

ECONOMICS



AT NORTHWESTERN

FALL 2000, No. 33

Editor: Maryann Semer

This edition covers events and publications involving economists at Northwestern for the period of September 1, 1999 through August 31, 2000. Additional copies are available from the editor in Room 108, Cresep Hall.

APPOINTMENTS, HONORS, AND GRANTS

ATILA ABDULKADIROGLU was awarded a doctoral dissertation fellowship by the Alfred P. Sloan Foundation for the period of 1999-2000.

RON BRAEUTIGAM was selected for honorary membership in Golden Key National Honor Society (Northwestern University chapter).

LOUIS CAIN was elected Chairman of the Board of Trustees of the Cliometric Society and he was appointed Consulting Editor to the *Encyclopedia of Chicago History*.

EDDIE DEKEL was awarded a continuation of his NSF grant and has started his position as a Co-Editor of *Econometrica*.

JEFF ELY was awarded a 4 year NSF award for "Economic Theory at Northwestern."

ROBERT J. GORDON continues to serve as a senior member of the Brookings Panel on Economic Activity and as a member of the panel of economic advisers of the Bureau of Economic Analysis and of the Congressional Budget Office.

ANNE GRON and Brigitte Madrian (of the University of Chicago) were awarded a Department of Labor, PWBA grant to study the adoption of 401(K) retirement plans.

EHUD KALAI was the Program Chair of the First World Congress of the Game Theory Society held in Bilbao, Spain, last July.

KIMINORI MATSUYAMA was elected as a Fellow of the Econometric Society.

JOEL MOKYR continues to serve as editor in chief of the Oxford Encyclopedia of Economic history (in progress) and the Princeton University Press Economic History of the Western World. He is also serving as a member of the advisory board of the Economic Growth and Policy Program of the Canadian Institute for Advanced Research. He was elected to serve on the executive committee of the Board of Directors of the National Bureau of Economic Research. In May, he was an Invited Visitor, Minerva Center, Hebrew University of Jerusalem, and a Visiting Professor at the University of Tel Aviv.

DALE MORTENSEN was elected a fellow of the American Academy of Arts and Sciences in March 2000.

ROBERT PORTER continues to serve as one of the Editors of the *RAND Journal of Economics*, and as a Foreign Editor of the *Review of Economic Studies*. He is a co-editor of Volume 3 of the *Handbook of Industrial Organization*. He spent last fall at MIT as a Visiting Professor of Economics. He was re-elected as a member of the Council of the Econometric Society.

Under the sponsorship of his grant from the Mellon Foundation, BURTON A. WEISBROD founded a new regional seminar series during the academic year 1999-2000, the Chicago Area Nonprofit Organization Seminar (CANS). He has been named Chair, the Social Science Research Council (SSRC) Committee on Philanthropy and the Nonprofit Sector.

MICHAEL WHINSTON was on leave last year as a Fellow at the Stigler Center for the Economy and the State at the University of Chicago. He served as a member of the program committee for the World Congress of the Econometric Society and for the January 2000 American Economic Association meetings. He was awarded a three year NSF grant.

TRAVELS

JOSEPH ALTONJI gave seminars on "Selection on Observed and Unobserved Variables: Assessing the Effectiveness of Catholic Schools" at Harvard, M.I.T., Yale, CREST-INSEE, Cornell, and Johns Hopkins. He also presented this paper at the American Economic Association Winter Meetings last January. Altonji presented "The Effect of Parental Income on Wealth and Expected Bequests" at the Centre for Labour Market and Social Research, Aarhus University, Denmark. He spent three weeks as a visitor at CREST-INSEE in Paris, last March and gave a series of lectures on "Recent Research on Earnings Dynamics."

GADI BARLEVY presented seminars at the University of British Columbia, Stanford, the Federal Reserve Bank of San Francisco, The Universities of California at San Diego, Irvine, and Berkeley, USC, Purdue, the University of Chicago Business School, and the Hebrew University of Jerusalem. He also presented papers in the Tel Aviv Winter

JOEL MOKYR continues to serve as editor in chief of the Oxford Encyclopedia of Economic history (in progress) and the Princeton University Press Economic History of the Western World. He is also serving as a member of the advisory board of the Economic Growth and Policy Program of the Canadian Institute for Advanced Research. He was elected to serve on the executive committee of the Board of Directors of the National Bureau of Economic Research. In May, he was an Invited Visitor, Minerva Center, Hebrew University of Jerusalem, and a Visiting Professor at the University of Tel Aviv.

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Workshop, the Canadian Macroeconomics Study Group, the Society of Economic Dynamics Conference in Costa Rica, and presented in three different sessions at the NBER Summer Institute.

PHILIP BOND presented "Can social collateral help Citibank lend to the poor?" at the AEA Meetings in Boston and for the Northeast Universities Development Conference at Cornell. He presented "Judicial agency, contracts and laws" at the Stanford Institute of Theoretical Economics. He presented "Why are bank borrowers junior to bank depositors?" at the Western Finance Meetings in Sun Valley, Idaho.

RON BRAEUTIGAM presented the "Class of 1960's Scholars Lecture" entitled "Incentive Regulation: Expectations and Experience," at Williams College. He also made presentations at a conference on "Deregulation of Network Industries: What's Next?," sponsored by the AEI-Brookings Joint Center on Regulatory Studies.

LOUIS CAIN presented "Economics, Politics, and the Endangered Species Act," (with B. Kaiser), to the Northern Illinois University Departmental Workshop. "Death and Spending: Did Urban Mortality Shocks Lead to Municipal Expenditure Increases," (with E. Rotella), was presented to the International Congress of Historical Sciences, Oslo, Norway. He was an invited participant to the Cliometrics Conference in Montreal.

KIM-SAU CHUNG presented "Affirmative Action as an Implementation Problem" at Pennsylvania State University, "On the Existence of Stable Roommate Matchings" at Universities of Toronto and Western Ontario, and "Efficient and Dominance Solvable Auctions with Interdependent Valuations" at University of Wisconsin and the 2000 International Conference on Game Theory at Stony Brook.

EDDIE DEKEL returned from Israel after two years leave at Tel Aviv University. He also visited the London School of Economics for a week during the past year.

JOSEPH FERRIE presented "'How Ya Gonna Keep'em Down on the Farm (When They've Seen Schenectady?): Rural to Urban Migration in 19th Century America" at the Social Science History Association Meetings in Fort Worth and at the European Social Science History Association Meetings in Amsterdam. He presented "Long-Run Patterns of Geographic and Economic Mobility in the U.S., 1760-1990" at the University of North Carolina and the National Bureau of Economic Research. In April he served as a doctoral thesis opponent at the University of Lund and served as a session chair and discussant at the Economic History Association Meetings in Los Angeles in September.

MICHAEL FISHMAN presented "Contracting and Enforcement with a Self-Regulatory Organization" at Indiana, Texas, Harvard, Carnegie-Mellon, Stanford, and Boston College. He presented "Mandatory vs. Voluntary Disclosure in Markets with Informed and Uninformed Customers" at Berkeley.

ROBERT J. GORDON presented "Does the New Economy Measure Up to the Great Inventions of the Past?" at the Bruno Kreisky Foundation in Vienna in October, at a media panel and again at the Council on Foreign Relations in New York in November,

at a Central Bank conference in Vienna and at the Economic Policy Committee of the European Union in Dublin in June, as the keynote speech at the Australian Economic Meetings in July, at an Institutional Investors Conference in Aspen and at the Bank of England in London during September. He presented "Apparel Prices and the Hulten/Bruegel Paradox" at the NBER Summer Institute in July. He spoke on aspects of the U. S. economic miracle at the OECD in Paris during December and at a OECD conference in Helsinki in January. He discussed academic papers on a variety of topics at a conference on health care in Washington in December, at the AEA meetings in Boston in January, at a productivity conference in Ottawa in January, and at a SF Fed meeting and at the Brookings Panel in Washington, both in March. He spoke on airline competition at Embry-Riddle University in Daytona Beach in November and participated in conferences on airline issues in Washington in December and April. He participated in NBER research meetings in San Francisco in February and Boston in March, in the White House Conference on the New Economy in April, in meetings of the CBO economic advisers in November and June, in a meeting of the BEA economic advisers in May, in Brookings meetings in December and September, and at the Council on Foreign Relations in NYC in May.

ANNE GRON presented "Policy Overhang and Market Behavior" (with A. Winton) at the Risk Theory Society meetings. The paper was also presented at Indiana University's symposium on "Crisis Events in Financial Intermediation and Securities Markets."

PETER KLIBANOFF presented "Maxmin Expected Utility over Savage Acts with a Set of Priors," at Cal Tech and at the 25th Anniversary Midwest Economic Theory Meetings at the University of Illinois, Urbana-Champaign. He presented "Stochastically Independent Randomization and Uncertainty Aversion," in June at the conference "Decision Making Under Ambiguity: Theory and Empirical Evidence," in Mannheim, Germany and at the "Workshop on Uncertainty and Preferences," University di Torino, Italy.

In September 1999, KIMINORI MATSUYAMA presented "The Rise of Mass Consumption Societies" at New York University. He also presented "Financial Market Globalization and Endogenous Inequality of Nations" at London School of Economics in June 2000. He also visited Institut für Empirische Wirtschaftsforschung at the University of Zurich.

BRUCE MEYER presented "Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects," (with D. T. Rosenbaum), at the JCPR conference Earned Income Tax Credit: Early Evidence conference in Evanston, IL in October. He presented "Using Natural Experiments to Evaluate Welfare Reform: Two Examples and Some General Thoughts" at the National Academy of Sciences panel on Evaluating Welfare Reform in February. He presented "The Effects of Welfare and Taxes on Employment, Hours and Program Participation" at Yale University in May. He presented "Do the Poor Move to Receive Higher Welfare Benefits?" at the NBER Public Economics Meetings in Cambridge in November, the Bureau of Labor Statistics in Washington, DC in December, and the University of Texas in May. He presented "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers," at Syracuse University in

September, and the Canadian Employment Research Forum in Vancouver, BC in June. He presented "The Effects of Welfare Reform: The Living Conditions of Single Mothers in the 1980s and 1990s" at the NBER Summer Institute in Cambridge in August. He presented results on the EITC at the Brookings/PPI EITC Roundtable in Washington in March 2000. He was a discussant at the NBER Public Economics meetings in Cambridge in April, at the NBER conference "The Distributional Effects of Social Security Reform" in Woodstock, VT in October, and at the NBER conference "The Economic Effects of Taxation" in Cambridge in November.

In October, JOEL MOKYR lectured at the George Mason University series on Institutional Change and Economic Development; presented an invited paper and was a discussant at a Conference on World Economic History and the Rise of the West at the University of California, Davis; and presented a Faculty lecture at Bates College. He was invited to speak at the conference on the History of Technology and Modernity, University of Twente, Enschede, The Netherlands. He participated in the first meeting of a select group of scholars discussing the impact of technology on the economy, Council on Foreign Relations, New York. He was an invited speaker for the 150th anniversary of the Dutch Royal Economic Society, Amsterdam, The Netherlands, in December and lectured at the European University, Florence, Italy, in January. He was an invited commentator at a session on consumer demand and the Industrial Revolution at the American Historical Association, Chicago in February. In the spring he delivered three endowed lectures: the C. Woody Thompson Lecture at the Midwest Economics Association; The Romano Lecture at SUNY Binghamton; the Ida Cordelia Beam Distinguished Lecturer at the University of Iowa. In May he was invited to lecture at a conference on "Unmaking the West: Counterfactual history and its uses," at the Mershon Center, Ohio State University, Columbus. While in Israel, in May, he presented faculty seminars for the Department of Economics at the University of Tel Aviv, Haifa, and Bar Ilan. During the summer he was an invited speaker at the International Schumpeter Society, Manchester, England and an invited lecturer at the European Union summer institute of economic history, Lisbon, Portugal.

DALE MORTENSEN presented "Competitive Pricing and Efficiency in Search Equilibrium" at the University of Iowa. In the Netherlands, he presented "Modeling Matched Job-Worker Flows" at the Tinbergen Institute, Amsterdam and Tilberg University, Tilberg, "Equilibrium unemployment with wage posting: Burdett-Mortensen meet Pissarides," at the Tinbergen Institute Workshop, Amsterdam, and "The Flows Approach to Labor Market Analysis," for the Netherlands Network of Economics Lecture series at the University of Amsterdam. "On the Job Search and the Wage Distribution" was presented to the Annual Meeting of the Society of Economic Dynamics, in San Jose Costa Rica and the Iowa Conference on Search and Matching, Iowa City. "Modeling Matched Job-Worker Flows" was presented at the joint EALE/SOLE meeting in Milan, Italy and the 2000 World Congress of the Econometrics Society, in Seattle. He also spent a week in both December and June in Aarhus, Denmark, engaged in collaborative work with B.J. Christiansen of the University of Aarhus and Axel Werwatz of Humboldt University, Berlin.

ROBERT PORTER presented papers at the Joint CSIO/IDEI Industrial Organization Workshop in Evanston, the Clarence Tow Conference on "Applied Research Concerning Auctions and Mechanism Design" at the University of Iowa, the conference on "Auctions and Market Structure" in Heidelberg, Germany, and the Third Nordic Competition Policy Conference on "Fighting Cartels - Why and How?" in Stockholm. He also presented papers at the Massachusetts Institute of Technology and the Universities of Illinois, Indiana and Michigan.

MARK SATTERTHWAITE presented "Information is Good, Except When It's Not: the Effects of Health Care Quality Report Cards" (with D. Dranove, D. Kessler, and M. McClellan) in September at the Boston University-Veterans Administration Health Economics Conference in Portsmouth, NH, in January at the NBER Industrial Organization Conference in Palo Alto, in March at University of Texas, Austin, and in April at University of Illinois and University of Chicago. He presented, "The Optimality of a Simple Market Mechanism," (with S. Williams) at the University of Western Ontario in December, the University of Toulouse in June, and the Game Theory Society's inaugural conference in August.

IAN SAVAGE was on sabbatical at the University of Western Australia in the fall of 1999. During this time he presented his papers on "The economics of commercial transportation safety," and "An empirical investigation into the effect of psychological perceptions on the willingness-to-pay to reduce risk." He also presented the former paper to the Australian federal Department of Transport and Regional Services in Canberra. He presented his paper on the "The economics of safety at rail-highway crossings" at the University of British Columbia in September 1999, before the Institute of Transportation Engineers, in Chicago in October 1999, and at the Illinois Commerce Commission in Springfield in August 2000. He also moderated a session on railroad safety at the 1999 Transportation Research Forum Annual Meetings in Washington, D.C.

DANIEL F. SPULBER presented "Market Microstructure and Incentives to Invest" at Yale University, the University of Arizona, and the Wharton School of Business, University of Pennsylvania. He spoke on "Interconnection in Telecommunications" at the Telecommunications Policy and Research Conference in Washington, D. C. and presented "Integrating Economics and Management Perspectives on Strategy" at the Academy of Management meetings in Toronto.

RAKESH VOHRA presented "Learning in Games" at the 2000 American Association for the Advancement of Science meeting in Washington D.C., "Combinatorial Auctions" in march at IBM's Watson Research Center in New York, "Approachability and Applications" at the 2000 International Symposium on Mathematical Programming in Atlanta, "Correlated Equilibrium and Absorbing Games," at the Simon School, University of Rochester, "Predicting the Unpredictable" at Rochester and Aarhus University, Denmark.

Concluding his appointment as a Phi Beta Kappa visiting scholar, BURTON A. WEISBROD made two, two-day visits to Furman University and North Carolina State University in the fall of 1999, presenting both public and academic lectures and meeting

with local scholars and community members. In his ongoing association with the University of California at San Diego as a Visiting Scholar, Burt presented talks at both the UCSD Department of Economics and its Medical School, during the winter quarter, December 1999 through March 2000. Burt has also continued as a member of the National Advisory Research Resources Council, of the National Institutes of Health, attending meetings in September 1999 and May 2000. Burt attended the following additional meetings: Visiting Scholar at Indiana University-Purdue University-Indianapolis, for the week October 24-29, 1999, and presenting the talk, "To Profit or Not to Profit: The Commercial Transformation of the Nonprofit Sector"; Donors Forum of Chicago, September 1999; Housing Options for the Mentally Ill, Evanston, November 1999; National Academy of Sciences Colloquium, Irvine, CA, January 2000; American Association for the Advancement of Science, Washington, DC, February 2000; and panelist, Regional Primate Research Centers, supported by the National Center for Research Resources, Bethesda, MD, June 2000.

MICHAEL WHINSTON spent one week in June at the Institut D'Economie Industrielle at the University of Toulouse, an institute that has begun a collaborative relationship with the newly formed Center for the Study of Industrial Organization at Northwestern. He organized and presented a focus session (with Ilea Segal) on "Multi-Party Contracting" at the CEPR Summer Economic Theory Conference at Gerzensee, Switzerland. He also presented papers at the University of Chicago and the University of Texas - Austin.

CHARLES ZHENG presented "High Bids and Broke Winners" at an invited session of the Fall Meeting of the Institute for Operations Research and the Management Sciences (INFORM) in Philadelphia. He presented "Optimal Auction in a Multidimensional World" at the Midwest Economic Theory Fall Meeting (Urbana-Champaign), the First World Congress of the Game Theory Society in Bilbao, Spain, and the World Congress of the Econometric Society in Seattle. He was invited to present "Salvaging Optimal Auction with Resale" at Oklahoma University and the Annual Meetings of the Canadian Economics Association in Vancouver.

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.

ATILA ABDULKADIROGLU published "House Allocation with Existing Tenants" (with T. Sönmez), *Journal of Economic Theory*, Vol. 88, No. 2, October 1999, pp. 233-260.

JOSEPH ALTONJI published "An Intergenerational Model of Wages, Hours, and Earnings" (with T. Dunn), in the *Journal of Human Resources*, 35(2), (Spring 2000): 221-258. He also published "The Effects of Earnings and Wealth on Time and Money

Transfers between Parents and Children" (with F. Hayashi and L. Kotlikoff) in Andrew Masson and Georges Tapinos, Editors, *Sharing the Wealth: Demographic Change and Economic Transfers between Generations*, Oxford University Press. 2000, "Black/White Differences in Wealth" (with U. Doraszelski and L. Segal), in *Economic Perspectives*, Federal Reserve Bank of Chicago, Winter 2000, and "Race and Gender in the Labor Market" (with R. Blank) in O. Ashenfelter and D. Card, (eds), *Handbook of Labor Economics*, Volume 3, Elsevier Science B.V. (1999): 3144-3259.

GADI BARLEVY published his paper "Information Acquisition and Financial Markets" (with P. Veronesi) in the *Review of Economic Studies*, January 2000.

RON BRAEUTIGAM's article "Learning About Transport Costs," was published in *Essays in Transportation Economics and Policy: A Handbook in Honor of John Meyer*, edited by Tony Gomez-Ibanez and Cliff Winston, Brookings Institution, Washington, D.C., 1999, pp. 57-98.

LOUIS CAIN published "Alfred Bloomingdale," "Harrison P. Eddy," and "Harry Fox," in *American National Biography* (Cary, NC: Oxford University Press, 1999). He also published book reviews in the *Journal of Economic History*, *Enterprise and Society*, *Pacific Historical Review*, and *Journal of Politics*.

KIM-SAU CHUNG published "Role Models and Arguments for Affirmative Action," *American Economic Review*, June 2000, 90(3), 640-648.

EDDIE DEKEL's paper (with M. Piccione), "Sequential Voting Procedures in Symmetric Binary Elections," appeared in the *Journal of Political Economy*, Volume 108, No. 1, February 2000, pp. 34-55. "Payoff Information and Self-Confirming Equilibrium," (with D. Fudenberg and D. K. Levine), appeared in the *Journal of Economic Theory*, Volume 89, No. 2, December 1999, pp. 165-185. He wrote (with A. Wolinsky) "Rationalizable Outcomes of Large Independent Private-Value First-Price Discrete Auctions," working paper number 13-00, The Foerder Institute for Economic Research at the Eitan Berglas School of Economics.

DAVID DRANOVE and MARK SATTERTHWAITE published "The Industrial Organization of Health Care Markets" as a chapter in *The Handbook of Health Economics* edited by A. J. Culyer and J. P. Newhouse, Vol. 1, pp. 1093-1139, Elsevier Science, 2000.

JOSEPH FERRIE published "The Law and Labor Strife in the U.S., 1881-1894" (with J. Currie), *Journal of Economic History*, March 2000: 42-66.

ROBERT J. GORDON published "The Boskin Commission Report and its Aftermath," *Monetary and Economic Studies*, vol. 17, no. 3 (December 1999), pp. 41-68. The same paper also appeared in Mick Silver and David Fenwick, eds., *Proceedings of the Measurement of Inflation Conference* (Cardiff UK: Cardiff University, 2000), pp. 258-82. "Interpreting the 'One Big Wave' in U. S. Long-term Productivity Growth," was published

in Bart van Ark, Simon Kuipers, and Gerard Kuper, eds., *Productivity, Technology, and Economic Growth*, Kluwer Publishers, 2000. "Neither Too Hot nor Too Cold: The U. S. Economy in the 1990s," appeared in OECD, *Policies Toward Full Employment* (Paris: OECD, 2000), pp. 61-66. His discussion of Dale W. Jorgenson and Kevin J. Stiroh, "Raising the Speed Limit: U. S. Economic Growth in the Information Age," appeared in *Brookings Papers on Economic Activity*, 2000, no. 1, pp. 212-22.

ANNE GRON published "Cost Pass-Through in the US Automobile Market," (with D. Swenson) in the *Review of Economics and Statistics*, May 2000, 82 (2) pp. 316-324, and "Insurance Cycles and Capital: the Past, Present and Future," in *Risques*, March 2000, pp 67-71.

LOUJIA HU published "Use of Means-Tested Transfer Programs by Immigrants, Their Children, and Their Children's Children," (with K. Butcher) in R. Blank and D. Card, eds. *Finding Jobs: Work and Welfare Reform*, New York: Russell Sage Foundation, 2000.

PETER KLIBANOFF published "Maxmin Expected Utility over Savage Acts with a Set of Priors." in the *Journal of Economic Theory*, 92, May 2000, pp.35-65 (with R. Casadesus-Masanell and E. Ozdenoren) and "Maxmin Expected Utility through Statewise Combinations." in *Economics Letters*, 66(1), 2000, pp.49-54 (with R. Casadesus-Masanell and E. Ozdenoren).

The following working papers by KIMINORI MATSUYAMA were made available in the Center for Mathematical Studies in Economics and Management Science Discussion Paper Series: "Growing Through Cycles in an Infinitely -lived Agent Economy (#1280)," "The Rise of Mass Consumption Societies (#1289)" and "Financial Market Globalization and Endogenous Inequality of Nations (#1300)".

BRUCE MEYER issued "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers," (with D. T. Rosenbaum), NBER Working Paper No. 7363, September 1999, "Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects," (with D. T. Rosenbaum), NBER Working Paper No. 7491, December 1999, and "The Effect of Immigration on Native Self-Employment" (with R. W. Fairlie), NBER Working Paper No. 7561, February 2000.

JOEL MOKYR's publications include "Secrets of Success," *Reason*; "Eurocentricity Triumphant: A Review Essay," in the *American Historical Review*; "Invention and Rebellion: Why do Innovations Occur at all? An Evolutionary approach," in Elise Brezis and Peter Temin, eds., *Minorities and Economic Growth*. Amsterdam: Elsevier Publishers, 1999; Review of E.A. Wrigley, R.S. Davies, J.E Oeppen and R.S. Schofield, "English Population History from Family Reconstitution, 1580-1837," in *Journal of Modern History*, Vol. 71, No. 2, June 1999, pp. 455-57; review of David Mowery and Nathan Rosenberg, eds., *Paths of Innovation*, in *Journal of Economic History*, Vol.59 (March 1999), pp. 240-242; review of Arup Maharatna, *The Demography of Famines*, in *Population and Development Review*; "The Second Industrial Revolution, 1870-1914," in Valerio Castronovo, ed., *Storia dell'economia Mondiale*, Rome: Laterza publishing, 1999,

pp. 219-245; "Why Was There More Work for Mother? Technological Change and the Household, 1880-1930," *Journal of Economic History*, Vol. 60, No. 1 (March 2000), pp. 1-40; "Innovation and Its Enemies: The Economic and Political Roots of Technological Inertia" in Mancur Olson and Satu Kähkönen, eds., *A Not so Dismal Science*, Oxford: Oxford University Press, 1999, pp. 62-91; and "Eurocentricity Triumphant: A Review Essay," *American Historical Review*, Vol. 104, No. 4, Oct. 1999, pp. 1241-1246.

DALE MORTENSEN published "Equilibrium unemployment dynamics," *International Economic Review* (November 1999): 40: 889-914, "Job reallocation and employment fluctuations" (with C.A. Pissarides) in M. Woodford and J.B. Taylor, eds, *Handbook of Macro Economics*, vol 1: 1171-1227, Amsterdam: Elsevier Science, 1999, "New developments in models of search in the labor market" (with C.A. Pissarides), in O. Ashenfelter and D. Card, eds., *Handbook of Labor Economics* vol 3: 2567-2627, Amsterdam: Elsevier Science, 1999, "Equilibrium unemployment with wage posting: Burdett-Mortensen meet Pissarides" in H. Bunzel, B.J. Christiansen, P. Jensen, N.M. Kiefer and D.T. Mortensen, eds., *Panel Data and Structural Labor Market Models*, Amsterdam: Elsevier, 2000: 281-292, "An Introduction to *Panel Data and Structural Labour Market Models*," in H. Bunzel, B.J. Christiansen, P. Jensen, N.M. Kiefer and D.T. Mortensen, eds., *Panel Data and Structural Labor Market Models*, Amsterdam: Elsevier, 2000: ix-xiii.

ROBERT PORTER published "Ohio School Milk Markets: An Analysis of Bidding," (with D. Zona) in the Summer 1999 issue of the *RAND Journal of Economics*.

IAN SAVAGE's paper "Aviation deregulation and safety in the United States: evidence after twenty years," appeared in Marc Gaudry and Robert Mayes (Eds.) *Taking Stock of Air Liberalization*, Boston: Kluwer Academic Publishers. His review article on the "The economics of commercial transportation safety," appeared in José Gómez-Ibáñez, William Tye and Clifford Winston (Eds.) *Essays in Transportation Economics and Policy: A Handbook in Honor of John R. Meyer*, Washington D.C.: Brookings Institution. He was the editor of a conference proceedings volume with John G. Allen of the Regional Transit Authority, entitled *Re-inventing Mass Transit: Moving into the Millennium* which contained his paper "Can privatization solve all of Chicago's public transportation problems?." He also published the journal article "Railroad safety and public policy," in the *Journal of the Transportation Research Forum*, 38(1):56-63. Finally, he wrote the reviews of aviation and transportation that appeared in the *2000 World Book Year Book*.

COSTIS SKIADAS published "Optimal Consumption and Portfolio Selection with Stochastic Differential Utility" (with M. Schroder), *Journal of Economic Theory*, November 1999, 89, 68-126, and "Rationalizable Trade" (with S. Morris), *Games and Economic Behavior*, May 2000, 31, 311-323.

DANIEL F. SPULBER published "The Fable of Fisher Body" (with R. Casadesus-Masanell) in the *Journal of Law and Economics*, XLIII, April, 2000.

RAKESH VOHRA published: "The Replacement Principle and Tree Structured Preferences," *Economic Letters*, vol. 63, 2, 175-180, 1999 and "Regret in the On-line Decision Problem," *Games and Economic Behavior*, vol. 29, 1/2, 7-35, 1999 (with D. Foster).

BURTON A. WEISBROD's publications this year include: "Managerial Compensation and Incentives in For-Profit and Nonprofit Hospitals," (with M. J. Roomkin), *Journal of Law, Economics, and Organization*, Vol. 15, No. 3, Fall 1999, pp. 750-781; "Determinants of Donations in Private Nonprofit Markets," (with C. Okten), *Journal of Public Economics*, Vol. 75, No. 2, February, 2000, pp. 255-272; "The Roles of Government and Nonprofit Suppliers in Mixed Industries," (with K. Kapur), *Public Finance Review*, Vol. 28, No. 4, July 2000, pp. 275-308.

MICHAEL WHINSTON published "Naked Exclusion: A Comment" in the *American Economic Review*. He also wrote "On the Transactions Determinants of Vertical Integration," "Robust Predictions for Bilateral Contracting with Externalities (with I. Segal), and "Anticompetitive Exclusion and Foreclosure through Vertical Agreements" (with D. Bernheim).

VISITING SPEAKERS

ALBERTO ABADIE - Harvard University, "Semiparametric Estimation of Instrumental Variable Models for Causal Effects"

FERNANDO ALVAREZ - University of Chicago, "Efficiency, Equilibrium and Asset Pricing with Risk of Default"

JOEL ASPROOTH - Museum of Science and Industry (CFO), "Another Look at Financing Nonprofits"

ULF AXELSON - University of Chicago, "Pooling, Splitting, and Security Design in the Auctioning of Financial Assets"

LUCIEN BEBCHUK - Harvard Law School, "Rent Protection of Corporate Ownership and Control"

DIRK BERGEMANN - Yale University, "Information Acquisition and Efficient Mechanism Design"

ELAZAR BERKOVITCH - Tel Aviv University, "Why the NPV Criterion does not Maximize NPV"

ELI BERMAN - Boston University, "Sect, Subsidy, Sacrifice"

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ALBERTO BISIN - New York University, "Exclusive Contracts and the Institution of Bankruptcy"

MARISTELLA BOTTICINI - Boston University, "Why Dowries?"

WOODS BOWMAN - DePaul University, "Earnings, Risk and Institutional Convergence"

ADAM BRANDENBERGER - Harvard University, "An Impossibility Theorem on Beliefs in Games"

EVELYN BRODKIN - University of Chicago, "The Politics of Work and Welfare: The Emerging Street-Level View"

EVELYN BRODY - Chicago-Kent College of Law, "The Limits of Charity Law"

MEGHAN BUSSE - Yale University, "Firm Financial Constraints and Airline Price Wars"

LUIS CABRAL - Haas School of Business, "Stretching Firm and Brand Reputation"

YEON-KOO CHE - University of Wisconsin, "Optimal Design of Research Contests"

YONGMIN CHEN - University of Colorado, "On Vertical Mergers and Their Competitive Effects"

VICTOR CHERNOZHUKOV - Stanford University, "Conditional Extremes and Near-Extremes"

JOHN CONLON - University of Mississippi, "Hope Springs Eternal: Learning and the Stability of Cooperation in Short-Horizon Repeated Games"

JOHN J. CONWAY - Princeton University, "Cantors Infinities," "Surreal Numbers," "Goedel and Undecidability," "Geometry, Logic, and Physics," "Escher and Symmetry" and "Finally, Fun"

FRANCESCA CORNELLI - London Business School, "Bookbuilding and Strategic Allocation"

PETER CRAMTON - University of Maryland, "The Optimality of Being Efficient"

JACQUES CREMER - University of Toulouse, "The Industrial Economics of the Internet Backbone"

PHILIP J. CROSS - University of Wisconsin, Madison, "Regression, Short and Long"

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JULIE CULLEN - University of Michigan, "The Impact of School Choice on Student Outcomes: An Analysis of the Chicago Public Schools"

ETTORE DAMIANO - Yale University, "Choice Under Limited Uncertainty"

STEVE DAVIS - University of Chicago, "Using Financial Assets to Hedge Labor Income Risk: Estimating the Benefits"

JASON DIGMAN - University of Illinois, Chicago, "The Worst Looking Type of the Race? Selectivity in the Northward Migration of Southerners, 1910-1920"

MARK DUGGAN - University of Chicago, "More Guns, More Crime" and "Nonprofit and For-Profit Hospitals' Responses to Changing Incentives to Treat the Poor"

SUSAN DYNARSKI - Harvard University, "Does Aid Matter? Measuring the Effect of Student Aid on College Attendance and Completion"

ROB EARLE - California Power Exchange (Manager of Economic Analysis), "Electric Power Restructuring: Industrial Disorganization"

ANDREA EISFELDT - Chicago University, "Endogenous Liquidity in Asset Markets"

LARRY EPSTEIN - University of Rochester, "Subjective Probabilities on Subjectively Unambiguous Events"

LEONARDO FELLI - University of Pennsylvania, "Costly Bargaining and Renegotiation"

RAQUEL FERNANDEZ - New York University, "Sorting and Long-Run Inequality"

GONZALO FERNANDEZ DE CORDOBA - Universidad de Salamanca, "Capital Flows and Real-Exchange Rate Fluctuations Following Spain's Entry into the European Community"

JONAS FISHER - Federal Reserve Bank of Chicago, "Assessing the Effects of Fiscal Shocks"

ZSUZSANNA FLUCK - New York University, "Capital Structure Decisions in Small and Large Firms: A Life-cycle Theory of Financing"

DAVID FRANKEL - Stanford University, "Dynamic Equilibrium Selection: A General Uniqueness Result"

ERIC FRENCH - Federal Reserve Bank of Chicago, "The Effects of Health, Wealth, And Wages on Labor Supply And Retirement Behavior"

PETER FRUMKIN - Harvard University, "The Management of Foundation Assets: Time to Rethink the Payout Requirement"

DREW FUDENBERG - Harvard University, "Customer Poaching and Brand Switching"

WILLIAM GALE - Brookings Institution, "Effects of 401(k) Plans on Household Wealth"

ROBERT GARY-BOBO - Universite de Cergy-Pontoise, "On the Optimal Number of Representative"

JOHN GEWEKE - University of Iowa, "Computational Experiments and Reality"

MAITREESH GHATAK - University of Chicago, "Public-Private Partnerships for the Provision of Public Goods: Theory and an Application to Ngos"

YADIRA GONZALEZ DE LARA - Stanford University, "Enforceability and Risk-sharing in Financial Contracts: From the Sea Loan to the Commenda in Late Medieval Venice"

ED GREEN - Federal Reserve Bank of Chicago and Minneapolis, "An Implementation-Theory Perspective on Financial-System Stability"

MARK GRINBLATT - University California, Los Angeles, "Distance Bias, Language Bias, and Investor Sophistication: Results from Finland"

JONATHAN GURYAN - Massachusetts Institute of Technology, "Desegregation and Black Dropout Rates"

JINYONG HAHN - University of Michigan, "A New Specification Test for the Validity of Instrumental Variables"

KEVIN HALLOCK - University of Illinois, "Have Employment Reductions Become Good News for Shareholders? The Effect of Job Loss Announcements on Stock Prices, 1970-97"

BRUCE HANSEN - University of Wisconsin, "Non-parametric Bootstrap for Dependent Data Under Conditional Moment Restrictions"

LARS HANSEN - University of Chicago, "Robustness, Detection and the Price of Risk"

OLIVER HART - Harvard University, "Financial Contracting" and "On the Design of Hierarchies: Coordination Versus Specialization"

JAMES HECKMAN - University of Chicago, "On the Evaluation of Treatment Effects"

DANA HELLER - University of Chicago, "Parametric Adaptive Learning"

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- ELHANAN HELPMAN - Harvard University and Tel Aviv University, "Special Interest Politics" and "Incomplete Contracts And Industrial Organization"
- TOM HOLMES - University of Minnesota, "Do Mergers Lead To Monopoly in the Long Run? Results From the Dominant Firm Mode"
- HARRISON HONG - Stanford University, "Forecasting Crashes: Trading Volume, Past Returns and Conditional Skewness in Stock Prices"
- HEIDRUN C. HOPPE - University of Hamburg, "Entry Deterrence in Durable-Goods Monopoly"
- JOEL HOROWITZ - University of Iowa, "An Adaptive, Rate-Optimal Test of a Parametric Model against a Nonparametric Alternative"
- ROMAN INDERST - Free University of Berlin, "Markets with Simultaneous Signaling and Screening"
- PETER IRELAND - Boston College, "Sticky-Price Models of the Business Cycle: Specification and Stability"
- MARC IVALDI - University of Toulouse, "What is the Profit-Maximizing Price of OS in the Home PC Market?"
- OLIVIER JEANNE - International Monetary Fund, "International Bailouts, Domestic Supervision and Moral Hazard"
- JIM JORDAN - Pennsylvania State University, "Pillage and Property"
- ARIEL KALIL - University of Chicago, "Work Participation Among Mothers After TANF: Links to Family Economic and Emotional Well-Being"
- MICHIHIRO KANDORI - London School of Economics, "Fluctuations and Potential in Search Equilibrium"
- JONATHAN KARPOFF - University of Washington, "Public Versus Private Initiative in Arctic Exploration: The Effects of Incentives and Organizational Structure"
- ALICE KASAKOFF - University of South Carolina, "From Places to Occupations? Three Examples of How Migration Affected Adult Mortality in the American North, 1740-1880"
- KEN KAVAJECZ - The Wharton School of the University of Pennsylvania, "On the Formation and Structure of International Exchanges"
- TIM KEHOE - University of Minnesota, "Capital Flows and Real-Exchange Rate, Fluctuations Following Spain's Entry into the European Community"

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ZORINA KHAN Bowdoin College, "Litigation and Settlement of Civil Disputes During Economic Development: Evidence from New South Wales, 1860-1900"

MORDECAI KURZ - Stanford University, "Endogenous Uncertainty and Market Volatility"

RICARDO LAGOS - London School of Economics and New York University, "Crime and Unemployment"

OWEN LAMONT - University of Chicago, "The Diversification Discount: Cash Flows vs. Returns"

ED LAZEAR - Stanford University, "Output-based Pay: Incentives or Sorting?"

JOHN LEAHY - Boston University, "The Social Discount Rate"

ARTHUR LEWBEL - Boston College, "Nonparametric Censored And Truncated Regression"

PINO LOPOMO - New York University, "Collusion via Signaling in Open Ascending Auctions with Multiple Objects and Complementarities"

EDUARDO LOYO - Harvard University, "Tight Money Paradox on the Loose: A Fiscalist Hyperinflation"

SIDNEY LUDVIGSON - Federal Reserve Bank of New York, "Consumption, Aggregate Wealth and Expected Stock and Forecasting Stock Returns: New Out-Of-Sample"

THOMAS MACURDY - Stanford University, "Who Benefits and Who Pays for the Minimum Wage?"

PASCAL MAENHOUT - Harvard University, "Robust Portfolio Rules and Asset Pricing"

VOJISLAV MAKSIMOVIC - University of Maryland, "Do Conglomerate Firms Allocate Resources Inefficiently?"

R. PRESTON MCAFEE - University of Texas, Austin, "Feints"

GEORGE MCGOVERN - U.S. Ambassador to the United Nations, "A War We Can Win: Freedom From Hunger"

MONIKA MERZ - Rice University, "Career Choices of High School Graduates in Germany"

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- JOHN MILLER - Goodwill Industries (CEO), "The Challenge of Financing a Charitable Nonprofit"
- ESPEN MOEN - University of Oslo, "How the Invisible Hand Creates Excessive Wage Differentials"
- ENRICO MORETTI - University of California, Berkeley, "Estimating the Social Return to Education: Evidence from Repeated Cross-Sectional and Longitudinal Data"
- CHIAKI MORIGUCHI - Harvard University, "Implicit Contracts, the Great Depression, and Institutional Change: Employment Relations in U.S. and Japanese Manufacturing Firms, 1910-1935"
- SENDHIL MULLAINATHAN - Massachusetts Institute of Technology, "Enjoying the Quiet Life? Managerial Behavior Following Takeover Legislation"
- CASEY MULLIGAN - University of Chicago, "Policy Design and Incidence in a Merit Good Economy"
- JOHN MURRAY - University of Toledo, "Political Economy of Orphan Indenture in 18th Century America: Expected Productivity vs. Local Labor Market Conditions in Contract Formation"
- MARICRISTINA DE NARDI - University of Chicago, "Wealth Inequality, Intergenerational Links and Estate Taxation"
- LARRY NEAL - University of Illinois, "How the Global Capital Market Began: The Monetary and Financial Architecture of Europe, 1648-1815"
- WHITNEY NEWAY - Massachusetts Institute of Technology, "Nonparametric Estimation with Non Linear Budget Sets"
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- KERRY ODELL - Scripps College, "Financial Networks in the Aftermath of Disaster: The 1906 San Francisco Earthquake"
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JUN PAN - Stanford University, "Integrated Time-Series Analysis of Spot and Option Prices"

LUBOS PASTOR - University of Chicago, "Evaluating and Investing in Equity Mutual Funds"

JOHN PEPPER - University of Virginia, "What do Welfare-to-Work Demonstrations Reveal to Welfare Reformers?"

FABRIZIO PERRI - Pennsylvania University, "International Business Cycles"

WOLFGANG PESENDORFER - Princeton University, "Self-Control and the Theory of Consumption"

THOMAS J. PHILIPSON - University of Chicago, "Antitrust Policy and the Non-Profit Sector"

PATRICK PINTUS - Universite de Cergy-Pontoise, "Indeterminacy and Expectations Driven Fluctuations with Variable Factor Utilization and Unemployment"

BEN POLAK - Yale University, "Free Love, Fragile Fidelity, and Forgiveness: Social Conventions and Trust under Hidden Information"

RICHARD A. POSNER - University of Chicago, "Antitrust Policy and the Non-Profit Sector"

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ANDREA PRAT - London School of Economics, "Games Played Through Agents"

LUCREZIA REICHLIN - Universite Libre de Bruxelles, "Reference cycles: the NBER methodology revisited"

HELENE REY - London School of Economics, "Financial Super-Markets: Size Matters for Asset Trade"

PATRICK REY - University of Toulouse, "Capacity Constraints, Mergers and Collusion"

ARTHUR ROBSON - University of Western Ontario, "The Coevolution of Human Longevity and Intelligence in Hunter-Gatherer Economies"

HANNAH ROSENTHAL - U.S. Department of Health & Human Services, "The Federal Voice at the State Level"

PETER ROSSI - University of Chicago, "Modeling Consumer Demand for Variety"

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- ALVIN ROTH - Harvard University, "Last Minute Bidding and the Rules for Ending Second-Price Auctions: Theory and Evidence from a Natural Experiment on the Internet"
- ANNE ROYALTY - Indiana-Purdue University at Indianapolis, "A Discrete Choice Approach to Estimating Workers' Marginal Valuation Fringe Benefits"
- PAUL RUBIN - Emory University, "Does Capital Punishment Have a Deterrent Effect? New Evidence from Post Moratorium Panel Data"
- HAMID SABOURIAN - Cambridge and Yale Universities, "Complexity, Bargaining and Competitive Market"
- BILL SANDHOLM - University of Wisconsin, Madison, "Markov Evolution with Inexact Information"
- JOEL SANDONIS - Universidad del Pais Vasco, Spain, "Licensing Technology vs. Merging: Implications for Competition Policy"
- SUSANNE M. SCHENNACH - Massachusetts Institute of Technology, "Estimation of Nonlinear Models with Measurement Error"
- ANTOINETTE SCHOAR - University of Chicago, "Effects of Corporate Diversification on Productivity"
- ROBERT SHIMER - Princeton University, "The Impact of Young Workers on the Aggregate Labor Market"
- RICHARD SICOTTE - University of Calgary, "Legislative Choice And Congressional Institutions Lessons From The Hawley-Smoot Tariff"
- FREDERICK W. SMITH - FedEx Corporation (CEO), "Expressing the Future"
- RAN SPIEGLER - Nuffield College, "Reason-Based Choice and Justifiability in Extensive-Form Games"
- RUNE STENBACKA - Swedish School of Economics, "Strategic Sub-Contracting"
- SCOTT STERN - Massachusetts Institute of Technology, "Do Scientists pay to be Scientists?"
- NANCY STOKEY - University of Chicago, "Energy Costs and the Industrial Revolution"
- JOREN SWINKELS - Washington University, "Existence of Equilibrium in Auctions and discontinuous Bayesian Games: Endogenous and Incentive Compatible Sharing Rules"

MICHELE TERTILT - University of Minnesota, "Policy Dynamics under Different Electoral Systems"

COEN TEULING - Tinbergen Institute, "A Theory of Tenure and Specific Investments"

JEAN TIROLE - University of Toulouse, "Cooperation Among Competitors: The Economics of Credit Card Associations" and "Self-Confidence"

GAUTAM TRIPATHI - University of Wisconsin, "On Testing Conditional Moment Restrictions: The Canonical Case"

MIGUEL URQUIOLA - University of California at Berkeley, "Identifying Class Size Effects in Developing Countries: Evidence from Rural Schools in Bolivia"

ARTHUR VAN RIEL - University of Utrecht, "The Strictures of Inheritance: Government, Institutional Change, and Economic"

JAUME VENTURA - Massachusetts Institute of Technology, "Country Portfolios"

EDWARD VYTACIL - University of Chicago, "Nonparametric Selection Models and the Evaluation of Treatment Parameters" and "On the Evaluation of Treatment Effects"

ZHENYU WANG - Columbia University and Federal Reserve Bank of New York, "A Shrinkage Theory for Asset Allocation Using Asset Pricing Models"

DAVID WHEELOCK - Federal Reserve Bank of St. Louis, "Aggregate Price Shocks and Financial Instability: An Historical Analysis"

AMIR YARON - Wharton School, "Risk Sharing over the Life-cycle: Genes or Luck in the Labor Market"

PEYTON YOUNG - John Hopkins University, "Limits to Rationality: Possibility and Impossibility Theorems in Learning"

BILL ZAME - University California, Los Angeles, "Cheap Talk and Discontinuous Games of Incomplete Information"

RUILIN ZHO - Federal Reserve Bank of Chicago, "Dynamic Monetary Equilibrium in a Random-Matching Economy"

ERIC ZIVOT - University of Washington, "Improved Inference for the Instrumental Variable Estimator"