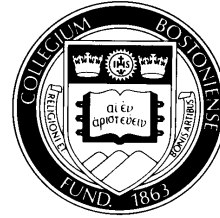


THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

August 2000



Ireland Leads Department

After six years at the department's helm, Dick Tresch relinquished the chair's office to Peter Ireland this July 1. Dick pre-

sided over the department's initial response to its identification as a UAPC "targeted department," skillfully negotiating with deans to ensure that we had maximum flexibility in the hiring process. That work paid off, as a glance at the current faculty roster will demonstrate--with many of the most prolific and well-known faculty members having joined the department during his tenure.

One of the aforementioned prolific senior hires is Prof. Peter Ireland, who has accepted the challenge of leading the department for the next three years. A clear benefit to his new role is that he now views child care of his four-month-old son much more favorably. Peter is an established researcher in monetary and macroeconomics, and plans to take lessons from Dean Quinn to ensure that he has the time to keep his hand in and pursue his active research program. Ireland is enthusiastic about the department's opportunities to make further strides in attracting top-notch faculty and graduate students, and looks forward to playing the role of Moses in January 2002--when (can we dare say it?) the department might actually have the opportunity to move to more salubrious quarters in a new building on lower campus.

Fabio Ghironi joins faculty Joe Peek bows out

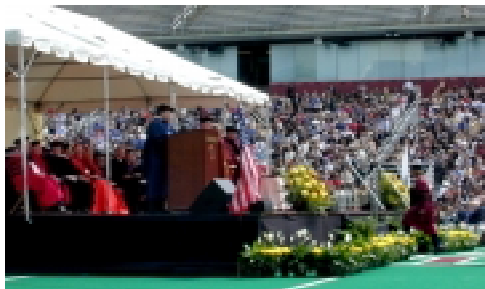
Strenuous activity in the job market this year turned out as a fish story: we can tell you about the ones that got away, at both senior and junior levels. The competition for first-rate faculty at either level is tough, and the department's standards for excellence in hiring ensure that we're not going to be the only prospective employer who properly values the candidate's talent and potential. Nevertheless, although there were some disappointments, we have very good news to report as well. The faculty are very pleased to welcome a seasoned macroeconomist, Fabio Ghironi, who will be joining us in January 2001 from the Federal Reserve Bank of New York. Ghironi is a 1999 Ph.D. from University of California-Berkeley with a number of publications to his credit.

Although our second Fabio will be a real plus in the macro/money area, a field that always seems understaffed, we have also lost a veteran member of that group: Joe Bob Peek, who left us this summer for greener pastures (read that as you will). Joe is now the Gatton Chair of International Banking and Financial Economics at the University of Kentucky's Gatton College of Business and Economics. Joe joined the faculty in 1978, and was promoted to professor in 1989. As faithful readers of Faculty NewsNotes will recognize, Joe has published prolifically in these fields in recent years, and it is hardly surprising that those deep pockets that so many b-schools enjoy were able to provide a very attractive offer. We will miss Joe's wise counsel (and Okie twang) in faculty meetings and the hallways.

COMMENCEMENT 2000

Graduation exercises were held on May 22 at Alumni Stadium under a long-awaited sunny sky, lifting the graduates' spirits even higher. The department was well represented by a fine contingent of students. This year's Ph.D. graduates chose the following dissertation topics, listed chronologically according to date of defense: *Oriana Bandiera*, "Economic Institutions in Developing Countries"; *Martin K. Konan*, "Labor Hoarding and Unemployment in Central and Eastern Europe (1981-1995)"; *Michael L. Hansen*, "College Graduates in Non-College Jobs: Theory and Evidence"; *Benoit Durand*, "On the Efficiency of Vertical Territorial Restraints"; *Gurkan S. Oguz*, "Investment, Money, and Stock Prices: Empirical Studies"; *Emanuela Galasso*, "Essays on the Welfare of Children in Developing Countries"; and *Silvia Ardagna*, "Essays on Fiscal Adjustments." *Scott Fontaine*, *Zhining Hu*, *Petia Petrova*, *Tairi Room*, *Mirco Soffritti*, and *Li Wang* received Master's degrees. All will be continuing in the Ph.D. program, except Li Wang who has chosen to pursue other venues.

Adding to our pride in the accomplishments of our graduates was the news that a Graduate School committee had selected *Michael Hansen's* thesis as the most outstanding dissertation in the Social Sciences. Michael received the first annual Donald J. White Prize at Commencement. This was a special honor for him and for the department. Congratulations to Michael and to all who proved they possessed the necessary mettle and ability to reach the finish line. Topping off a wonderful day, the Graduate School of Arts & Sciences chose *Oriana Bandiera* as the representative recipient for all Ph.D. graduates at the Alumni Stadium ceremony, a special honor for Oriana and the department. Oriana's proud parents journeyed from Sicily to attend the festivities.



Oriana heads for the platform

ECONOMICS 1-800-SEARCH

Smiles of relief graced the faces of our job-market candidates as they wiped their brows after several months of inherent anxiety gave way to the relief of the satisfying results noted below. Their efforts culminated in offers that flowed in from such diverse areas as the University of Alberta, Bocconi University, Concordia University, University of California at Santa Cruz, University of New South Wales, Tilburg University, Vanderbilt University, Wellesley College, IRIS Center at the University of Maryland, ZEF (Center for Development Research at the University of Bonn), Abt Associates, The Brattle Group, CNA Corporation, the International Monetary Fund, Economic Research Services—Social Security Administration, The World Bank, US Bureau of the Census/Commonwealth of Massachusetts, and London Economics. The candidates weighed the merits of the offers and made their choices. * *Silvia Ardagna* accepted a tenure-track offer from Wellesley College. * *Kevin Cahill* chose to accept an offer from Abt Associates, which will enable him to pursue his interests in health economics research. * *Metin Celebi's* focus was on consulting and Metin found his match at The Brattle Group, located just across the river in Cambridge. * *Emanuela Galasso* has long been interested in research and that interest has paid off in a position with the Young Professionals Program at the World Bank. * *Nikolay Gospodinov* has chosen a career in academics and he will be traveling north to Concordia University in Montreal. * *Antonio Menezes* will be flying to Europe to accept a post-doctoral fellowship at Fondazione Rodolfo DeBenedetti, Università Bocconi, Italy. * Our sincere congratulations to all on their success!

Jim Anderson's "Trade Reform Diagnostics with Many Households, Quotas and Tariffs" is forthcoming in the *Review of International Economics*. Originally presented at the CEPR Conference on Trade and Location in Lund, August 1998, "Trade, Location and Security," with Douglas Macouiller, was revised extensively and presented anew at the NBER, April 1999, at the ESEM, Santiago, Chile, August 1999, and once again at the WTO Conference, Seattle, December 1999. Jim presented "Trade and Contract Enforcement" at the University of Copenhagen, at the Norwegian School of Economics in Bergen, June 2000, and had previously presented it to the Econometric Society meeting in Boston in January, at Tufts and Brandeis in March, and at Rice and the University of Texas-Austin in April 2000.

Richard Arnott's publications include: "Modeling Parking," with John Rowse, *Journal of Urban Economics* 45:1, 97-124, 1999; "Are Brokers' Commission Rates on Home Sales Too High? A Conceptual Analysis," with Paul Anglin, in *Real Estate Economics* 27, 179-749, 1999; "Rent Control, Mismatch Costs, and Search Efficiency," with Masahiro Igarashi, in *Regional Science and Urban Economics* 30, 249-288, 2000; "Information and Stochastic Capacity and Demand in the Bottleneck Model," with André de Palma and Robin Lindsey, in *European Economic Review* 43, 523-548, 1999; and "A General Equilibrium Spatial Model of Housing Quality and Quantity," with R. Braid, R. Davidson and D. Pines, in *Regional Science and Urban Economics* 29, 183-216, 1999. Richard traveled to the AREA & AREUEA Conference, Maui, May 1999, where he presented "Road and Rail: Second-best Pricing and Capacity," written with Ph.D. candidate An Yan, and "Neutral Property Taxation." In November 1999, he again presented "Road and Rail: Second-best Pricing and Capacity," at the Regional Science Association International in Montreal and at

the NBER Public Economic Program Meetings in April 2000.

Kit Baum found time to return to research after the flurry of conference activity, and had two articles recently accepted: "Nonlinear Adjustment to Purchasing Power Parity in the post-Bretton Woods Era," with alumni John Barkoulas and Mustafa Caglayan, to appear in *Journal of International Money and Finance*, 2001, and "Waves and Persistence in Merger and Acquisition Activity," with John T. Barkoulas and Atreya Chakraborty, appearing later this year in *Economics Letters*. Baum, Barkoulas and former CSOM prof Nick Travlos also published "Long Memory in the Greek Stock Market" in *Applied Financial Economics*, 10:2, 177-184, 2000. Baum has been actively producing econometric shareware for use in the *Stata* programming language, coauthoring "Test for autoregressive conditional heteroskedasticity in regression error distribution," "Tests for serial correlation in regression error distribution", "Tests for heteroskedasticity in regression error distribution," and "Metadata for user-written contributions to the *Stata* programming language" which appear in issues 52 and 54 of the *Stata Technical Bulletin*. The statistical software component archive he maintains attracts about 6,000 downloads per month of *Stata*-related user contributions. Leveraging on his work with the RePEc initiative (<http://repec.org>), Baum presented "Enhancing information flow via linked metadata archives" at the AUBER conference, Little Rock, in October, and "Enhancing access to statistical software tools and datasets for research and instruction" at the 6th UK *Stata* Users' Group meeting this May at the Royal Statistical Society in London. Baum was elected to the Advisory Council of the Society for Computational Economics last fall. His efforts on campus have been centered around new departmental computing facilities (see story, p.12) and the Minor in Scientific Computation. AVP for Research Mick Smyer has appointed Kit to coordinate the new Graduate Statistical Assis-

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Faculty News... from p.3

tant initiative, which is designed to provide front-line paraprofessional support to meet the statistical computing needs of BC faculty and graduate researchers.

David Belsley attended the Barcelona meetings of the Society for Computational Economics, "Computing in Economics and Finance," this July. He organized eight sessions for the conference (one of which he chaired) and delivered a paper entitled "Correcting for Heteroskedasticity Using an Unbiased Estimator of $\sigma(t)$ squared." A special issue of *Computational Economics*, "Computational Economics and Finance at Boston College," edited by Professor Belsley, will appear shortly. This issue is the result of the meetings of the Society that took place at Boston College last summer. The special issue of *Computational Economics*, "Computational Studies at Cambridge," edited by Professor Belsley was just published.

Frank Gollop wrote "The Effect of Ground Water Regulation on Productivity Growth in the Farm Sector," with Kelly Chaston, George Norton and Eldon Ball, eds., forthcoming in *Productivity Measurement and Analysis, U.S. Agriculture*. Frank received the Boston College Distinguished Teaching Award for 1999-2000 at Faculty Day, in recognition of his excellence in teaching.

Peter Gottschalk presented a paper coauthored with current BC Ph.D. candidate Helen Connolly, at the Multidisciplinary Program in Inequality & Social Policy, Harvard University, Cambridge, MA, April 2000. He also participated in a conference on "The European-American Employment Gap, Wage Inequality, Earnings Mobility and Skill," Paris, April 14, 2000. Among his most recent publications are "Changes in Job Instability and Insecurity Using Monthly Survey Data," with Robert Moffitt, *Journal of Labor Economics* 17:4, 1999, S91-S126, 1999; and "Sample Attrition in Panel Data: The Role of Selection on Observables," with Robert

Moffitt and John Fitzgerald, *Annales d'Economie et de Statistique* 55-56, 129-152, December 1999. Peter was the recipient of two grants: Russell Sage Foundation, 1999, to study the effects of labor market experience and job changes on the wage histories of workers with limited education; and Social Research and Demonstration Corporation, with Helen Connolly, to study the returns to experience and job changes of participants in the Self-Sufficiency Project.

Peter Ireland's "Does the Time-Consistency Problem Explain the Behavior of Inflation in the United States?" was published in the *Journal of Monetary Economics* 44:2, 279-291, October 1999. He has several more articles forthcoming: "Expectations, Credibility, and Time-Consistent Monetary Policy," *Macroeconomic Dynamics*; "Interest Rates, Inflation, and Federal Reserve Policy Since 1980," *Journal of Money, Credit, and Banking*; and "Sticky-Price Models of the Business Cycle: Specification and Stability," *Journal of Monetary Economics*. Peter presented "Sticky Price Models of the Business Cycle: Specification and Stability" in seminars at Arizona State University, the Federal Reserve Bank of New York, Harvard University, Northwestern University, and the University of Montreal.

Hideo Konishi has two articles forthcoming in 2000: "Core in a Simple Coalition Formation Game," with Suryapratim Banerjee and Tayfun Sönmez, in *Social Choice and Welfare*; and "Formation of Hub Cities: Transportation Cost Advantage and Population Agglomeration" in the *Journal of Urban Economics*. His publications include: "Stable Cartels with a Cournot Fringe in a Symmetric Oligopoly," with Ping Lin, in *Keio Economic Studies* 36, 1-10, 1999; "On Coalition-Proof Nash Equilibria in Common Agency Games," with Michel Le Breton and Shlomo Weber, in *Journal of Economic Theory* 85, 122-139, 1999; and "The Endogenous Formation of a City: Population Agglomeration and Marketplaces in a Location-Specific Production Economy," with Marcus Berliant, in *Regional*
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Faculty News... from p.4

Sciences and Urban Economics 30, 289-324, 2000. Hideo's presentations included "Coalition Formation and a Dynamic Process," with Debraj Ray, at NYU, at the Midwest Mathematical Economics Meeting at the University of Illinois at Urbana-Champaign, October 1999, and at the Canadian Economic Association Meeting in Vancouver, Canada, June 2000; "Migration-Proof Tiebout Equilibrium: Existence and Asymptotic Efficiency," with John P. Conley, at the University of Illinois and at the Regional Science Association International Meeting in Montreal, Canada, November 1999; "Anchor Stores," with Mike Sandfort at SMU, at the International Conference on the Frontiers in Spatial Economics in Kyoto, Japan, July, 2000, and at the Public Economic Theory Conference in Warwick, UK, July 2000. Hideo also presented "Coalition Formation and a Dynamic Process," in seminars at the University of Montreal, Canada, March 2000, and at Ohio State University, May 2000. He will be traveling during the summer to the University of Tokyo, Tsukuba University, and Osaka University, where he will present "Coalition Formation and a Dynamic Process" and "Anchor Stores."

Marvin Kraus presented "The Commuter's Time-of-Use Decision and Optimal Pricing and Service in Urban Mass Transit" at the Harvard University Urban Seminar, March 2000. This is a joint paper with Yuichiro Yoshida, a Ph.D. candidate in the Department.

Arthur Lewbel has written the following articles, all forthcoming: "Semiparametric Qualitative Response Model Estimation with Instrumental Variables and Unknown Heteroscedasticity," in *Journal of Econometrics*; "Demand Systems With and Without Errors," in *American Economic Review*; and "Identification of the Binary Choice Model with Misclassification," in *Econometric Theory*. Arthur continues to work on a grant from the National Science Foundation, awarded in 1999, to investigate "Semiparamet-

ric Limited Dependent Variable Estimators, with Applications." Juggling many balls at once has never been a problem for this expert! Perhaps some of you would like to read Arthur's "The Academic Juggler," featured regularly in *Juggler's World Magazine*, "devoted to the scientific analysis of Juggling."

Bob Murphy has been awarded the Viterbo Distinguished Chair in International Economics, Universita della Tuscia, Viterbo, Italy, under the Fulbright Scholars Program, Spring 2001. Bob's publications include: "Accounting for the Recent Decline in the NAIRU," in *Business Economics*, April 1999; "Macroeconomic Policy Implications of Oil in Colombia," in F. Gunter, ed., *Colombia: An Opening Economy*, JAI Press, 1999. He published two op-ed articles: "Our Friend, The Trade Deficit," in *The Washington Post*, May 21, 1999; and "Time for Japan to Inflate," in the *Journal of Commerce*, March 16, 1999. Bob presented "Economic Outlook: Prospects and Pitfalls as the New Millennium Begins" to the Executive Briefing Series, Boston College Club, Boston, MA, November 10, 1999, and "What's Behind the Decline in the NAIRU?" at the 47th Annual Economic and Social Outlook Conference, University of Michigan, Ann Arbor, MI, November 18-19, 1999. This article subsequently was published in the proceedings of the conference in January 2000.

Serena Ng has published "Testing for ARCH in the Presence of a Possibly Misspecified Mean," with R.L. Lumsdaine, *Journal of Econometrics* 93:2, 257-280, 1999; and "Estimating the Rational Expectations Model of Speculative Storage: A Monte Carlo Comparison of Three Simulation Estimators," with A. Michaelides, *Journal of Econometrics* 96:2, 231-266, 2000. Forthcoming publications include: "A Systematic Framework for Analysing the Dynamic Effects of Permanent and Transitory Shocks," with J. Gonzalo, in the *Journal of Economic Dynamics and Control*, C.R.D.E. WP 0396; and "Explaining the Persistence of Commodity Prices," with F.

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Faculty News... from p.5

Ruge-Murcia, in *Computational Economics*. Serena's accomplishments take on greater meaning, considering the sub-zero temperatures in which she labors. When she moved from Montreal to Boston, she thought she was going to warmer climes. Wrong!

Joe Peek's publications include "Collateral Damage: Effects of the Japanese Bank Crisis on Real Activity in the United States," with Eric Rosengren, published in the *American Economic Review*, 30-45, March 2000, and "Using Bank Supervisory Data to Improve Macroeconomic Forecasts" with Eric Rosengren and Geoffrey Tootell, *New England Economic Review*, 21-32, September/October 1999. Joe's forthcoming publications include "The Market Reaction to the Disclosure of Supervisory Actions: Implications for Bank Transparency," with John S. Jordan (BC Ph.D. '97) and Eric S. Rosengren, *Journal of Financial Intermediation*; "Determinants of the Japan Premium: Actions Speak Louder than Words," with Eric Rosengren, *Journal of International Economics*; and "Synergies between Bank Supervision and Monetary Policy: Implications for the Design of Bank Regulatory Structure," with Eric Rosengren and Geoffrey Tootell, in Frederic S. Mishkin, ed., *Prudential Supervision: What Works and What Doesn't?*, NBER. Two publications, both in *Global Financial Crises: Implications for Banking and Regulation, Proceedings of the 35th Annual Conference on Bank Structure and Competition*, Federal Reserve Bank of Chicago, 1999, are "Factors Affecting the Japan Premium," with Eric Rosengren, 489-95, and "International Implications of Disclosing Supervisory Information," with John Jordan and Eric Rosengren, 72-7. Since May 1999, Joe has presented "The Impact of Greater Bank Disclosure Amidst a Banking Crisis," FMA Annual Meeting, Orlando, Florida, October; "Determinants of the Japan Premium: Actions Speak Louder than Words," FMA Annual Meeting, Orlando, Florida, October; "Comments on Disposal of Bad Loans: The Case of the CCPC," Japan Economic Seminar, Cambridge, Massa-

chusetts, November; and "Comments on Corporate Foreign Liabilities in East Asia: Too Much, Too Little?" The World Bank, Washington, DC, November. Traveling to Tokyo, Japan, in December, Joe presented "Does The Federal Reserve Possess an Exploitable Informational Advantage?" at the Bank of Japan; "Have Japanese Banking Problems Stifled Economic Growth?" at the NBER Japan Project Meeting; and "Comments on Monetary Policy, Credit, and Real Activity: Evidence from the Balance Sheet of Japanese Firms," at the NBER-CEPR-TCER Conference on Monetary Policy in a Low Inflation Environment. Maintaining the momentum into 2000, Joe presented "The Market Reaction to the Disclosure of Supervisory Actions: Implications for Bank Transparency," and "Have Japanese Banking Problems Stifled Economic Growth?" both at the American Economic Association Annual Meetings, Boston, MA, January; "Synergies between Bank Supervision and Monetary Policy: Implications for the Design of Bank Regulatory Structure," NBER Conference on Prudential Supervision: What Works and What Doesn't, Islamorada, Florida, also in January; and "The Market Reaction to the Disclosure of Supervisory Actions: Implications for Bank Transparency," Indiana University's Sixth Biennial Symposium, Kelley School of Business, Bloomington, IN, in February. Perhaps Joe's new position as holder of the Gatton Chair in International Banking and Financial Economics at the Gatton College of Business and Economics, University of Kentucky, will keep him settled for a while.

Joe Quinn may have left the Department of Economics, but economics has not left Joe. With zest undeterred by his decanal labors, Joe has published "New Paths to Retirement," in *Forecasting Retirement Needs and Retirement Wealth*, Brett Hammond, Olivia Mitchell and Anna Rappaport, eds., Philadelphia, PA: University of Pennsylvania Press, 1999. "The Effects of Pensions on Labor Markets and Retirement," with Robert L. Clark, is forthcoming in *ERISA Continued, p.10*

OMICRON DELTA EPSILON

The Boston College Chapter of ODE experienced another busy year. Members continued the tradition of tutoring in the Academic Development Center and the Office of Learning Resources for Student Athletes. They also organized two peer-advising sessions for new majors during the registration periods. A "standing-room only" crowd of the University community listened to Professor Jim Anderson of Boston College, Professor Richard Freeman of Harvard, and Professor Dani Rodrik of the Kennedy School at Harvard present their opinions at a panel discussion on "The Global Economy: Blessing or Curse?" co-sponsored by the Economics Department Honors Program and ODE. Alicia Munnell, Peter Drucker Professor in the CSOM Finance Department and director of the Boston College Center for Retirement Research, was the featured speaker at the annual dinner, at which ODE inducted thirty-eight new members.

SENIOR HONORS THESES FLOURISH

Bob Murphy returned this year to lead the Honors Thesis students into the new millennium, and this year's cast of thesis writers delved into an array of topics important to many. *Jeremy Zipple* considered "The Wealth-Illusion Effect: Implications for Retirement Plans," while *Kris Sarajian* queried "Why Don't People Participate in 401(k) Plans?" both under the supervision of Alicia Munnell. *Leonard Coyer* pursued "What Determines the Price of Rare Comic Books?" (Don't you wish your mother hadn't made you clean your room?) and *Say Keat Lim* chose to look into "Economics and Psychology," both under the tutelage of Don Cox. *Marina Travayiakis* evaluated "The Underground Economy," under the supervision of Tommaso Monacelli. *Tom Hollenberg* tackled "Labor Productivity Growth in the

1990s." *Alison Setterberg* asked "Has the Wealth Effect on Consumer Spending Changed during the 1990s?" while *Anyia Kuznetsova* studied "The Economics of Running a Boarding School."

Cheney Fund Supports Undergraduate Excellence

The endowment of the Cheney Fund reached \$100,000 this year. Many thanks to all the alumni and friends who have supported the Fund so generously over the past eleven years! Because of this outstanding support, the Department continues to award Cheney Scholarships each fall. This year Michael Ballan and Laura Dickman, both from the College of Arts and Sciences, received scholarships to help offset senior year expenses.

Michael graduated with Latin honors as an economics major and theology minor. He was a member of Omicron Delta Epsilon, the Economics Honor Society, and was also active in the Investment Club. He participated in the intramural sports program and was especially interested in bodybuilding! His volunteer work included a trip with the Appalachian Volunteers. He is now working for Massachusetts Financial Service Investment Management in Boston.

Laura, who also graduated with Latin honors, combined a math minor with her economics major, and she put this combination to good use in her work as a tutor. She, too, was a member of Omicron Delta Epsilon. Her sporting interests ranged from ice hockey, two years on the women's team, to intramural softball. Laura has accepted a position as a paralegal in the Antitrust Division of the Department of Justice and plans to attend law school or do graduate work in economics after a couple of years.

EXCELLENCE NOTED

Mike Giandrea, Teaching Fellow, and Joy Ongardanunkul, Teaching Assistant, were named winners of the Graduate School of Arts & Sciences 1999-2000 Donald J. White Teaching Excellence Awards for the Department of Economics. Many graduate students submit relevant material each year, hoping to win the award, so it is an honor for Mike and Joy to be chosen. Congratulations to both for their exemplary contribution to the teaching profession. Mike and Joy received their awards and were honored at a ceremony hosted by Academic Vice President John Neuhauser on Thursday, May 11.

Congratulations to *Tiziana Brancaccio*, *Helen Connolly*, *Cesare Robotti*, and *An Yan*, who were this year's winners of the Graduate School of Arts & Sciences Dissertation Fellowships. Each recipient will have one semester free from all departmental teaching assignments to devote to completing, or making great strides, on their dissertations. Kudos to *Vasso Ioannidou*, *Anna Krivelyova*, and *Rachida Ouyssse* who have been honored as the recipients of the H. Michael Mann Summer Dissertation awards.

AND THE BEAT GOES ON

Sarah Glavin (Ph.D. '92) and her husband Don became parents for the second time on March 14, welcoming a second son, Dean Andrew, into their family. *Peter Ireland* and his wife Mary welcomed son Conor Finn on April 20. Conor joins sister Chloe at home. *Joanne Doyle* (Ph.D. '93) and her husband Randall Switz became first-time parents to Samuel Doyle Switz on March 27, 2000. It looks as if this year's Stork Market figures are like the Stock Market's. After years of bull markets, the bear is rearing his head.

DISCUSSIONS UNLIMITED

No sooner had classes begun in September when the department began a very active seminar schedule. Fall semester guests included: James Rauch, University of California, San Diego; Phil Levine, Wellesley College; Nick Souleles, Wharton School; Pravin Krishna, Brown University; Qi Li, Texas A&M University; Kerwin Charles, University of Michigan; Ken Small, University of California, Irvine; Albert Schweinberger, The University of Konstanz, Germany; David Cutler, Harvard University; Francisco Gomes, Harvard University; David Lee, Harvard University; Arthur Robson, University of Western Ontario; Eric Edmonds, Dartmouth College; Hilary Hoynes, Berkeley; and Devashish Mitra, Florida International University. The spring speakers were: John McLaren, Columbia University; Hilary Hoynes, Berkeley; Bart Hobijn, New York University; Skander Van den Heuvel, Yale University; Rochelle Edge, Princeton University; Alessandra Fogli, University of Pennsylvania; Zvika Neeman, Boston University; Deborah Minehart, Boston University; Robert J. Gary-Bobo, University of Cergy-Pontoise; and Jean Boivin, Columbia University.

Under the "What's new?" heading we find the B-Line Macro Seminar Series. (Don't you remember all those trolley stops?) Russell Cooper of Boston University and our own Fabio Schiantarelli joined forces to initiate a BC/BU Macroeconomics Seminar Series. Counted among their fall speakers were Russell Cooper; Pat Kehoe, University of Pennsylvania and the Minneapolis Federal Reserve; Francesco Giavazzi, Bocconi University, CEPR, NBER; John Leahy, Boston University; Scott Mayfield, Harvard Business School; Simon Gilchrist, Boston University; Francesco Caselli, University of Chicago, visiting Harvard; George Hall, Yale University; Jonathan Willis, Boston University, and Silvia Ardagna, Boston College. Continuing into spring, the schedule of listed speakers

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Mustafa Caglayan (Ph.D. '97) joined the University of Durham, England, in January. He and wife *Neslihan Ozkan* (Ph.D. '99) are enjoying the English summer. Mus reports that "Costly Signal Extraction and Profit Differentials in Oligopolistic Markets," with *Murat Usman*, will appear in *Economics Letters* this year. *Atreya Chakraborty* (Ph.D. '92), *Mark Kazarosian* (Ph.D. '91), and *Emery Trahan*, Northeastern University, co-authored "Uncertainty in Executive Compensation and Capital Investment: A Panel Study," published in *Financial Management* 28: 4, 126-140, Winter 1999. Chuck's paper with *Richard Arnott*, "Dilution Factor and Takeover Defenses: A Welfare Analysis" has just been accepted by *Journal of Financial and Quantitative Analysis*, while "Dynamic Futures Hedging in Currency Markets," coauthored by *John T. Barkoulas* (Ph.D. '94), appeared in *European Journal of Finance*, 1999, 299-314. Chuck is at Charles River Associates. *John Barkoulas*, working with coauthors *Mustafa Caglayan* (Ph.D. '97), and *Kit Baum* published "Long memory or structural breaks: can either explain nonstationary real exchange rates under the current float?" which appeared in the *Journal of International Financial Markets, Institutions, and Money* 9, 359-376, 1999. *Eugene P. Coyle* (Ph.D. '69) traveled to Melbourne, Australia, in December 1999, to be the keynote speaker at a forum at the Royal Melbourne Institute of Technology, addressing the economics of network industries. The American Public Power Association published Eugene's book, *Price Discrimination, Electronic Redlining, and Price Fixing in Deregulated Electric Power*, January 2000. He returned to Victoria, Australia, in March to participate in workshops for the Office of Regulator General's Consumer Consultative Committee. Later in the month, he gave a seminar on price fixing and price discrimination at the Economic Policy Institute, (EPI), in Washington, DC. While there, he and *Dave Penn* of the APPA discov-

ered a common link: *Dave* had worked with *Mike Mann* at the FTC, and *Eugene* had studied under *Mike* at Boston College. *Joanne Doyle* (Ph.D. '93), with *Ehsan Ahmed* and *Robert N. Horn*, wrote "The Effects of Labor Markets and Income Inequality on Crime: Evidence from Panel Data," published in the *Southern Economic Journal* 65(4), 717-738, 1999. *Michael Fenollosa* (Ph.D. '94) has accepted a position as an assistant professor at Clark University in Worcester. Michael was previously an economist with *John Hancock*. *Alpay Filiztekin* (Ph.D. '94) has moved from *Koç University* to *Sabançi University*. Both are located in Istanbul. *Nikolay Gospodinov*, soon to be an alumnus (September 2000) successfully defended his thesis, "Essays in Time Series Econometrics: Methods for Improved Finite-Sample Inference in Nonstationary, Noninvertible and Nonlinear Models," on June 5. *Christis Hassapis* (Ph.D. '88), et al., published "Unit Roots and Granger Causality in the EMS Interest Rates: the German Dominance Hypothesis Revisited" in the *Journal of International Money and Finance*, 1999. Christis continues his work as a professor at the University of Cyprus. *Mark Kazarosian* (Ph.D. '91) has been granted tenure and promoted to associate professor at Stonehill College, North Easton, MA. *Edward Kienzle*, (Ph.D. '76) an established associate professor of economics at Stonehill College and often part-time professor at Boston College, has left the ranks of academia. Ed's journey has taken him on a different path to what some might say is a higher calling, a calling which led him to the Harvard School of Divinity and, eventually, to a church in Dedham. Ed was ordained an Episcopal priest in 1998 and last fall was named pastor of the Church of the Good Shepherd in Oak Square, Dedham, MA. *Jim Monks* (Ph.D. '94) wrote "The Academic Performance of Legacies," published in *Economics Letters* 67:1, 99-104, April 2000. *Gurkan Oguz* (Ph.D. '00) has accepted a one-year position on the faculty of management at Dalhousie University in Halifax. *Patrick O'Neill* (Ph.D. '87) stopped by to say hello when he came to
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Alumni News... from p.9

Boston for the AEA meetings in January, where he ended his reign as president of the Omicron Delta Epsilon Honor Society. In October, Gov. Paul Cellucci presented *Samanta Paladino* (M.A. '97) with "The Commonwealth of Massachusetts Citation for Outstanding Performance" for her department, the Massachusetts Department of Telecommunications and Energy. *Maria Laura Parisi* (ABD) has obtained a research position for at least two years at Padova University, located in northeastern Italy. *Susan M. Wachter* (Ph.D. '75) has been named Assistant Secretary for Policy Development and Research at HUD. *Greg Swinand* (Ph.D. '99) will be embarking on a new adventure as he moves to Ireland in August to join Indecon International Economic Consultants. Greg will be involved with energy economics, utility economics, and labor/productivity economics, focusing on EU restructuring. He and his family will be living in Wicklow, County Wicklow. After many years of serving in the teaching ministry at Notre Dame College of Ohio, Sr. *Beth Anne Tercek* (Ph.D. '93) has received a new assignment, as of July 1, as Finance Manager at the Provincial Center of the Sisters of Notre Dame in Chardon, Ohio. Sister will keep her faculty status, but as an adjunct. In January, Sister Beth Anne journeyed with the Gesu Choir to Rome and environs, where they delighted the Pope with songs in both English and Polish. Late-breaking news: The Board of Trustees at Notre Dame College of Ohio has promoted Sr. Beth Anne Tercek to the rank of full professor, and, at final convocation, her colleagues awarded her with the Distinguished Faculty Award. *Clifford F. Thies* (Ph.D. '82) published "The Success of American Communes" in *Southern Economic Journal*, 2000, 67, 186-199. Thanks to *Mary Joyce* (Ph.D. '92) and *P.J. Nigro* (Ph.D. '92) and *Van Newby* (Ph.D. '94) and his wife Bethany for keeping in touch and sharing their family fun. We all enjoy a chuckle and marvel at the passage of time as we read their Christmas letters and watch their children grow.

Faculty News Notes... from p. 6

After 25 Years: A Framework for Evaluating Pension Reform, William Gale, David Warshawsky and John Shoven, eds., Washington, DC: Brookings Institution Press, 2000. "The Labour Market, Retirement and Disability" appeared in *Australian Social Policy*, 1999:1, 133-162. We still think that Joe has more hours in his day than the rest of us, or maybe he's been taking juggling lessons from Arthur Lewbel.

Fabio Schiantarelli's "Does Financial Reform Raise or Reduce Savings?" with O. Bandiera, G. Caprio, Jr., and P. Honohan, was published in *Review of Economics and Statistics*, May 2000. He will be adding to his publications with the following articles: "Monetary Instability, the Predictability of Prices and the Allocation of Investment; An Empirical Investigation Using UK Panel Data," with P. Beaudry and M. Caglayan, *American Economic Review*; and "Form of Ownership and Financial Constraints," with A. Sembenelli, *Empirica*, both forthcoming.

Uzi Segal is the author of "Let's Agree That All Dictatorships Are Equally Bad," *Journal of Political Economy* 108, 569-589, 2000; "Don't Fool Yourself to Believe You Won't Fool Yourself Again," *Economics Letters* 67, 1-3, 2000; "Criminal Law and Behavioral Law and Economics: Observations on the Neglected Role of Uncertainty in Deterring Crime," with Alon Harel, *American Law and Economics Review* 1, 276-312, 2000; and "Efficient Incentive Compatible Economies Are Perfectly Competitive," with Louis Makowski and Joseph M. Ostroy, *Journal of Economic Theory* 85, 169-225, 1999.

Seminars... from p.8

featured: Jeroma Adda, University College, London, and Russell Cooper; Sam Kortum, Boston University; Fumio Hayashi, University of Tokyo; Pierre-Olivier Gourinchas, Princeton University; Satyajit Chatterjee, Federal Reserve Bank of Philadelphia; Zheng Liu, Clark University; Bill Dupor, Wharton School; and Luis Servén, The World Bank.

Undergraduate alumnus a leading scholar in comparative economics

John P. Bonin (B.A. '66) is a professor of economics at Wesleyan University, Middletown, CT. John writes that he likes to keep in touch with the department through the Newsletter. His areas of specialization are in Soviet economics, mathematical economics, and applied microeconomic theory. While rising through the ranks at Wesleyan, John has had an interesting and varied career as a visiting lecturer, research fellow, and professor at universities such as the University of California at San Diego, University of British Columbia, University of London, University of Washington at Seattle, Yale School of Organization and Management, and the Institution of Management, Berlin. He has been editor of the *Journal of Comparative Economics* since 1966, is the author of many publications, and is very active professionally; in fact, his résumé would just about equal the Newsletter in length. Congratulations, John, and thank you for letting us know how much you enjoy hearing about the place where it all began! Since you haven't been here for a long time, you might not recognize the campus. You may rest assured that Carney wouldn't present a problem, though, as Carney has changed only in age.

BC Econ on the Web

Have you visited our department's Web home page recently? The "Spotlight" button contains links to events of interest in the department, and pictures of social happenings. So stop by and check it out!

<http://fmwww.bc.edu/EC/>

The department website was produced in a Windows-free environment from 100% recycled electrons.

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DEPARTMENT GAINS POWERFUL COMPUTING FACILITY

Last fall, the department requested major funding from the University for a UNIX computer system that would satisfy the current and projected needs of faculty and Ph.D. students performing empirical research. Approval of that request led to the installation of the new system, **econ.bc.edu**, in February 2000. The system is a four-processor Sun Enterprise Server 450, with a gigabyte of RAM and 45 gigabytes of disk storage, readily expandable to 3-4 Gb RAM as demand warrants. The system cabinet, which currently houses five disk drives, can accommodate up to 20 18 Gb drives. This powerful system complements the facilities provided by **fmrisc.bc.edu**, the shared IBM RS/6000 system, which has been expanded to its design capacity. The **fmrisc** system will continue to provide access to a number of software tools to all economics and finance graduate students and faculty, while **econ.bc.edu** is reserved for those with needs for its capabilities. These systems have essentially replaced the DEC Alpha ("VAX") for almost every purpose. All members of the University community may use **econ.bc.edu** to access economic and financial databases such as DRI Basic Economics, International Financial Statistics, and World Development Indicators, available through a Web browser interface designed and implemented by system administrator Kit Baum.

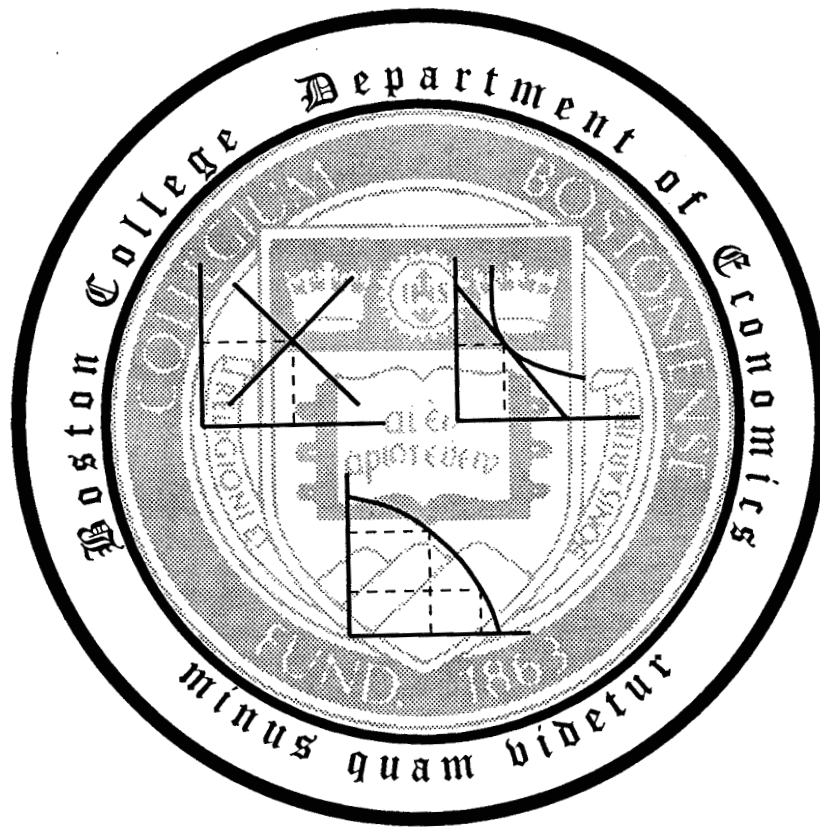
Many of the department's empirical researchers are making use of the Stata language, which has strong cross-platform capabilities, provides excellent programming tools for working with cross-section, time-series and panel data, and is available on both **fmrisc** and **econ.bc.edu**. First-year Ph.D. students are introduced to Stata in their econometrics course, and it is available on all graduate student workstations in the department as well as the University's SLSC lab in O'Neill Library. Both UNIX systems provide access to MATLAB and Ox, an alternative matrix language, as well as perl, FORTRAN, and C. After an abortive attempt to provide reliable Windows NT support on IBM PC hardware, all graduate student systems are now Power Macintosh G3s or G4s; the seven G4s provide Windows 98 support via Virtual PC. About one-third of the faculty rely on Windows desktop systems, while the rest (and our three staff members) use Mac OS systems.

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