Annual Report
2001-2002

Institute for Economic Analysis

Spanish Council for Scientific Research (CSIC)
CONTENTS

1.- Presentation

2.- Organization
   - Board of Trustees
   - Structure

3.- Staff
   - Permanent research faculty
   - Research affiliates
   - Visiting researchers
   - Research assistants
   - Scholarship holders
   - Administrative and secretarial staff

4.- Publications

5.- Research projects and others research activities
   - Projects
   - European research projects and networks

6.- Conferences, workshops and seminars

7.- Teaching

Appendix
   - Bellaterra Seminar
   - Informal Seminar
   - Working Papers
1.- Presentation

The Institute for Economic Analysis (IAE) is a center of the Spanish Council for Scientific Research (CSIC). The Institute was created in 1985 and is dedicated to the pursuit of academic excellence in Economics. This document presents the Institute’s biennial report for the years 2001 and 2002.

The Institute’s activities cover both theoretical and empirical research in various areas, including industrial organization, finance, regional economics, political economics, macroeconomics and growth, public economics, game theory, and experimental economics. The numerous studies undertaken by the Institute’s staff have translated into a large number of publications in international scientific journals and books.

The IAE collaborates closely with the Economics Departments of Universitat Autònoma de Barcelona and Universitat Pompeu Fabra, especially through their PhD programs. In February 2002 the presidents of UPF and of CSIC signed an agreement associating the Department of Economics and the IAE. This agreement is designed to facilitate the interaction and synergies between the two institutions, as well as the temporary exchange of faculty.

As for international cooperation, the IAE –with the Economics Departments of UAB and UPF- joined the Laboratoire Européen Associé d’Économie Quantitative, together with CORE of Université Catholique de Louvain and GREQAM of Université d’Aix-Marseille. This virtual lab promotes joint activities such as seminars, conferences and exchange of students and faculty. The institute’s international projection is reinforced by its participation in a number of European research networks and the organization of international conferences.

During period 2001-2002, Enriqueta Aragonés and Clara Ponsatí joined the Institute, while Xavier Vives and Nicolas Melissas left the staff to continue their academic career at INSEAD, Paris, and University of Leicester, respectively.
2.- Organization

Board of Trustees

President:

President of Spanish Council for Scientific Research

Trustees:

A representative of each of the following Institutions:

Spanish Council for Scientific Research
Universitat Autònoma de Barcelona
Ministry of Finances
Ministry of Education and Culture
Ministry of Science and Technology
Institute for Economic Analysis

Structure:

Director: Xavier Vives (until July 2001)

Joan Mª Esteban (since July 2001)

Vice-Director: Ángel de la Fuente

Head of the Departament: Ramon Caminal

Manager: Isabel Moltó (until September 2002)

Rita Arias (since September 2002)
3.- Staff

Research faculty

Enriqueta Aragonés
Jordi Brandts
Roberto Burguet
Ramon Caminal
Giacinta Cestone
Joan Mª Esteban
Ángel de la Fuente
Daniela Fabbri (until September 2002)
Nicolas Melissas (until September 2002)
Paul Pezanis-Christou
Clara Ponsatí
Marta Reynal
Vasiliki Skreta (until September 2002)
Xavier Vives (until July 2001)

Research affiliates

Melvyn Coles
Kai - Uwe Kühn
Matilde Machado
Martin Perry
Diego Puga
Antonio Rangel
Debraj Ray
Xavier Vives

Visiting Researchers

2000-2001

Klaus Abbink University of Nottingham
Alicia Adserà  University of Illinois at Chicago
Carles Boix  University of Chicago
Jean Yves Duclos  Université Laval
Heidrun Hoppe  Universität Hamburg
Mireia Jofre  Yale University
Tanga McDaniel  University of Cambridge
Marco Mariotti  University of Exeter
Martin Pesendorfer  Yale University
Martin Perry  Rutgers University
Debraj Ray  New York University
Amal Sanyal  Lincoln University
Jaime Sempere  El Colegio de México

2001-2002
Larry Karp  University of California, Berkeley
Dan Kovenock,  Purdue University
Maurice Kugler  University of Southampton
Paola Manzini  Queen Mary, University of London
Yohann Pelosse  Université Lumière Lyon II
Martin Perry  Rutgers University
Antonio Rangel  Stanford University
Stan Reynolds  The University of Arizona

Research assistants

Ana Belmonte Rodríguez
Juan Antonio Duro
David Rodríguez

Scholarship holders

Albert Banal Estañol
Nadia Burani
Mario Cerdán
Jesús Enrique Morales
Eloic Peyrache
Agnes Pinter
Santiago Sánchez Pages

Administrative and secretarial staff

Isabel Moltó                      Manager (until September 2002)
Rita Arias                       Manager (since September 2002)

Josefa Ana Amiell
Ana Echaguibel
Mª José García
Angela Hernández
Teresa Lorenz
Concepción Rodríguez
Belinda Ruiz
4.- Publications

Enriqueta Aragonés


Jordi Brandts


"An Exploration of Reputation Formation in Experimental Games", with Neus Figueras, forthcoming in *Journal of Economic Behavior and Organization*.


"Truth or Consequences. An Experiment", with Gary Charness, forthcoming in *Management Science*.


Roberto Burguet


Ramon Caminal


“Personal Redistribution and the Regional Allocation of Public Investment”, forthcoming in *Regional Science and Urban Economics*.

Giacinta Cestone


Joan Mª Esteban


Ángel de la Fuente


"Infraestructures i Política Regional", *Nota d'Economia*, 2002, 73, 91-114.


Paul Pezanis-Christou


Clara Ponsatí


Marta Reynal-Querol


Xavier Vives


5.- Research projects and other research activities

Projects

"Polarization, Growth and Public Policies" (SEC2000-1326)

Director: Joan Mª Esteban
Other participants: Roberto Burguet and József Sákovics
Financed by: Ministerio de Educación y Cultura
Time Period: 2000-2003
Summary:
One of the main objectives of the National Program in Socioeconomic is to facilitate analytical tools allowing for a better understanding of the nature of the social changes we are witnessing and their interaction with economic efficiency and growth potential. This is the central aim of our research.
Indeed, the distribution of personal income in many countries is becoming polarized as a result of a process on increasing social clustering. This greater segmentation weakens the social cohesion indispensable for the non-conflictual resolution of opposing interests. This increased fragmentation also induces a growing abstentionsim, mostly among the socially segmented groups. The political system gets thus weakened as a mechanism for social participation and integration.
The central target of this research is to develop a model of economic and social interaction in which the conflict of interests is an integral part of the description of the actors and of their relations. We wish to characterize social agreements and institutions as resulting from the power of the competing parties, rather than as the outcomes of the philanthropic maximization of social welfare. Our research focuses on two main areas. In the first we study the relationship between polarization and social conflict. In the second, we examine the consequences of social conflict on the political process, on the allocation of resources and hence on the potential for growth.

"Polarization and Conflict" (BEC2001-4589)

Director: Joan Mª Esteban
Other participants: Marta Reynal
Summary:
The purpose of this project is to set the basis for a future multidisciplinary research project aiming at a new modeling of social and economic interactions, in view of explaining polarization and conflict. In view of the limited interaction across disciplines. I wish to undertake the following facilitating activities:
- Identify the researchers in Political Science and Economics interested in the analytical modeling of polarization and conflict.
- Create an operative web page to facilitate communication and the diffusion of results.
- Organize a small workshop to launch effective cooperation between economists and social scientists.
- Prepare and submit a joint research project by under the "key action".

“Aggregation of Information and Market Microstructure” (PB98-0696)

Director: Roberto Burguet (since Feb 22, 2002)
Other participants: Bruno Biais, Ramon Caminal, Luis Ángel Medrano, Frederic Palomino, Jean Charles Rochet and Xavier Vives.

Financed by: Ministerio de Ciencia y Tecnología
Time Period: 1999-2002

The goal of the project, led by Xavier Vives, is to study market information aggregation mechanisms in the presence of asymmetric information, both from a static and a dynamic perspective. Particular consideration will be given to market microstructure (rules of the game and of price formation, for example) and its effect on information transmission. Financial and real markets will be analyzed.

“Strategic Aspects of Competition in Banking” (PB98-0695)

Director: Ramon Caminal.
Other participants: Carmen Matutes and Marco Pagano.

Financed by: Ministerio de Ciencia y Tecnología
Time Period: 1999-2002
The goal of this project, led by Ramon Caminal, is to study different strategic aspects of financial intermediaries, and the role of banking regulation. There are four core topics. The first concerns minimum capital requirements in a liberalized industry. The second deals with the role of interbank lending markets in the specialization of banking firms. The third topic has to do with the degree of product differentiation in the credit market, in relation to banks' decisions concerning their capacity to process information. Finally, the fourth deals with the role of size and territorial organization of banks in the allocation of credit, and its implications for branching and merger policies.

“Experimental Economics Advances” (PB98-0465)

**Director:** Jordi Brandts

**Other participants:** Neus Figueras.

**Financed by:** Ministerio de Ciencia y Tecnología

**Time Period:** 2000-2002

The general purpose of this project is to promote experimental economics at the IAE. Experimental economics is becoming an important tool for the analysis of both general theoretical questions and more specific issues. An example of the first are experiments on motivation and interdependent preferences. This kind of research is creating the basis for a new view of some socio-economic problems of great importance like wage-setting in labor markets or tax policy. An example of more specific topics that can be studied through experiments is the design of new market mechanisms to improve resource allocation, as in the context of the markets for electricity and telecommunications. As a whole, all this will make it possible to put the analysis of a good number of questions on a more empirical basis.


**Director:** Ángel de la Fuente

**Other participants:** Isabel Busom and Mª Jesús Freire.

**Financed by:** Programa Nacional de Estudios Sociales y Económicos. Ministerio de Educación y Cultura.
**Time Period:** 2000-2002

This project, led by Ángel de la Fuente, analyzes the dynamics of Spain's regional economies within the framework of modern growth theory, with special attention to the impact of public policies (at the regional, national and EU levels) on the evolution of income and the location of economic activity and population. The issues to be studied include the analysis of the sources of growth and regional inequality at the aggregate and sectoral levels, techniques for the estimation of growth models, the determinants of investment and employment creation, the analysis of migration flows and the effects of various public policies, including investment in infrastructure, education and R&D and subsidies to enterprises. The results will be of interest to policymakers, especially those with responsibilities in the areas of regional and development policy.

**European research projects and networks**

"The European Network for the Development of Experimental Economics and its Applications to Research on Institutions and Individual Decision Making" (FMRX_CT98-0238)

**Leader of the local team:** Jordi Brandts

**Project leader:** Frans van Winden, University of Amsterdam

**Financed by:** DG12 European Commission

**Time Period:** 15-3-1998-15-3-2003

**Summary:**

In spite of the increasing popularity worldwide, there are only a few research groups in experimental economics in Europe. ENDEAR aims at bringing these groups together, to encourage the development of experimental economics in Europe. This will provide a unique combination of expertise. Through joint research projects, ENDEAR will provide innovative experimental research on two general topics.

1. The development and influence of institutions. Experimental economics enables one to isolate the effect of changing institutions and to test policy proposals in the 'windtunnel' provided by the laboratory. This gives obvious links to industry (e.g. the design of auctions) and governments (e.g. the allocation of radio frequencies).

2. The fundamental study of individual decision making in economic situations.
This allows one to develop the fundamentals of economic theory by testing basic assumptions about behavior with and without (strategic) interaction between individuals. It also covers more practical research into individual decision making in specific situations.

"The Evolution of Market Structure in Network Industries" (FMRX-CT98-0203)

Leader of the local team: Carmen Matutes until 2000, Roberto Burguet from 2001
Project leader: Röller Lars-Hendrik, WZB.CIC, Berlin
Financed by: Program Training and Mobility of Researchers European Commission
Summary:
The proposed network will undertake research on the evolution of market structure in European 'network industries' such as telecommunications, energy, air transportation, rail, and water. These industries have emerged as a key European policy issue, yet there is little or no research collaboration at the EU level. This network will address this need through a comprehensive programme of research and training, involving eight leading institutions in six EUU countries.
The research addresses three important issues:
- Competition and Regulation amongst Existing Networks, focusing on market structure in existing network industries and how new structures might evolve;
- Investment in New Networks, focusing on the role of infrastructure in economic performance, the processes by which infrastructure is created, and the optimal providers of such infrastructure;
- Networks and Geography: exploiting methodological similarities between two disparate fields: economic geography and network industries,
The network aims to train a new generation of researchers and to achieve scientific advances on topics such as the optimal mix between competition policy and regulation and models of the political economy of regulation.
"The Industrial Organization of Banking and Financial Markets in Europe"
(FMRX-CT 98-0222)

Leader of the local team: Carmen Matutes until 1999, Ramon Caminal from 1999.

Project leader: Xavier Vives, CEPR

Financed by: DG12 European Community

Time Period: 01-03-1998 - 28-02-2003

Summary:
The Network aims to extend the frontier of research in the closely related fields of banking, corporate finance, industrial organization and market microstructure. The network's research will be organized around three themes of vital importance to the European economy during the present period of rapid financial and monetary integration. The first theme studies 'excessive competition' and systemic risk in the banking sector. The second examines the industrial organization of securities markets and the theoretical relationship between ownership structure in the corporate sector and the provision of credit markets and the effect of bankruptcy schemes on borrowers' incentives to repay, and the relationships between financing options available to firms and firm's behaviour in product markets. This research programme will draw on the methodologies of game theory and information economics as applied to industrial organization, market microstructure and corporate finance. The network brings together some of Europe's leading economists, who are working at the frontiers of these fields. The combination of skills and expertise provides a unique opportunity to train a new generation of young researchers in the microeconomic analysis of banking and financial markets.

“Polarization and Conflict” (HPHA CT 2000-00052)

Director: Joan Mª Esteban

Financed by: European Commission

Time Period: 2001

Summary:
The purpose of this project is to set the basis or a future multidisciplinary research project aiming at a new modeling of social and economic interactions, in view of
explaining polarization and conflict. In view of the limited interaction across disciplines. I wish to undertake the following facilitating activities:

- Identify the researchers in Political Science and Economics interested in the analytical modeling of polarization and conflict.
- Create an operative web page to facilitate communication and the diffusion of results.
- Organize a small workshop to launch effective cooperation between economists and social scientists.
- Prepare and submit a joint research project by 15/12/01 under the “key action”.
6.- Conferences, Workshops and Seminars

Organization

Clara Ponsatí
- II ESF Exploratory Workshop on Bargaining, Barcelona, May 2001. Supported by the European Science Foundation.

Joan Mª Esteban
- Meeting on Polarization and Conflict, Barcelona, December, 2002. With the support of the Institut Europeu de la Mediterrània and the Laboratoire Européen Associé (LEA).

Enriqueta Aragonés

- Scientific Committees

Jordi Brandts

Ramon Caminal

Ángel de la Fuente
V Encuentro de Economía Aplicada, Oviedo, 2002.
- Presentations in conferences and workshops

Enriqueta Aragonés

*Candidate Quality and Electoral Competition: Theory and Data*

- Exploratory Workshop on Political Economy, CentrA y Departamento de Teoría e Historia Económica, Universidad de Málaga, Málaga, December 2001.
- XXVII Simposio de Analisis Economico. Salamanca, December 2002


*Modeling Group Decision Processes*, Center for Interdisciplinary Research, University of Bielefeld (Germany), October 2001.

Jordi Brandts


*Fair Procedures, Evidence from Games Involving Lotteries*


*Truth or Consequences: An Experiment*, Public Choice Society and Economic Science Meetings, San Diego, California, USA, 2002

*Efficiency and Competition with Forward Contracts: A Laboratory Experiment Motivated by Electricity Market Design*, Seventh Annual Power Research Conference, Berkeley, California, USA, 2002

Roberto Burguet

*Competitive Procurement with Corruption*

*The Condominium Problem; Auctions for Substitutes*

Ramon Caminal

*Monopoly Pricing of ‘Cyclical’ Goods*
- 17th Annual Congress EEA, Venice, August 2002.


Giacinta Cestone

*Stakeholder Activism, Managerial Enrenchment, and the Congruence of Interests between Shareholders and Stakeholders*


*Venture Capital Meets Contract Theory: Risky Claims or Formal Control?*
Joan Mª Esteban

*The Measurement of Polarization: Where do we Stand*

*An Endogenous Theory of Sentiments*
- CORE, Université de Louvain, 2002.


Ángel de la Fuente

*Human Capital in a Global and Knowledge-based Economy*


Paul Pezanis


Clara Ponsatí

*Bilateral Collusion in Markets with Decentralized Trade*, Econometric Society European Meeting, Lausanne, Switzerland, August 2001


Xavier Vives


*Imperfect Competition, Risk Taking, and Regulation in Banking* (with C. Matutes), Jornadas Anuales de Economía, Banco de Uruguay, Uruguay, July 2001.


*Dollarization, Bailouts, and the Stability of the Banking System* (with D. Gale),


Seminars

Enriqueta Aragonés


  University of Warwick, March 2001.


Jordi Brandts

  Universidad de Nottingham, 2002.

Roberto Burguet

  University of Edimburg, 2002.

  University of Rutgers, 2002.

Ramon Caminal


Giacinta Cestone

  CSEF Universita’ di Salerno, 2002.


Joan MªEsteban


  Queen's University, Kingston, Canada, 2001.


  Fundación Juan March, 2002.

Ángel de la Fuente


Universidad de Alicante, October 2001.


Universidad de Navarra, Pamplona, April 2002.


Universidad de Oviedo, October 2002.

Universidad de Oviedo, November 2002.

Fundación de Economía Aragonesa, Zaragoza, November 2002.

Paul Pezanis

CentER, Tilburg University, September 2001.

Max Planck Institute, Jena, December 2001.

Max Planck Institute, Jena, June 2002.

Clara Ponsatí

University of Edinburgh, February 2002.

Cambridge University, February 2002.

WSC- Berlin, June 2002.

Universitat Autònoma de Barcelona, Bellaterra, October 2002.

University of California, San Diego, November 2002.
7. Teaching

Courses taught by the Institute’s Staff

Enriqueta Aragonés
   Political Economy for Law, first year undergraduate, Universitat Pompeu Fabra.
   Economic Theory. Microeconomics, second year undergraduate, Universitat Pompeu Fabra.
   Introduction to Economics I, undergraduate, Universitat Pompeu Fabra, 2002-03

Jordi Brandts
   Experimental Economics, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2000-01, 2001-02, 2002-03.

Roberto Burguet

Ramon Caminal
   Corporate Finance and Banking, Doctoral Program IDEA, Universitat Autònoma de Barcelona, (Fall 2001, Fall 2002).
   Applied Macroeconomics, undergraduate, Universitat Pompeu Fabra, (Spring 2002).

Giacinta Cestone
   Corporate Finance and Banking, Doctoral Program IDEA, Universitat Autònoma de Barcelona (Fall 2001, Fall 2002).
   Microeconomics of Banking, Master in Economics and Finance, Università di Napoli (Spring 2001, Spring 2002).
Joan Mª Esteban
Income Distribution, Doctoral Program in Economics, Universitat Pompeu Fabra, 2000-01, 2002-03.

Ángel de la Fuente
Growth Theory. Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2000-01.
Macroeconomics, with H. Rodríguez. Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2000-01.
Introduction to Growth Economics. Doctoral Program, Universidad de la Palmas de Gran Canaria, 2000-01.

Nicolas Melissas
Industrial Economics, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2000-01 and 2001-02.

Paul Pezanis-Christou

Xavier Vives
Masters theses and Doctoral dissertation directed by the Institute’s Staff

Jordi Brandts


Roberto Burguet


Joan Mª Esteban


Clara Ponsatí

APPENDIX

Bellaterra Seminar

2001

February 6  Piero Gottardi, *Università Ca'Foscari di Venezia*, "Decentralizing Incentive Efficient Allocations in Adverse Selection Economies"


February 20 Özgür Kibris, *CORE*, "Ordinalism and Egalitarianism in Bargaining"

February 27 Suresh Mutuswami, *University of Essex*, "Subscription Mechanisms for Network Formation"

March 6  Manuel Santos, *Arizona State University*, "Stock Options and Managerial Optimal Contracts"

March 13 Richard Jensen, *University of Notre Dame*, "Proofs and Prototypes for Sale: The Licensing of University Inventions" (with Marie Thursby)

March 20 Michael Jerison, *State University of New York*, "Nonrepresentative Representative Consumers"

March 27 Emilio Cerdà, *Universidad Complutense de Madrid*, "Optimal Sequence of Landfills in Solid Waste Management" (with Francisco J. André)

April 6  Marcelo Veracierto, *Federal Reserve Bank of Chicago*, "What are the Sort-Run Effects of Increasing Labor Market Flexibility?"

April 17 James Costain, *Universitat Pompeu Fabra*, "Computing Business Cycles with Endogenous Risk" (with Michael Reiter)
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<tr>
<th>Date</th>
<th>Speaker</th>
<th>Affiliation</th>
<th>Title</th>
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<tbody>
<tr>
<td>April 24</td>
<td>Olivier Gossner</td>
<td><em>THEMA, Université Paris Nanterre, CORE</em> and <em>Université Catholique de Louvain,</em> &quot;The Value of Information in Zero-Sum Games&quot;</td>
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<tr>
<td>May 8</td>
<td>Joel Saphiro</td>
<td><em>Universitat Pompeu Fabra,</em> &quot;Educational Opportunity and Wage Inequality&quot; (with I. Hendel and P. Willen)</td>
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<td>May 15</td>
<td>John K.-H. Quah</td>
<td><em>St. Hugh's College,</em> &quot;The Weak Axiom and Comparative Statics&quot;</td>
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<td>May 22</td>
<td>Paul Heidhues</td>
<td><em>Wissenschaftszentrum Berlin,</em> &quot;Tacit Collusion in Repeated Auctions&quot; (with A. Blume)</td>
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<tr>
<td>May 29</td>
<td>Debraj Ray</td>
<td><em>New York University,</em> &quot;Persistent Inequality&quot; (with D. Mookherjee)</td>
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<td>June 5</td>
<td>Radim Bohácek</td>
<td><em>CERGE-EI, Praga,</em> &quot;Capital Accumulation and Distribution in an Economy with Moral Hazard&quot;</td>
<td></td>
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<td>June 12</td>
<td>Jos Janssen</td>
<td><em>WZB,</em> &quot;Expectations Management in R&amp;D Races with Learning Labs: Common Values&quot;</td>
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<td>June 19</td>
<td>Heidrun C. Hoppe</td>
<td><em>Universitaet Hamburg,</em> &quot;Intermediation in Innovation&quot; (with Emre Ozdenoren, University of Michigan)</td>
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<tr>
<td>June 26</td>
<td>Rafael Repullo</td>
<td><em>CEMFI and CEPR,</em> &quot;A Model of the Open Market Operations of the European Central Bank&quot; (with Juan Ayuso)</td>
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<tr>
<td>October 9</td>
<td>Stef Tijs</td>
<td><em>Tilburg University,</em> &quot;Arbitration Games&quot;</td>
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<td>October 18</td>
<td>Christian Haefke</td>
<td><em>Universitat Pompeu Fabra,</em> &quot;Shocks and Institutions in a Job Matching Model&quot;</td>
<td></td>
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<tr>
<td>October 25</td>
<td>Jordi Galí</td>
<td><em>Universitat Pompeu Fabra,</em> &quot;Markups, Gaps, and Economic Fluctuations&quot; (with Mark Gertler and David López-Salido)</td>
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<tr>
<td>November 8</td>
<td>Martin Perry</td>
<td><em>Rutgers University,</em> &quot;The Effects of Mergers in Open Auction Markets&quot; (with Keith Waehrer)</td>
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<tr>
<td>November 15</td>
<td>José Luis Ferreira</td>
<td><em>Universidad Carlos III,</em> &quot;The Role of Observability in Futures Markets&quot;</td>
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<tr>
<td>November 22</td>
<td>Mireia Jofre</td>
<td><em>Yale University,</em> &quot;Estimation of a Dynamic Auction Game&quot; (with Martin Pesendorfer)</td>
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</tbody>
</table>
November 29  Maia Güell, *Universitat Pompeu Fabra*. "Let's go to Court! Firing Costs and Dismissal Conflicts" (with J.E.Galdón-Sánchez)

December 13  Antonio Rangel, *Stanford University*, "Addiction, Visceral Activation, and Brain Characterization Failure", (with Douglas Bernheim)

December 20  Alicia Adserà, *University of Illinois at Chicago*, "Changing Fertility Rates in Developed Countries. The Impact of Labor Market Institutions"

2002

January 10  Esther Hauk, *Universitat Pompeu Fabra*, "Economic Integration and Corruption" (with Juanjo Ganuza)

January 18  Herschel Grossman, *Brown University*, "Constitution or Conflict?"

February 7  Dan Kovenock, *Purdue University*, "A Comparison of Multiple-Unit All-Pay and Winner-Pay Auctions under Incomplete Information" (with Yasar Barut and Charles Noussair)

February 14  Antonia Díaz, *Universidad Carlos III de Madrid*, "Habit Formation: Implications for the Wealth Distribution" (with Josep Pijoan and José-Víctor Ríos-Rull)

February 21  Ángel Hernando, *Universidad de Alicante*, "Successful Uninformed Bidding"

February 22  Itzhak Gilboa, *Tel Aviv University*, "Inductive Inference: An Axiomatic Approach" (with David Schmeidler)

February 28  Marco Mariotti, *University of Exeter*, "Unequal Opportunities: Should the Dustman's Daughter Have the Same Chances in Life as the Doctor's Son?"

March 7  Clara Ponsatí, *Institut d'Anàlisi Econòmica*, "Filtered Bargaining" (with Jernej Copic)

March 14  Jesus Gonzalo, *Universidad Carlos III de Madrid*. "Threshold Stochastic Unit Root Models" (with Raquel Montesinos)
March 21  Tayfun Sönmez, Koç University, "Room Assignment-Rent Division: A Market Approach", (with Atila Abdulkadiroglu and M. Utku Ünver)

April 4  Paola Manzini, Queen Mary, University of London, "A Vague Theory of Choice Over Time", (with Marco Mariotti)

April 11  Francis Bloch, GREQAM, "Oligopolistic Markets for Lemons"

April 18  Herve Moulin, Rice University, "Random Matching and Assignment under Dichotomous Preferences" (with Anna Bogomolnaia)

April 25  David Wettstein, Ben-Gurion University of the Negev, "Bidding for the Surplus: Realizing Efficient Outcomes in General Economic Environments" (with Suresh Mutuswami and David Pérez-Castrillo)

May 2  Larry Karp, University of California, Berkeley. "Controlling a Stock Pollutant with Endogenous Investment and Asymmetric Information" (with Jiangfeng Zhang)

May 7  Per Krusell, University of Rochester, "Time-Consistent Public Expenditures"

May 16  Antonio Cabrales, Universitat Pompeu Fabra, "Forward Induction and the Excess Capacity Puzzle: An Experimental Investigation" (with Jordi Brandts and Gary Charness)

May 22  Thomas Palfrey, California Institute of Technology. "Quantal Response Equilibrium and Risk Averse Behavior in Auctions and Other Games" (with Charles Holt and Jacob Goeree)

May 30  Ronny Razin, New York University. "From Thought to Practice: Appropriation and Endogenous Market Structure with Imperfect Intellectual Property Rights" (with M. Baccara)

June 20  Peter Kuhn, University of California, Santa Barbara, "Leadership Skills and Wages" (with Catherine Weinberger)

October 1  Manolo Santos, Arizona State University, "Differentiability of the Moment of the Invariant Distribution in Markov Models"

October 10  Yongmin Chen, University of Colorado, "Vertical Integration, Exclusive Contracts, and ex post Cartelization" (with Michael Riordan)
October 17  Antonio Ciccone,  *Universitat Pompeu Fabra*, "Trade and Productivity" (with Francisco Alcalá)

October 24  Leonidas C. Koutsogeras,  *University of Manchester*, "Arbitrage and Equilibrium in Non Walrasian Markets"

Octubre 31  Carlos Velasco,  *Universidad Carlos III de Madrid*, "Distribution Free Goodness-of-Fit Tests for Linear Processes"

November 7  Philippe De Donder,  *Université de Toulouse*, "The Politics of Redistributive Social Insurance" (with J. Hindriks)

November 14  Jaume Ventura,  *Universitat Pompeu Fabra*, "Bubbles and Capital Flows"


November 28  Oriol Carbonell,  *IAE-Rutgers University*, "Equilibrium Analysis of Voting over Nonlinear Income Taxes" (with E. Ok)

December 5  Alessandra Cassella,  *Columbia University*, "Storable Votes"


Informal Seminar

2001

February 23  Klaus Abbink, "The Spanish Auctions for Government Securities: A Laboratory Analysis"
March 2      Roberto Burguet, "Competitive Procurement with Corruption" (with Y.K. Che)
March 9      Giacinta Cestone, "Venture Capital Meets Contract Theory: Risky Claims or Formal Control?"
September 19 Maurice Kugler, University of Southampton, "Sectorial Pattern of Spillovers from Foreign Direct Investment"

2002

February 1  Giacinta Cestone, IAE, "Towards the Stakeholder Society? The Role of Socially Responsible Investment and Shareholder Advocacy"
April 26     Joan Mª Esteban, IAE, "Endogenous Sentiments"
May 10       Ramon Caminal, IAE, "Cyclical Goods"
May 17       Vasiliki Skreta, IAE, "Optimal Auction Design under Non-Commitment"
May 31       Paul Pezanis-Christou, IAE, "Inference from a Non-Linear Error Model of Competitive Bidding" (with Andrés Romeu)
June 19      Joan Maria Esteban, IAE, "On Religious Conflict" (with Debraj Ray)
**Working Papers**

475.01  “Redistribution and Subsidies for Higher Education”, by Carmen Bevia & Inigo Iturbe-Ormaetxe

476.01  “An Atkinson-Gini Family of Social Evaluation Functions”, by Abdelkrim Araar & Jean-Yves Duclos

477.01  “Absolute and Relative Deprivation and the Measurement of Poverty”, by Jean-Yves Duclos & Philippe Gregoire

478.01  “Classical Horizontal Inequity and Reranking: an Integrated Approach”, by Jean-Yves Duclos & Vincent Jalbert & Abdelkrim Araar

479.01  “Bidding for the Surplus: Realizing Efficient Outcomes in General Economic Environments”, by Suresh Mutuswami, David Pérez-Castrillo & David Wettstein

481.01  “Reference Prices: The Spanish Way”, by Jorge Mestre-Ferrandiz

482.01  “The Spanish Auction for Government Securities: A Laboratory Analysis”, by Klaus Abbink, Jordi Brandts & Paul Pezanis-Christou

483.01  “Fair Procedures. Evidence from Games Involving Lotteries”, by Gary E. Bolton, Jordi Brandts & Axel Ockenfels

484.01  “A Marxian Model of the Breakdown of Capitalism”, by Howard Petith

485.01  “A Descriptive and Analytic Look at Marx’s Own Explanations for the Falling Rate of Profit (Long Versión)”, by Howard Petith

486.01  “A Descriptive and Analytic Look at Marx’s Own Explanations for the Falling Rate of Profit”, by Howard Petith

487.01  “Financial Intermediation in a Model of Growth through Creative Destruction”, by Maria Fuensanta Morales

488.01  “Research Policy and Endogenous Growth”, by Maria Fuensanta Morales

489.01  “Gerogescu-Roegen versus Solow/Stiglitz and the Convergence to the Cobb-Douglas”, by Howard Petith

490.01  “A Foundation Model for Marxian Theories of the Breakdown of Capitalism”, by Howard Petith

491.01  “Pressure Groups and Experts in Environmental Regulation”, by Nicolás Porteiro

492.01  “Candidate Stability and Voting Correspondences”, by Carmelo Rodríguez-Álvarez

493.01  “Implementation of the Walrasian Correspondence by Market Games”, by Carmen Beviá & Luis C. Corchón & Simon Wilkie

494.01  “A Dual Characterization of Incentive Efficiency”, by Belén Jerez

495.01  “Settlement in Tax Evasion Prosecution”, by Inés Macho-Stadler & David Pérez-Castrillo
<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>496.01</td>
<td>“Income Taxation with Habit Formation and Consumption Externalities”</td>
<td>Jaime Alonso-Carrera, Jordi Caballé &amp; Xavier Raurich</td>
</tr>
<tr>
<td>497.01</td>
<td>“Growth, Habit Formation, and Catching-up with the Joneses”</td>
<td>Jaime Alonso-Carrera, Jordi Caballé &amp; Xavier Raurich</td>
</tr>
<tr>
<td>498.01</td>
<td>“Likelihood-Based Approaches to Modeling Demand for Medical Care”</td>
<td>Michael D. Creel &amp; Montserrat Farell</td>
</tr>
<tr>
<td>499.01</td>
<td>“Consumption Externalities, Habit Formation, and Equilibrium Efficiency”</td>
<td>Jaime Alonso-Carrera, Jordi Caballé &amp; Xavier Raurich</td>
</tr>
<tr>
<td>500.01</td>
<td>“On the Relation between Tax Rates and Evasion in a Multi-period Economy”</td>
<td>Jordi Caballé &amp; Judith Panadés</td>
</tr>
<tr>
<td>501.01</td>
<td>“Voting by Committees under Constraints”</td>
<td>Salvador Barberà, Jordi Massó &amp; Alejandro Neme</td>
</tr>
<tr>
<td>502.01</td>
<td>“Mediation: Incomplete information bargaining with filtered communication”</td>
<td>Xavier Jarque, Clara Ponsatí &amp; József Sákovics</td>
</tr>
<tr>
<td>503.01</td>
<td>“The Principal-Agent Matching Market”</td>
<td>Kaniska Dam &amp; David Pérez-Castrillo</td>
</tr>
<tr>
<td>504.01</td>
<td>“The Role of Central Bank Operating Procedures in an Economy with Productive Government Spending”</td>
<td>Jordi Caballé &amp; Jana Hromcova</td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>505.02</td>
<td>“Graduate Econometrics Lecture Notes”</td>
<td>Michael Creel</td>
</tr>
<tr>
<td>506.02</td>
<td>“Stochastic Dominance and Absolute Risk Aversion”</td>
<td>Jordi Caballe &amp; Joan Mª Esteban</td>
</tr>
<tr>
<td>507.02</td>
<td>“Preventive health care and payment systems to providers”</td>
<td>Pedro P. Barros &amp; Xavier Martinez-Giralt</td>
</tr>
<tr>
<td>508.02</td>
<td>“Unemployment and Wage Formation in a Growth Model with Public Capital”</td>
<td>Xavier Raurich &amp; Valeri Sorolla</td>
</tr>
<tr>
<td>509.02</td>
<td>“Hausman Tests for Inefficient Estimators”</td>
<td>Michael Creel</td>
</tr>
<tr>
<td>510.02</td>
<td>“General Equilibrium with Asymmetric Information: a Dual Approach”</td>
<td>Belén Jerez</td>
</tr>
<tr>
<td>511.02</td>
<td>“Voting by Committees with Exit”</td>
<td>Dolors Berga, Gustavo Bergantiños, Jordi Massó &amp; Alejandro Neme</td>
</tr>
<tr>
<td>512.02</td>
<td>“Free Triples, Large Indifference Classes and the Majority Rule”</td>
<td>Salvador Barberà &amp; Lars Ehlers</td>
</tr>
<tr>
<td>513.02</td>
<td>“A proposal for a new specification for a conditionally heteroskedastic variance model: the Quadratic Moving-Average Conditional Heteroskedasticity and an application to the D. Mark-U.S. dollar Exchange Rate”</td>
<td>Daniel Ventosa Santaulària</td>
</tr>
<tr>
<td>514.02</td>
<td>“A Generalized Assignment Game”</td>
<td>Ester Camiña</td>
</tr>
</tbody>
</table>
“Sequential Formation of Coalitions through Bilateral Agreements”, by Inés Macho-Stadler, David Pérez-Castrillo & Nicolás Porteiro

“A Foundation Model for Marxian Breakdown Theories Based on a New Falling Rate of Profit Mechanism”, by Howard Petith

“The Possibility fo Continuous Growth with Exhaustible Resources: Unknowingly an Agreement Has Been Reached, But it May not be Correct”, by Howard Petith

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“24”, by Klaus Abbink & Jordi Brandts

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