

THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

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Economics Celebrates 50 Years of the Ph.D.

With the completion of the 2002-2003 academic year, the Boston College Department of Economics marks its fiftieth year of doctoral studies. The inaugural doctoral programs in economics, education and history were established in the academic year 1952-1953. As the July, 1993 *BC•EC* stated, 166 doctoral degrees in economics were granted in the 1953-1993 period: an average just over four per year. In the fifth decade of the doctoral program's existence, an additional 64 degrees were granted: an average of five per year during 1994-1998, and 7.8 per year over the most recent quinquennium. The smallest class was that of 1998, with three degree recipients, and the largest was that of 2001, when 11 doctoral degrees were awarded. The higher numbers reflect the expansion of the program as part of the University Academic Planning Council initiative (see *BC•EC*, August 1998) which increased the number of first-year Ph.D. students with full financial support by 50 per cent.

The 230 recipients of the Ph.D. in economics from Boston College have followed varied career paths, from academic positions in research universities and liberal arts colleges to international organizations, research institutes, and the business sector. Many academic alumni have played an important part in the graduate admissions process by identifying candidates for the program, and publicizing the program's success to prospective applicants. The Department's track record of placing graduates in prestigious research positions, such as

the IMF and World Bank Young Economist programs, reflects earlier graduates' success in those institutions.

The 64 members of Boston College's company of scholars who earned the Ph.D. in the last decade are: Xiaoqiang Hu, Alison Kelly, Olin Liu, Sr. Beth Anne Tercek ('1994); John Barkoulas, Basma Bekdache, Michael Fenollosa, Alpay Filiztekin, José Hernandez-Garcia, James Monks, Van Newby, M. Serif Sayin, Gülcan Unal ('1995); Meral Karasulu, Kathleen Lang, David Richardson, Michael Salve, Kristian Uppenberg ('1996); Wenjie Fan, James Fetzer, Salih Gurcan Gülen, John Jordan ('1997); Mustafa Caglayan, Kelly Chaston, Steven Pizer ('1998); Minh Huynh, Carol Kallman Kane, David Mishol, Ayla Ogus, Neslihan Ozkan, Srikanth Seshadri, Gregory Swinand ('1999); Silvia Ardagna, Oriana Bandiera, Benoit Durand, Emanuela Galasso, Michael Hansen, Martin Konan, Gurkan Oguz ('2000); Kevin Cahill, Metin Celebi, Nikolay Gospodinov, Charles Ian Mead, Antonio Menezes, Maria Laura Parisi, Mark Sarro, Niloufer Sohrabji, Soner Tunay, An Yan, Yuichiro Yoshida ('2001); Helen Connolly, Can Erbil, Vasso Ioannidou, Ümit Özlale, Cesare Robotti, Andreas Waldkirch, Maurizio Zanardi ('2002); and Tiziana Brancaccio, Michael Giandrea, Kamer Karakurum Özdemir, Rachida Ouyse, Özlem Sayinta, Xiaomeng Yang, and Eçe Yolas ('2003). Congratulations to all for their participation in the success of Boston College Economics.

Three join department faculty

The department had a very successful recruiting season this spring. Three new faculty members join the department this academic year: Associate Professor Luisa Lambertini and Assistant Professors Raffaella Giacomini and Marina Pavan. By sheer coincidence, all three are Italian women, bringing the Italian contingent of our faculty to six.



Prof. Luisa Lambertini received the Ph.D. from University of California at Berkeley in 1995, and has most recently served on the faculty of UCLA. She has held visiting appointments at Princeton and the Institute for International Economic Studies in Stockholm. The lead article in the August 2003 *Journal of International Economics*, "Symbiosis of Monetary and Fiscal Policies in a Monetary Union", is coauthored by Avinash Dixit and Lambertini. Other recent publications in the area of international economics and political economy appear in the *AER*, the *European Economic Review* (with Dixit) and the *Review of Economic Studies* (with Costas Azariadis). Luisa will teach graduate international finance and macro theory.

Prof. Raffaella Giacomini has just completed the Ph.D. at University of California-San Diego, advised by Clive Granger, Graham Elliott, and Halbert White. She is a time series econometrician studying issues in forecast evaluation. Her paper on "Aggregation of Space-Time Processes", with

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The Department's new home



And pessimists among us said the day would never come... On the last two days of 2002, the Department of Economics moved from Carney Hall to a new office building on Saint Thomas More Road on BC's Lower Campus. The Economics and History Departments share the fourth floor of the hillside building, which is accessible over a bridge from the O'Neill Library atrium. The Communications department and Office of Research Administration share the fifth floor. After last spring's Commencement, the Philosophy and Theology departments relocated from Carney to the third floor of the hillside building, and this summer has brought the last set of tenants: the Office of the Dean for Student Development, with a number of student organizations. The ground floor contains the Hillside Cafe (with excellent panini and comfortable seating), a branch of the BC Bookstore, and the BC police department. The building is convenient to the adjacent parking structure and the Flynn Recreation Complex. The department's location in the new building permits all faculty, staff, teaching fellows and assistants and research assistants to work in adjacent space. Teaching fellows and part-time faculty share offices equipped with two desks, while teaching assistants and upper-level research assistants have their own carrels, with network connection and telephone. The department's facilities also include a graduate student lounge, two computer rooms with a total of 15 new eMac Unix workstations, a small conference room and a seminar room shared with History.

Marvin Kraus becomes chair

Following three very successful years of leading the department of economics, Prof. Peter Ireland has stepped down as chairperson, and Prof. Marvin Kraus is the department's new leader. Ireland presided over the department's



move to new quarters in the Administration Building, as well as the department's authorization to fill an endowed chair, and was heavily involved with the "hat trick" that brings three new female faculty members to our ranks this year. Peter will now be able to concentrate on his research and teaching, leaving such details as the provision of whiteboards in our new home to Marvin Kraus.

Marvin Kraus joined the department of economics in 1972, and received the Ph.D. from the University of Minnesota in the following year. He was promoted to associate professor with tenure in 1978, and to professor in 1990. Marvin served two terms as director of graduate studies, from 1982-1987 and 1995-1999, and has been heavily involved with the graduate micro sequence. He also has taught urban economics - his own field of research - at the graduate level. His most recent publications have appeared in the *Journal of Public Economics*, *Journal of Urban Economics*, the *Economics Bulletin*, and (with Richard Arnott) the chapter on Transport Economics in Kluwer's *Handbook of Transportation Science*.

BC Econ on the Web: <http://www.bc.edu/economics/>

Have you visited our department's redesigned Web home page recently? The URL has been simplified, and is easy to remember. The front page contains the latest news, with a link to a news archive. The Graduate Studies link provide applicants with all they might want to know about the Ph.D. program, and the Research and Seminars links will bring you up to date on the research activities of our department's prolific scholars and visits from renowned colleagues. So stop by and check it out!

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Granger, will appear in the *Journal of Econometrics*. Raffaella will teach graduate time series and undergraduate econometrics.

Prof. Marina Pavan recently completed the Ph.D. at the University of Pennsylvania, working with Antonio Merlo, Victor Rios-Rull, and Ken Wolpin. Her dissertation is titled "Consumer Durables and Risky Borrowing: the Effects of Bankruptcy Protection." She is a specialist in the design and application of dynamic equilibrium models, applying these structures in both macro and micro settings. She will be teaching a graduate course in advanced macro theory and undergraduate macro theory.



Department Productivity High

This spring's summary of departmental professional activities, compiled by then-chair Peter Ireland, is an impressive list of accomplishments, clear evidence of the department's stature in the profession. Two books appeared with a 2002 copyright, both by Prof. Richard Tresch. The second edition of *Public Finance: A Normative Theory*, his graduate text, was published by Academic Press, while Thompson Learning published his *Principles of Microeconomics and Macroeconomics*. Seventeen articles authored or co-authored by department faculty appeared in refereed journals in 2002, with an additional five chapters in edited volumes, and one book review. Department faculty held 25 editorial positions this spring, and made 72 presentations at professional meetings during 2002.

Ingela Alger presented the paper "A Theory of Fraud in Experts Markets" (with Francois Salanie) last December at the Economics Department at Boston University; last spring at the Universite de Cergy-Pontoise and the Economics Departments of SUNY Buffalo and Iowa State University; and last April at the International Industrial Organization Conference in Boston. She discussed the paper "Exploiting Future Settlements: A Signaling Model of Most-Favored Nation Clauses in Settlement Bargaining" by A. Daughety and J. Reinganum at that conference, and was a Visiting Professor for one month at the Universite de Cergy-Pontoise during the academic year 2002-2003.

Jim Anderson has been busy as the proverbial beaver these days. His recent publications include "Gravity with Gravititas: A Solution to the Border Puzzle", with Eric van Wincoop, *American Economic Review*, March, 2003 and "The Mercantilist Index of Trade Policy", with J. Peter Neary, *International Economic Review*, May, 2003. At the Econometric Society European Meeting last August in Venice, he presented "Traders, Cops and Robbers", and "Political Pressure Deflection" (with Maurizio Zanardi, BC'2002) was presented to the Econometric Society Meeting in January 2003. "Traders, Cops and Robbers" (with Oriana Bandiera, BC'2000: NBER WP 9572) was presented in seminars at UC-San Diego, UC-Santa Cruz, Claremont Graduate School, Michigan State University, University of Maryland, and Syracuse University during academic year 2002-3. Jim is also working on "Trade Costs" with Eric van Wincoop, a survey under preparation for the *Journal of Economic Literature*.

Richard Arnott has been rather tied down over the last year due to heavy editorial responsibilities. During the fall term he managed conference trips to Hamilton, New Orleans, and Stockholm, the last to talk about rent control. And he managed to escape at the end of the winter term for a lecture tour in Europe, which included stops in Leuven, Marseille, Lugano, Bari, and Magdeburg. He is

COMMENCEMENT 2003

This year's commencement ceremonies yielded seven new Ph.D. alumni for the program. Listed in order of completion are the dedicated group who received the Ph.D. degree this year and their thesis topics and advisors: **Tiziana Brancaccio**, Essays in Labor Economics, (Peter Gottschalk); **Michael D. Giandrea**, The Impact of Mergers on Productivity and Profits, (Frank Gollop); **Kamer Karakurum Özdemir**, A Test of the Credibility-Enhancing Role of the IMF: The Case of Mexico, (Kit Baum); **Rachida Ouyse**, Essays in Econometrics: Selection of Common Regressors in Large Panels and Finite Sample Analysis of Block Bootstrap in Nonlinear Models, (Jushan Bai); **Özlem Sayinta**, Exchange Rate Risk, Contract Enforcement, and Trade—A Theoretical and Empirical Investigation, (James E. Anderson); **Xiaomeng Yang**, Essays in International Macroeconomics and Monetary Economics, (Peter N. Ireland); and **Eçe Yolas**, Essays on Bank Franchise Value and Small Business Lending, (Joe Peek).

Thirteen Master's degrees in economics were conferred: recipients included Monami Basu, Amrita Bhattacharya, Thomas Connelly, Truong Khanh, Roman Kutsak, Federico Mandelman, Megan McDonald, Witold Smolen, Todor Stavrev, Oleksandr Talavera, Lubomir Toth, Eçe Yolas and Li Zeng. Connelly, Smolen, Stavrev, Talavera and Toth will not be pursuing the Ph.D. at Boston College.

currently working hard to finish a monograph on traffic congestion.

Kit Baum kept racking up those FF miles this year, visiting the University of Liverpool's Department of Economics and Finance during November 2003 and again in March 2003. His former students and current coauthors Mustafa Caglayan and Neslihan Ozkan were members of the faculty (they have now each moved to new positions in UK academe: see the Alumni News). Baum presented "The Impact of Macroeconomic Uncertainty on Cash Holdings for Non-Financial Firms" at Liverpool,

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and attended the weekly seminar: given by Maurizio Zanardi (BC'2002). During the UK trip, he also travelled to University College Dublin, at the invitation of Tiziana Brancaccio (BC'2003), to present the paper in their seminar series. This paper was also aired at the University of Tennessee-Knoxville, where Baum visited coauthor John Barkoulas (BC'1995), and the Ninth International Conference of the Society of Computational Economics at the University of Washington, Seattle. Baum organized two sessions for that conference, and chaired one.

During the November trip, Kit spent one week in the UK and one week in Turkey, visiting Bilkent University in Ankara at the invitation of Ümit Özlale (BC'2002), and visiting his most recent Ph.D. graduate, Kamer Karakurum Özdemir (BC'2003), who works at the World Bank's country office in Ankara. Ümit organized a mini-BC reunion, attended by several BC Master's students and Prof. Fatma Taskin (BC'1988), who is also on the Bilkent faculty. Baum presented "The Impact of Macroeconomic Uncertainty on Bank Lending Behavior" in the Bilkent seminar series, and then took the show on the road (more precisely, down the tracks) to Istanbul, where he visited Alpay Filiztekin (BC'1995) at Sabancı University: arriving in the Turkish capital, coincidentally, on Thanksgiving Day. The Bank Lending paper was also presented last fall in Brandeis University's International Business School seminar series.

Baum was also an organizer of the North American Stata Users Group meetings held in Boston last March, presenting his work on instrumental variables estimation and testing at the meetings. His most recent publications include "Instrumental variables and GMM: Estimation and testing," with Mark E. Schaffer and Steven Stillman, *Stata Journal*, 2003; "Forward Premiums and Market Efficiency: Panel Unit-root Evidence from the Term Structure of Forward Premiums," with John Barkoulas and Atreya Chakraborty, *Journal of Macroeconomics*, 2003; "Nearest-Neighbor Forecasts of U.S. Interest Rates," with John Barkoulas and Atreya Chakraborty, *International Journal of Banking and Finance*, 2003; and "Sectoral Fluctuations in U.K. Firms' Investment Expenditures," with Mustafa Caglayan and Neslihan Ozkan, *Economics Bulletin*, 2003. His joint work with Mustafa Caglayan and

Neslihan Ozkan, "Nonlinear Effects of Exchange Rate Volatility on the Volume of Bilateral Exports," will appear next year in *Journal of Applied Econometrics*.

Don Cox reports that he and his co-authors Bruce Hansen (formerly of our great department and now toiling away in the hinterlands somewhere) and Emmanuel Jimenez (World Bank) had a paper accepted at *Journal of Public Economics* entitled "How Responsive are Private Transfers to Income? Evidence from a Laissez-Faire Economy." For the last several semesters, seats in Don's undergraduate elective in Economic Psychology (known among the students as "the sex course") are one of the hottest tickets in town. On the demographic front, Don and wife Tracy had their second child, son Gavin, on June 18, 2003. Don reports that Gavin and Ariel, their four-year-old daughter, comprise a very nice cross-sectional data set that has been generating all kinds of interesting results, with R-squareds always equal to one.

Since August 2002, *Fabio Ghironi* presented his research in seminars at the Bank of Italy, Ente "Luigi Einaudi," IGIER-Bocconi University, the International Monetary Fund, the Kiel Institute for World Economics, the Oesterreichische Nationalbank, Rutgers University, the Nederlandsche Bank, and the University of Bologna. He also presented in the January 2003 Allied Social Sciences Associations in Washington, D.C., the 2003 North American Summer Meeting of the Econometric Society in Evanston, IL, and the 2003 Annual Meeting of the Society for Economic Dynamics in Paris. In May, he discussed a paper by Michael Devereux at the 5th Bundesbank Spring Conference in Eltville am Rhein. He coauthored the discussion with his long-time research assistant and BC Ph.D. candidate Kolver Hernandez.

Fabio's paper "Transatlantic Trade-Offs in the Age of Balanced Budgets and European Monetary Union," with Barry Eichengreen (Berkeley), appeared in the October 2002 issue of the *Open Economies Review*. Another paper with

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Honors Program Flourishes

In the capable hands of Bob Murphy, the department's Senior Honors Thesis program has once again generated a very impressive array of research projects, ably assisted by many members of the faculty. This year's students, thesis titles, and advisors include: Chris Calmeyn, "How Synchronized is the Business Cycle Across Countries?" (Murphy); Doug Campbell, "Strong Yen: Strong Country? An Analysis of Japan's Strong Yen Policy" (Murphy/Hayao, Political Science); Francis Quimby, "Household Wealth and Consumer Spending in the 1990s" (Murphy); Stanislaw Haciski, "Massachusetts Welfare Policy in the Aftermath of Federal Welfare Reform" (Tresch); Kristine Lock, "The Microsoft Antitrust Case - Winners and Losers" (Petersen); Tara Wilcox, "A Study of Eurozone Convergence: The Case of Spain" (Baum); Brett Huneycutt, "Migrant Remittances and Microenterprises in El Salvador" (Cox); Mireille Samaan, "The Effect of Inequality on Mobile Phone Penetration" (Cox); Nina Suryoutomo, "The Effect of Child Care Subsidies on the Employment of Single Mothers" (Cox/Gottschalk);

Matthew Riordan, "The Effect of Pension Accounting on the Reported Earnings of Top U.S. Firms" (Munnell); Patrick Sullivan, "The Household Wealth Effect" (Munnell); Kevin Meme, "Foreign Aid and Malaria in Malawi" (Anderson); James Pustejovsky, "Externalities in the Choice of an Exhaustion Regime" (Anderson); Jennifer Silva, "Does the Size of Currency Denominations Matter for the Economy?" (Ghironi); Brad McCarthy, "Do Higher Taxes on Malt Beverages Make Drinkers Happier?" (McGowan); Daniel Lim, "Internalizing the Economic Impacts of Indonesian Forest Fires" (Konya); Caroline Moriyama, "The Economic Consequences of Turkish Accession to the European Union with a Focus on Labor Migration" (Konya); Bryan Kang, "The Impact of State-Sponsored Gaming Industries on the Budget of State Governments"

(McGowan); Michael Mancini, "Cigarette Smuggling - An Empirical Study" (McGowan); Michael Spinello, "Internet Gambling" (McGowan); Cara O'Connor, "Economic Development in Western New York State" (Arnott); and last but not least, John Donato, "Revenue Sharing and Baseball" (Arnott). Students and advisors celebrated the end of a month of seminar presentations with a dinner at Skipjack's in Newton.

BC EC Alumni Profile

Dr. Can Erbil (BC'2002) has been very productive since leaving the Heights for the International Business School at Brandeis University, where he is teaching two new courses: Political Economy at



the Master's level and a Ph.D. course in Economic Modeling with General Equilibrium. This last summer, he was a visiting assistant professor at Harvard, where he taught a graduate course in International Trade and Globalization, and at Koç University in Istanbul, where he taught macroeconomics. He also lectured on globalization at the Turkish Central Bank in Ankara, and helped to organize the International Conference on Policy Modeling (EcoMod 2003) in Istanbul last July.

All this jetting about did not diminish Can's success in the classroom, as he was awarded Brandeis' Michael L. Walzer Award for Excellence in Teaching last May: in the words of the citation, "A very prestigious faculty prize awarded annually to a young faculty member who combines superlative scholarship with
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Omicron Delta Epsilon News

The BC chapter of ODE inducted 35 new members at its annual dinner in April. Prof. Richard Tresch was the featured speaker; it seemed appropriate that the person who introduced many of these students to economics should be the one to say the official good-bye as well. Members continued the tradition of tutoring in the Academic Development Center and the Office of Learning Resources for Student Athletes. They also organized peer-advising sessions for majors during the registration periods and a panel discussion with young alumni to discuss careers in economics.

An E-Thesis in your Future?

An initiative of the University Libraries is seeking to make Boston College theses broadly available on the Internet. The "ETD" (Electronic Theses and Dissertations) initiative, chaired by Associate University Librarian Kathleen Carney, has entered a joint venture with bepress (Berkeley Electronic Press), publisher of a number of successful e-journals. Their "EdiKit" software, developed for the management of e-journals, is being customized to serve the needs of thesis students, their advisors, and the graduate school. Economics' faculty technology coordinator Kit Baum serves on Carney's ETD committee, and has played a role in expanding the ETD initiative to include College of Arts and Sciences Honors Theses. Four economics majors wrote their senior theses under the auspices of the College honors program, and their theses are now available from the ETD website: Mireille Samaan, James Pustejovsky, Kevin Meme and Bryan Kang's works may be downloaded from <http://dissertations.bc.edu/ashonors>. Economics PhD students are also encouraged to participate in the ETD project, which is still in a pilot phase; the Donald J. White Award-winning thesis of Can Erbil, "Trade Taxes are Better !?!" is also available from the dissertations.bc.edu site. ETD proponents hope that we will soon be able to present all thesis students' scholarly effort through this mechanism. The ETD project provides great visibility to the students' efforts, and only requires that thesis authors produce a PDF file of their work for inclusion in the electronic repository.

Cheney Fund Provides Student Support

We are pleased to announce that the Cheney Fund made awards to four senior economics majors last fall: Stanislaw Haciski, Bryan Kang, Kristine Lock, and Tara Wilcox.

All four were members of Omicron Delta Epsilon, the economics honor society (Bryan, Kristine, and Tara were officers of the BC chapter as well), and they all participated in the department's Honors Program. Stas' thesis, written under the direction of Prof. Tresch, concerned MA welfare policy since the welfare reforms of 1996. Bryan worked with Fr. McGowan on a study of the impact of state-sponsored gaming on state government budgets. Kristine's thesis was a study of the Microsoft anti-trust case, supervised by Prof. Petersen. Tara expanded on some work she did in Spain when she studied abroad; she looked at currency issues in euro-zone with the help of Prof. Baum.

They had other academic interests and awards as well. Stas and Kristine minored in mathematics, Stas and Bryan participated in the A&S Honors Program, and Tara minored in Hispanic Studies. Kristine graduated summa cum laude and was elected to Phi Beta Kappa in her junior year; Stas graduated cum laude and was elected to the Order of the Cross and Crown.

And now they are off to new adventures. Kristine is doing graduate work in economics at NYU. The others are pursuing careers in the finance sector, Stas at Liberty Mutual and Tara at State Street Bank.

R@BC: Research at Boston College

Research at Boston College (R@BC) is an informal, small scale, dissertation workshop in monetary economics, international monetary economics, and macroeconomics in general, organized by Fabio Ghironi. Participants are Boston College graduate students, faculty, and guests. The workshop meets on a weekly basis. Normally, three students present in each meeting: A fourth- or fifth-year student gives a 45-minute presentation on a paper she or he has been working on, and two third-year students give shorter presentations on their preliminary ideas or discussions of papers that are relevant for the development of their projects. Often, the meetings last longer than the supposed hour and a half,

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Economics major *Brett Huneycutt* (A&S'2003), who was nominated last fall as a Junior Fellow of the American Academy of Political and Social Science, has won their Undergraduate Research Award. Huneycutt's paper was one of nine selected to receive this award out of 34 that were submitted by 2003 Junior Fellows of the Academy. His paper, a Scholar of the College project in BC's College of Arts and Sciences, is an assessment of migrant remittances: the importance of funds sent back home by immigrants from El Salvador who are working in the United States. Brett considers whether these funds are critical to the development of microenterprises in El Salvador. Adding to his list of honors, Huneycutt was the recipient of the Department's Alice E. Bourneuf Award, and received one of the 2003-2004 Fulbright Scholarships which will fund his further travels to El Salvador. He plans to eventually pursue a doctorate in economics. A second Fulbright Scholarship was awarded to economics major *Douglas Campbell* (A&S'2003), who will go to Japan to study the work of non-governmental organizations in the area of consumer rights. He plans on his return to pursue graduate studies in economics or international studies. Graduating seniors *Mireille Samaan* and *John Donato* shared the Giffuni Prize, awarded for the best senior honors thesis in economics. Samaan's thesis asked: what is the connection between income inequality and mobile phone proliferation? One argument is that, holding other things constant, the more equal a country's incomes, the more likely that a greater number of households will be able to afford cell phones. Mirelle used a multi-country data set and found that, controlling for country socio-economic characteristics, higher inequality is associated with greater prevalence of cell phones. Donato's thesis investigated the effects of revenue sharing (across teams) on competitiveness in major league baseball; he developed and estimated a four-equation structural model of teams' season winning percentages, and then undertook a stochastic dynamic simulation of the effects of revenue sharing. Donato found that revenue sharing will indeed be effective in improving competitive-



ness. Graduating senior honors student *Francis Quimby*, who also completed the Interdisciplinary Minor in Scientific Computation, writes to tell us of his new position in the Capital Markets and Household/Real Estate Finance groups at the Federal Reserve Board of Governors.

Turning to our Ph.D. alumni, *Mustafa Caglayan* (BC'1998) and *Neslihan Ozkan* (BC'1999) have left their positions at University of Liverpool: Caglayan moving to a Readership at University of Leicester, and Ozkan joining the finance group of University of Bristol as a lecturer. Nes' paper "Effects of Financial Constraints on Research and Development Investment: An Empirical Investigation" appeared in *Applied Financial Economics*, while Mus' paper "Incompletely Informed Policymakers and Trade Policy in Oligopolistic Industries" is forthcoming in *Manchester School*. *Peter (P.J.) Nigro* (BC'1993) and wife *Mary Joyce* (BC'1993) have left DC after many years; Peter has taken a position at Bryant College in Rhode Island, where Mary is teaching part-time (and keeping the herd under control full-time!) *Soner Tunay* (BC'2001) informs us that he is now a VP of Credit Risk Analytics at Sun Trust Bank in Atlanta. *Oriana Bandiera's* (BC'2000) paper "Land Reform, the Market for Protection, and the Origins of the Sicilian Mafia: Theory and Evidence" appeared in the April issue of the *Journal of Law, Economics and Organization*. *Greg Swinand* (BC'1999) took time off from bicycle racing to present "A Production Model of Quality of Service at An Post" (the Irish postal service) at the CRRRI conference on postal and delivery economics in Toledo, Spain last summer. *Chuck Chakraborty* (BC'1993) and *Charles Hu* (BC'1994) teamed up on "Lending Relationships in Line-of-Credit Loans and Non-Line-of-Credit Loans: Evidence from Collateral Use in Small Business", forthcoming in *Journal of Financial Intermediation*. Chakraborty also made two presentations at NBER Summer Institute sessions on Corporate Finance ("Repricing is Motivated by Turnover") and Corporate Governance ("Performance Incentives, Performance Pressure and Executive Turnover"). *Jim Monks* (BC'1995), from the University of Richmond, presented "Making SAT Scores Optional in Selective College Admissions: A Case Study" at an NBER Working Group in Higher Education conference. *John Barkoulas* (BC'1995) has relocated from the University of Tennessee to the Finance Department of Georgia Southern University. *Maurizio Zanardi* (BC'2002) informs us that he is now at Tilburg University in the Netherlands.

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Eichengreen, on "EMU and Enlargement," was published in *EMU and Economic Policy in Europe: The Challenge of the Early Years*, a volume edited by Marco Buti and Andre Sapir for Edward Elgar. A paper on "Net Foreign Assets and Exchange Rate Dynamics: The Monetary Model Revisited," with Michele Cavallo (Federal Reserve Bank of San Francisco), is forthcoming in a volume on *Exchange Rate Dynamics: A New Open Economy Macroeconomics Perspective*, edited by Jean-Olivier Hairault and Thepthida Sopraseuth for Routledge. Several of Fabio's working papers are currently under review at various journals.

Fabio completed a new working paper on "Productivity Shocks and Consumption Smoothing in the International Economy," with Talan Işcan (Dalhousie University) and Alessandro Rebucci (IMF). He was a Visiting Scholar in the Research Department of the IMF in May and June 2003, where he collaborated to the development of the Fund's new Global Economy Model. He received a Research Expense Grant from Boston College to work on demand for reserves in emerging market countries with Alessandro Rebucci and Jaewoo Lee, also at the IMF. In addition, Fabio made substantial progress in a project with Marc Melitz (Harvard University), centered on the development of a dynamic, stochastic, general equilibrium model of international trade and macroeconomic dynamics. This project has attracted substantial interest and has earned Fabio an invitation to present its output at Princeton University late this fall. Fabio has been awarded a \$15,000 Research Incentive Grant from Boston College for his work with Marc Melitz and a Jean Monnet Fellowship from the Robert Schuman Centre for Advanced Studies at the European University Institute. He accepted the fellowship for the period January 1-June 30, 2004, which he will spend in beautiful Florence.

As for the really important things, Fabio and his wife, Katrina, spent a few days fly-fishing in Tuscany—yes, there are also beautiful trout streams there—in July. Fabio caught more trout than Katrina (home turf advantage, probably). Katrina quickly re-established her dominance in



sports by winning a number of one-on-one basketball games in the last few weeks after returning to Boston. However, Fabio multiplied his defensive efforts and surprisingly won the latest game. He promises to be a tough competitor in the coming confrontations.

Frank Gollop hasn't been spending all of his time running the graduate program: last July, he presented a preliminary draft of a paper, "Incorporating Environmental Quality into the Architecture of the U.S. National Accounts", at a NBER summer workshop. The paper will be presented formally next April at the NBER's Conference on Research in Income and Wealth.

Peter Gottschalk kept busy this year, with papers presented at the European Association of Labor Economists, Paris, September 2002 (joint with Helen Connolly, BC'2002); the MacArthur Foundation Network on Inequality and Economic Performance, Cambridge Massachusetts and the Russell Sage Foundation in New York in May 2003 (both joint with Connolly and Katherine Newman). He also presented at the International Micro Econometrics Conference, Dublin, Ireland, in May 2003, and presented a paper (joint with Sheldon Danziger) at the WIDER Conference on Inequality, Poverty and Human Well-being, Helsinki Finland May 2003. We can only infer that Peter took June off to catch his breath!

Peter Ireland's paper, "Implementing the Friedman Rule," was published in the January 2003 issue of the *Review of Economic Dynamics*. During the previous academic year, Peter presented papers at the Canadian Macro Study Group Meeting at Queen's University in November 2002, and at the NBER Monetary Economics Group Meeting in Cambridge in November 2002. He continues to serve on the editorial boards of the *American Economic Review*, *Economic Inquiry*, the *Journal of*

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Economic Dynamics and Control, and the *Journal of Money, Credit, and Banking*. Peter is looking forward to publishing more papers and attending more conferences now that he has passed the job of Department Chair on to Marvin Kraus.

Hideo Konishi published "Coalition Formation as a Dynamic Process" (with Debraj Ray) in *Journal of Economic Theory*, 2003; "Anchor Stores" (with Michael T. Sandfort) in the *Journal of Urban Economics*, 2003; and "Migration-Proof Tiebout Equilibrium: Existence and Asymptotic Efficiency", joint with John P. Conley, in *Journal of Public Economics*, 2002. Hideo racked up the frequent flyer miles, presenting papers at the Midwest Economic Theory Meeting in South Bend (Oct. 2002), The 8th Coalition Theory Network Workshop in Aix en Provence (Jan. 2003), the Wallis Institute Conference in Rochester (April 2003), the Canadian Economic Theory Conference in Vancouver (May 2003), Public Economic Theory Conference in Durham (June 2003), and the Econometric Society Summer Meeting (June 2003). This explains the sharp drop in airline industry revenues last July.

Marvin Kraus's paper "A Generalized Envelope Theorem with an Application to Congestion-Prone Facilities" appeared in the November 2002 issue of *Economics Bulletin*. Kluwer's new *Handbook of Transportation Science*, which was published early in 2003, includes a chapter on transportation economics by Marvin and Richard Arnott. Marvin travelled to San Juan, Puerto Rico in November, where he presented "A New look at the Two-Mode Problem" at the North American Meetings of the Regional Science Association International. Marvin travelled to Stockholm this summer, where he presented the same paper at the annual meetings of the European Economic Association in August.

Luisa Lambertini's paper "Symbiosis of Monetary and Fiscal Policies in a Monetary Union", coauthored by Avinash Dixit, appeared as the lead article in the August issue of *Journal of International Economics*, while "Endogeneous Debt Constraints in Lifecycle Economies", coauthored

by Costas Azariadis, was published in the July issue of *Review of Economic Studies*.

Doug Marcouiller, S.J. spent the spring semester as a visiting scholar at the Economics Department of the University of Colorado at Boulder, where Jim Markusen, a BC double Eagle (BA and PhD), holds the Calderwood Chair in Economics. Last fall he gave seminars in Tokyo, Manila, and ... Worcester. Doug is active on the interdisciplinary front, having been reappointed Director of BC's program in Latin American Studies. *Hola!*

Joe Quinn somehow finds time for research over and above his deanship efforts. His paper "Is Working Longer the Answer for an Aging Workforce?" (with Gary Burtless), appeared as the Center for Retirement Research Issue Brief Number 11, Boston College, December 2002, while "Patterns of Work and Retirement for a New Century," (with Robert L. Clark), appeared in the Summer 2002 issue of *Generations*. In his conference travels, Joe was a discussant at the International Industrial Organization Conference session on the Economics of Higher Education, Boston, April 2003, and at the National Academy of Sciences Workshop on Technology for Adaptive Aging last January in Washington, DC. He is co-authoring a textbook on the economics of aging with four colleagues.

Fabio Schiantarelli's paper with O. Nilsen, "Zeroes and Lumps in Investment: Empirical Evidence on Irreversibilities and Non-Convexities" will appear in the November issue of *Review of Economics and Statistics*. Fabio co-edited a volume *Credit Constraints and Investment in Latin America* with Arthur Galindo, to appear this fall from the Johns Hopkins University Press. Sadly, the working title "Too Little, Too Short" was vetoed by humorless bureaucrats. This volume is linked to a conference held on campus last May: the Joint Inter-American Development Bank-Boston College conference on the "Balance Sheet Effects of Devaluations", organized jointly by A. Galindo (IDB), U. Panizza (IADB) and F. Schiantarelli. Fabio's ongoing work on the interaction of

Continued, p.11

Faculty News... from p.10

government regulation and private sector investment appears in the BC working paper series: Alberto Alesina (Harvard University), Silvia Ardagna (Wellesley College, BC'2000), Guiseppe Nicoletti (OECD) and Fabio Schiantarelli, "Regulation and Investment", Boston College WP 549. Within the last year, he presented seminars at the World Bank and a conference on lumpy investment and productivity growth in Madrid.

Uzi Segal gave a series of talks at Hebrew University, Jerusalem on subjective probability and in Heidelberg, Germany, on social choice and justice. He also presented seminars at: U-Penn, Johns Hopkins, UCLA and Cal Tech, and is a member of the International Scientific Committee of the FUR XI conference in Paris next June.

Electronic Alumni Directory in the works

We are constructing an electronic alumni database to facilitate communication among our grad alumni and current doctoral candidates. Only current members of the department and registered alumni will be able to access the information, which will include name, professional affiliations, economic fields of interest, and email addresses. No telephone numbers or mailing addresses will be shown. We will ask you to provide a mailing address for this newsletter mailing, but will not make it accessible in the database. The database will make it easier for you to keep in touch with friends and classmates as well as provide a medium for information sharing about, for example, job searches or openings--a matter of great interest to our job market candidates.

When the database is available for use later this fall, you will be invited to register; only registered alumni will have access. If you wish to participate, please contact Graduate Secretary Gail Sullivan (sullidde@bc.edu) giving your name, graduation year, and current email address. We will then contact you with access information.

R@BC... from p.7

as participants engage in very lively discussions. Fabio had been thinking about organizing this type of workshop for some time. It is something he never had and always wanted during his Ph.D. years at Berkeley. When his coauthor Charles (Chuck) Carlstrom of the Federal Reserve Bank of Cleveland visited Boston College in October 2002, the ideal occasion to start the workshop was set, as Chuck was curious to find out about student research at Boston College. The workshop opened with two very successful meetings. Since then, the meetings have become more and more interesting, with discussions that are sometime heated, but always friendly.

R@BC is an occasion for students to receive feedback on their work from faculty and their peers in a relaxed setting. The informal atmosphere helps other students participate actively. Presenters often face a barrage of questions from faculty and other students. The quality of their work, their presentations, and their ability to handle questions improve substantially as a result. Fabio heard from BC faculty in other fields that the training received by R@BC participants clearly showed in mock job market interviews.

For more information on the R@BC workshop, please see

<http://www2.bc.edu/~ghironi/r@bc.html>

Can Erbil. from p. 6

inspiring teaching." Can has also evaluated the trade agreement between the EC and the Gulf Cooperation Council Arab states, and served as a reviewer for a number of journals. One of these days, he may find time to catch his breath! Congratulations to Can Erbil for the start of a most successful career. We'll make sure the Development Office knows where to find you!

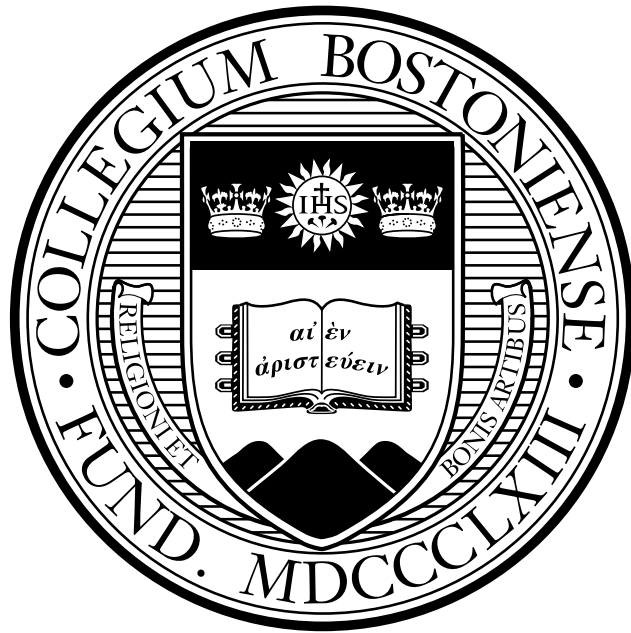


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Boston College
Department of Economics
Chestnut Hill, MA 02467-3806

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