

ECONOMICS

AT NORTHWESTERN



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Editor: Maryann Semer

This edition covers events and publications involving economists at Northwestern for the period of April 1, 1996 through September 30, 1996. Additional copies are available from the editor in Room 134, Andersen Hall.

APPOINTMENTS, HONORS, AND GRANTS

REBECCA M. BLANK was appointed the Director of the newly established Northwestern University/University of Chicago Joint Center for Poverty Research. This center was created through a \$7.5 million award from the Department of Health and Human Services to establish a national center for basic research on issues relating to poverty and the effect of policies on low-income families. Blank was also appointed to the Technical Advisory Committee of the Urbans Institute's Fiscal Federalism Project, which will be studying the impact of welfare reform in a selected set of communities. She has also become a member of the Technical Review Committee for the National Longitudinal Survey of Youth.

RON BRAEUTIGAM has been chosen as the President-Elect of EARIE, the European Association for Research in Industrial Economics. He will assume office for a two year term at the annual meetings next September at the University of Leuven, Belgium. Ron has also been selected to the 1996 Faculty Honor Roll of the Associated Student Government.

ROBERT EISNER was awarded an honorary doctor's degree, "Docteur Honoris Causa," in France by the Université Mendes France of Grenoble.

KIMINORI MATSUYAMA was awarded the 1996 Nakahara Prize by the Japanese Association of Economic Theory and Econometrics.

ROSA MATZKIN was reappointed as an associate editor of the Journal of Econometrics for a term of three years.

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BRUCE MEYER was promoted to Professor of Economics at Northwestern and was elected a member of the National Academy of Social Insurance.

JOEL MOKYR continues to serve as co-editor of the *Journal of Economic History*, as editor in chief of the *Oxford Encyclopedia of Economic History* and the *Princeton University Press Economic History of the Western World*. In June 1996 he was the Chief Lecturer at the International Summer Institute in Economic History, Terme Montecatini. In October 1996 he delivered the Samuel Schrage Memorial Lecture in the History of Science and Technology, University of Illinois, Oct. 1996.

DALE T. MORTENSEN continues as President of the Society for Economic Dynamics and Control, which has just shortened its name to the Society for Economic Dynamics. He also continues his duties as the Director of Mathematical Methods in The Social Sciences Program here at Northwestern. His current project entitled "Recursive Competitive Search Equilibrium: Labor Market Applications" was funded for a second year by the National Science Foundation in July.

IAN SAVAGE was awarded a grant by the federal Department of Transportation to conduct a cost-benefit analysis of transit subsidies. He was also elected to be a council member of Transportation Research Forum for the period 1996-8, and a member of their strategic planning sub-committee.

ALAN M. TAYLOR was awarded a travel grant by the National Science Foundation, Division of Social Behavioral and Economic Research, for a period of three years to support his research on "Argentina and the Great Depression: A New Economic History," with Gerardo Della Paolera of the Universidad Torcuato Di Tella in Buenos Aires. He was appointed to the Board of Directors of EH.NET, an internet group in economic history.

BURTON A. WEISBROD was asked to chair a committee for the Robert Wood Johnson Foundation, evaluating their Scholars in Health Policy Research program. Pursuant to this task, he conducted interviews with Scholars and faculty at Yale, the University of Michigan, and the University of California at Berkeley.

TRAVELS

REBECCA M. BLANK gave a paper at the National Research Council's Workshop on the Effects of Welfare on the Family and Productive Behavior in Washington D.C. in May. She was a panelist at the World Economic Summit in Chicago in May, and also gave a talk at the Federal Reserve Bank of Chicago's Conference on Labor Market

Prospects. In June, Blank made a presentation to the Casey Journalism Center's Conference on Rewriting the Social Contract at the University of Maryland, and also talked at the Annie E. Casey Foundation's annual KidsCount network meeting in Baltimore. She attended the Institute for Research on Poverty's Summer Institute in Madison, WI, and the National Bureau of Economic Research's Social Insurance Summer Institute in Boston. She was a keynote speaker at Queen's University's International Institute on Social Policy in Kingston, Ontario.

In August RON BRAEUTIGAM made a research visit to the Wissenschaftszentrum (Science Center) Berlin. In September he traveled to Vienna, Austria, to participate in the annual meetings of the European Association of Research in Industrial Economics and in the regional meetings of the International Telecommunications Society. He also served on the program committee for each conference.

ROBERT COEN presented "Potential Output as a Stochastic Variable" at the Annual Meeting of the Society for Economic Dynamics and Control in Mexico City in June.

TIM CONLEY refereed/discussed papers at the African Economics Research Consortium meetings in Nairobi.

IAN DOMOWITZ delivered "Automated Double Auctions and Open Outcry Trading" at the Federal Reserve Bank of Kansas City, Cornell University, and Georgetown University. While in Georgetown, he also presented an overview of empirical evidence on the topic at the Conference on Alternative Structures in Securities Markets. The paper, "Market Segmentation and Stock Prices: Evidence from an Emerging Market," was presented at the Second International Finance Conference in Atlanta. He also discussed his work on "Liquidity-Corrected Variance Ratios and the Effect of Foreign Equity Ownership on Information in an Emerging Market" at the Universidad Carlos III and Centro de Estudios Monetarios y Financieros, in Spain, as well as at the International Monetary Fund.

ROBERT EISNER lectured at the University of Wisconsin in Madison on April 25. He spoke at a conference in Seoul, Korea on June 14. He traveled to New York for a meeting of a Conference Board Advisory Committee on Economic Indicators on June 19. He was a discussant at an Economic Policy Institute conference in Washington in June 21-22. He presented the dinner address (on the NAIRU, or non-accelerating-inflation rate of unemployment) at a conference on Post-Keynesian Economics in Knoxville on June 28. On July 14 and 15 Eisner met at the Federal Reserve Board in Washington with members of the Board and staff and presented his paper "A New View of the NAIRU." He gave the luncheon address, on "Measurement, Theory and Relevance," at the International Statistical Institute Congress in Washington on September 9. He made a presentation in Washington on September 13 at a conference

on the NAIRU or natural rate of unemployment sponsored by *The Journal of Economic Perspectives*. On September 20 he met in Washington with House Minority Leader Richard Gephardt and an advisory group that Gephardt had assembled. He traveled to New York September 24 to participate in a syndicated "Debates, Debates!" television program. On September 26 he gave a lecture at Mount Holyoke College on "The Federal Deficit, Growth and Saving." On September 30 he lectured on the NAIRU at Northern Illinois University in Dekalb.

ROBERT J. GORDON presented "The Sears Catalog Revised: Apparel and Durable Goods" at the NBER productivity program meeting in Cambridge, Massachusetts in April. In May he was a featured speaker at the annual Regional Airline Association meeting in Orlando. He presented "The Time-Varying NAIRU and its Implications for Economic Policy" at the Federal Reserve Board of Governors in Washington in June and at a JEP conference at Georgetown University in September. Also in June he participated in the International Seminar on Macroeconomics in Vienna, the Econometric Society summer meetings in Iowa City, and a meeting of the Economic Advisers to the Congressional Budget Office in Washington. He participated in the productivity section of the NBER summer institute during July and during August went to Istanbul for the annual meeting of the Econometric Society executive committee. He participated in the Brookings Panel on Economic Activity in September and also spoke on the time-varying NAIRU at a forecasting meeting in Washington.

In March, KIMINORI MATSUYAMA visited the European Center for Advanced Research in Economics at The Free University of Brussels. During this visit, he also participated in a meeting at the European Commission. In April, he visited the Institute for Advanced Studies in Vienna and gave a series of lectures on Dynamic Monopolistic Competition Models in Macroeconomics. During his stay in Austria, he also gave a talk at the University of Linz. In May and June, he moved to Paris, and divided his time between E.N.S.-D.E.L.T.A. and C.E.P.R.E.M.A.P. During his stay in Paris, he gave a talk at E.N.P.C. and at the University of Carlos III.

ROSA MATZKIN presented the paper "Estimation of Nonparametric Functions in Simultaneous Equations Models, with An Application to Consumer Demand" at Ewha University (Korea) and at the Federal Reserve Bank of Atlanta. She presented the paper "Nonparametric Discrete Choice Models with Unobserved Heterogeneity" at the University of San Andres (Argentina) and at the Latin American Meeting of the Econometric Society (Rio de Janeiro, Brazil) in the Invited Session on Microeconometrics.

JOEL MOKYR was an invited Participant and Commentator at the annual Cliometric Conference in Nashville, Tennessee. In June 1996 he presented a paper entitled "Innovation and Its Enemies: The Economic and Political Roots of Technological

Inertia" at an International Conference on Technology in Oslo, Norway. He also participated in a Conference organized by the Federal Reserve Bank of Boston where he was a commentator on a paper by Nathan Rosenberg. In August he participated in an NBER conference on Growth and Fluctuations, where he commented on a paper by Jeremy Greenwood and Mehmet Yorukoglu. In October 1996 he presented a paper at the University of Pennsylvania Seminar in Economic history.

DALE T. MORTENSEN visited the Research School of Social Science, The Australian National University in July and August, 1996, and several institutions in New Zealand during September, 1996. In addition to touring Sydney, Melbourne, Queensland, including the Great Barrier Reef, and the North Island of New Zealand, he presented the following papers at various workshops and conferences: "Search Equilibrium Approaches to Labor Market Policy Analysis" at the Research School of the Social Sciences, The Australian National University, August 15, 1996; The 1996 Meeting of the New Zealand Association of Economics, Auckland, August 28, 1996; and The Treasury, Wellington, New Zealand, September 4, 1996. "Competitive Pricing and Efficiency in Search Equilibrium" at the Department of Economics, The Australian University, August 2, 1996; the Department of Economics, The University of New South Wales, August 16, 1996; the Department of Economics, University of Melbourne, August 23, 1996; the Department of Economics, Victoria University, Wellington, New Zealand, September 4, 1996; and the Department of Economics, Auckland University, Auckland, New Zealand, September 6, 1996.

After returning to Evanston for a few days, he headed for Europe to present "Search Equilibrium Approaches to Labor Market Policy Analysis" as one of the keynote addresses at The 1996 Meeting of the European Association of Labour Economists, Chania, Crete, September 21, 1996, and to The Bank of England Workshop, London, September 25, 1996. During the week of September 30, 1996, he and Ken Burdett gave a series of lectures based on their book in progress (with R. Wright), "Search and Matching Equilibria," to Ph.D. students and staff at the University of Copenhagen, Denmark.

ROBERT PORTER presented seminars at the Summer Conference on Industrial Organization at the University of British Columbia, the SITE conference on Structural Models in Regulatory, Industrial and Labor Economics at Stanford University, the University of Notre Dame, and the conference on Advances in Industrial Organization, Organizational Structure and Competition at WZB in Berlin. He also presented a plenary address on "Collusion in Auctions" at the European Association for Research in Industrial Economics (EARIE) meetings in Vienna.

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STANLEY REITER presented "Coordination and the Structure of Firms" at the Seminar in Mathematical Economics at Ohio State University in April, and at the Economics and Management Seminar at the University of Rochester in May.

IAN SAVAGE presented his paper (with LEON MOSES) "Cost-benefit analysis of federal motor carrier safety programs" at the University of California at Berkeley, and "Scale economies in rail transit systems" at the University of California at Irvine in April 1996.

ALAN M. TAYLOR presented his paper "International Capital Mobility in History: Purchasing Power Parity in the Long-Run" at a conference on Exchange Rates at the National Bureau of Economic Research, Cambridge, Massachusetts, May 1996. He was a discussant at the Economic History Association Annual Meeting, Berkeley, California, September 1996. He was a session chair at the Cliometric Society Conference, Vanderbilt Univ., Nashville, Tennessee, May 1996. He presented his paper "International Capital Mobility in History: Purchasing Power Parity in the Long-Run" at Indiana University in September 1996, and his paper "On the Costs of Inward-Looking Development: Price Distortions, Growth, and Divergence in Latin America" at Washington University in St. Louis, in April 1996.

In the spring, BURTON A. WEISBROD presented the Arnulf Pins Memorial Lecture at The Hebrew University of Jerusalem: "Nonprofit Organizations: What Is Their Role?" In July he attended a conference in Chicago sponsored by the newly formed Symphony Orchestra Institute on the economics of symphony orchestras. That same month he attended a meeting in Washington, DC of the Council on the Economic Impact of Health Care Reform. In September he presented "Evaluating the Nonprofit Sector: Needs, Obstacles, and Approaches" at the Independent Sector Research Conference, also held in Washington, DC.

ANDREW WINTON presented "Ownership Structure, Liquidity Demand, and Shareholder Monitoring" (with C. Kahn) at Queen's University, the NSF/NBER Decentralization Conference, Massachusetts Institute of Technology, Northwestern University, and the 1996 Western Finance Association Annual Meetings. He presented "The Social Cost of Bank Capital" (with G. Gorton) at the Federal Reserve Bank of Chicago's 1996 Conference on Bank Structure and Competition. He also served as a discussant at the Western Finance Association Meetings, and was a visiting consultant at the Federal Reserve Bank of Cleveland.

PAPERS AND PUBLICATIONS

Center for Mathematical Studies in Economics and Management Sciences (CMSEMS) discussion papers may be obtained by writing to the Math Center, 3-014 Leverone Hall, Northwestern University, Evanston, IL 60208. Banking Research Center (BRC) discussion papers are available from the Banking Research Center, 5-209 Leverone Hall. Finance working papers are available from the Working Paper Coordinator, Department of Finance, KGSM. Center for Urban Affairs and Policy Research (CUAPR) working papers are available from Working Papers CUAPR, 2040 Sheridan Road, Evanston, IL 60208. National Bureau of Economic Research (NBER) working papers and reprints may be obtained by writing to Publications Department, NBER, 1050 Massachusetts Avenue, Cambridge, MA 02138. For working papers not in these series, contact the author directly.

REBECCA M. BLANK's paper (with R. London), "Trends Among the Working Poor: The Impact of Economy, Family and Policy," was published in the book *America's Working Poor* from the University of Notre Dame Press, 1996. Her article with Christine George and Rebecca London, "State Abortion Rates: The Impact of Policies, Providers, Politics, Demographics and Economic Environment" was accepted for publication by the *Journal of Health Economics*.

TIM CONLEY's working paper, "Short-Term Interest Rates as Subordinated Diffusions" (with L. P. Hansen, E. Luttmner, and J. A. Scheinkman) is WP no. 207 Dept of Finance KGSM. Also, his working paper "The Impact of Region and Nativity on Age-Wealth Profiles in the Mid-Nineteenth Century" (with D. W. Galenson and S. Herscovici) is available upon request.

IAN DOMOWITZ's paper, (with M. El-Gamal), "Is Your Model Chaotic? A Consistent Simulation-Based Test," appeared in *Proceedings of the First World Congress of Nonlinear Analysis* (Walter de Gruyter Publishing). A paper entitled "An Exchange is a Many-Splendored Thing" was published in the volume *The Industrial Organization and Regulation of Securities Markets* (University of Chicago Press). New working papers, available from the author, include: "Liquidity-Corrected Variance Ratios and the Effect of Foreign Equity Ownership on Information in an Emerging Market" (with M. Coppejans), "Identification and Testing of a Term Structure Relationship for Country and Currency Risk Premia" (with J. Glen and A. Madhavan), "The Legal Basis for Stock Exchanges: The Classification and Regulation of Automated Trading Systems" (with R. Lee), and "Automated Trade Execution and Open Outcry Trading: A First Look at the GLOBEX Trading System" (with M. Coppejans).

ROBERT EISNER's "The Proposed Sales and Wage Tax: Fair, Flat or Foolish," has been published in American Enterprise Institute, *Fairness and Efficiency in the Flat Tax*, Washington: AEI Press, 1996, pp. 42-95. The following newspaper articles were published: "The Rich Get Much Richer and...," *Newsday*, May 7, 1996; "A Reduction in the Capital Gains Tax Would Benefit Relatively Few," *Los Angeles Times*, June 30, 1996; "Nothing to Fear but Fear of Good News," *The Wall Street Journal*, July 9, 1996; "Dole's tax package not friendly to most families," *Chicago Tribune*, August 7, 1996; "Dole's tax plan: Deficit would increase," *Miami Herald*, August 7, 1996 (plus correction, August 8); "Bad Math Makes Bad Economics," *Los Angeles Times*, August 14, 1996; "What Social Security Crisis?," *The Wall Street Journal*, August 30, 1996; "The Fed Should Keep Its Head," *The New York Times*, September 19, 1996.

ROBERT J. GORDON published "Introduction: The Economics of New Goods", in *The Economics of New Goods* (edited with T. Bresnahan), Studies in Income and Wealth, University of Chicago Press for National Bureau of Economic Research, 1996. Also published was his discussion of Andreas Hornstein and Per Krussel, "Can Technological Improvements Cause Productivity Slowdowns?" *NBER Macroeconomics Annual 1996*, MIT Press, pp. 259-67, and of G. A. Akerlof, William T. Dickens, and G. L. Perry, "The Macroeconomics of Low Inflation," *Brookings Papers on Economic Activity*, 1996, no. 1, pp. 60-66.

LEON T. KENDALL and MICHAEL J. FISHMAN of the Finance Department edited proceedings of Kellogg's Securitization Colloquium were published in August 1996 by The MIT Press as A Primer in Securitization. The volume presents the views of the founders and leaders of securitization on this new form of raising capital.

KIMINORI MATSUYAMA's paper, "Start-up Costs and Pecuniary Externalities as Barriers to Economic Development," was published in the *Journal of Development Economics*, April 1996, 33-59. During recent months, he also wrote the following papers: "Growing Through Cycles," "Complementarity, Instability, and Stability," which is for the Nakahara Prize lecture, and "Why Are There Rich and Poor Countries?: Symmetry-Breaking in the World Economy."

ROSA MATZKIN's new working papers, "A Nonparametric Investigation into the Differential Consumer Response to Price and Deal-Discounts" (with R. Briesch and P. Chintagunta) and "Nonparametric Discrete Choice Models with Unobserved Heterogeneity" (with R. Briesch and P. Chintagunta), are available upon request.

BRUCE MEYER published "Ethnic and Racial Self-Employment Differences and Possible Explanations," (with R. W. Fairlie), *Journal of Human Resources*, 31, Fall 1996, pp. 757-793. He also issued a new working paper "Using a Natural Experiment to

Estimate the Effects of the Unemployment Insurance Payroll Tax on Layoffs, Employment, and Wages," (with P. M. Anderson).

JOEL MOKYR published "Science, Health and Household Technology: the Effect of the Pasteur Revolution on Consumer Demand," with Rebecca Stein. Forthcoming in *The Economics of New Goods*, edited by Robert J. Gordon and Timothy Bresnahan, Chicago: University of Chicago Press and NBER, 1996. "La tecnologia, l'informazione e le famiglie", in Renato Giannetti, ed., *Nel Mito di Prometeo. L'Innovazione Tecnologica dalla Rivoluzione Industriale ad Oggi. Temi, Inventori e Protagonisti dall'Ottocento al Duemila*, Firenze: Ponte alle Grazie, 1996, pp. 147-84. "Il Cambiamento Tecnologico" in Eric Hobsbawm and Paul Bairoch, eds., *Storia d'Europa*, Vol. V, pp. 271-370. Torino: Giulio Einaudi Editore, 1996, in press. He is working hard on a new book on evolutionary economics and economic history.

During the past six months, DALE T. MORTENSEN published: "The Unemployment and Income Effects of Active Labour Market Policy: The Case of the U. K." in H. von Christian Drager, P. Pissulla, and A. W. von Czege (eds), *More Competition, More Jobs - Is Full Employment an Illusion?*. Baden-Baden: Nomos Verlagsgesellschaft, 1996; "Unemployment Insurance, Labor-market Dynamics, and Social Welfare: A Comment" in A.H. Meltzer and C.I. Plosser (eds.), *Carnegie-Rochester Conference Series on Public Policy* 44, June, 1996; "The Unemployment and Welfare Effects of Labour Market Policy: A Comparison of the U.S. and U.K" (with S. P. Millard) in D. J. Snower and G. de la Dehesa (eds.) *Unemployment Policy: How Should Governments Respond to Unemployment?*, Cambridge University Press, 1996.

LEON MOSES's paper, "Interregional Input-Output Analysis," published in the *American Economic Review* will also be included in a volume of the classic articles on input-output analysis published by Oxford University Press.

ROBERT PORTER published "The Timing and Incidence of Exploratory Drilling on Offshore Wildcat Tracts" (with K. Hendricks) in the June 1996 *American Economic Review*, pp. 388-407.

IAN SAVAGE'S paper with LEON MOSES "Identifying dangerous trucking firms" was published in *Risk Analysis* volume 16(3), pp. 359-366. Another paper joint with R. Scott Brown "The economics of double-hulled tankers" was published in *Maritime Policy and Management*, volume 23(2), pp. 167-175.

ALAN M. TAYLOR published "Factor Price Convergence in the Late Nineteenth Century" with O'Rourke, Kevin H. and Jeffrey G. Williamson in *International Economic Review* 37 (August 1996), pp. 499-530. A book review "The Economic History of Latin America Since Independence by Victor Bulmer-Thomas" appeared in the *Journal of*

Economic History, 56, (June 1996), pp. 520-22. His recent working papers include: "International Capital Mobility in History: Purchasing Power Parity in the Long-Run." Working Paper Series no. 5742, National Bureau of Economic Research, September 1996; and "International Capital Mobility in History: The Saving-Investment Relationship." Working Paper Series no. 5743, National Bureau of Economic Research, September 1996.

BURTON A. WEISBROD's paper, "Democratic Society - Undemocratic Medicine: Limited Resources in Medical Care," was published as part of the volume *Medizin der Zukunft - Neue Wege zur Gesundheit?*, Matejovski, Rosenfeld, Wetzels-Vandai, and Kaiser, eds. (Frankfort, Germany: Campus Verlag, 1996). His paper, "The Future of the Nonprofit Sector: Its Entwinning with Private Enterprise and Government," was completed and accepted for publication in the *Journal of Policy Analysis and Management*. He also completed a working paper entitled, "The Comparative Roles of Government and Nonprofit Suppliers in Mixed Industries" (with K. Kapur); and he revised and submitted for publication, "How Does Institutional Form Matter? The Behavior of Private Firms, Church-Related Nonprofits and Other Nonprofits in Mixed Industries."

SPEAKERS

ROBERT C. ALLEN, University of British Columbia, "Capital Accumulation, the Soft Budget Constraint, and Soviet Industrialization, 1928-1939"

MARK Y. AN, Duke University, "Human Capital, Entrepreneurship, and Household Earnings"

MANUEL ARELLANO, CEMFI, "Symmetrically Normalized Instrumental-Variables Estimation Using Panel Data"

MARK ARMSTRONG, University of Southampton, "Selling Decisions by a Many-Product Monopolist" and "Network Externalities"

ANDY ATKESON, University of Pennsylvania, "A Fish-Fry Model of Liquidity, Interest Rates and Exchange Rates"

ALAN J. AUERBACH, University of California, Berkeley, "Tax Reform, Capital Allocation, Efficiency and Growth"

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JONATHAN BERK, University of British Columbia, "Optimal Investment, Growth Options and Security Returns"

DAN BERNHARDT, Queen's University, "Throwing Good Money After Bad"

CRAIG BURNSIDE, World Bank, "Production Function Regressions, Returns to Scale and Externalities"

MARCO CELENTANI, Universidad de Carlos III, Madrid, "The Evolution of Corruption"

LINDSAY CHASE-LANSDALE, Harris School of Public Policy Studies, "Economic Hardship and the Development of Children: Neighborhood and Regional Perspectives"

XIAOHONG CHEN, University of Chicago, "Asymptotic Properties of Sieve Extremum Estimates for Weakly Dependent Data with Applications"

EUI YONG CHUNG, Minister for Economic Affairs, Korean Embassy, "Asian Economies in Transition"

JOHN COCHRANE, University of Chicago, "Beyond Arbitrage: "Good-deal" Asset Price Bounds in Incomplete Markets"

WAYNE FERSON, University of Washington, Seattle, "Conditional Market Timing with Benchmark Investors"

ZSUZSANNA FLUCK, New York University, "The Optimality of Debt versus Outside Equity"

JOHN FRENAULD, Federal Reserve Board, "How Productive is Infrastructure? Distinguishing Reality and Illusion with a Panel of U.S. Industries"

CLAUDIA D. GOLDIN, Harvard University, "The Origins of Capital-Skill Complementarity"

SHANE GREENSTEIN, University of Illinois, "Measuring the Demand for Digital Infrastructure: A Look at Local Telephone Markets"

CHARLES HIMMELBERG, Columbia University, "New Products and the Dynamics of Market Power in the Hard Disk Industry"

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LARRY IRVING, Assistant US Secretary of Commerce, "Asian Economies in Transition"

DOUGLAS A. IRWIN, University of Chicago, "From Smoot-Hawley to Reciprocal Trade Agreements: Changing the Course of U.S. Trade Policy in the 1930s"

BOYAN JOVANOVIĆ, University of Pennsylvania, "Contracts and Money"

ATSUSHI KAJII, University of Pennsylvania, "Preference for Information"

LAWRENCE F. KATZ, Harvard University, "The Natural Rate of Unemployment: What Economists Know and Don't Know"

MIKE KEANE, University of Minnesota, "The Career Decisions of Young Men"

PETE KLENOW, University of Chicago, "Does Schooling Cause Growth, or the Other Way Around?"

ROGER KOENKER, University of Illinois, "Rank Tests for Linear Models"

FRANCINE LAFONTAINE, University of Michigan, "Pricing Decisions in Franchised Chains: A Look at the Restaurant and Fast-Food Industry"

LARS LJUNGQVIST, Federal Reserve Bank of Chicago, "The European Unemployment Dilemma"

SUSAN LOHMANN, University of California, Los Angeles, "Electoral Incentives"

THEODORE R. MARMOR, Yale University, "America's Misunderstood Welfare State: The Contemporary Flap Over Social Security"

REUBEN MAY, University of Chicago, "Black Civic Engagement: An Ethnographic Case Study"

MARK MCLELLAN, Stanford University, "Why Do Hospital Costs Keep Rising? Hospital Reimbursements, Hospital Production, and the Puzzles of Medicare's Prospective Payment System"

FIONA SCOTT MORTON, Stanford University, "Modeling Entry Decisions in the Pharmaceutical Industry"

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AKIRA MOTAMURA, Stonehill College, "Political Institutions and the Spanish Monarchy's Finances, 1521-1648"

HERVE MOULIN, Duke University, "Incremental Cost Sharing: Characterization by Coalition Strategy-Proofness" and "Strategy Proof Sharing of Submodular Cost"

CASEY MULLIGAN, University of Chicago, "The Intertemporal Substitution of Work: What Does the Evidence Say?"

JOHN H. NACHBAR, Washington University, "Prediction, Optimization, and Learning in Repeated Games"

KATHERINE NEWMAN, Columbia University, "Working Poor: Low-Wage Employment in the Lives of Harlem Youth"

YAW NYARKO, New York University, "Stepping Stone Mobility"

CORMAC Ó GRÁDA, University College, Dublin, "The Great Irish Famine: Some Economic Aspects" and "The Irish Famine: Insights from Folklore"

MARY PATILLO, University of Chicago, "Black Civic Engagement: An Ethnographic Case Study"

DAN PELED, Israel Institute of Technology, and University of Western Ontario, "The Endogenous Timing of Innovations and Economic Fluctuations"

ANDRES PEREA, University of Limburg, Netherlands, "Characterization of Fully Consistent Assessments in Extensive Form Games"

JAMES POTERBA, Massachusetts Institute of Technology, "Taxation and Household Portfolio Behavior: Evidence from the 1980s"

DEBRAJ RAY, Boston University, "A Theory of Endogenous Coalition Structure"

MICHAEL H. RIORDAN, Boston University, "Anti-Competitive Vertical Integration by a Dominant Firm"

CHRISTOPHER RUHM, University of North Carolina, Greensboro, "The Economic Consequences of Parental Leave Mandates: Lessons from Europe"

THOMAS SARGENT, University of Chicago, "The European Unemployment Dilemma"

SUZANNE SCOTCHMERE, University of California, Berkeley, "Ex Post Regret and the Decentralized Sharing of Information"

OZ SHY, Tel Aviv University, "Undercut-Proof Equilibria"

TOM STOKER, Massachusetts Institute of Technology, "Household Gasoline Demand in the U.S."

NANCY L. STOKEY, University of Chicago, "Shirtsleeves to Shirtsleeves: The Economics of Social Mobility"

HARBORNE STUART, Harvard University, "Biform Games"

MARTA TIENDA, University of Chicago, "Immigrants' Socioeconomic Progress in a Low-Wage Environment: Little Village in Chicago"

DAN TREFFLER, University of Chicago, "Increasing Returns and All That: A View From Trade"

COEN TUELINGS, University of Amsterdam, "A Generalized Assignment Model of Workers to Jobs for the US Economy"

WARREN WEBER, Federal Reserve Bank of Minneapolis, "A Dynamic Equilibrium Model of Search, Bargaining, and Money"

DAVID F. WEIMAN, Queen's College, "Regional Metropolitan Development and Financial Market Integration in the New South"

NIELS WESTERGAARD-NIELSON, Center for Labor Market and Social Research, Aarhus University, Denmark, "Worker and Plant Wages--Estimates from a Multi-Level Mixed Model"

MIKE WHINSTON, Harvard University, "Incomplete Contracts and Strategic Ambiguity"

CLIFFORD WINSTON, Brookings Institution, "Causes and Consequences of Airline Fare Wars"

RANDALL WRIGHT, University of Pennsylvania, "A Dynamic Equilibrium Model of Search, Bargaining, and Money"

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DENNIS TAO YANG, Duke University, "Human Capital, Entrepreneurship, and Household Earnings"

RICHARD ZECKHAUSER, Harvard University, "Options on Congressional Votes: Why Leaders Win by a Little and Lose by a Lot"

JEFF ZWIEBEL, Stanford University, "Learning and Self-Reinforcing Behavior in Organizations" and "Intrafirm Bargaining--Finance Applications"