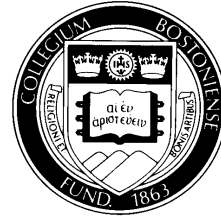


THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

August 2001



BC's Own Big Dig!

Shall wonders never cease? This spring and summer, the hillside behind O'Neill Library has been transformed into a five-story, 155,000-square-foot Faculty and Administration building, into which the Department will move in late 2002.



As readers of BC•EC may recall, the Middle Campus Project was supposed to have replaced McElroy Commons with a new student center, built Mo-nan Hall along College Road, and thoroughly renovated Carney Hall by this time. That project has been

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**View from new Higgins Stairs
toward Flynn RecPlex**

McNelis is first alumnus to hold Gasson Chair

from the BC Chronicle



Georgetown University economist Rev. Paul D. McNelis, SJ, '70, has become the first Boston College alumnus to be appointed as the Thomas I. Gasson, SJ, Professor. A scholar of econometrics, international macroeconomics and finance who has taught at George-

town since 1977, Fr. McNelis will serve as Gasson Professor for the 2001-02 academic year. "We are delighted that Fr. McNelis has chosen to join us as our next Gasson Professor," said Academic Vice President and Dean of Faculties
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István Kónya joins faculty Serena Ng heads to Hopkins

The Department was successful in the job market search this year, hoping to fill one position at the junior level. Our evaluation of a number of excellent candidates led to the appointment of István Kónya, who has just received his Ph.D. from Northwestern University, advised by Prof. Joseph Altonji. Kónya specializes in international trade, labor, and development economics. His dissertation, "Essays on International Trade, Migration and Culture," involves an interesting investigation of the ef-

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COMMENCEMENT 2001

Depending on how you want to look at it, the first Commencement of the new millenium was held on May 21 at Alumni Stadium, or was it the second? Time to ponder. Whatever your decision may be, the graduates were happy to receive their long-anticipated diplomas. The list of 2001 Ph.D. graduates was perhaps longer than ever before: eleven Ph.D.'s in all. Beginning at the very beginning and continuing in order of thesis defenses was *Nikolay Gospodinov*, "Essays in Time Series Econometrics: Methods for Improved Finite-sample Inference in Nonstationary, Noninvertible and Nonlinear Models"; *Kevin E. Cahill*, "Heterogeneity in the Retirement Process: Patterns and Determinants of Labor Force Withdrawal among Individuals with Low-wage and Short-duration Jobs"; *Niloufer Sohrabji*, "An Empirical and Theoretical Analysis of Real Exchange Rate Targeting in Developing Countries"; *Antonio Menezes*, "Two Essays on Productivity, Aggregate Shocks, and Job Flows"; *Metin Celebi*, "Regulation of Line Capacity and Reliability in Electric Networks"; *Mark A. Sarro*, "Financial and Nonfinancial Determinants of Unmarried Birth and Welfare Participation: A Theoretical Model and Empirical Results"; *Soner Tunay*, "Ratcheting in Environmental Regulations: An Empirical and Theoretical Analysis"; *Maria Laura Parisi*, "Essays on Innovation, R&D Investment and Productivity"; *Yuichiro Yoshida*, "Essays in Urban Transportation"; *Charles Ian Mead*, "The Effects of State and Local Taxation on State-specific Business Investment"; and *An Yan*, "Three Essays in Corporate Finance." Master's degrees were awarded to *Juan Casas*, *Boryana Dimitrova*, *Jingzhi Meng*, *Pavel Nazartsev*, *Petronilla Nicoletti*, *Kameliia Petrova*, *Zhulei Tang*, *Bedri Tas*, *Anh Vu*, *Francesco Zanetti*, and *Paola Zerilli*, all of whom will be continuing in the Ph.D. program. *Jeffrey Hugo*, *Ryan Kling*, *Thomas Simisky*, *Catherine Taylor*, and *Guillermiina Vidal* also received M.A. degrees and have moved on to pursue other objectives.

Grads Meet Considerable Success in the Job Market

Who needs monster.com? Our job market candidates were highly successful in their search for out-of-Carney experiences. *Vasso Ioannidou* accepted a position at CentER, Tilburg University, The Netherlands; *Charles Ian Mead* will be heading down to Washington, DC, to work at the Bureau of Economic Analysis; and *Umit Ozlale* will be returning to his beloved Turkey to join the faculty at Bilkent University in Ankara.

Cesare Robotti will be in the heat of things at the Federal Reserve Bank in Atlanta, Georgia, while *Andreas Waldkirch* will be crossing the country to the Great Northwest, where he accepted a position at Oregon State University at Corvallis. *An Yan* will be going to the Big Apple, where he will be an assistant professor at Fordham University.

Going quite a bit farther into the outer world will be *Yuichiro Yoshida*. Yuichiro has accepted a position in his native country of Japan; he will be joining Dresdner Kleinwort Benson, a German investment firm. Yuichiro has been spending several months as a visiting scholar at the Center for Transport Studies, University of British Columbia, before beginning his new position. *Maurizio Zanardi* will be heading north to the University of Glasgow, Scotland, to begin his life as an assistant professor. It is with a bit of boasting that we reveal that two of our candidates were among the top three vying for a position at Syracuse University.

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. Our graduate program links provide applicants with all they might want to know about the Ph.D. program, and the Faculty and Working Papers links will bring you up to date on the research activities of our department's prolific scholars. So stop by and check it out!

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

Jim Anderson presented "Gravity with Gravititas: A Solution to the Border Puzzle" (BCEC WP 485) at the NBER fall meeting in Cambridge, Dec. 2000; at Princeton and Wisconsin Universities in March; and at the University of Colorado in April. He presented his paper "Trade and Contract Enforcement" at Michigan State University in May 2001. Jim's paper "The Uruguay Round and Welfare in Some Distorted Agricultural Economies," published in the *Journal of Development Economics* in 1998, was recently listed on SSRN's Top Ten download list for the field of International Trade. Jim travelled to Ireland this summer, spending a week in Dublin working with Peter Neary on a joint book, followed by a week's cycling tour in the west of Ireland.

A word of advice from Richard Arnott. Choose your seminar locations wisely. Highlights of this year's seminar circuit included a walk along the beach on Singer Island, a hike in the Malibu hills, a stroll along the Boul'Mich., and waterbus rides in Venice. Richard presented "Monopolistic Competition Foundations of Residential Real Estate Cycles" (with Anh Vu) at the Homer Hoyt Advanced Studies Institute, "Urban Economic Aggregates in Monocentric and Non-monocentric Cities" at a USC Lusk Research Center Symposium, "Pollution and Space" (with Oded Hochman and Gordon Rausser) at the Thema Workshop, Université de Paris-Nanterre, and "The Economic Theory of Urban Traffic Congestion: A Microscopic Research Agenda" (BCEC WP 502) at the CESifo Summer Institute in Venice. He is currently economics editor of the new *Journal of Economic Geography*, published by Oxford University Press, and is on the scientific committee of a European Union commission for the implementation of marginal cost pricing in transportation.

Kit Baum's recent work includes "Exchange Rate Uncertainty and Firm Profitability," with BCPhDs John Barkoulas and Mustafa Caglayan, forthcoming later this year in the *Journal of Macroeconomics*. He presented his joint work with Mustafa and BC PhD Neslihan Ozkan, "Exchange Rate Effects on the Volume of Trade Flows: An Empirical Analysis employing High-Frequency Data," (BCEC WP 488) at the 2nd CeNDEF Workshop on Economic Dynamics, Faculty of Economics and Econometrics, University of Amsterdam, and to the Department of Economics and Accounting, University of Liverpool, UK, both in January, and to the Seventh Meetings of the Society for Computational Economics at Yale this June. Baum was a member of the program committee for the Yale meeting, organizing and chairing four sessions. Kit's development of a number of econometric software components for use with the *Stata* programming language led to his being invited to co-organize the first North American Meeting of the Stata Users' Group, held in Boston last March, where he presented "Efficient Management of Multi-Frequency Panel Data with Stata." He also presented this paper at the 7th United Kingdom Stata Users' Group meeting in May at the Royal Statistical Society in London. Baum was named an Associate Editor of the *Stata Technical Bulletin*, a bimonthly publication, and participated in the transformation of that publication into *The Stata Journal*, a refereed quarterly journal that will appear this fall. He has also been named Coordinator of the Software Archive for the journal *Computational Economics*, of which he is an Associate Editor. His recent technical publications include "Multivariate portmanteau (Q) test for white noise," with Richard Sperling, and "A test for long-range dependence in a time series," with BC PhD candidate Tairi Room, in issue 60 of the *Stata Technical Bulletin*, and "Tests for stationarity of a time series: Update," with Richard Sperling; "Tests for long memory in a time series," with Vince Wiggins; "Utility for

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Faculty News... from p.3

time series data," and "Compacting time series data," all in issue 57 of the *Stata Technical Bulletin*.

Baum has developed and supervised the University's Graduate Statistical Assistant program, in which three graduate assistants provide assistance with statistical software, dataset access, and the development of metadata for datasets. The GSA program maintains a website, <http://fmwww.bc.edu/GStat/>, which contains a widely used FAQ on these topics, as well as access to databases of research methods courses and an index of statistical datasets. A number of cross-country datasets heretofore unavailable at BC are now accessible, within the BC network, via web browser.

Kit's activities with the RePEc (Research Papers in Economics) team have also blossomed, with RePEc receiving approval from the American Economic Association to index the AER, JEL and JEP's contents. RePEc now contains bibliographic information on more than 120 journals (including all of the 'top 5') and over 90,000 working papers from many leading research institutes, central banks, and universities worldwide. The HoPEc service, in which a dozen BC economists now participate, provides individualized home pages, with links to authors' working papers, journal articles and software. You may freely access all of these services at <http://repec.org>.

Fabio Ghironi presented "Monetary Rules for Emerging Market Economies" (BCEC WP 476, co-authored with Alessandro Rebucci, IMF) at the ASSA meetings in New Orleans in January and at the meeting of the Society for Economic Dynamics in Stockholm, June 27-29. Fabio presented a paper on "The Future of EMU" (BCEC WP 481, co-authored with Barry Eichengreen, Berkeley) in a conference on EMU issues at the European Commission (Brussels), March 20-22, and in a conference on EMU in Avila (Spain), May 21-22. He gave a seminar on "Macroeconomic Interdependence under Incomplete

Markets" (BCEC WP 471) at the University of Québec at Montréal on March 30, and discussed a paper by Stephanie Schmitt-Grohe and Martin Uribe at a CEPR conference on monetary policy in Fontainebleau (France) on April 27, and presented "Macroeconomic Tradeoffs in the United States and Europe: Fiscal Distortions and the International Monetary Regime" (BCEC WP 467, co-authored with Barry Eichengreen) in a workshop on transatlantic policy issues at Stanford on June 4. It may be summer, but Fabio didn't slow down: he was a Visiting Scholar at the Federal Reserve Bank of Cleveland in the week of August 6 and gave a seminar on "Net Foreign Assets and the Exchange Rate: Redux Revived" (co-authored with Michele Cavallo, NYU). Whew!

Peter Gottschalk has kept himself busy, with a number of recent publications: "On the Evaluation of Economic Mobility" (BCEC WP 459, with former BC faculty member Enrico Spolaore), forthcoming in *Review of Economic Studies*; "Is the Proportion of College Workers in 'Non-College' Jobs Increasing?" (BCEC WP 429, with BC alum Michael Hansen), to appear in *Journal of Labor Economics*; "Income Mobility & Exits from Poverty of American Children, 1970-1992" (BCEC WP 430, with Sheldon Danziger), in *The Dynamics of Child Poverty in Industrialized Countries*, edited by Bradbury, Jenkins, and Michelwright, to be published by Cambridge University Press; "Job Instability and Insecurity for Males and Females in the 1980s and 1990s" (with Robert A. Moffitt), in *On the Job: Is Long-Term Employment A Thing of the Past?* edited by David Neumark, Russell Sage Foundation, 2000; and "Ethnic and Racial Differences in Welfare Receipt in the United States" (with Robert A. Moffitt), in *America Becoming: Racial Trends and Their Consequences, Vol. II*, edited by Smelser, Wilson, and Mitchell, National Academy Press, Washington, D.C., 2001. Peter's recent presentations include a paper (joint with Ph.D. candidate Helen Connolly) at

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Faculty News... from p.4

the Labor Workshop, University of Virginia, October 2000 and the Labor Seminar, Brown University, also last October; presentation at a conference on "Low-Wage Employment, Earnings Mobility and the European-American Employment Gap," in Aberdeen, Scotland, November 2000; and a presentation at a conference on The Demand for Older Workers, sponsored by the Retirement Research Consortium, in Washington last March. Peter also served as a discussant at a conference on Entrepreneurship and Public Policy, Maxwell School of Public Policy, Syracuse University, April 2001; at the NBER University Research Conference on Labor in the Global Economy, Cambridge, MA, in May; discussant at a conference on Making Hard Choices about Retirement, sponsored by the Retirement Research Consortium, in Washington in May. He and Robert Moffitt also organized the Summer Research Workshop of the Institute for Research on Poverty, Madison, Wisconsin, June 2001. After all that, Peter took off for some r&r in the French Alps.

Peter Ireland has found time to be very productive while carrying the burden of the Chair (probably having taken lessons from now-Dean and former Chair Joe Quinn). We noted his forthcoming publications in last year's edition, many of which have now appeared in print. This summer, he presented "Money's Role in the Monetary Business Cycle" (BCEC WP 458) at conferences at the European Central Bank and at the University of Washington. During 2001, Peter was named to the Editorial Board of the *American Economic Review* and appointed an Associate Editor of the *Journal of Money, Credit, and Banking*. Peter continues to contribute to the *Forbes/Bridge Consensus Economic Forecast*, which is compiled jointly by *Forbes* magazine and Bridge Information Systems and which is published biweekly in *Forbes* magazine.

Hideo Konishi's recent publications include "Expanding Demand through Price Advertisement," (BCEC WP 453) with Michael T.

Sandfort, forthcoming this year in *International Journal of Industrial Organization*; "Migration-Proof Tiebout Equilibrium: Existence and Asymptotic Efficiency," (BCEC WP 452) forthcoming in *Journal of Public Economics*, coauthored by John P. Conley; "Existence of Stationary Equilibrium in the Markets for New and Used Durable Goods," (BCEC WP 450) also with Michael T. Sandfort, in the *Journal of Economic Dynamics and Control*; "On Efficient Jurisdiction Structures in a Simple Local Public Goods Economy with Interjurisdictional Trade," published 2001 in the *Economics Bulletin* (<http://www.economicsbulletin.com/2001/volume8/EB-01H40001A.pdf>); and "On the Shapley-Scarf Economy: The Case of Multiple Types of Indivisible Goods," with Thomas Quint and Jun Wako, the lead article in a recent issue of the *Journal of Mathematical Economics* (BCEC WP 484).

Hideo's recent conference presentations include "Uniqueness of User Equilibrium in Transportation Networks with Heterogeneous Commuters," presented at the Regional Science Association International Meeting in Chicago, November 2000, and at the Warwick Summer Conference in Coventry, UK, July 2001; "Anchor Stores" (with Michael T. Sandfort), presented at the Regional Science Association International Meeting in Chicago, November 2000; "Coalition Formation as a Dynamic Process" (with Debraj Ray), presented at the Southeast Economic Theory Meeting in Houston, October 2000, and at the Far Eastern Meeting of the Econometric Society in Kobe, Japan, July 2001. He has also given several seminars: "Coalition Bargaining without Permanently Binding Agreements" (with Debraj Ray and Rajiv Vohra) at the Warwick Summer Workshop, Coventry, UK, July 2001; "Uniqueness of User Equilibrium in Transportation Networks with Heterogeneous Commuters" at Washington University in St. Louis, February, 2001, Autonomous University of Barcelona in Barcelona, Spain, March 2001, University of Aarhus, Aarhus, Denmark, March 2001, Kyoto Univer-

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city, Kyoto, Japan, May, 2001, and Kagawa University, Takamatsu, Japan, June 2001; "Coalition Formation as a Dynamic Process" (with Debraj Ray) at Boston University, November 2000, Columbia University, April 2001, Shiga University, Hikone, Japan, May 2001, and Kansai University, Osaka, Japan, July 2001. And last but not least, "Concentration of Competing Retail Stores," at Ritsumeikan University, Kusatsu, Japan, May 2001. Keep those frequent flyer miles coming!

Marvin Kraus' paper "The Commuter's Time-of-Use Decision and Optimal Pricing and Service in Urban Mass Transit," coauthored by Yuichiro Yoshida (BC Ph.D., 2001), has been accepted for publication in the *Journal of Urban Economics*.

Frank McLaughlin was one of 15 participants in a three day conference on May 24-27 held at the Ritz-Carlton in Arlington, Virginia. The conference was sponsored by the Liberty Foundation of Indianapolis, and Frank was the only economist invited, on the basis of his letter to the editor of the *Wall Street Journal* published in January. The other conference participants were, for the most part, political philosophers, lawyers specializing in Constitutional Law, and a professor of history: Richard Pipes of Harvard. The topic of discussion was Liberty and Property, the title of Pipes' most recent book. Frank also reports that he has two new grandchildren, the 21st and the 22nd: Clare Virginia Murphy born in June, and Aidan Francis Connell, born in early August.

Fabio Schiantarelli's recent paper with Paul Beaudry and Mustafa Caglayan, "Monetary Instability, the Predictability of Prices and the Allocation of Investment; An Empirical Investigation using UK Panel Data," has just appeared in the *American Economic Review*, June 2001, 91:3, pp. 648-662. Mustafa, a Senior Lecturer at the University of Liverpool, is a '98 BC
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Department Shines in Worldwide Survey

Six Boston College economics professors have been ranked among the world's top 1000 economists, including two-Peter Ireland and Arthur Lewbel-in the Top 20, according to a soon-to-be-released study conducted by the European Economic Association.



Peter Ireland

The study, written for the prestigious *European Economic Review*, ranks the economists based on a quantitative survey of economics journals published between 1994 and 1998.

Taking advantage of bibliographic material available on the Internet, the study considered all 650 economics journals published worldwide. Written by researcher Tom Coupe, it is considered to be the most comprehensive economics qualitative study ever conducted. Economics Department Chairman Peter Ireland was ranked 15th in the world, followed by Arthur Lewbel (20), Jushan Bai (184), Peter Gottschalk (264), Uzi Segal (403) and James Anderson (533).



Arthur Lewbel

Overall, the 25-member Boston College Economics Department was ranked 63rd in the world. When department size was taken into account, the ranking improved to 31st worldwide.

"I am delighted by the results of this ranking," says Department Chairman Peter Ireland. "It shows just how good our department has always been, but is also indicative of our path moving forward."

Above courtesy of BC Publications and Print Marketing

In a report recently produced for the Dean, Ireland noted that BC faculty published 135 refereed articles in the 1996-2000 period, versus 76 in the 1991-1995 period: an increase of more than 75 percent. Professional activity is also on the upswing, with economics faculty members holding 21 editorial board positions in the later period, versus 11 in the former.

OMICRON DELTA EPSILON

The BC chapter of ODE inducted 39 new members at its annual dinner in April. Dr. Atreya Chakraborty (Ph.D. '92-better known as Chucky to all of us old-timers at BC) of Charles River Associates was the featured speaker. ODE 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 majors during the registration periods.

SENIOR HONORS THESES FLOURISH

Once again Bob Murphy was the leader of the pack as he directed the Honors Thesis program. We are proud to present the distinguished members who excelled, their thesis titles, and their faculty supervisors: *Amy Abate*: "Applying Fiscal Federalism of the United States to the European Monetary Union," Bob Murphy; *Ernie Jones*, "Pay and Performance of Major League Pitchers," Don Cox; *Phil Kerr*, "Rainforest Preservation Through Market Mechanisms: An Analysis of Sustainable Development," Richard Arnott; *Matt Koch*, "Investing Public Funds in Private Sector Securities," Alicia Munnell; *Tom McGuinness*, "The Optimal Size of Boston College's Student Body," Dick Tresch; *Matt Rutledge*, "The Economic Impact of Minor League Baseball Teams on Communities," Jim Anderson; *Brian McPeake*, "The Fast Track Trade Initiative," Kenji Hayao, joint with Political Science; *Conor Politz*, "Grays Ferry: Life and Section 8 in Philadelphia's Most Divided Neighborhood," Richard Arnott; *Arun Prasad*, "What's Behind the U.S. Productivity

Boom? An Analysis of Productivity Growth within the Manufacturing Sector," Bob Murphy; *Ryan Valente*, "Justifying the U.S. Stock Market Level in the 1990s: Fundamentals or Speculative Market?" Harold Petersen.

Cheney Fund Assists Outstanding Students

The Cheney Fund made awards last fall to Carla Ciano, Christine Histed, Ernest Jones, Patrick Morrissey, and Matthew Rutledge. All were senior economics majors in the College of Arts and Sciences.

It's hard to know where to begin to report the accomplishments and contributions of this group! All qualified for membership in Omicron Delta Epsilon, the economics honor society, and Matt was the chair of the BC chapter. Their names appear on the Golden Key, Alpha Sigma Nu (Jesuit Honor Society), and Phi Beta Kappa rolls as well. Ernest and Matt also participated in the Department of Economics honors program. For all four, success in economics revealed only one facet of their capabilities. Christine was a general education minor and Ernest was a computer science minor. The group's activities ranged from service to the community (Carla and Christine in the Appalachian Volunteers) to University service (Christine and Matt in the Student Admissions Program) to student organizations (Patrick at *The Heights* and Matt in the Liturgy Arts Group as well as with BC football (videographer)). Their post-graduate plans lean toward financial and information technology firms, with graduate work in economics down the road. They represent the best of BC students, and we're happy to have been able to help them financially.

Grad Students Garner Awards

Kelly Haverstick, Teaching Fellow, and *Pavel Nazartsev*, Teaching Assistant, were the Department of Economics committee's choices for The Graduate School of Arts & Sciences 2000-2001 Donald J. White Teaching Excellence Awards. A strong field of graduate students submitted applications with hopes of winning. Being chosen as winners from such a distinguished group is a high honor. Congratulations to both for their extraordinary efforts and success. Frank Gollop and Peter Ireland accompanied Kelly and Pavel to the annual award ceremony hosted by John Neuhauser, Academic Vice President, on May 2.

Helen Connelly, *Anna Krivelyova*, *Rachida Ouyse*, and *Ozlem Sayinta* were this year's recipients of the Graduate School of Arts & Sciences Dissertation Fellowships. While acknowledging the progress each has already made on her thesis, the fellowships allow the winners to continue on the road to completion, free from other department assignments. *Petia Petrova* and *Tairi Room* received the H. Michael Mann Summer Dissertation Fellowships. *Pavel Nazartsev*, *Rasim Ozcan*, and *Mirco Soffritti* were the winners of the Department of Economics Summer Dissertation Fellowships. *Petia Petrova* also received a 2001-2002 dissertation research award from the Center for Retirement Research at Boston College. Congratulations to all. They represent the best in a very strong field of promising Ph.D. candidates.

Stork Market rebounds!

Professor Ingela Alger and her husband Guillermo became first-time parents to their lovely daughter, Nina, on April 26. Nina was extremely considerate, allowing her Mom to complete her academic duties before arriving and behaving beautifully afterwards. Nina made her first visit to Carney Hall at age 6 days (no graduate application yet, though).

Technical Word Processor John Moore and Jane Watson welcomed daughter Sasha Moore on July 20. We haven't seen her yet, but the pictures are very cute!

Seminar Sit-Ins

No, there weren't any protests, but there was an interesting list of guests who appeared on campus to present seminars this past year, allowing the faculty to sit and enjoy, instead of presenting. Accompanied by a chorus of leaves in the Fall were: Guofu Tan, University of British Columbia; Simon Anderson, University of Virginia; Jean Imbs, London Business School; David Bowman, Federal Reserve Board; Paul Cheshire, London School of Economics; Sandra Black, Federal Reserve Bank of New York; George Baker, Harvard Business School; Larry Epstein, University of Rochester; Martin Lettau, New York Federal Reserve Bank; Esther Duflo, MIT; and Hsueh-Ling Huynh, Boston University. Arriving with the buds of Spring were: István Kónya, Northwestern University; David Green, University of British Columbia; James Feyrer, Brown University; Claudia Olivetti, University of Pennsylvania; Stefania Albanesi, Northwestern University; Antoine Faure-Grimaud, London School of Economics and Harvard University; Rajiv Vohra, Brown University; Susanna Sallstrom, Cambridge University; Enrico Spolaore, Brown University; Marc Melitz, Harvard University; John Fitzgerald, Bowdoin College; and Alessandro Rebucci, International Monetary Fund.

The B-Line continues to run to Boston University and Boston College and the Macroeconomics Seminar of the same name enjoyed yet another run under the auspices of Russell Cooper, Boston University, and Fabio Schiantarelli, Boston College. Last year's fall guests were: Peter Ireland, BC; Dean Corbae, University of Pittsburgh; John Driscoll, Brown University; Christophe Chamley, BU; Nobuhiro Kiyotaki, London School of Economics; Marco Bassetto, University of Minnesota; Narayana Kocherlakota, University of Minnesota; Julio Rotemberg, Harvard Business School; and Christopher L. House and Yong Weng of BU.

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John Barkoulas (Ph.D. '94) has joined the University of Tennessee at Knoxville, the commercial hub of East Tennessee, a far cry from the quiet, country life of Ruston, LA. *Gene Coyle* (Ph.D. '69) continues his busy professional life as an invited speaker at a conference on "Energy and the Environment in Brazil" at the Woodrow Wilson Center in Washington, DC; at the 25th annual International Conference of the International Association of Energy Economists in Houston; and at a conference on "California's Energy Future" at the Claremont Colleges. He spoke at Cal State/Fresno and Cal State/Chico on "California's Energy Crisis." He has recently joined the board of a new NGO, "Eco-Equity," which is focusing on the issue of global climate justice. He has contributed an essay for a festschrift in honor of Professor Harry Trebing of Michigan State University which will be published later this year. Gene was invited by the Brazilian Congress to speak in late May about Brazil's energy crisis, which is similar to California's. While in Brazil, he gave a seminar at the Federal University of Rio de Janeiro on May 25. *Joanne Doyle* (Ph.D. '93) and former BC faculty member *Toni Whited* (U. Iowa) have a paper, "Fixed Costs of Adjustment, Coordination, and Industry Investment," forthcoming in the *Review of Economics and Statistics*. *Christis Hassapis*' (Ph.D. '88) article, "Non-Expected Utility, Saving and Portfolios," written with *Michael Haliassos*, was published in *The Economic Journal*, Vol. 111, Issue 468. *Mary Joyce* (Ph.D. '92) and *P.J. Nigro* (Ph.D. '92) continue to bestow some lightheartedness to our lives by sharing the ever-challenging quotes of their offspring. It would appear that Mary and P.J. are outwitted with every utterance. *Samanta Padalino* (M.A. '97) joined the Office of Gas and Electricity Markets (Ofgem) in 2000 as a senior economic advisor. Ofgem is the en-

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New Building.. from p.1

stymied by legal obstacles. Although Boston College won its case against the City of Newton in Land Court last year, the Newton aldermen have appealed, and the conclusion of this legal saga is thus indefinitely postponed. Facing crushing space needs for both faculty office space and administrative units, BC has gone forward with the construction of this new edifice on Lower Campus, under the jurisdiction



of the City of Boston's zoning.

The new building will "temporarily" house three academic units: the communication, history and economics departments (until the renovation of Carney, or the arrival of a glacier in the nether regions, whichever comes

first). The removal of history and econ offices from Carney will ease up the perennial overcrowding in that building, while the communication department-facing overwhelming demand for its undergraduate major-will relocate from Lyons Hall. College of Arts and Sciences Dean Joseph Quinn told the *BC Chronicle* that Lyons and Carney halls "...are among our most crowded academic buildings, so [the building] will be a benefit for



all the departments in those areas."

Administrative units, such as the BC Police Department and the Office of Residential Life, Information Technology offices, a bookstore

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Comings and Goings... from p.1

fects of differing cultures on trade patterns and human capital flows. István also received his M.A. from Northwestern, with a degree in economics from the Budapest Institute of Economic Sciences, where he gained teaching experience as an instructor in mathematics for economists. He will be teaching microeconomic theory and international trade in the current academic year.

We also must report that Prof. Serena Ng has decided to leave the Department and take a position in the Economics Department of Johns Hopkins University in Baltimore. Serena joined the department as an associate professor in 1996 and has been a highly valued colleague, meeting considerable success in these few years with publications in the *Journal of Econometrics*, *Econometric Theory*, *Journal of the American Statistical Association*, *Review of Economics and Statistics*, *Journal of Money, Credit and Banking* and *Journal of Applied Econometrics*, and teaching the graduate courses in time series econometrics (with Bruce Hansen and Jushan Bai) and a module of the macroeconomics sequence, as well as offering a popular undergraduate elective in econometrics. She has served as an advisor to a number of Ph.D. dissertation students, several of whom have now met with success on the market. We will miss her wry humor and willingness to help with knotty applied econometric issues, and wish her the best in her new position at Hopkins.

Seminars... from p.8

Spring B-Line presenters included Ricardo Caballero, MIT; Jeff Campbell, Chicago; Andrew Levin, Federal Reserve Board; and Fernando Alvarez, University of Chicago.

Brown bags were the order of the day on Wednesdays in the fall, as the faculty continued the Brown Bag Seminar series. Presenters this year were: Ingela Alger, Richard Arnott, Hideo Konishi, Jim Anderson (two appearances), Uzi Segal, and Tommaso Monacelli.

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ergy regulator for the United Kingdom. Claudio Piron (M.A. '95), global markets economist at Standard Chartered Bank, was quoted in *The Financial Times*, January 4, 2001, National News section: "Shell and Esso fuel further petrol price cuts." Claudio remarked that the oil companies were hedging their bets in a volatile market before they made a decision on cutting pump prices. "They are probably looking at the mid-January meeting of OPEC (the Organisation of Petroleum Exporting Countries) to see what restrictions it imposes. OPEC is expected to cut production by 2.5m or 1.5m barrels a day, taking off virtually all the increases in supply from last year." Steven Pizer (Ph.D. '98) wrote "Does international competition undermine wage differentials and increase inequality?" which was published in the *Journal of International Economics* Vol. 52(2) pp. 259-282, December 2000. Shane Stokes reported the following news about Greg Swinand (Ph.D. '99), located on IrishCycling.Com pages, on December 17, 2000. "'SWINAND WINS CHRISTMAS HAMPER RACE: American rider Greg Swinand was the surprise winner of today's Christmas Hamper cycling race in Carrick On Suir. The former international competitor was one of the driving forces in a strongelite group which overcame a 9 minute handicap to dispute the final result. Although former world no. 1 Sean Kelly was at the head of affairs towards the end of the 30 mile race, hopes that he would add to his rack of victories in the event were dashed when the Carrick man eased back on a slippery finishing circuit, where Tom Hughes of Stamullen forged ahead in search of the honours. Hughes was himself overhauled by Swinand, who proved fastest in the final half mile to cross the line two seconds clear and take his biggest win since moving to Ireland this summer. 'It was a hard race', said Swinand afterwards. 'The cold and wet took a lot out of everybody but luckily everyone

Continued, p.12

Gasson Chair... from p.1

John J. Neuhauser. "It's nice to have a former student return to Boston College to take an endowed chair. From the University's point of view, you might say it's a mission accomplished." Fr. McNelis' current research interests include the problems of Latin American economies and Asian financial reform, and forecasting and risk analysis of emerging markets. He recently spent time in Indonesia providing assistance to that nation's banks in developing monetary policy. As Gasson Professor, Fr. McNelis will teach primarily in the Economics Department but, according to University administrators, he has the academic credentials to contribute to other departments at BC as well. "It will be great to have a scholar of Paul's caliber in the Gasson Chair," said College of Arts and Sciences Dean Joseph F. Quinn. "He will be able to contribute a lot to Boston College and it will be an honor to welcome him here." Fr. McNelis, who served as an adjunct economics professor at BC in the mid-1970s while studying at the Weston School of Theology, said, "It is really very exciting for me to be returning to Boston College and I am grateful for the opportunity." "Given his vast experience and his wide range of scholarship he may also contribute to our International Studies Program, Latin American Studies, Finance and our Scientific Computation program," said Economics Department Chairman Prof. Peter Ireland. "Those who know Paul know he's a scholar and a gentleman," said Ireland. "Outside of the classroom I expect that he will spend a lot of time with both undergraduate and graduate students and that will be a real benefit to everyone." Fr. McNelis said he plans to offer a course at BC this fall titled *Frontiers of Economic Science and Global Financial Markets*, in which students must make and defend arguments - not a simple task in a course that involves considerable mathematical and computational work, he said. "I think that when students know they will have to defend their positions they learn the material much better," he said. "It forces them to approach problems from all

angles." A native of Hazleton, Pa., and a member of the Maryland Province of the Society of Jesus, Fr. McNelis holds degrees in economics and philosophy from Boston College. He also earned a doctorate in economics in 1974 from Johns Hopkins University and a master of divinity degree from the Weston School of Theology in 1977.

The above courtesy of the Boston College Chronicle, authored by Staff Writer Stephen Gawlick.

Also of note with regard to the Gasson Chair, Boston College's first endowed chair: the first beneficiary of the Chair was Fr. William B. Neenan, SJ, also an economist. Fr. Neenan has remained at Boston College, serving as Dean of the College of Arts and Sciences and Academic Vice President and Dean of Faculties. He is now Vice President and Assistant to the President of Boston College.

New Building... from p.9

annex, and a dining service facility will move to the new building, freeing up dormitory space for expansion of on-campus housing in existing buildings. A number of construction projects are underway to add more dormitory space and relieve the pressure on the neighboring community's housing stock.

Additional photos chronicling the rapid pace of construction of the new Faculty and Administration building are available from the "Spotlight" link on the Department's home page, which will be periodically updated as construction progresses.



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Edited by Kit Baum and Mary Foley

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Think Different!

M.A. MAKES IT

Ken'ichi Odawara (M.A. '59) was featured in Barrons' *Who's Who, The Asia 500 Leaders for the New Century, the Millennium Edition*, 2000. After leaving Boston College, he continued his post-graduate studies at Columbia University for one year before returning to Japan to begin his academic career at Jochi-Sophia University, where he rose to rank of professor. Retiring from that position at the mandatory age of 65, Ken'ichi went on to become a professor at Nihon University's Department of International Development Studies, also teaching in the Graduate Schools of Economics and of Social and Cultural Studies. He has taught and been a lecturer at many other universities in Tokyo, and he has traveled abroad as a visiting professor or scholar at universities throughout the world; e.g., Chulalongkorn University, Yale University, the University of Pittsburgh, MIT, the University of Hawaii, Columbia University, the University of Puebla, Mexico, Technical University of Berlin, Harvard University, Boston College, the Wharton School at the University of Pennsylvania, National Taiwan University, and Inner Mongolian University. During the 1960s and 1970s, he served as a consultant on regional trade and monetary cooperation in Asia for the United Nations. Professor Odawara has an extensive publication history. He has authored more than 500 articles and books since 1956, including the *Foundation Paper on Regional Payments Arrangements for ECAFE Countries*, *The Great American Disease*, *The Economic Friction between U.S., Europe and Japan*, and *An Overview on International Economics*, to name a few. His work has been published in many journals: *Japan Quarterly*, *MITI Journal*, *Japan Economic Journal*, *Tokyo Business Today*, *Asahi Shimbun*, *Tokyo Shimbun*, *Sophia Economic Review*, *International Economy*, *Bungeishunju*, and *Pacific Affairs*. His willingness to help society is evident in the many service positions he has held in government: Chief Instructor of the Institute of Money and Banking for Indonesian Government Trainees, Consultant of the Japan Management Association, Expert Advi-

sor on the Energy Tax Ministry of Finance, Expert Committee Member of the Science Council of the Ministry of Education, member of the International Economics Research Coordination Committee, Chairman of the Islamic Economic Research Council, and consultant to the US-Japan Nuclear Power Agreement.

Thanks to Barrons for this information.

Alumni News. from p. 10

set a good tempo to bring back the guys who had been given a handicap at the start. We were closing them down all the way, then myself and Paul Griffen jumped across on the last big lap.' 'It is great to win the race', he said with a smile. 'Since I moved to Ireland I have taken a couple of league races but this is the first proper win. I have a wife and family at home in Wicklow and am a full time economic consultant, so I don't know if I will have time to do races such as the FBD Milk Ras. But it is still great to win races like this.' Results: 1, Greg Swinand (Usher IRC) 30 miles in 1 hour 22 mins." Greg received his Ph.D. in May 1999. Sr. Beth Anne Tercek (Ph.D. '93) attended the NATRI conference (National Institute for Treasurers of Religious Institutes) in Memphis, Tennessee, in November 2000. Sister continues to face the challenges and intricacies of her position as finance manager for her religious order, The Notre Dame Sisters of Ohio. While this is definitely a full-time job, she misses teaching and hopes to return to it, if only part time. Clifford Thies (Ph.D. '82) examined "Fixed and Floating Exchange Rates: The Experience of the American Colonies with Paper Money" in his paper which was published in the *International Quarterly Journal of Finance*, Vol.1, No. 1, pp. 47-60, January 2001. Cliff's piece on "The Hirohito Gold Fiasco" appeared on the Ludwig von Mises Institute website (www.vonmises.org) on 24 July. Mary Bozza Wise (M.A. '95) has accepted a position at Magellan Behavioral Health; she will be working with the Outcomes and Evaluation Research group.

UNDERGRADUATE ACHIEVEMENTS

After graduating from Boston College with a B.A. in economics in 1979, *Stacie Beck* continued her academic pursuits and obtained a Ph.D. in economics from the University of Pennsylvania in 1987. Stacie's career began at the Department of Environmental Quality Engineering for the Commonwealth of Massachusetts, where she worked as an economist from 1979-1981. At the University of Pennsylvania, Stacie worked as a Project Link research fellow, a teaching fellow, and an instructor in the Department of Economics. From 1989-1996, Stacie was an assistant professor, and has been an associate professor from 1996 to the present. While a student at the University of Delaware, she received the Financial Institutions Research and Education Center Grant. Her publications include "Autoregressive Conditional Heteroskedasticity in Commodity Spot Prices," *Journal of Applied Econometrics* 16:2, 115-132, 2001; "Cointegration and Market Efficiency in Commodities Futures Markets," *Applied Economics* 26:2, 49-258, 1994; "The Effect of Budget Deficits on Exchange Rates: Evidence from Five Countries," *Journal of Economics and Business* 46, 497-508, 1994; "Tests of the Intertemporal Hedging Theory of the Risk Premium in Commodities Futures Markets," *Journal of Futures Markets*, May 1993; "Ricardian Equivalence Proposition: Evidence from the Foreign Exchange Markets," *Journal of International Money and Finance*, April 1993; "A Rational Expectations Model of Time Varying Risk Premiums in the Commodities Futures Markets: Theory and Evidence," *International Economic Review*, February 1993. Stacie has submitted "The Option Value of Liquidity" to the *Economic Journal* and "Capital Market Integration and Convergence in International Lending Rates" to the *Journal of Money and Finance*. Her research in progress includes: option value in a cash-in-advance economy; empirical evidence on demand for liquidity; theoretical and empirical issues in

financial and monetary economics with special interest in commodities, foreign exchange, and liquidity demand; and theoretical and empirical issues in international finance.

The *Boston College Magazine's* summer issue chronicles the achievements of one of BC's 1985 graduates, *Cathy Beyer DeFilippo*, who was recently promoted to the chief of the applied economics division of the US International Trade Commission. The ITC provides trade expertise and determines the impact of imports on US industries; Cathy supervises a group of economists who perform analysis on unfair trade practices.

We are pleased to note that two May 2000 undergraduate economics majors have gone on to Ph.D. programs at the University of North Carolina: *Erika Dreyer* and *Suzette Applegate* (Math/Economics). The *BCM* also reports that *Mario Fernandez '02* has become the first BC student to receive a grant from the American Economic Association to attend their intensive eight-week summer program in math and econ at University of Colorado-Denver. Mario plans to pursue graduate studies in economics on graduation from BC.

Faculty News... from p.6

Ph.D. Another joint work with BC alumna *Silvia Ardagna* (Wellesley), "Fiscal Policy, Profitability and Investment", has appeared as National Bureau of Economic Research Working Paper 7207, and is also forthcoming in the *American Economic Review*. This paper is coauthored by *Alberto Alesina*, *Roberto Perotti*, *Ardagna* and *Schiantarelli*.

Fabio is currently busy with details of co-organizing an international conference "Firms' Adjustment with Non-Convexities and Irreversibilities," sponsored by the University of Bergamo, Italy, and by the Business Investment Research Center at the University of Maastricht, The Netherlands. The conference, co-organized by *Marzio Galeotti* and *Gerard Pfann*, will take place November 9-10, 2001, in

Continued, p.15

PEYTON PLACE REVISITED

Would you believe that our own *Harold Petersen* has a past? And that he's willing to let us in on it? It seems that John Gardner, a freshman roommate of Harold's at DePauw University way back when, wrote an appropriately named journal, "Lies! Lies! Lies!" Harold claims that this is true. At any rate, John's motto was "if it's worth telling, it's worth stretching." Therein lies the rub, as Harold's involvement stretches to short-sheeting beds and other unscrupulous deeds in that infamous hall, Locust Manor, performed by others, of course. (Did we say that Harold was no dummy?). John names Harold, a house councillor (sic) (in reality, a dorm proctor) as the instigator of pranks, who contaminates John's innocent roommate Roger Getty with ideas he couldn't conceive on his own. So the story goes, Harold declared that the dorm was too quiet, and good old Roger became a willing accomplice to Harold's plan to "short-sheet some beds, or take screws out of doorknobs, or something." So, while innocent Harold went off to study, Roger and Robert Berry (Goose) went about carrying out the evil deeds. "Mr. Getty and the Goose occupied themselves with short-sheeting beds in the attic where we sleep, piling unused mattresses on the bed of one Wheel Barrow, polishing door handles with gobs of toothpaste (Colgate), owned by the Goose, and taking screws out of numerous door-knobs, including that which is attached to the public phone on the second floor of this noble building. For the information of this journal, a door-knob with the screw taken out will turn round and round in the hand of him who wants in, or out, making no impression upon the latch of the door." To make sure their deeds wouldn't go unnoticed, the perpetrators went downstairs to push buzzers which called their housemates to the phone. Drip-



ping toothpaste and profane exclamations as they exited their rooms, the boys expressed their dismay, joined by the evildoers themselves who intermingled as one with the chorus of innocent victims. Where

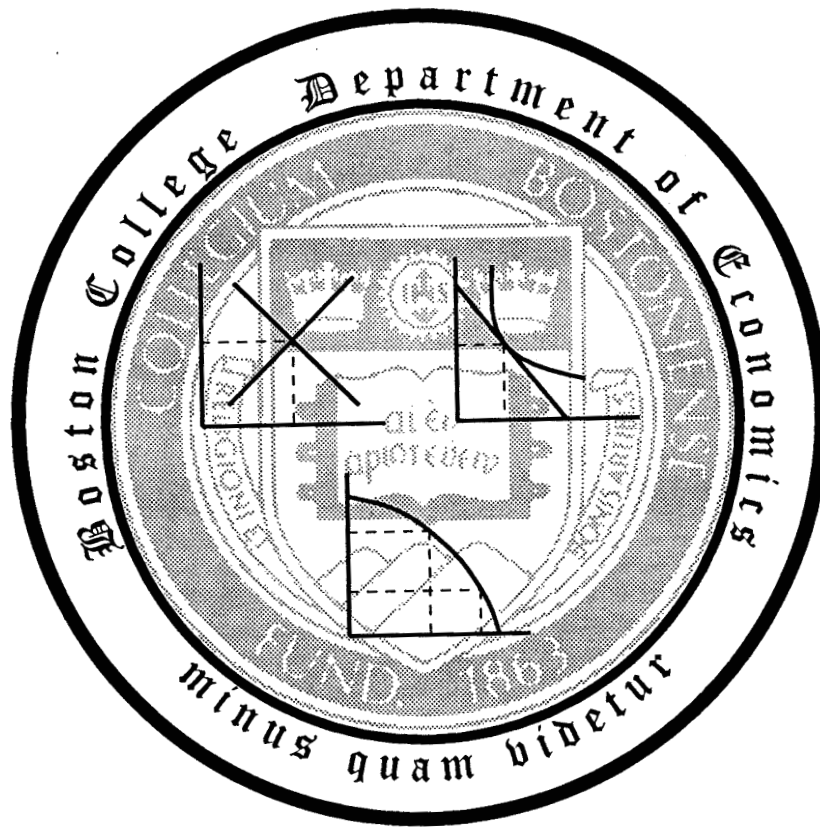
was Harold? Asleep, of course, only to be awakened with cries for a council meeting. Couldn't it wait 'til morning? No way! As Harold searched unsuccessfully for his pillow, the meeting began, whereupon Harold proclaimed, "It has been brought to my attention that somebody has pulled a nasty. Now I happen to know the names of the instigators of this nonsense, and if that person, or those persons, will step forward at this time, no great harm will be done them." "(Peter didn't rise himself, so Getty and the Goose sat in their places.)" Wanting to go back to sleep, Mr. Petersen (so called in the account) decided that the matter would be considered closed, but others didn't agree; that is, until they heard the possible punishments and suffering, uttered by Harold, to be endured by all in Locust Manor. The chief proponent for punishment backed off from his "initial hasty indignation" and forgave the "harmless pranksters." Thus began Harold Petersen's journey toward a career as a stalwart of the economics department right here in Carney Hall, a far cry from Locust Manor (although locusts might feel right at home here). (Due to space limitations, these lies have been condensed. For more of the lurid details, please contact Harold. Thank you to John Gardner, now unfortunately deceased, for exposing the real Harold Petersen.)

SCENES FROM THE DEPARTMENT MIXER, APRIL 2001



Faculty News... from p.13

Bergamo, Italy, and it will have the participation of the top American and European researchers in the field. Fabio is a co-director (with A. Galindo (Inter-American Development Bank)) of the project "Determinants and Consequences of Financial Constraints Facing Firms in Latin America and the Caribbean." The project provides financing for six research teams in Latin America and the Caribbean to investigate the effect of capital market structure on the access to credit by firm and on their investment decisions. The consequences of financial reform and of financial crashes, and the role of business groups in affecting firm behavior is analyzed. A seminar has already taken place in Washington, DC, at the IADB, June 14-15, 2001. A session of the LACEA meetings in October 2001, in Montevideo, Uruguay, will also be devoted to the project.



Boston College
Department of Economics
Chestnut Hill, MA 02467-3806

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