies of Conditional Beliefs and Interactive Epistemology in Dynamic Games” (with M. Siniscalchi), *Journal of Economic Theory* 88, 1999, 188–230.
- “Interactive Beliefs, Epistemic Independence and Strong Rationalizability” (with M. Siniscalchi), *Research in Economics (Ricerche Economiche)* 53, 1999, 247–273.

Working Papers

- “Imperfect Contracting” (with G. Maggi), Working Paper, Department of Economics, Princeton University, 2000.
- “Rationalizability in Incomplete Information Games”, EUI Working Paper ECO No. 99/17.
- “Interactive Beliefs and Forward Induction” (with M. Siniscalchi), EUI Working Paper ECO No. 99/15.

A.4 Giuseppe Bertola

Books

Metodi Dinamici e Fenomeni Macroeconomici (with F. Bagliano), Il Mulino, Bologna 1999.

Social Europe: ... One for All? (with C. Bean, S. Bentolila and J. Dolado), CEPR, London 1998.

Contributions to Books

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

“Welfare Systems and Labour Markets in Europe: What Convergence Before and After EMU?” (with J.F. Jimeno, R. Marimon and C. Pissarides), in G. Bertola, T. Boeri, G. Nicoletti (eds.), *Welfare and Employment in a United Europe*, MIT Press, forthcoming.

“Convergence ... an Overview”, in R. Baldwin, D. Cohen, A. Sapir and A. Venables (eds.), *Market Integration, Regionalism and the Global Economy*, Cambridge University Press, Cambridge 1999.

“Microeconomic Perspectives on Aggregate Labor Markets”, in O. Ashenfelter and D. Card (eds.), *Handbook of Labor Economics*, Vol.3B, North-Holland, Amsterdam, October 1999, 2985–3028.

“Market Failures, Education, and Macroeconomics” (with D.C. Pirani), in G. Barba Navaretti, P. Dasgupta, K.-G. Maler, D. Siniscalco (eds.), *Creation and Transfer of Knowledge: Institutions and Incentives*, Springer-Verlag, Berlin 1998, 179–207.

Discussion of

“Trends in Household Savings Don’t Justify Tax Incentives to Save”, by Attanasio and Banks, for *Economic Policy* 27, 1998, 577–579.

“The Unemployment and Welfare Effects of Labour Market Policy: A Comparison of the U.S. and U.K.”, by Millard and Morlensen, in D.J. Snower and G. de la Dehesa (eds.), *Unemployment Policy: How Should Governments Respond to Unemployment?*, Cambridge University Press, Cambridge 1997.

A paper by F. Marzano and E. Saltari, in G. Zanetti (ed.), *Le decisioni di investimento*, Il Mulino, Bologna 1999, 105–111.

Articles

“Making Work Pay: Policy Choices and Interactions With Existing Instruments”, *OECD Economic Studies*, forthcoming.

“Employment Protection in Industrialized Countries: The Case for New Indicators” (with T. Boeri and S. Cazes), *International Labour Review* 139(1), 2000.

“L’offerta religiosa di educazione privata”, *Il Ponte*, 1999.

“Irreversible Investment” (1989 unpublished draft), *Research in Economics (Ricerche Economiche)* 52(1), 1998, 3–37.

“Interest Rate Targeting and the Dynamics of Short-Term Rates” (with P. Balduzzi, S. Foresi and L. Klapper), *Journal of Money, Credit, and Banking* 30(1), 1998, 26–50.

“Distribuzione funzionale del reddito e macroeconomia: Classi, ottimizzazione, e il caso italiano”, *Rivista Italiana degli Economisti* III(2), 1998, 167–203.

“A Model of Target Changes and the Term Structure of Interest Rates” (with P. Balduzzi and S. Foresi), *Journal of Monetary Economics* 39(2), 1997, 223–249.

“Institutions and Labor Reallocation” (with R. Rogerson), *European Economic Review* 41(6), 1997, 1147–1171.

Working Papers

“Microeconomics of Distribution and Growth”, EUI Working Paper ECO No. 98/39.

“Day-to-Day Monetary Policy and the Volatility of the Federal Reserve Funds Rate” (with L. Bartolini and A. Prati), EUI Working Paper ECO No. 98/35.

A.5 David Cass*, CARESS, University of Pennsylvania

Articles

“Pareto Improving Financial Innovation in Incomplete Markets” (with A. Citanni), *Economic Theory* 11, 1998.

“Individual Risk and Mutual Insurance: A Reformulation” (with G. Chichilnisky and H.-M. Wu), *Econometrica* 64, 1996.

“Notes on Pareto Improvement in Incomplete Financial Markets”, *Rivista di Matematica per le Scienze Economiche e Sociali* 18, 1995.

A.6 James Dow*, London Business School

Articles

“Should Speculators be Taxed?” (with R. Rahi), *Journal of Business* 73(1), January 2000.

“Arbitrage, Hedging, and Financial Innovation”, *Review of Financial Studies* 11(4), 1998, 739–755.

“Noise Trading, Delegated Portfolio Management, and Economic Welfare” (with G. Gorton), *Journal of Political Economy* 105(5), October 1997, 1024–1050.

“Stock Market Efficiency and Economic Efficiency: Is There a Connection?” (with G. Gorton), *Journal of Finance* 52(3), July 1997, 1087–1129.

“Profitable Informed Trading in a Simple General Equilibrium Model of Asset Pricing” (with G. Gorton), *Journal of Economic Theory* 67(2), November 1995.

“Lending Resumption in a Reputational Model of Sovereign Debt” (with H.L. Cole and W.B. English), *International Economic Review* 36(2), May 1995, 365–385.

Discussion of

“Banks, Markets and the Allocation of Risk in an Economy”, by M. Hellwig, *Journal of Institutional and Theoretical Economics (Zeitschrift für die gesamte Staatswissenschaft)* 154(1), March 1998, 346–351.

Working Papers

“Informed Trading, Investment, and Economic Welfare” (with R. Rahi), EUI Working Paper ECO No. 97/3.

A.7 Roger Farmer**Books**

“Solutions Manual to Accompany” *The Macroeconomics of Self-Fulfilling Prophecies* (with T. Hintermaier), Los Angeles and Florence, October 1999.

The Macroeconomics of Self-Fulfilling Prophecies, 2nd edition, MIT Press, July 1999.

Macroeconomics, South-Western College Publishing, July 1999.

Contributions to Books

“Indeterminacy and Sunspots in Macroeconomics” (with J. Benhabib), in *Handbook of Macroeconomics*, North-Holland, forthcoming.

Articles

“Reply to: ‘Analysing Indeterminacies in a Real Business Cycle Model with Money’ by K.A. Sossounov”, *Journal of Money and Credit*, forthcoming.

“The Monetary Transmission Mechanism” (with J. Benhabib), *Review of Economic Dynamics*, forthcoming. (EUI Working Paper ECO No. 99/35.)

“Indeterminacy with Non-Separable Utility” (with R. Bennett), *Journal of Economic Theory*, forthcoming. (EUI Working Paper ECO No. 99/34.)

“Two New Keynesian Theories of Sticky Prices”, *Macroeconomic Dynamics*, forthcoming. (EUI Working Paper ECO No. 99/33.)

A.8 Andrea Ichino**Contributions to Books**

“Discrimination or Individual Effort? Regional Productivity Differentials in a Large Italian Firm” (with P. Ichino), in J.C. Haltiwanger et al. (eds.), *The Creation and Analysis of Employer-Employee Matched Data*, North-Holland, 1999, 59–77.

Articles

“Work Environment and Individual Background: Explaining Regional Shirking Differentials in a Large Italian Firm” (with G. Maggi), *Quarterly Journal of Economics*, forthcoming.

“More Equal but Less Mobile? Education Financing and Intergenerational Mobility in Italy and in the US” (with D. Checchi and A. Rustichini), *Journal of Public Economics* 74(3), 1999, 351–393.

“Lower and Upper Bounds on Returns to Schooling: An Exercise in IV Estimation with Different Instruments” (with R. Winter-Ebmer), *European Economic Review* 43(4–6), 1999, 889–901.

“L’influenza delle condizioni del mercato del lavoro regionale sulle decisioni dei giudici in materia di licenziamento” (with P. Ichino and M. Polo), *Rivista Italiana di Diritto del Lavoro*, 1998.

“La disciplina limitativa dei licenziamenti. Effetti e giustificazioni nella letteratura economica recente”, *Politica Economica*, 1997.

“Scuola e mobilità sociale: Un’analisi comparata” (with D. Checchi and A. Rustichini), in N. Rossi (ed.), *L’istruzione in Italia: solo un pezzo di carta?*, Il Mulino, Bologna 1997.

Working Papers

“Productivity, Seniority and Wages” (with L. Flabbi), EUI Working Paper ECO No. 98/11.

“The Long-Run Educational Cost of World War Two. An Example of Local Average Treatment Effect Estimation” (with R. Winter-Ebmer), EUI Working Paper ECO No. 98/10.

A.9 Søren Johansen

Books

Workbook on Cointegration (with P.R. Hansen), Oxford University Press, Oxford 1998.

Likelihood Based Inference on Cointegration in the Vector Autoregressive Model, Oxford University Press, Oxford 1995 (2nd ed. 1996).

Contributions to Books

“Cointegration in the VAR Model”, in D. Peña, G. Tiao and R. Tsay (eds.), *A Course in Time Series Analysis*, Wiley and Sons, New York 1999.

“Granger’s Representation Theorem and Multicointegration” (with T. Engsted), in T. Engle and H. White (eds.), *Festschrift Cointegration, Causality and Forecasting, Festschrift in Honour of Clive Granger*, Oxford University Press, Oxford 1999.

“Statistical Analysis of Some Non-Stationary Time Series”, in *Econometrics and Economic Theory in the 20th Century: The Ragnar Frisch Centennial Symposium*, Cambridge University Press, Cambridge 1998.

“Mathematical and Statistical Modelling of Cointegration”, University of Copenhagen: Centre of Excellence, University-City. University of Copenhagen, 1997, 148–164.

“Likelihood Based Inference for Cointegration of Non-Stationary Time Series”, in D.R. Cox., D. Hinkley and O.E. Barndorff-Nielsen (eds.), *Likelihood, Time Series with Econometric and other Applications*, Chapman and Hall, 1996; reprinted in Russian 1996.

Articles

“Modelling Cointegration in the Vector Autoregressive Model”, *Economic Journal*, forthcoming.

“Testing Rational Expectations in Vector Autoregressive Models” (with A.R. Swensen), *Journal of Econometrics*, forthcoming.

“A Bartlett Correction Factor for Tests on the Cointegrating Relations”, *Econometric Theory*, forthcoming. (EUI Working Paper ECO No. 99/10.)

- “A Small Sample Correction for Tests of Hypotheses on the Cointegrating Vectors”, *Econometric Theory*, forthcoming. (EUI Working Paper ECO No. 99/9.)
- “Testing Rational Expectations in Vector Autoregressive Models” (with A.R Swensen), *Journal of Econometrics* 93, 1999, 73–91.
- “Some Tests for Parameter Constancy in the Cointegrated VAR” (with H. Hansen), *Econometrics Journal* 2, 1999, 25–52.
- “Asymptotic Inference on Cointegrating Rank in Partial Systems” (with I. Harbo, B.G. Nielsen and A.C. Rahbek), *Journal of Business and Economic Statistics* 16(4), 1998, 388–399.
- “Likelihood Analysis of Seasonal Cointegration” (with E. Schaumburg), *Journal of Econometrics* 88(2), 1998, 301–339.
- “Likelihood Analysis of the I(2) Model”, *Scandinavian Journal of Statistics*, 1997, 433–462.

A.10 Alan Kirman*, GREQAM, Marseille

Books

- Nonlinear Dynamics in Economics* (with W.A. Barnett and M. Salmon (eds.)), Cambridge University Press, Cambridge 1996.
- Economic Research in Europe* (with M. Dahl), Monographs in Economics, European University Institute, 1996.
- Learning and Rationality in Economics* (with M. Salmon (eds.)), Basil Blackwell, 1995.

Contributions to Books

- “Learning in Oligopoly: Theory, Simulation and Experimental Evidence”, in A. Kirman and M. Salmon (eds.), *Learning and Rationality in Economics*, Basil Blackwell, 1995.
- “Empirical Studies of Product Markets” (with L. Phlips), in E. Allen (ed.), *Economics in a Changing World*, Vol.2. Macmillan and St. Martin’s Press, London 1996.

Articles

- “Exchange Rate Pass Through and Market Structure” (with L. Phlips), *Journal of Economics* 64, 1996, 129–154.
- “Exchange Rates and Oligopoly” (with T. Hens and L. Phlips), *European Economic Review*, 1996.

A.11 Agustín Maravall*, Bank of Spain

Contributions to Books

- “Seasonal Adjustment and Signal Extraction in Economic Time Series” (with V. Gómez), in *A Course in Time Series Analysis*, J. Wiley and Sons, New York, forthcoming.
- “Automatic Modeling Methods for Univariate Series” (with V. Gómez), in *A Course in Time Series Analysis*, J. Wiley and Sons, New York, forthcoming.

- “Missing Observations and Additive Outliers in Time Series Models” (with D. Peña), in R. Mariano (ed.), *Advances in Statistical Analysis and Statistical Computing*, JAI Press, forthcoming.
- “Short-Term Analysis of Macroeconomic Time Series”, in A. Kirman and L.A. Gérard-Varet (eds.), *Economics: Beyond the Millennium*, Oxford University Press, Oxford 1999.
- “Use and Mostly Abuse of Time Series Techniques in Economic Analysis”, in *Applications of Mathematics to Economics and Management*, Instituto Superior de Economía e Gestao, Lisbon 1997.
- “New Methods for Quantitative Analysis of Short-Term Economic Activity” (with V. Gómez), in A. Prat (ed.), *Proceedings in Computational Statistics*, Physica-Verlag, Heidelberg 1996.
- “Unobserved Components in Economic Time Series”, in H. Pesaran, P. Schmidt and M. Wickens (eds.), *The Handbook of Applied Econometrics*, Basil Blackwell, Oxford 1995.

Articles

- “Estimation Error and the Specification of Unobserved Component Models” (with C. Planas), *Journal of Econometrics* 92, 1999.
- “Missing Observations in ARIMA Models: Skipping Approach Versus Additive Outlier Approach” (with V. Gómez and D. Peña), *Journal of Econometrics* 88, 1999.
- “Unobserved Components in ARCH Models: An Application to Seasonal Adjustment” (with G. Fiorentini), *Journal of Forecasting* 15, 1996.

Working Papers

- “Programs TRAMO and SEATS Update: December 1995”, EUI Working Paper ECO No. 95/46.

A.12 Ramon Marimon

Books

- Computational Methods for the Study of Dynamic Economies* (with A. Scott (eds.)), Oxford University Press, Oxford, forthcoming.
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A.13 Stephen Martin*, University of Amsterdam

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A.14 John Micklewright*, UNICEF, Florence

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A.16 Massimo Motta**Books Edited**

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A.17 Louis Philips*

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A.18 Mark Salmon*, City Business School

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A.19 Karl Schlag**Working Papers**

“The Impact of Selling Information on Competition”, EUI Working Paper ECO No. 2000/6.

A.20 Spyros Vassilakis***Articles**

“Accelerating New Product Development by Overcoming Complexity Constraints”, *Journal of Mathematical Economics* 28(3), October 1997.

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A.21 Robert Waldmann*, University of Rome**Articles**

“Ruling out Indeterminacy: The Role of Heterogeneity” (with B. Herrendorf and A. Valentinyi), *The Review of Economic Studies*, forthcoming. (CEPR Discussion Paper 1858, 1998 and University of Southampton Discussion Paper on Econometrics and Economics 9803.)

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- “On B–Robust Instrumental Variables Estimation of the Linear Model” (with R. Wagenvoort), IGIER Working Paper, 1998.
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- “Rational Stubbornness?”, EUI Working Paper ECO No. 95/43.
- “Indeterminacy and Welfare Enhancing Taxes in a Growth Model with Elastic Labour Supply” (with A. Pelloni), EUI Working Paper ECO No. 95/32.
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- “The Infant Mortality Rate is Higher Where the Rich are Richer”, EUI Working Paper ECO No. 95/23.
- “Predicting the Signs of Forecast Errors”, EUI Working Paper ECO No. 95/22.

Appendix B

Theses Defended January 1995–December 1999

PLANAS Christophe Estimation Error in Unobserved Component Models	06/01/95	F
JARVIS Sarah The Targeting of Family Allowance in Hungary	27/01/95	GB
LOPEZ Humberto A Random Walk through Unit Roots	30/01/95	E
FABRIZIO Stefania The Measurement of Persistence of Economic Shocks	31/01/95	I
SCHRADER Alexander Vertical Integration in the Market for North Sea Oil	03/02/95	D
RAUCHS Alexandra Option Value and Irreversibility Effect: An Experimental Approach	10/02/95	L
STEFANI Maria Lucia Credit Constraints and Investment	20/02/95	I
VALBONESI Paola Essays on Transitions to a Market Economy in Eastern Europe	29/05/95	I
FIorentini Gabriele Conditional Heteroskedasticity: Some Results on Estimation, Inference and Signal Extraction, with an Application to Seasonal Adjustment	06/06/95	I

BECHT Marco Tenure Choice, Residential Mobility and Housing Demand in Germany: A Longitudinal Analysis	06/06/95	D
TROPEANO Domenica The Stabilization Policy Debate in the Inter–War Period and its Relevance for Current Economic Problems, with Particular Reference to the Contributions of the Swedish Economists of that Period	09/06/95	I
O’HIGGINS Niall Youth In and Out of the Labour Market	19/06/95	IRL
PAULET Elisabeth The Role of Banks in Monitoring Firms: Evidence from the Case of the <i>Credit Mobilier</i>	26/06/95	F
ALBEROLA ILA Enrique Exchange Rate Targets: Models and Design	15/09/95	E
WAKELIN Katharine Empirical Studies on the Relationship Between Trade and Innovation	30/09/95	UK
PELLONI Alessandra Essays in Growth and Hysteresis	17/11/95	I
KOSTIAL Kristina A Theoretical and Empirical Investigation into the Properties of Likelihood Analysis for Cointegrated Systems	24/11/95	D
UBIDE QUEROL Angel On International Business Cycles	27/11/95	E
LISSOVOLIK Bogdan Essays in the Economics of Russian Transition	12/12/95	Rus
KAISER REMIRO Regina Observaciones Atípicas en Series Temporales: El Tipo Mixto	15/12/95	E
BOSCO Luigi Essays on Policy Coordination	26/01/96	I
BANIAK Andrzej Four Essays on Multimarket Oligopoly	30/01/96	Pol
NERO Giovanni Intra–European Airline Competition: A Theoretical and Empirical Analysis	26/02/96	CH

HOPKINS Edmund Essays on Learning and Evolution	04/03/96	GB
HASEKAMP Pieter Essays on the Credibility of Economic Policy	29/03/96	NL
HERRENDORF Berthold Solutions to the Time Consistency Problem of Optimal Monetary Policy	23/05/96	D
FEDELINO Annalisa Non-Invertibility and Unobserved Component Estimation (with an application to seasonal adjustment)	31/05/96	I
NORMANN Hans-Theo Four Essays on Stackelberg Oligopoly	10/06/96	D
MARCELLINO Massimiliano Essays on Econometric Modelling	20/06/96	I
HUERTAS RUBIO Alfredo Exchange Rates and Export Price Adjustment. A Panel Study of Newsstand Prices of Magazines	24/06/96	E
VERNER Dorte Selected Topics on Economic Growth: Empirical Analyses	30/09/96	DK
JIMENEZ Miguel The Solow Residual, the Dual Solow Residual and the Sources of Business Cycles	18/10/96	E
ZANFORLIN Luisa Technological Diffusion, Trade Patterns and Growth	30/11/96	I
ADAM Paula Labour Force Transitions of Married Women in Spain	06/12/96	E
HAUK Esther Breaking Out: Essays on Partner Selection in Prisoner's Dilemma Games	27/01/97	D
URSULESCU Mirela Comparative Advantage in International Trade: Theory and Evidence	17/02/97	Ro
LABORY Sandrine Market Structure and Firm Structure in Imperfectly Competitive Markets	21/02/97	F

VALENTINYI Akos Three Essays on Technology and Growth	28/04/97	H
WINKLER Bernhard Bundesbank for Sale: An Economic Analysis of the Maastricht Treaty	4/06/97	D
MONFARDINI Chiara Essays on Simulation–Based Inference	13/06/97	I
SAGET Catherine Three Essays on the Economic Situation of Women in Hungary After the Fall of Socialism	16/06/97	F
ZANCHI Luisa Inter–Industry Wage Differentials: International Evidence from Micro Data	23/06/97	I
PEZANIS–CHRISTOU Paul Three Essays on Competitive Bidding	23/06/97	NL
WALDECK Roger Prices with Imperfectly Informed Consumers	24/06/97	F
HINLOOPEN Jeroen Research and Development, Product Differentiation and Robust Estimation	25/06/97	NL
GRANVILLE Brigitte Ending High Inflation: The Case of Russia Versus Poland and the CSFR	25/06/97	F
CARDOSO Ana Rute Earnings Inequality in Portugal: The Relevance and the Dynamics of Employer Behaviour	12/09/97	P
DIXON Stuart Limit Pricing and Multi-Market Entry: The Strategic Behaviour of Multinationals under Asymmetric Information	19/09/97	UK
ROBERTS Melanie Learning: Some Experimental Results and the Analysis of Learning Mechanisms	10/10/97	UK
DELLA POSTA Pompeo Fiscal Convergence, Expectations and Speculative Attacks in the European Monetary System	13/10/97	I
SIDERIS Dimitris Macroeconomic Modelling of the Greek Economy	20/10/97	GR

KOHLER Marion Coalitions in International Policy Games: Currency Blocs and Trade Blocs	17/11/97	D
MAHADEVA Lavan Endogenous Growth in Heterogeneous Human Capitals	28/11/97	UK
PETTINI Anna Quality Discrimination for Redistributive Purposes	19/01/98	I
GARCIA CERVERO Susana American Skill Differentials in the Long and in the Short Run	19/01/98	E
SCHUELLER Nathalie Price Formation in the European Car Market	23/01/98	F
ZHOU Jian-Ming Overcoming the Last Obstacle in Sustainable Rural Development of Monsoon Asia: The Japanese and Chinese Models and a Proposed New Model	06/02/98	C
ORTEGA Eva Testing Dynamic General Equilibrium Models with Application to Calibrated and Simulated Business Cycle Models	07/02/98	E
LEWIS Andrew Essays on Imperfect Competition and Firm Heterogeneity	20/03/98	UK
BIRKENDORF Ludger Private Lending to Sovereign Countries. Efficient Bilateral Risk-Sharing with Incentive-Compatible, Renegotiation-Proof International Debt Contracts	23/03/98	D
DORIS Aedin An Analysis of the Labour Supply Reactions of British Women to Their Husbands' Unemployment	30/03/98	IRL
FERNANDEZ DE CORDOBA MARTOS Gonzalo Real Exchange Rate Determination for Spain and Two Essays on Learning	24/04/98	E
GENS MOURA Luis Essays on Employees' Financial Participation — Employee Ownership in the US and Profit Sharing in Portugal	04/05/98	P
SIMON Jonathan Four Essays and a Note on the Demand for Lottery Tickets and How Lotto Players Choose Their Numbers	11/06/98	UK

LOFARO Andrea R&D Cooperation and the Efficiency of Competition	12/06/98	I
GUARDA Paolo Univariate Exchange Rate Forecasts: Approximating Nonlinearity of Unknown Form	26/06/98	I
KIERMEIER Michaela Essays on the Arbitrage Pricing Method and Wavelet Analysis	13/07/98	D
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VERSAEVEL Bruno Innovation and Industrial Organization	14/09/98	F
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KILPONEN Juha The Political Economy of Monetary Policy and Wage Bargaining — Theory and Econometric Evidence	29/11/99	SF

Appendix C

Theses Defended Since 30 December 1999 or Due to be Defended in 2000

C.1 Theses Defended Since 30 December 1999 and Not Included in the Figures

KOLEV Alexandre Three Essays on Living Standards and Access to Alternative Sources of Labour Income in Russia during Transition	17/1/2000	F
HÖRNIG Steffen Essays on R&D — Races and Cournot Oligopoly	17/3/2000	D
GÜMBEL Alexander Essays on Delegated Portfolio Management and Trade on Differential In- formation	17/3/2000	D

C.2 Theses Due to be Defended in 2000 (as of 20 March 2000)

- ARJONA Roman 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 Luxembourg and University of Bolzano
- BARDASI Elena 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
- DE FIORE Fiorella I
 Essays on Money, Optimal Monetary Policy and Taxation
 Michael Artis, EUI, Supervisor
 V.V. Chari, University of Minnesota
 Isabel Correia, Universidade Católica Portuguesa, Lisbon
 Pedro Teles, Bank of Portugal, Co-Supervisor
- GENNARI Elena I
 Econometric Modelling of Regime Shifts: Money Demand And Monetary Transmission Mechanisms in Italy
 Anindya Banerjee, Oxford University
 Giorgio Calzolari, Università di Firenze
 Grayham Mizon, EUI, Supervisor
 Timo Teräsvirta, Stockholm School of Economics
- GONZÁLEZ DE LARA Yadira E
 Enforcibility and Risk-Sharing in Financial Contracts: From the Sea Loan to the Commenda a Late Medieval Venice
 Avner Greif, Stanford University
 Ramon Marimon, EUI, Supervisor
 Leandro Prados de la Escosura, Universidad Carlos III
 Jaime Reis, EUI

-
- HERREINER Dorothea D
Random Matching and Trade Relationships in Decentralized Markets
Itzhak Gilboa, Northwestern University
Alan Kirman, GREQAM Marseille, Supervisor
Avner Shaked, University of Bonn
Robert Waldmann, EUI
- SKOURAS Spyros GR
On Investment Rules for Financial Markets
Søren Johansen, EUI
Ramon Marimon, EUI, Supervisor
Hashem Pesaran, University of Cambridge
Allan Timmermann, U.C. San Diego
- TORRES CHACON José E
Essays in Exchange Rate Target Zones
Michael Artis, EUI
Fabio Canova, Università di Catania
David Currie, London Business School
Mark Salmon, EUI, Supervisor
Andrew Hughes Hallett, University of Strathclyde
- TRILLAS Francesc E
Privatised Utilities: Regulatory Reform and Corporate Control
James Dow, London Business School, Supervisor
Paul Grout, University of Bristol
Ramon Marimon, EUI
Vicente Salas, Universidad de Zaragoza

Appendix D

Working Papers in the Department of Economics January 1995–March 2000

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“Central Limit Theorem for Asymmetric Kernel Functionals”

Marcelo FERNANDES

ECO No. 2000/2

“How Important are Automatic Stabilizers in Europe? A Stochastic Simulation Assessment”

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“The Relationship Between the Markup and Inflation in the G7 Plus One Economies”

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Jeroen HINLOOPEN/ Rien WAGENVOORT

ECO No. 95/3

“Risk-Related Asymmetries in Foreign Exchange Markets”

Giampiero M. GALLO/ Barbara PACINI

ECO No. 95/4

“Risk Preference and Indirect Utility in Portfolio Choice Problem”

Santanu ROY/ Rien WAGENVOORT

ECO No. 95/5

“Third Package and Noncooperative Collusion in the European Airline Industry”

Giovanni NERO

ECO No. 95/6

“On the Nature of Commitment in Flexible Target Zones and the Measurement of Credibility: The 1993 ERM Crisis”

Renzo G. AVESANI/ Giampiero M. GALLO/ Mark SALMON

IUE 4/2000 (CR 2)

ECO No. 95/7

“Unemployment Insurance and Incentives in Hungary”

John MICKLEWRIGHT/ Gyula NAGY

ECO No. 95/8

“The Fully Modified OLS Estimator as a System Estimator: A Monte–Carlo Analysis”

Kristina KOSTIAL

ECO No. 95/9

“Redistribution, Wealth Tax Competition and Capital Flight in Growing Economies”

Günther REHME

ECO No. 95/10

“Progressive Modelling of Macroeconomic Time Series: The LSE Methodology”

Grayham E. MIZON

ECO No. 95/11

“Alternative Time Patterns of Decisions and Dynamic Strategic Interactions”

Pierre CAHUC/ Hubert KEMPF

ECO No. 95/12

“Is Job Turnover Countercyclical?”

Tito BOERI

ECO No. 95/13

“Growth Effects from Trade and Technology”

Luisa ZANFORLIN

ECO No. 95/14

“Thick–Market Externalities in U.S. Manufacturing: A Dynamic Study with Panel Data”

Miguel JIMÉNEZ/ Domenico MARCHETTI, jr.

ECO No. 95/15

“Exchange Rate Pegging, Transparency, and Imports of Credibility”

Berthold HERRENDORF

ECO No. 95/16

“Redistribution, Income cum Investment Subsidy Tax Competition and Capital Flight in Growing Economies”

Günther REHME

ECO No. 95/17

“Regional Dimensions of Unemployment in Central and Eastern Europe and Social Barriers to Restructuring”

Tito BOERI/ Stefano SCARPETTA

ECO No. 95/18

“Reputation for EMU. An Economic Defence of the Maastricht Criteria”

Bernhard WINKLER

IUE 4/2000 (CR 2)

ECO No. 95/19

“Learning, Matching and Aggregation”

Ed HOPKINS

ECO No. 95/20

“Can the Variables in an Extended Solow Model be Treated as Exogenous? Learning from International Comparisons Across Decades”

Dorte VERNER

ECO No. 95/21

“Optimal Exchange Rate Targets and Macroeconomic Stabilization”

Enrique ALBEROLA-ILA

ECO No. 95/22

“Predicting the Signs of Forecast Errors”

Robert WALDMANN

ECO No. 95/23

“The Infant Mortality Rate is Higher Where the Rich are Richer”

Robert WALDMANN

ECO No. 95/24

“Classical Business Cycles for G7 and European Countries”

Michael J. ARTIS/ Zenon G. KONTOLEMIS/ Denise R. OSBORN

ECO No. 95/25

“On the Limits and Possibilities of the Principle of Minimum Differentiation”

Jeroen HINLOOPEN/ Charles VAN MARREWIK

ECO No. 95/26

“Cooperative R&D Versus R&D Subsidies: Cournot and Bertrand Duopolies”

Jeroen HINLOOPEN

ECO No. 95/27

“Cointegration, Codependence and Economic Fluctuations”

Giampiero M. GALLO/ Hubert KEMPF

ECO No. 95/28

“Progressive Taxation, Quality, and Redistribution in Kind”

Anna PETTINI/ Stefano NARDELLI

ECO No. 95/29

“Rules of Thumb and Local Interaction”

Ákos VALENTINYI

ECO No. 95/30

“Democracy, Demography and Growth”

Robert WALDMANN

IUE 4/2000 (CR 2)

ECO No. 95/31

“Nominal Rigidities and Increasing Returns”

Alessandra PELLONI

ECO No. 95/32

“Indeterminacy and Welfare Increasing Taxes in a Growth Model with Elastic Labour Supply”

Alessandra PELLONI/ Robert WALDMANN

ECO No. 95/33

“Comment on Estimation and Interpretation of Empirical Studies in Industrial Economics”

Jeroen HINLOOPEN/ Stephen MARTIN

ECO No. 95/34

“International Business Cycles and the ERM: Is There a European Business Cycle?”

Michael J. ARTIS/ Wenda ZHANG

ECO No. 95/35

“On the Detection of Collusion and Predation”

Louis PHLIPS

ECO No. 95/36

“On the Detection of Nonlinearity in Foreign Exchange Data”

Paolo GUARDA/ Mark SALMON

ECO No. 95/37

“Simulation–Based Encompassing for Non–Nested Models: A Monte Carlo Study of Alternative Simulated Cox Test Statistics”

Chiara MONFARDINI

ECO No. 95/38

“On the Job Search and Unemployment Duration”

Tito BOERI

ECO No. 95/39

“Temporal Aggregation of a VARIMAX Process”

Massimiliano MARCELLINO

ECO No. 95/40

“Some Consequences of Temporal Aggregation of a VARIMA Process”

Massimiliano MARCELLINO

ECO No. 95/41

“Spatial Multiproduct Duopoly Pricing”

Giovanni NERO

ECO No. 95/42

“Spatial Multiproduct Pricing: Empirical on Intra–European Duopoly Airline Markets”

Giovanni NERO

IUE 4/2000 (CR 2)

ECO No. 95/43

“Rational Stubbornness?”

Robert WALDMANN

ECO No. 95/44

“Is Honesty Always the Best Policy?”

Tilman EHRBECK/ Robert WALDMANN

ECO No. 95/45

“Time-Varying/Sign-Switching Risk Perception on Foreign Exchange Markets”

Giampiero M. GALLO/ Barbara PACINI

ECO No. 95/46

“Programs TRAMO and SEATS Update: December 1995”

Víctor GÓMEZ/Agustín MARAVALL

Appendix E

Publications of Former Students

The following list includes all the books, contributions to books, articles and non-EUI Working Papers published by the 85 students who have defended since 1995 (source: Econlit. 3/2000). The list excludes work published in the Department's Working Paper series; these Working Papers can be found in Appendix D. The listing of names follows the order of date of thesis defence (see Appendix B).

PLANAS Christophe

“Estimation Error and the Specification of Unobserved Component Models” (with A. Maravall), *Banco de España Documento de Trabajo* 9608.

JARVIS Sarah

“Marital Splits and Income Changes: Evidence from the British Household Panel Survey” (with S.P. Jenkins), *Population Studies* 53(2), July 1999, 237–254.

“How Much Income Mobility Is There in Britain?” (with S.P. Jenkins), *Economic Journal* 108(447), March 1998, 428–443.

“Child Poverty, Economic Transition and Welfare State Regimes” (with G. Redmond), University of Cambridge, Department of Applied Economics Working Paper, Amalgamated Series 9624, November 1997.

“Low Income Dynamics in 1990s Britain” (with S.P. Jenkins), *Fiscal-Studies* 18(2), May 1997, 123–142.

“Construction of Panel Data Sets Through Record Linkage: Application to Hungarian Budget Surveys, 1987, 1989, 1991” (with P.A. Kattuman), University of Cambridge, Department of Applied Economics Working Paper, Amalgamated Series 9611, March 1996.

“The Distributional Impact of Taxing Family Allowance”, University of Cambridge, Department of Applied Economics Working Paper, Amalgamated Series 9609, February 1996.

“Redistributive Policy in a Transition Economy: The Case of Hungary” (with S. Pudney), in D.M.G Newbery (ed.), *Tax and benefit reform in Central and Eastern Europe*, Centre for Economic Policy Research, London 1995, 49–84.

“The Targeting of Family Allowances in Hungary” (with J. Micklewright), in D. van de Walle and K. Nead (eds.), *Public Spending and the Poor: Theory and Evidence*, Johns Hopkins University Press for the World Bank, Baltimore and London 1995, 294–320.

LOPEZ Humberto

- “The Power of the ADF Test”, *Economics Letters* 57(1), November 1997, 5–10.
- “How Long is the Long Run? A Dynamic Analysis of the Spanish Business Cycle” (with S. Fabrizio and A. Ubide), IMF Working Paper WP97/74, June 1997.
- “Domestic, Foreign or Common Shocks?” (with S. Fabrizio), IMF Working Paper WP96/107, September 1996.
- “An Application of the Kalman Filter to the Spanish Experience in a Target Zone (1989-1992)” (with E. Alberola Ila and V. Orts Rios), *Revista Española de Economía* 11(1), 1994, 191–212.

FABRIZIO Stefania

- “How Long is the Long Run? A Dynamic Analysis of the Spanish Business Cycle” (with H. Lopez and A. Ubide), IMF Working Paper WP97/74, June 1997.
- “Domestic, Foreign or Common Shocks?” (with H. Lopez), IMF Working Paper WP96/107, September 1996.

SCHRADER Alexander

- “Vertical Market Participation” (with S. Martin), *Review of Industrial Organization* 13(3), June 1998, 321-31.

RAUCHS Alexandra

- “The Determinants of Trademark Deposits: An Econometric Investigation (A Case Study of the BENELUX)” (with S. Allegrezza), *Economie Appliquee* 52(2), 1999, 51–68.
- “Experimental Evidence on the Irreversibility Effect” (with M. Willinger), *Theory and Decision* 40(1), January 1996, 51–78.
- “Experimentations sur les choix sequentiels. Application a l’effet irreversibilite’ ”. “Experiments on Sequential Decision-Making: The ‘Irreversibility Effect’ ” (with English summary) (with M. Willinger), *Revue Economique* 47(1), January 1996, 51–71.

STEFANI Maria Lucia

- “Internal Finance and Capital Accumulation in a Dynamic General Equilibrium Model with Credit Constraints” (with H.R. Sneessens), *Recherches Economiques de Louvain* 62(3–4), 1996, 255–286.

VALBONESI Paola

- “Foreign Direct Investment in Transition Economies: An Option Approach to Sovereign Risk” (with M. Moretto), *Fondazione Eni Enrico Mattei Note di Lavoro* 51/97, July 1997.
- “Market Performance in a Transition Economy: Interactions between Employee-Controlled and Profit-Maximising Firms” (with M. Moretto), *RISEC: International Review of Economics and Business* 44(1), March 1997, 23–42.
- “Modelling Interactions Between State and Private Sector in a ‘Previously’ Centrally Planned Economy”, *Journal of International and Comparative Economics* 4(1), 1995, 39–59.
- “Large-Scale Privatization and Management Incentives in Central Eastern Europe”, *Economic Systems* 19(2), June 1995, 125–145.

“Privatising by Auction in the Eastern European Transition Countries: The Czechoslovak Experience”, *MOCT-MOST: Economic Policy in Transitional Economies* 5(1), 1995, 101–131.

FIorentini Gabriele

“Conditional Means of Time Series Processes and Time Series Processes for Conditional Means” (with E. Sentana), *International Economic Review* 39(4), November 1998, 1101–1118.

“A Tobit Model with GARCH Errors” (with G. Calzolari), *Econometric Reviews* 17 (1), February 1998, 85–104.

“Analytic Derivatives and the Computation of GARCH Estimates” (with G. Calzolari and L. Panattoni), *Journal of Applied Econometrics* 11(4), July–Aug. 1996, 399–417.

“Alternative Covariance Estimators of the Standard Tobit Model” (with G. Calzolari), *Economics Letters* 42(1), 1993, 5–13.

BECHT Marco

“Blockholdings in Europe: An International Comparison” (with A. Roell), *European Economic Review* 43(4–6), April 1999, 1049–1056.

“European Corporate Governance: Trading Off Liquidity Against Control”, *European Economic Review* 43(4–6), April 1999, 1071–1083.

“The Theory and Estimation of Individual and Social Welfare Measures”, *Journal of Economic Surveys* 9(1), March 1995, 53–87.

“‘Excess Volatility’ and the German Stock Market, 1876–1990” (with B.J. De Long), NBER Working Paper 4054, April 1992.

TROPEANO Domenica

“Exchange Rate Determination Theory During World War I: Cassel versus Wicksell”, *Economic Notes* 1989, 210–228.

O’HIGGINS Niall

“The Progressivity of Government Taxation and Expenditure: A Comparison of Two Measures of Redistributive Impact with an Application to Ireland”, *Studi Economici* 43(35), Ann Arbor 1988, 65–91.

“Collusion and Market Power in Experimental Auction Markets” (with P. Sbriglia), *Economic Notes* 25(3), 1996, 541–572.

“YTS, Employment, and Sample Selection Bias”, *Oxford Economic Papers* 46(4), October 1994, 605–628.

“School-Leaving at Sixteen: An Empirical Analysis Using Individual Data”, *Economia e Lavoro* 26(1), Jan.–March 1992, 3–21.

“Market Structure, Firm Size and Innovation in Italy: An Integrated Approach to Testing Schumpeter” (with P. Sbriglia), in A. Del Monte (ed.), *Recent Developments in the Theory of Industrial Organization*, University of Michigan Press, Ann Arbor 1992, 293–312.

ALBEROLA ILA Enrique

- “Is There Scope for Inflation Differentials in EMU?”, *Banco de España Economic Bulletin*, January 1999, 69–73.
- “Independencia de los bancos centrales, desempleo y su relación con la inflación” (with English summary) (with J.M. Marques and A. Sanchis), *Moneda y Credito*, 1998, 115–143.
- “Optimal Exchange Rate Targets and Macroeconomic Stabilization”, *Banco de España, Documentos de Trabajo* 96/15, 1996.
- “An Application of the Kalman Filter to the Spanish Experience in a Target Zone (1989–1992)” (with J. Humberto Lopez and V. Orts Rios), *Revista Española de Economía* 11(1), 1994, 191–212.

WAKELIN Katherine

- “The Role of Innovation in Bilateral OECD Trade Performance”, *Applied Economics* 30(10), October 1998, 1334–1346.
- “Technological Competitiveness, Trade and Foreign Direct Investment” (with R. Narula), *Structural Change and Economic Dynamics* 9(3), September 1998, 373–387.
- “Innovation and Export Behaviour at the Firm Level”, *Research Policy* 26(7–8), April 1998, 829–841.
- “Export Performance and the Role of Foreign Direct Investment” (with N. Pain), *Manchester School* 66(0), Supplement 1998, 62–88.
- “Trade and Technology from a Schumpeterian Perspective” (with B. Verspagen), *International Review of Applied Economics* 11(2), May 1997, 181–194.
- “Trade and Innovation: Theory and Evidence”, Elgar, Cheltenham, U.K. and Northampton, Mass., distributed by American International Distribution Corporation, Williston, Vt., 1997, 191.

PELLONI Alessandra

- “Stability Properties of a Growth Model” (with R. Waldmann), *Economics Letters* 61(1), October 1998, 55–60.
- “Public Financing of Education and Research in a Model of Endogenous Growth”, *Labour* 11(3), Autumn 1997, 517–539.
- “Indeterminacy in a Growth Model with Elastic Labour Supply” (with R. Waldmann), *Rivista Internazionale di Scienze Sociali* 105(2), April–June 1997, 201–212.
- “Nominal Shocks, Endogenous Growth and the Business Cycle”, *Economic Journal* 107 (441), March 1997, 467–474.
- “Long-Run Consequences of Finite Exchange Rate Bubbles”, *Open Economies Review* 4(1), 1993, 5–26.

UBIDE QUEROL Angel

- “International Transmission of Shocks in a Business-Cycle Model under Imperfect Competition”, *Macroeconomic Dynamics* 3(3), September 1999, 341–367.
- “International Business Cycles, Financial Markets and Household Production” (with F. Canova), *Journal of Economic Dynamics and Control* 22(4), April 1998, 545–572.

“Determinants of Inflation in Mozambique”, IMF Working Paper WP97/145, October 1997.

“How Long is the Long Run? A Dynamic Analysis of the Spanish Business Cycle” (with H. Lopez and S. Fabrizio), IMF Working Paper WP97/74, June 1997.

“Histeresis y fluctuaciones economicas (Espana, 1970–1994): Comentario”, *Moneda y Credito*, 1996, 151–154.

“Household Production and International Business Cycles” (with F. Canova) CEPR Discussion Paper 1113, February 1995.

NERO Giovanni

“Full or Partial Market Coverage? A Note on Spatial Competition with Elastic Demand”, *Managerial and Decision Economics* 20(2), March 1999, 107–111.

“Spatial Multiproduct Pricing: Empirical Evidence on Intra–European Duopoly Airline Markets”, *Applied Economics* 30(4), April 1998, 465–475.

“Partial vs. Complete Liberalisation in the European Airline Industry: Which Scenario is More Likely to Facilitate Non–Cooperative Collusion?”, *International Journal of Transport Economics* 24(3), October 1997, 409–433.

“A Structural Model of Intra European Union Duopoly Airline Competition”, *Journal of Transport Economics and Policy* 30(2), May 1996, 137–155.

HERRENDORF Berthold

“Inflation Targeting as a Way of Precommitment”, *Oxford Economic Papers* 50(3), July 1998, 431–448.

“Ruling Out Indeterminacy: The Role of Heterogeneity” (with A. Valentinyi and R. Waldmann) University of Southampton Discussion Papers in Economics and Econometrics 9803, April 1998.

“The Political Economy of Inflation and Central Bank Independence” (with M.J.M. Neumann), CEPR Discussion Paper 1787, January 1998.

“Rogoff’s ‘Conservative’ Central Banker Restored” (with B. Lockwood), *Journal of Money, Credit, and Banking* 29(4), Part 1, November 1997, 476–495.

“Importing Credibility Through Exchange Rate Pegging”, *Economic Journal* 107(442), May 1997, 687–694.

“Time Consistent Collection of Optimal Seigniorage: A Unifying Framework”, *Journal of Economic Surveys* 11(1), March 1997, 1–46.

“Diversity and Development” (with A. Valentinyi and R. Waldmann), University of Southampton Discussion Paper in Economics and Econometrics 9635, August 1996.

FEDELINO Annalisa

“Globalization and Growth Prospects in Arab Countries” (with P. Alonso Gamo and S.P. Horvitz), IMF Working Paper WP97/125, September 1997.

NORMANN Hans–Theo

“Learning in Cournot Oligopoly — An Experiment” (with S. Huck and J. Oechssler), *Economic Journal* 109(454), March 1999, C80–95.

“Endogenous Stackelberg Equilibria with Incomplete Information”, *Journal of Economics (Zeitschrift für Nationalökonomie)* 66(2), 1997, 177–187.

MARCELLINO Massimiliano

“Some Consequences of Temporal Aggregation in Empirical Analysis”, *Journal of Business and Economic Statistics* 17(1), January 1999, 129–136.

“Un’analisi empirica delle relazioni tra spesa pubblica, entrate, pil e inflazione” (“Fiscal Variables, GNP and Inflation in Italy: An Econometric Analysis”) (with English summary), *Giornale degli Economisti e Annali di Economia* 54(1–3), Jan.–March 1995, 103–128.

VERNER Dorte

“The Euro and Latin America”, *Finance and Development* 36(2), June 1999, 43–45.

ADAM Paula

“Partial De-Regulation: Fixed-Term Contracts in Italy and Spain” (with P. Canziani), LSE, Centre for Economic Performance Discussion Paper 386, March 1998.

“Mothers in an Insider-Outsider Economy: The Puzzle of Spain”, *Journal of Population Economics* 9(3), August 1996, 301–323.

VALENTINYI Akos

“Ruling Out Indeterminacy: The Role of Heterogeneity” (with B. Herrendorf and R. Waldmann), University of Southampton Discussion Papers in Economics and Econometrics 9803, April 1998.

“Interactive Contagion” (with I.H. Lee), University of Southampton Discussion Papers in Economics and Econometrics 9712, August 1997.

“Diversity and Development” (with B. Herrendorf and R. Waldmann), University of Southampton Discussion Papers in Economics and Econometrics 9635, August 1996.

“Output and Employment in Private and Non-Private Businesses in Hungary: 1990–1992”, in R. Holzmann, J. Gacs and G. Winckler (eds.), *Output Decline in Eastern Europe: Unavoidable, External Influence or Homemade?*, International Studies in Economics and Econometrics, Vol. 34, Kluwer Academic, Dordrecht; Boston and London 1995, 265–284.

“Stabilization and Growth in Hungary — Some Theoretical Considerations”, *Acta Oeconomica* 45(1–2), 1993, 69–88.

WINKLER Bernhard

“Is Maastricht a Good Contract?”, *Journal of Common Market Studies* 37(1), March 1999, 39–58.

“The Stability Pact: Safeguarding the Credibility of the European Central Bank” (with M.J. Artis), *National Institute Economic Review*, January 1998, 87–98.

ZANCHI Luisa

“Interindustry Wage Differentials in Dummy Variable Models”, *Economics Letters* 60(3), September 1998, 297–301.

“Trends in the Training of Male and Female Workers in the United Kingdom” (with F. Green), *British Journal of Industrial Relations* 35(4), December 1997, 635–644.

PEZANIS–CHRISTOU Paul

“Pareto’s Compensation Principle” (with M.C. Kemp), *Social Choice and Welfare* 16(3), May 1999, 441–444.

HINLOOPEN Jeroen

“On the Limits and Possibilities of the Principle of Minimum Differentiation” (with C. van Marrewijk), *International Journal of Industrial Organization* 17(5), July 1999, 735–750.

“Market–Structure Determinants of National Brand–Private Label Price Differences of Manufactured Food Products: Comment” (with S. Martin), *Journal of Industrial Economics* 45(2), June 1997, 219–223.

“Subsidizing Cooperative and Noncooperative R&D in Duopoly with Spillovers”, *Journal of Economics (Zeitschrift für Nationalökonomie)* 66(2), 1997, 151–175.

GRANVILLE Brigitte

The Success of Russian Economic Reforms, Brookings Institution, Washington D.C. 1995.

“Farewell, Ruble Zone”, in Aslund and Anders (ed.), *Russian Economic Reform at Risk*, Pinter, London; distributed in the U.S. and Canada by St. Martin’s Press, New York 1995, 65–88.

“Price and Currency Reform in Russia and the CIS”, *Russian and East European Finance and Trade* 29(1), Spring 1993, 3–67.

“Convertibility and Exchange Rates in Poland, 1957–1990”, *Soviet and Eastern European Foreign Trade* 27(4), Winter 1991–1992, 71–97.

CARDOSO Ana Rute

“Firms’ Wage Policies and the Rise in Labor Market Inequality: The Case of Portugal”, *Industrial and Labor Relations Review* 53(1), October 1999, 87–102.

“Earnings Inequality in Portugal: High and Rising?”, *Review of Income and Wealth* 44(3), September 1998, 325–343.

“Workers or Employers: Who Is Shaping Wage Inequality?”, *Oxford Bulletin of Economics and Statistics* 59(4), November 1997, 523–547.

“Women at Work and Economic Development: Who’s Pushing What?”, *Review of Radical Political Economics* 28(3), September 1996, 1–34.

“Regional Inequalities in Europe — Have They Really Been Decreasing?”, *Applied Economics* 25(8), August 1993, 1093–1100.

KOHLER Marion

“Trade and the Number of OCAs in the World” (with M.J. Artis and J. Mélitz), *Open Economies Review* 9(0), Supplement 1, 1998, 537–567.

MAHADEVA Lavan

“Utiliser l’écart de production pour prévoir l’inflation: L’expérience de la Banque d’Angleterre” (“Using Measures of the Output Gap to Predict Inflation: Experience at the Bank of England”) (with English summary) (with P.G. Fisher and J.D. Whitley), *Economie Internationale*, 1st Trimester 1997, 135–152.

PETTINI Anna

“Traitement fiscal optimal des familles quand la fécondité est endogène” (with English summary) (with A. Cigno), *L'Actualité Economique/Revue d'Analyse Economique* 75(1–2–3), March–June–Sept. 1999, 239–252.

SCHUELLER Nathalie

“Market Structure, Producer Costs and Location: An Alternative View of Pricing in the European Car Market” (with A.P. Kirman), in M.G. Dagenais and P.A. Muet, (eds.), *International Trade Modelling. International Studies in Economic Modelling. An Applied Econometrics Association Volume*. Chapman and Hall, London, New York and Melbourne 1992, 77–104.

“Price Leadership and Discrimination in the European Car Market” (with A.P. Kirman), *Journal of Industrial Economics* 39(1), September 1990, 69–91.

ORTEGA Eva

“Assessing the Fit of Simultaneous Multivariate Dynamic Models”, *Banco de España, Servicio de Estudios, Documento de Trabajo* 9821, November 1998.

“Comparing Evaluation Methodologies for Stochastic Dynamic General Equilibrium Models”, *Banco de España, Servicio de Estudios, Documento de Trabajo* 9820, November 1998.

“The Spanish Business Cycle and its Relationship to Europe”, *Banco de España, Servicio de Estudios, Documento de Trabajo* 9819, November 1998.

DORIS Aedin

“Married Women in the Irish Part–Time Labour Market”, *Economic and Social Review* 29(2), April 1998, 157–178.

FERNANDEZ DE CORDOBA MARTOS Gonzalo

“On the Existence of a Beliefs Social Equilibrium”, *Economics Letters* 55(3), September 1997, 431–434.

SIMON Jonathan

“An Analysis of the Distribution of Combinations Chosen by UK National Lottery Players”, *Journal of Risk and Uncertainty* 17(3), December 1998, 243–276.

GUARDA Paolo

“Detection of Nonlinearity in Foreign–Exchange Data” (with M. Salmon), in W.A. Barnett, A.P. Kirman and M. Salmon (eds.), *Nonlinear Dynamics and Economics: Proceedings of the Tenth International Symposium in Economic Theory and Econometrics. International Symposia in Economic Theory and Econometrics Series*. Cambridge University Press, Cambridge, New York and Melbourne 1996, 77–111.

MANERA Matteo

“On-Nested Tests, Encompassing and IV Estimation: Evidence from a Monte Carlo Study”, *Giornale degli Economisti e Annali di Economia* 54(7–9), July–Sept. 1995, 391–413.

“Factor Demands and Substitution in the Italian Manufacturing Sector: A Dynamic Duality Model”, *Ricerche Economiche* 48(2), June 1994, 141–163.

“Multivariate Non–Nested Tests for Comparing the Empirical Performance of Alternative Factor Demand Systems”, *Giornale degli Economisti e Annali di Economia* 50(9–12), Sept.–Dec. 1991, 441–474.

CANTO SANCHEZ Olga

“Poverty Dynamics in Spain: A Study of Transitions in the 1990s”, LSE, STICERD Discussion Paper Series DARP 15, February 1996.

WAGENVOORT Rien

“Risk Preference and Indirect Utility in Portfolio–Choice Problems” (with S. Roy), *Journal of Economics (Zeitschrift für Nationalökonomie)* 63(2), 1996, 139–150.

VISSER Bauke

“Endogenous Local Interaction and Multi–Product Firms”, *Journal of Evolutionary Economics* 9(2), April 1999, 243–263.

O’DONNELL Nuala

“Infrastructure, Human Resources and Competitive Advantage: Ireland, North and South” (with J. Bradley and N. Sheridan), in J. Bradley (ed.), *The Two Economies of Ireland: Public Policy, Growth and Employment. Irish Studies in Management*. Oak Tree Press in association with University College Dublin Graduate School of Business, 1995, 105–159.

Appendix F

Seminar Programmes

F.1 Microeconomics Research Workshop 1995–2000

Academic Year 1999–2000

Dieter Balkenborg (University of Exeter)

“On asymptotically stable sets of evolutionary dynamics”

Pierpaolo Battigalli (EUI)

“Writing costs and contract incompleteness”

Julie Bon (EUI)

“Strategic vertical delegation when contracts are secretly renegotiable”

Marco Celentani (Universidad Carlos III, Madrid)

“Career concerns, managerial compensation and investment decisions”

Vincenzo Denicolò (University of Bologna)

“Patents, secrets, and prior user rights”

Winand Emons (University of Bern)

“Truth-revealing mechanisms for courts”

Nils-Henrik von der Fehr (Oslo)

“Manipulating bureaucratic decisions”

Robert Gibbons (MIT)

“Why organizations are such a mess (and what an economist might do about it)”

Christian Gollier (University of Toulouse I)

“Understanding time diversification”

Ulrich Kamecke

“The role of antitrust and regulation for the resale of capacity”

Pierre Mella-Barral (London School of Economics)

“Corporate walk-out decisions and the value of default”

IUE 4/2000 (CR 2)

Lars-Hendrik Roeller (Wissenschaftszentrum Berlin)

“Union power and product market competition: Evidence from the airline industry”

Juuso Valimaki (University of Southampton)

“Information acquisition and efficient mechanism design”

Academic Year 1998–1999

Alberto Bennardo (Toulouse)

“General equilibrium under asymmetric information: Competition, positive profits and welfare decreasing market clearing”

Alberto Bisin (New York University)

“Decentralizing adverse selection economies”

Julie Bon (EUI)

“Renegotiable retail contracts and producers’ competition”

Matthias Brueckner (EUI)

“Strategic delegation in n -person bargaining games with side payments”

Sandro Brusco (Universidad Carlos III, Madrid)

“Complementarities and collusion in auctions with multiple objects”

Ines Cabral (EUI)

“Mergers and information exchange”

Ramon Caminal (Universitat Autònoma de Barcelona)

“Golden cages for showy birds: Optimal switching costs in labor contracts”

Eddie Dekel (Tel Aviv and Northwestern University)

“On the equivalence of simultaneous and sequential binary elections”

Natalia Fabra (EUI)

“Uniform pricing fosters collusion. The case of electricity markets”

Ernst Fehr (University of Zürich)

“Cooperation and punishment in public goods experiments”

Pedro Fernandes (EUI)

“A study into loyalty-inducing programmes that do not induce loyalty”

Chiara Fumagalli (Universitat Pompeu Fabra)

“Countries competing for foreign direct investments: Good or bad?”

Paolo Garella (Università di Bologna)

“Rationing in a durable goods monopoly”

Paolo Ghirardato (CalTech)

“Non-additive probabilities and ambiguity aversion”

IUE 4/2000 (CR 2)

Alexander Gümbel (EUI)

“Trading on short-term information”

Alessandro Lizzeri (Princeton University)

“The role of leasing under adverse selection”

Pierangelo Mori (University of Florence)

“The value of lifetime employment and promotion when human capital is general”

Volker Nocke (London School of Economics)

“Cartel stability under capacity constraints: The traditional view restored”

Gianmarco Ottaviano (JMF)

“Monopolistic competition, multiproduct firms and optimum product diversity”

Lars Persson (Research Institute of Industrial Economics, Stockholm)

“Predation and mergers: Is merger law counterproductive?”

Emmanuel Petrakis (University of Crete)

“Environmental policy, government commitment and market power”

Michele Polo (Università Bocconi)

“Electoral competition and political rents”

Jean-Charles Rochet (Toulouse)

“Computation and estimation of optimal nonlinear prices”

Steven Tokar (EUI)

“Whistleblowing and antitrust enforcement”

Academic Year 1997–1998

Steffen Hörnig (EUI)

“An innovation race with endogenous choice of innovation size”

William Jack (JMF)

“Risk selection incentives with endogenous insurance contracts”

Sandrine Labory (CEPS, Bruxelles)

“Firm structure and market structure: A case study of Honda Motor Corporation”

Leonard Mirman (University of Virginia)

“Real and financial effects of insider trading with correlated signals”

Antonio Villanacci (University of Florence)

“Incomplete markets, allocative efficiency and the information revealed by prices”

Academic Year 1996–1997

Michele Bernasconi (JMF)

“Framing effects and economic theory: an overview”

Pedro Fernandes (EUI)

“Revisiting Hotelling in the presence of adaptive agents: There’s more to it than tastes”

Massimo de Francesco (University of Siena)

“Customer markets as an efficient outcome of a dynamic ‘choosing the seller’ game”

Yadira González de Lara (EUI)

“Information, risk-sharing and finance: The Sea Loan Contract”

Jeroen Hinloopen (EUI)

“Subsidizing RJVs, R&D cartels and RJV cartels”

Oliver Kirchkamp (JMF)

“Spatial evolution, inequality and evolution of learning rules”

Andrew Lewis (EUI)

“Optimal merger policy in declining industries”

Anne Matzuzzi (EUI)

“Hierarchy or polyarchy: Optimal organization in a project selection economy with corrupt agents”

Rosemarie Nagel (UPF, Barcelona)

“An experimental survey on beauty contest games”

Nathalie Rossiensky (London Business School)

“Proprietary trading activities, risk taking incentives, and compensation schemes”

Andrei Savkov (EUI)

“How to sell Telecom operators for the highest price”

Jonathan Simon (EUI)

“Which numbers should you choose when you play lotto?”

Spyros Skouras (EUI)

“A theory of technical analysis”

Antonio Villar (EUI)

“Competitive pricing in economies with nonconvex production sets”

Bauke Visser (EUI)

“Organizational structure and performance”

Paolo Vitale (JMF)

“Speculative noise trading and manipulation in the foreign exchange market”

Shmuel Zamir (Hebrew University of Jerusalem)

“First-price auction when the ranking of valuations is common knowledge”

IUE 4/2000 (CR 2)

Academic Year 1995–1996

Alessandro Cigno (University of Florence)

“Self-enforcing family constitutions: implications for saving, fertility and social security”

Jan Eeckhout (LSE)

“Bilateral search and vertical heterogeneity: a characterisation of equilibrium”

Michael Förster (Luxembourg Income Study)

“Family poverty and the labour market”

Roy Gardner (Indiana University)

“Sequencing and the size of the budget. Experimental evidence”

Dorothea Herreiner (EUI)

“Consumption, saving, and local interaction”

Jeroen Hinloopen (EUI)

“On the limits and possibilities of the principle of minimum differentiation”

Ernst Maug (London Business School)

“Institutional investors as monitors: on the impact of insider trading legislation on large shareholder activism”

Akira Okada (Kyoto University)

“A non-cooperative axiomatization of the core”

Heracles Polemarchakis (CORE)

“Information at a competitive equilibrium”

Rohit Rahi (Birkbeck College London)

“Information revelation and market incompleteness”

John Roemer (University of California Davis)

“Why the poor do not expropriate the rich in democracies: a new argument”

Nathalie Rossiensky (London Business School)

“Liquidity risk-sharing, financial intermediaries and capital markets”

Christian Schluter (LSE)

“On the non-stationarity of German income mobility”

Joaquim Silvestre (University of California, Davis)

“Quasilinear, overlapping-generations economies”

F.2 Macroeconomics Research Workshop 1995–2000

Academic Year 1999–2000

Klaus Adam (EUI)

“Learning in an overlapping generations model with imperfect competition”

Steven Ambler (JMF)

“Wage contracts and labor adjustment costs as endogenous propagation mechanisms”

Pierfederico Asdrubali (EUI)

“On the empirics of international smoothing”

Giuseppe Bertola (EUI)

“Banks’ reserve management, transaction costs, and the timing of Federal Reserve intervention”

Michael Ehrmann (EUI)

“Firm size and monetary policy transmission — evidence from German business survey data”

Martin Ellison/Natacha Valla (EUI)

“Learning, monetary policy and volatile inflation expectations”

Jordi Gali (Universitat Pompeu Fabra)

“Optimal exchange rate volatility”

Pietro Garibaldi (Università Bocconi)

“Gross credit flows”

Herschel I. Grossman (Brown University)

“Educational policy: Egalitarian or elitist?”

Katarina Juselius (EUI)

“Models and relations in economics and econometrics”

Robert MacCulloch (ZEI, University of Bonn)

“What makes a revolution?”

Ramon Marimon (EUI)

“Competition and reputation”

Giovanna Paladino (San Paolo IMI, Rome)

“Exchange rate misalignments and crises”

Neil Rankin (Warwick)

“Time consistency, ability to commit and optimal seigniorage: Further perspectives on the inflation bias problem”

IUE 4/2000 (CR 2)

Paul Romer (Stanford Business School)
“Stock prices and the rate of technological change”

Martin Zagler (JMF)
“Endogenous growth, efficiency wages, and persistent unemployment”

Academic Year 1998–1999

Guido Ascari (JMF)
“Relative wage concern — the missing piece in the contract multiplier”

Leonardo Bartolini (JMF)
“Day-to-day monetary policy and volatility of the Federal funds interest rate”

Roland Benabou (Université de Toulouse)
“Macroeconomics and public finance with heterogeneous agents: What levels of redistribution maximize income and efficiency?”

John Driffill (Southampton)
“No credit for transition: Efficiency wages, the Maastricht Treaty and German unemployment”

Martin Ellison (EUI)
“Real–nominal interactions: Why do we get the hump?”

Fumio Hayashi (Tokyo)
“Is there a liquidity effect in the Japanese interbank market?”

Seppo Honkapohja (Helsinki)
“Complete and incomplete learning in stochastic macro models”

Sebastian Kessing (EUI)
“Factor shares and adjustment costs”

Nobuhiro Kiyotaki (LSE)
“Indexation and insurance: A stochastic model of credit cycles”

Winfried Königer (EUI)
“Does an increase in idiosyncratic risk make households insure more against independent insurable risks? An empirical exercise”

Albert Marcet (Universitat Pompeu Fabra)
“Recurrent hyperinflations and learning”

Emmanuelle Ménascé (EUI)
“Labour standards and international trade”

Julian Messina (EUI)
“Structural change and product market imperfections”

Lee Ohanian (University of Minnesota)
“The preferences of the representative American”

Gianmarco Ottaviano (JMF)

“Integration, agglomeration and the political economy of factor mobility”

Chris Pissarides (LSE)

“Taxes, subsidies and equilibrium labor market outcomes”

Richard Portes (LBS and CEPR)

“The determinants of cross-border equity flows”

Franck Portier (Toulouse)

“An exploration into Pigou’s theory of cycles”

Silvio Rendon (Universitat Pompeu Fabra)

“Job search and asset accumulation under borrowing constraints”

Kjetil Storesletten (IIES, Stockholm)

“Equilibrium unemployment insurance”

Chiara Strozzi (EUI)

“Union coordination and product market integration”

Gabriele Tondl (Vienna)

“What determined the uneven growth of Europe’s Southern regions? An empirical study with panel data”

Jarkko Turunen (EUI)

“Unemployment and labor market policy in transition economies”

Natacha Valla (EUI)

“Monetary policy and inequality”

Andrea Vindigni (EUI)

“Economic growth with search unemployment in an OLG economy”

Academic Year 1997–1998

Antonio Caleiro (EUI)

“On the synchronisation of elections. The small open economy case”

Gonzalo Fernandez de Cordoba (EUI)

“Real exchange rate determination for Spain”

Fabio Ghironi (Berkeley)

“Monopoly, investment, and current-account dynamics in small open economies”

Mathias Hoffmann (EUI)

“Some thoughts on present-value theories of the current account and $p-t$ decompositions”

John Leahy (Boston University)

“Durable goods cycles”

IUE 4/2000 (CR 2)

Alison Major (EUI)

“The impact of deficits on consumption in Italy”

Ramon Marimon (EUI)

“Monetary stability with fiscal constraints and with inflation target policies”

Christian Upper (EUI)

“The international portfolio diversification puzzle revisited: Does asymmetric information explain the home bias?”

Klaus Waelde (Dortmund)

“A Poisson–Ramsey growth model — creative destruction, endogenous cycles and growth”

Academic Year 1996–1997

Daren Acemoglu (MIT)

“Good jobs versus bad jobs: Theory and some evidence”

Keith Blackburn (University of Manchester)

“Is there a trade-off between growth and stabilization theory?”

Gonzalo F. de Cordoba (EUI)

“Determination of real exchange rates”

Susana Garcia Cervero (EUI)

“Skill differentials in the long and the short run: A 4-digit sic level manufacturing industry study”

Aline Hervé (EUI)

“The demand for overeducation”

Tryphon Kollintzas (Athens)

“A stochastic dynamic general equilibrium model for Greece”

Axel Leijonhufvud (Trento)

“Mr. Keynes and the moderns”

Ireneo Moras (EUI)

“Exchange rate based inflation stabilization with a currency board”

Juan Rojas Blaya (EUI)

“Education subsidies and public pensions: Is there a trade-off?”

Christian Upper (EUI)

“Foreign investment: Does asymmetric information matter?”

John Velis (Indiana University)

“An equilibrium model of speculative attacks”

Fabrizio Zilibotti (Universitat Pompeu Fabra)

“Unemployment vs. mismatch of talent”

IUE 4/2000 (CR 2)

Academic Year 1995–1996

Michael Artis (EUI)

“Volatility clustering and volatility transmission: A nonparametric view of ERM exchange rates”

Robert Barro (University of Harvard)

“Optimal debt management”

Tamim Bayoumi (IMF)

“Optimum currency areas and exchange rate volatility: Theory and evidence compared”

Giorgio Brunello (University of Venice)

“A job competition model of workplace training and education”

Michel Dacorogna (O&A Research Group)

“Volatilities of different time resolutions — analyzing the dynamics of market components”

Michel Dacorogna (O&A Research Group)

“HARCH — theory and empirical evidences of a model based on market components”

John Duffy (University of Pittsburgh)

“Learning in a model of economic growth and development”

Berthold Herrendorf (EUI)

“Why inflation targeting may partly substitute for explicit precommitment”

Marion Kohler (EUI)

“International monetary policy co-ordination and bloc formation”

Finn Kydland (University of Texas, Austin)

“Endogenous money supply and the business cycle”

Ronald MacDonald (University of Strathclyde)

“On fundamentals and exchange rates: a Casselian perspective”

Leonard Nakamura (Federal Reserve Bank of Philadelphia)

“Is U.S. economic performance really that bad?”

J. Peter Neary (University College Dublin)

“Strategic trade and industrial policy towards dynamic oligopolies”

José-Víctor Ríos-Rull (University of Pennsylvania)

“Capital-skill complementarity and inequality”

Paolo Vitale (King’s College Cambridge)

“Sterilized central bank intervention in the foreign exchange market”

F.3 Departmental Seminars 1996–1999

Academic Year 1998–1999

Manuel Arellano (CEMFI, Madrid)

“The time series and cross-section asymptotics of dynamic panel data estimators”

Anindya Banerjee (University of Oxford)

“The relationship between inflation and the markup in the G7-plus-One countries”

Roland Benabou (University of Toulouse)

“Macroeconomics and public finance with heterogeneous agents: What levels of redistribution maximise income and efficiency?”

Fernando Branco (University of Lisbon)

“Procurement favoritism and technology adoption”

Michael Burda (Humboldt University, Berlin)

“Blue laws”

Stephen Cecchetti (New York Federal Bank)

“Price level convergence among United States cities: Lessons for the European Central Bank”

Eddie Dekel (Northwestern University and University of Tel-Aviv)

“On the equivalence of simultaneous and sequential binary elections”

Oliver Linton (Yale University)

“Estimating yield curves by Kernel Smoothing methods”

Jim Mirrlees (University of Cambridge)

“Bounded rationality, search and policy”

Jörg Öchssler (Humboldt University, Berlin)

“Through trial and error to collusion”

Roberto Perotti (University of Columbia)

“Fiscal policy in good times and bad”

Hashem Pesaran (Cambridge University)

“A structural cointegrating VAR approach to macroeconometric modelling”

Jörg-Steffen Pischke (MIT)

“Minimum wages and on-the-job training”

Jean-Charles Rochet (University of Toulouse)

“Computation and estimation of optimal non-linear prices”

Karl Schlag (University of Bonn)

“The impact of selling information on competition”

Joseph Stiglitz (World Bank Washington)
“European Investment Bank lecture”

Xavier Vives (Universitat Autònoma de Barcelona)
“Strategic behaviour and price discovery”

Academic Year 1997–1998

Yves Balasko (University of Geneva)
“Economies with financial assets: A temporary equilibrium perspective”

Pierpaolo Battigalli (Princeton University)
“Rationalisability in incomplete information games”

Venkataraman Bhaskar (St. Andrews)
“Moral hazard and private monitoring”

Tito Boeri (IGIER, Milan)
“Enforcement of employment security regulations, on-the-job search and unemployment duration”

Tom Cooley (University of Rochester)
“Monetary policy and the financial decisions of firms”

Stephen Davies (University of East Anglia)
“Return to the core: Assessing the impact on corporate and market structure”

Manfred Deistler (University of Vienna)
“Structure theory and identification of linear systems”

Avner Greif (Stanford University)
“On the historical development and social foundations of institutions that facilitate impersonal exchange: From the community responsibility system to individual legal responsibility in pre-modern Europe”

David Hendry (London School of Economics)
“Modelling the demand for broad money over the long run”

Gregory Hess (Cambridge University)
“War and democracy”

Andrea Ichino (JMF)
“Work environment and individual background: Explaining regional shirking differentials in a large Italian firm”

Andrea Ichino (JMF)
“Multiple equilibria and cultural background; explaining regional shirking differentials in a large Italian firm”

William Jack (JMF)
“Managing competition in the health insurance market”

Markus Jantti (Abo Akademi, Finland)

“Intergenerational income mobility in Sweden compared to the United States”

Søren Johansen (EUI)

“Multi-period factor models as cointegration models”

Lars Ljungqvist (Stockholm School of Economics)

“How do layoff costs affect employment?”

James Malcomson (University of Southampton)

“Motivation and markets”

Dalia Marin (Humboldt University, Berlin)

“Economic incentives and international trade”

Costas Meghir (City University London)

“Wages, experience and seniority”

Monika Gehrig–Merz (JMF)

“Incomplete markets, persistent unemployment, and international business cycles”

Dale Mortensen (Northwestern University)

“Unemployment response to skill-biased technology shocks: The role of labour market policy”

Massimo Motta (Universitat Pompeu Fabra, Barcelona)

“Advertising bans”

Ben Polak (London School of Economics)

“A model of a predatory state” (paper with Boaz Moselle)

Andrew Rose (University of California at Berkeley)

“Putting things in order: Patterns of trade dynamics and growth”

Aldo Rustichini (University of Tilburg)

“A unique state space for unforeseen contingencies”

Tom Sargent (University of Chicago and Hoover Institution, Stanford)

“The conquest of American inflation”

Tony Shorrocks (University of Essex)

“Fuzzy poverty measurement”

Harald Uhlig (CentER, Tilburg)

“What are the effects of monetary policy? Results from an agnostic identification procedure”

Spyros Vassilakis (EUI)

“Waste elimination”

Fernando Vega–Redondo (University of Alicante)

“Endogenous aspirations and cooperation”

Axel Weber (University of Bonn)

“Sources of speculative attacks: Evidence from recent exchange rate crises”

Academic Year 1996–1997

Giuseppe Bertola (University of Turin)

“Uninsurable risk, efficiency and labour market rigidities”

Tilman Börgers (University College London)

“Naive reinforcement learning with endogenous aspiration”

David Canning (Queens University, Belfast)

“Natural selection and rational economic man”

Alessandra Casella (Columbia University)

“Anonymous market and coethnic ties in international trade”

Larry Christiano (Northwestern University)

“Sticky price and limited participation models of money: A comparison”

Bradford DeLong (University of California, Berkeley)

“Fiscal policy in the shadow of the Great Depression”

Avinash Dixit (Princeton University)

“Ideology, tactics and efficiency in redistributive politics”

Neil Ericsson (Federal Reserve Washington)

“Modelling inflation”

Christopher Flinn (New York University)

Labour market structure and welfare: A comparison of Italy and the U.S.

Frank Hahn (University of Siena)

“Notes on sequence economies, transaction costs and uncertainty”

Andrea Ichino (IGIER, Milan)

“More equal but less mobile? Education financing and intergenerational mobility in Italy and in the U.S.”

Ayşe Imrohoroğlu (Koç University Istanbul)

“On the political economy of income redistribution and crime” (paper with Antonio Merlo and Peter Rupert)

Arie Kapteyn (CentER, University of Tilburg)

“On labour supply”

Axel Leijonhufvud (University of Trento)

“Keynes and the moderns”

Philippe Martin (Graduate Institute of International Studies, Geneva)

“Growth and agglomeration”

Stephen Martin (University of Copenhagen)

“Conscious parallelism in oligopoly”

Andreu Mas–Colell (Universitat Pompeu Fabra, Barcelona)

“An adaptive procedure tending to correlated equilibria” (paper with S. Hart)

Benny Moldovanu (University of Mannheim)

“Second–price auctions with externalities”

Georg Nöldeke (University of Bonn)

“Signaling and (financial) market breakdown”

Marco Pagano (University of Naples)

“Endogenous communication among lenders and entrepreneurial incentives”

Motty Perry (Hebrew University of Jerusalem)

“Absentminded rationality”

Steve Pudney (University of Leicester)

“Employers, workers and unions, analysis of a matched firm”

Víctor Ríos–Rull (Federal Reserve Minneapolis)

“Marital risk and capital accumulation”

Gilles Saint–Paul (DELTA–EHESS, Paris)

“The dynamics of exclusion and fiscal conservatism”

Andrew Scott (London Business School)

“Consumption shifts and income shocks: A re–examination of the REPIH”

Shaym Sunder (Carnegie Mellon University)

“Double auction dynamics: Structural consequences of non–binding price controls”

John Van Reenen (University College London)

“Market share, market value and innovation in a panel of British manufacturing firms”

Panel Discussion

“Open political economy problems of the EMU”

F.4 Econometrics Research Workshop 1995–2000

Academic Year 1999–2000

Marcelo Fernandes (JMF)

“Non–parametric entropy–based tests of independence”

Alessandro Cigno (University of Florence)

“Why do Indian children work and is it bad for them?”

IUE 4/2000 (CR 2)

Rob Alessie (University of Amsterdam and Part–Time Professor, Finance and Consumption, EUI)

“Female labour supply and the demand for housing”

John Micklewright (UNICEF, Florence)

“Targeting and self-targeting in a transition economy: The Mahalla social assistance scheme in Uzbekistan”

Andreas Beyer (JMF)

“Modelling monetary transmission in Germany”

Carlo Favero (Università Bocconi, Milan)

“Modelling and identifying central banks’ preferences”

Elena Stanghellini (Università di Perugia)

“The use of graphical models for monitoring the behaviour of credit card holders”

Krista Fischer (University of Tartu)

“Structural mean models for causal inference — also useful for economists?”

George Kouretas (Bank of Greece)

“Mean and variance causality between official and parallel currency markets: Evidence from four Latin American countries”

Arild Aakvik (Foundation for Research in Economics and Business Administration, Oslo)

“Training effects on employment when training effects are heterogeneous”

Anindya Banerjee (EUI)

“Industry structure and the dynamics of price adjustment”

Andrea Mercatanti (Università di Firenze)

“Causal inference in presence of non–compliance: Some methodological issues”

Henrik Hansen (University of Copenhagen)

“Aid and growth regressions”

Luigi Guiso (Ente Luigi Einaudi)

“Information spillovers and factor adjustment”

Christopher Flinn (New York University)

“Minimum wage effects on labor market outcomes under search with bargaining”

Daniela Del Boca (Università di Torino)

“Labour market participation and fertility: The role of market rigidities”

Academic Year 1998–1999

Dilip Nachane (University of Bombay and Hallsworth Fellow, University of Manchester)

“A modified Hannan inefficient procedure for causal systems”

David Cushman (University of Tilburg)

“Non–linear trends and co–trending in Canadian money demand”

Dermot O'Brien (EUI)

“An empirical study of the relationship between the development of financial markets and economic growth”

Sascha Becker (EUI)

“Displacement in Germany — a study based on the German Socio–Economic Panel”

Rodney Strachan (Monash University)

“Bayesian estimation of the reduced rank regression model without ordering restrictions”

Roel Oomen (EUI)

“Risk–neutral pricing”

Pau Agullo (EUI)

“Measuring intergenerational mobility. Does it matter?”

Massimiliano Marcellino (EUI)

“Fiscal forecasting: The track record of the IMF, OECD and EC” (with Michael Artis)

Mathias Hoffmann (EUI)

“Current accounts and the persistence of global and country–specific shocks: Is investment really too volatile?”

Andrew Chesher (University of Bristol)

“Structural estimation with covariate measurement error”

Roger Hammersland (EUI)

“Who’s in the driving seat in Europe, international financial markets or the Buba?”

Manuel Arellano (CEMFI, Madrid)

“The time series and cross–section asymptotics of dynamic panel data estimators”

Monica Billio (Università di Venezia)

“The simulated likelihood ratio (SLR) method”

Svend Hylleberg (University of Aarhus)

“Specifying nonlinear econometric models by flexible regression models and relative forecast performance”

Giorgio Calzolari (Università di Firenze)

“Indirect inference and variance reduction”

Paolo Zaffaroni (Banca d'Italia)

“Gaussian inference on certain long–range dependent volatility models”

Hashem Pesaran (University of Cambridge)

“A structural cointegrating VAR approach to macroeconomic modelling”

David Hendry (Nuffield College, Oxford)

“On detectable and non–detectable structural change”

Peter Hansen (University of California, San Diego)
“Statistical analysis of breaks in the cointegrated VAR”

Grayham Mizon (EUI)
“On selecting policy analysis models by forecast accuracy”

Gerhard Rünstler (Austrian National Bank)
“Measuring stylized business cycles facts using stochastic cycles”

Campbell Watkins (LECG Inc., Emeryville)
“Changing relationships between crude oil and natural gas prices?”

Enrico Rettore (Università di Padova)
“Why do subsidized firms survive longer? An evaluation of a program promoting youth entrepreneurship in Italy”

Academic Year 1997–1998

Rocco Mosconi (Politecnico di Milano)
“Cointegrated VAR–X models”

Paolo Paruolo (University of Bologna)
“Weak exogeneity in I(2) systems”

Tommaso Proietti (University of Perugia)
“Short-run dynamics in cointegrated systems”

Luis Gil–Alana (JMF)
“Testing fractional and seasonal fractional integration and cointegration”

Hans–Martin Krolzig (Nuffield College, Oxford)
“Forecasting Markov–switching (vector) autoregressive processes”

Torsten Sløk (University of Copenhagen)
“Wage formation in a cointegrated VAR model: A demand and supply approach”

Massimiliano Marcellino (EUI)
“An analysis of regime shifts in modelling unemployment and inflation in Italy, Poland, and the UK” (with Grayham Mizon)

Grayham Mizon (EUI)
“The role of exogeneity, causality, and invariance in a small model of money in the UK”

Elena Gennari (EUI)
“Estimating money demand in Italy”

Joel Horowitz (University of Iowa)
“Bootstrap methods in econometrics: Theory and numerical performance”

Arthur van Soest (Tilburg University)
“Parametric and semiparametric estimators in models with misclassified categorical dependent variables”

Katarina Juselius (EUI)

“Changing monetary transmission mechanisms within the EU”

Carlo Favero (Università Bocconi)

“Measuring monetary policy with VAR models: An evaluation”

Anindya Bannerjee (JMF)

“An I(2) analysis of inflation and markup using Australian data: 1972–1995”

Andrea Ichino (JMF)

“The long-run educational cost of WW II. An example of local average treatment effect estimation”

David Hendry (Nuffield College, Oxford)

“Modelling UK inflation over the long run”

Michael Magdalinos (Athens University of Economics and Business)

“Parsimonious modelling and forecasting: Some analytical results”

Academic Year 1996–1997

Tom Engsted (Aarhus University)

“Multicointegration and present value relations” (with Jesus Gonzalo and Niels Haldrup)

Michael Artis (EUI)

“How accurate are the IMF’s short-term forecasts? Another examination of the World Economic Outlook”

Elena Bardasi and Chiara Monfardini (EUI)

“The sectoral choice in Italy: A trivariate probit analysis”

Katarina Juselius (University of Copenhagen)

“Understanding the bond rate: Empirical applications of cointegration”

Jonathan Rubin (University of Copenhagen)

“A cointegration/codependence analysis of business cycles in Europe: An application to monetary union and the outsiders”

Maozu Lu (University of Southampton)

“Orthogonal projection and encompassing”

Neil Ericsson (Federal Reserve Washington)

“Modelling inflation in Australia”

Marco Lippi (Università la Sapienza, Rome)

“Autoregressive models with a countable infinity of agents”

Jürgen Doornik (Nuffield College, Oxford)

“Using Ox for econometric research”

Michaela Kiermeier (EUI)

“The application of wavelet analysis to the forward premium anomaly”

Stefano Fachin (Università la Sapienza, Rome)

“Bootstrap and asymptotic tests of long-run relationships in cointegrated systems”

Giampiero Gallo and Massimiliano Marcellino (University of Florence and EUI)

“Forward indicators of inflation: The message in commodity prices” (with Pravin Trivedi)

Matthias Hoffmann (EUI)

“The dynamics of macroeconomic linkages in the EMS period: What can we learn from long cycles?”

Tony Hall (University of Technology, Sydney)

“Limits to linear price behaviour: Target zones for futures regulated by price limits”

Pieter Boswijk (University of Amsterdam)

“On the asymptotics of maximum likelihood estimation in Gaussian cointegrated vector autoregressive models under nonlinear restrictions”

Jan Podivinsky (University of Southampton)

“The exact power envelope of tests for a unit root”

Luigi Ermini (University of Hawaii)

“Seasonal cointegration of UK consumption function”

Joachim Wolff (EUI)

“The reform of the Hungarian unemployment benefit in 1993 and its impact on the escape rates from unemployment”

Clive Granger (University of California, San Diego)

“Outline of forecast theory using generalized cost functions”

Academic Year 1995–1996

Kitty Stewart (EUI)

“Are intergovernmental transfers in Russia equalizing?”

Wladyslaw Milo (University of Lodz)

“Exchange rate target zones”

Tom Rothenberg (University of California, Berkeley)

“Empirical likelihood parameter estimation under moment restrictions”

Wladyslaw Milo (University of Lodz)

“Schemes of modelling unemployment: The case of Poland in transition”

Katarina Juselius (University of Copenhagen)

“The changes role of the German Bundesbank. An empirical analysis of German monetary policy before and after 1983”

Per Johansson (Umea University, Sweden)

“Count data regression using series expansions: with applications”

Juan Dolado (Bank of Spain)

“Efficient estimation of cointegrating relationships among higher order and fractionally integrated processes”

Clive Granger (University of California, San Diego)

“Further developments in the study of cointegrated variables”

David Hendry (Institute of Economics and Statistics, Oxford)

“A theory of co-breaking”

Dimitrios Sideris (EUI)

“Testing for long run purchasing power parity: A multivariate cointegration analysis for the Greek drachma”

James MacKinnon (Queen’s University, Ontario)

“The size and power of bootstrap tests”

Pravin Trivedi (JMF)

“Commodity price indexes: Their interrelationships and usefulness as forward indicators of future inflation”

Pierre Perron (University of Montreal)

“Estimating and testing linear models with multiple structural changes”

Anders Rahbek (University of Copenhagen)

“Trend stationarity in the I(2) cointegration model”

Christophe Bontemps (University of Social Sciences, Toulouse)

“Encompassing in regression models: Parametric and nonparametric procedures”

Massimiliano Marcellino (EUI)

“Encompassing and exogeneity”

Søren Johansen (University of Copenhagen)

“Test for cointegrating rank in partial systems”

Appendix G

Courses Offered 1994–2000

Academic Year 1999–2000

First Term

Statistics, Mathematics and Econometrics	S. Johansen/K. Schlag
Macroeconomics I	G. Bertola/R. Farmer
Microeconomics I	P. Battigalli/R. Marimon
Econometric Modelling	A. Beyer
Industrial Organization	M. Motta
International Macroeconomics	S. Ambler
Education and Labour Market Outcomes	A. Ichino

Second Term

Game Theory and Information Economics	P. Battigalli
Advanced Macroeconomics	R. Farmer
Time Series and Cointegration	S. Johansen
Topics in Microeconometrics	A. Ichino
Competition Policy	M. Motta
Evolutionary Microeconomics	K. Schlag
Macroeconomics of Distribution and Growth	G. Bertola
Topics in Advanced Econometrics	A. Banerjee
Macroeconomic Policies with Learning	R. Marimon

Academic Year 1998–1999

First Term

Statistics and Econometrics	S. Johansen/G. Mizon
Macroeconomics I	G. Bertola/R. Farmer
Microeconomics I	P. Battigalli/R. Marimon
Corporate Finance and Financial Institutions ...	J. Dow
Industrial Organization	M. Motta
International Macroeconomics	R. MacDonald
Macro Labour Economics	A. Ichino
Topics in Macroeconomic Theory	R. Marimon

Second Term

Time Series and Cointegration	S. Johansen
Advanced Macroeconomics	R. Farmer
Game Theory and Information Economics	P. Battigalli
Competition Policy	M. Motta
Econometric Models and Economic Policy	G. Mizon
Issues in European Economic Policy	M. Artis
Macroeconomics of Distribution and Growth	G. Bertola
Microeconometrics	A. Ichino

Academic Year 1997–1998**First Term**

Statistics and Econometrics	S. Johansen/G. Mizon
Macroeconomics I	G. Bertola/R. Marimon
Microeconomics I	S. Vassilakis/A. Villanacci
Macro Labour Economics	A. Ichino
International Monetary Economics	A. Rose

Second Term

Time Series and Cointegration	S. Johansen
Dynamic Macroeconomic Theory	R. Marimon/P. Teles
Advanced Microeconomics	A. Rustichini
Finance	J. Dow
Game Theory	R. Marimon/V. Denicolò/P. Teles
General Equilibrium Theory	Y. Balasko
International Monetary Economics	M. Artis
Living Standards, Inequality and Poverty	T. Shorrocks
Macroeconomics of Distribution and Growth	G. Bertola
Microeconometrics	C. Dustmann
Micro Labour Economics	A. Ichino

Academic Year 1996–1997**First Term**

Statistics and Econometrics	S. Johansen
Macroeconomics I	R. Waldmann
Microeconomics I	S. Vassilakis
Applied Econometrics	G. Mizon
Game Theory	J. Dow
Labour Economics	R. Waldmann
Macro-Political Economics	R. Marimon
Topics in Empirical Finance	M. Salmon
Analysis and Optimization Techniques	G. Gallo

Second Term

Time Series and Cointegration	S. Johansen
Dynamic Macroeconomic Theory	R. Marimon
The Theory of Competitive Equilibrium	D. Cass
Applied Microeconomic Theory	L. Phlips
Financial Markets	J. Dow
Information, Incentives and the Firm	S. Vassilakis
International Monetary Economics	M. Artis
Microeconometrics	C. Dustmann
Simulation and Inference in Econometrics	G. Mizon

Academic Year 1995–1996**First Term**

Techniques for Mathematical Economics and Econometrics	G. Gallo
Econometrics	G. Mizon
Macroeconomics	R. Waldmann
Microeconomics	S. Vassilakis
Game Theory	J. Dow
Labour Economics	J. Micklewright/R. Waldmann
Time Series Analysis	A. Maravall
Topics in International Macroeconomics	M. Artis/M. Salmon
Microeconomics II	D. Cass
Dynamic Macroeconomic Theory	R. Marimon

Second Term

Advanced Econometrics	M. Salmon
Applied Microeconomic Theory	L. Phlips
Economics of Inequality	J. Micklewright/R. Waldmann
Financial Markets	J. Dow
Information, Incentives and the Firm	S. Vassilakis
Learning in Economics	R. Marimon
Microeconometrics	P. Trivedi
Stabilization Policy	M. Artis/M. Salmon
Topics in Econometrics	G. Mizon

Academic Year 1994–1995**First Term**

Microeconomics	S. Vassilakis
Macroeconomics	R. Waldmann
Econometrics	G. Mizon
Topics in Open Economy Macro I	M. Salmon
Labour Economics	J. Micklewright/R. Waldmann
Game Theory	A. Kirman
Industrial Economics	S. Martin

Second Term

Advanced Microeconomics	A. Kirman
Dynamic Macroeconomic Theory	R. Marimon
Applied Microeconomic Theory	L. Phlips
Contract Theory	R. Marimon
Economics of Inequality	J. Micklewright/R. Waldmann
Microeconometrics	J. Micklewright
Topics in Econometrics	G. Mizon
Information, Incentives and the Firm	S. Vassilakis
Time Series Analysis	A. Maravall
European Monetary Integration	M. Artis

Appendix H

Robert Schuman Centre Seminar List 1995–1998

European Unemployment, Spring 1998

“The Unemployment Problem in Europe: Lessons from Implementing the OECD Jobs Strategy”

Jorgen Elmeskov, OECD

“European Unemployment: Contending Theories and Institutional Complexities”

Marco Buti, DGII

“A Business Cycle Model with Keynesian Micro-Foundations: the Policy Implications for Unemployment”

Paul Ormerod, The Henley Centre for Forecasting, London

“European Unemployment and Monetary Union in Europe”

Ray Barrell, NIESR, London

European Unemployment, Spring 1997

“Fiscal Versus Labour Market Flexibility within EMU”

Jean-Claude Chouraqui, OECD

“Wages, Prices, Productivity and Unemployment in Italy 1970–1995”

Graham Mizon/ Massimiliano Marcellino, EUI

“Structural Adjustment and Unemployment Persistence in EU Countries”

Henri Sneessens, IRES

“Unemployment Versus Mismatch of Talent”

Ramon Marimon/ Fabrizio Zilibotti, EUI and Pompeu Fabra

“Unemployment, Ethnic Minorities and Discrimination”

Derek Leslie, Manchester Metropolitan University

“The Impact of International Trade on European Labour Markets”

Alasdair Smith, University of Sussex

“Labour Market Rigidities and Unemployment in Europe”

Horst Siebert, Institut für Weltwirtschaft, Kiel

“Unemployment and Labour Taxation”

Riccardo Fiorito, Università di Siena

European Monetary Integration, Spring 1996

“The Political Economy of the EMU”

Ramon Marimon/ Giorgia Giovanetti, EUI and Florence University

“Currency Substitution and the Stability of the Demand for Money in Germany Before and After The Fall of the Berlin Wall”

Giuseppe Tullio, Università di Brescia

“The Costs and Benefits of a Common Monetary Policy in France and Germany and Possible Lessons for Monetary Union”

Jacques Mélitz, INSEE

“The Economics of Convergence Towards EMU”

Paul de Grauwe, Leuven University

“Policy Coordination and Growth”

Keith Blackburn, Manchester University

“Some Aspects of the Optimal Currency Area Approach as Applied to EMU”

Daniel Gros, CEPS

“Could EMU Slip Twixt Cup and Lip? Pitfalls in the Path to a Single Currency”

John Arrowsmith, NIESR

“Capital Market Liberalization in Europe”

Ray Barrell, NIESR

“Monetary and Fiscal Stabilization of Demand Shocks Within Europe”

David Vines, Balliol College, Oxford

“ECB Credibility”

Lorenzo Bini-Smaghi, EMI

Programme in Economic Policy, Spring 1995

“Does Monetary Unification Lead to Excessive Debt Accumulation?”

Roel Beetsma, University of Limburg, Maastricht

“Should Financial Markets be Regulated?”

Jean-Claude Chouraqui, OECD

“The UK’s Search for a Monetary Policy: In and Out of the ERM”

David Cobham, University of St. Andrews

“The French-German Interest Rate Differential: Volatility and Structural Breaks”

Jérôme Henry, Banque de France

“Estimating the Economic Model of Crime in the Presence of Organized Crime: Evidence from Italy”

Riccardo Marselli, Istituto Universitario Navale, Naples

“Crime and the Economy”

Denise Osborn, School of Economic Studies, Manchester University

“Environmental Policy as Strategic Trade Policy”

Michael Rauscher, Institut für Weltwirtschaft, Kiel

“The Economy of Good and Evil”

Peter Sinclair, University of Birmingham

“What Determines the Value of the ECU?”

Alfred Steinherr, European Investment Bank

“Briefing Paper: EMU 2000? Some Questions and Answers”

Chris Taylor, The Royal Institute of International Affairs

“Real Interest Rates, Liquidity Constraints and Financial Deregulation: Private Consumption In the UK, 1963–1994”

Mark P. Taylor/ Lucio Sarno

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