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# Annual Report 2005-2006

## Institute for Economic Analysis

Spanish National Research Council

(CSIC)



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## 1.- PRESENTATION

The Institute for Economic Analysis (IAE) is a research center of the Spanish National Research Council (CSIC). The Institute, created in 1985, is located in Bellaterra, on the campus of the Universitat Autònoma de Barcelona. Its goal is to promote research in economics at the highest scientific level. Recent rankings of scientific production (Journal of the European Economic Association, December 2003) place the IAE-CSIC among the top European centers.

The research developed at the IAE is both theoretical and empirical and covers a variety of fields, including industrial organization, political economics, macroeconomics and growth, microeconomics, game theory and experimental economics.

The IAE cooperates closely with the Economics Departments of the Universitat Autònoma de Barcelona and the Universitat Pompeu Fabra, within the framework of Barcelona Economics (sponsored by the Generalitat de Catalunya) and is a founding partner of the recently created Barcelona Graduate School of Economics.

During period 2005-2006, Esther Hauk and Laura Mayoral have joined the IAE as tenured researchers. Alessandra Bonfiglioli, Matthew Ellman, Stephan Fhar, Christian Haefke, José Penalva and Hugo Rodríguez, have joined the IAE under researcher contracts within the framework of the Ramon y Cajal, Juan de la Cierva and I3P Programs of the Ministry of Education and Science.

## 2.- ORGANIZATION

### Board of Trustees

President:

*President of Spanish National Research Council*

Trustees:

*Spanish National Research Council*

*Universitat Autònoma de Barcelona*

*Spanish Ministry of Finance*

*Spanish Ministry of Education and Science*

### Administration:

Director: *Joan M<sup>a</sup> Esteban* until December 19, 2006

*Clara Ponsatí* since December 20, 2006

Vice-Director: *Ángel de la Fuente* until May 11, 2006

*Clara Ponsatí* since May 12, 2006 until December 20, 2006

Head of the Department: *Ramon Caminal*

Manager: *Rita Arias*

### 3.- STAFF

#### Research faculty

Enriqueta Aragonés  
Alessandra Bonfiglioli (since September 2006)  
Jordi Brandts  
Roberto Burguet  
Ramon Caminal  
Matteo Cervellati (since July 2005 until March 2006)  
Giacinta Cestone (until August 2005)  
Melvyn Coles  
Matthew Ellman (since November 2006)  
Joan M<sup>a</sup> Esteban  
Stephan Fhar (since November 2006)  
Ángel de la Fuente  
Christian Haefke  
Esther Hauk (since July 2006)  
Sjaak Hurkens (since July 2005)  
Flip Klijn  
Albert Marcet  
Laura Mayoral (since August 2006)  
Martin Meier  
Rosella Nicolini  
José Penalva  
Clara Ponsatí  
Hugo Rodríguez (since September 2006)  
Marcelo Soto

#### Research affiliates

Diego Puga (until September 2006)  
Debraj Ray

## Visiting Researchers

2005

Klaus Abbink	(University of Nottingham)
Ayça Ebru Giritligil	(Isik Universty, Estambul)
Laurence Kranich	(SUNY at Albany)
Xavier Mateos-Planas	(University of Southampton)
Preston McAfee	(Caltech)
Gerard Padró	(Stanford University)

2006

Francisco Alcalá	(Universidad de Murcia)
Ayça Ebru Giritligil	(Isik Universty, Estambul)
Tracy Lewis	(Fuqua School of Business - Duke University)
Martin Perry	(Rutgers University)
Joel Sobel	(University of California, San Diego)
Roberto Weber	(Carnegie Mellon University)

## Research assistants

Juan Antonio Duro  
 David Martínez  
 David Rodríguez  
 Javier Valbuena (since September 2006)

## Scholarship holders

Ricardo Flores Fillol (FPI-MEC 2004)  
 Diego Gruber (Predoctoral I3P 2006)  
 Tahir Ozturk (FPI-MEC 2004)  
 Irina Prokofieva (FPI-MEC 2004)  
 M<sup>a</sup> Fernanda Rivas (FPI-MEC 2003)

## Visiting Students

Matteo Cervellati (University Bologna)

Davide Dragone (University Bologna)

Silvia Redaelli (visiting Ph. D student)

## Administrative and secretarial staff

Rita Arias                      Manager

Josefa Ana Amiell (until July 2005)

Ana Echaguibel

M<sup>a</sup> José García

Angela Hernández

Teresa Lorenz

Concepción Rodríguez

Belinda Ruiz

#### 4.- PUBLICATIONS

##### Enriqueta Aragonés

"Fact-Free Learning", (with Itzhak Gilboa, Andrew Postlewaite and David Schmeidler), *American Economic Review*, 2005, 95, 5, 1355-1368.

"Electoral Competition Between Two Candidates of Different Quality: The Effects of Candidate Ideology and Private Information", (with Thomas Palfrey), "Social Choice and Strategic Decisions: Essays in Honor of Jeffrey S. Banks", ed. David Austen-Smith and John Duggan, Berlin: Springer, 2005.

"Political Reputations and Campaign Promises", (with Thomas Palfrey and Andrew Postlewaite), forthcoming in *the Journal of the European Economic Association*.

"Government Formation in a Two Dimensional Policy Space", forthcoming in *the International Journal of Game Theory*.

##### Jordi Brandts

"Price Competition under Cost Uncertainty: A Laboratory Analysis", (with Klaus Abbink), *Economic Inquiry*, 43, 3, 2005, 636-648.

"Fair Procedures. Evidence from Games Involving Lotteries", (with Gary E. Bolton and Axel Ockenfels), *The Economic Journal*, 115, 2005, 1054-1076.

"I want YOU!: An Experiment Studying the Selection Effect when Assigning Distributive Power", (with Werner Güth and Andreas Stiehler), *Labour Economics*, 13, 1, 2006, 1-17.

"A Change Would Do You Good: An Experimental Study on How to Overcome Coordination Failure in Organizations" (with David Cooper), February, *American Economic Review*, 96, 3, 2006, 669-693.

"Auctions for Government Securities: a Laboratory Comparison of Uniform, Discriminatory and Spanish Designs", (with Klaus Abbink and Paul Pezanis-Christou), *Journal of Economic Behavior and Organization*, 61, 2006, 284-303.



- "Observability and Overcoming Coordination Failure in Organizations: An Experimental Study" (with David Cooper), *Experimental Economics*, 9, 2006, 407-423.
- "Testing Theories of Other-regarding Behavior: A Sequence of Four Lab Studies", (with Gary E. Bolton, Elena Katok, Axel Ockenfels and Rami Zwick), forthcoming in C.R. Plott and V.L. Smith (eds.), *The Handbook of Experimental Economic Results*, Elsevier, Amsterdam.
- "Cooperation in VCM Experiments: Results using the Contribution Function Approach", (with Arthur Schram), forthcoming in C.R. Plott and V.L. Smith (eds.), *The Handbook of Experimental Economic Results*, Elsevier, Amsterdam.
- "Competition with Forward Contracts: A Laboratory Analysis Motivated by Electricity Market Design", (with Paul Pezani-Christou and Arthur Schram), forthcoming in *Economic Journal*.
- "Entry Deterrence and Forward Induction: An Experiment" (with Antonio Cabrales and Gary Charness), July 2006, forthcoming in *Economic Theory*.
- "Collusion and Fights in an Experiment with Price-Setting Firms and Production in Advance", (with Pablo Guillen), July 2004, forthcoming in *Journal of Industrial Economics*.
- "Collusion in Growing and Shrinking Markets: Empirical Evidence from Experimental Duopolies" (with Klaus Abbink), February 2005, forthcoming in *Experiments for Antitrust Policies*, (Hinlopen / Normann, eds.), Cambridge University Press.
- "It's What You Say Not What You Pay" (with David Cooper), forthcoming in the *Journal of the European Economic Association*.
- "24", (with Klaus Abbink), forthcoming in *Games and Economic Behavior*.

### Roberto Burguet

- "The Condominium Problem; Auctions for Substitutes", *Review of Economic Design*, 9, 2005, 73-90.
- "Right to Choose in Oral Auctions", forthcoming in *Economics Letters*.

## Ramon Caminal

"Are Loyalty-Rewarding Pricing Schemes Anti-Competitive?", (with Adina Clatici), forthcoming in *International Journal of Industrial Organization*.

## Matteo Cervellati

"Human Capital Formation, Life Expectancey and the Process of Development", (with Uwe Sunde), *American Economic Review*, 95, 2005, 1653-1672.

"Growth and Endogenous Political Institutions", (with P. Fortunato and Uwe Sunde), forthcoming in *Institutions and Growth*, Eicher and Penalosa Eds. CESifo MIT Press.

## Giacinta Cestone

"The Strategic Impact of Resource Flexibility in Business Groups", (with Chiara Fumagalli), *RAND Journal of Economics*, 36, 1, 2005, 193-214.

## Melvyn Coles

"Optimal Unemployment Insurance in a Matching Equilibrium", (with A. Masters), *Journal of Labor Economics*, 24, 1, 2006, 109-138.

"The Under-participation Trap", (with Alison Booth), forthcoming in *European Economic Review*.

"Re-entitlement Effects with Duration Dependent Unemployment Insurance in a Stochastic Matching Equilibrium", (with A. Masters), forthcoming in *Journal of Economic Dynamics and Control*.

"Pay, Technology and the Cost of Worker Absence", (with J. Lanfranchi, A. Skalli and J.G. Treble), forthcoming in *Economic Inquiry*.

## Joan M<sup>a</sup> Esteban

"Social Groups and Economic Inequality", Special issue of the *Journal of Economic Inequality*, J. Esteban and C. Barret (Editors), 3, 2005, 187-191.

- "Polarization: Concepts, Measurement, Estimation", (with Jean-Ives Duclos and Debraj Ray), *Econometrica*, 74, 2004, 1737-1772, reprinted in Christopher Barrett (ed.), *The Social Economics of Poverty: On Identities, Groups, Communities, and Networks*, London: Routledge, 2005, 56-105.
- "Inequality, Lobbying and Resource Allocation", (with Debraj Ray), *American Economic Review*, 96, 2006, 257-279.
- "Stochastic Dominance and Absolute Risk Aversión", (with Jordi Caballé), *Social Choice and Welfare*, 28, 2007, 89-110.
- "An Extensión of a Measure of Polarization, with an Applicatin to the Income Distribution of Frive OECD Countries", (with Carlos Gradín and Debraj Ray), forthcoming in *Journal of Economic Inequality*.

### Ángel de la Fuente

- "El impacto de la reducción de las ayudas estructurales europeas: una primera aproximación" *Presupuesto y Gasto Público*, 38, 2, 173-90, 2005.
- "Sobre las balanzas fiscales de las regiones españolas" in J. I. García and J. J. Pérez, coordinators, *Cuestiones clave de la economía española. Perspectivas actuales 2004*, pp. 39-70. Centro de Estudios Andaluces, Sevilla, 2005.
- "Human Capital in Growth Regressions: How much Difference does Data Quality Make?", (with R. Doménech), *Journal of the European Economic Association*, 4(1), 2006, 1-36.
- "Capital humano, crecimiento y desigualdad en las regiones españolas." (with R. Doménech), *Moneda y Crédito*, 222, 2006, 13-56.
- "Los mecanismos de cohesión territorial en España: un análisis y algunas propuestas" *Papeles y Memorias de la Real Academia de Ciencias Morales y Políticas XIV*, 2006, 60-81.
- "Convergence Across Countries and Regions: Empirical Results and Theoretical Implications" in M. Mas and P. Schreyer, editors, *Growth, Capital Stock and New Technologies*, Fundación BBVA, 2006.
- "Solidarcal Implications", in M. Mas and P. Schreyer, editors, *Growth, Capital Stock and New Technologies*, Fundación BBVA, 2006.

*Asturias. Serie Estudios Regionales*. Coordinator, with A. Alvarez Pinilla. Servicio de Estudios del BBVA. Madrid, 2006.

"I+D y crecimiento económico", (with J. M. Esteban), in J. Sebastián and E. Muñoz, editors. *Radiografía de la investigación pública en España*, pp. 252-71. Biblioteca Nueva. Madrid, 2006.

"Education and Economic Growth: A Quick Review of the Evidence and some Policy Guidelines." In *Globalisation challenges for Europe*. Prime Minister of Finland's Office Publications 18/2006, 195-212. Helsinki, 2006.

"'Solidaridad territorial': ¿es mejorable la situación actual?", forthcoming in Fundación Cambó.

"La educación en las regiones españolas: algunas cifras preocupantes" forthcoming in *Presupuesto y Gasto Público*.

### Christian Haefke

"Turbulence and Unemployment in a Job Matching Model", (with Wouter J. den Haan and Garey Ramey), *Journal of the European Economic Association*, 3, 2005, 1360-1385.

### Sjaak Hurkens

"Endogenous Private Information Structures", (with Nir Vulkan), *European Economic Review*, 50, 1, 2006, 35-54.

### Flip Klijn

"On the Convexity of Precedence Sequencing Games", (with Hamers H. and B. van Velzen), *Annals of Operations Research*, 137, 2005, 161-175.

"Stable Matchings and Preferences of Couples", (with B. Klaus), *Journal of Economic Theory*, 121, 2005, 75-106.

"Distribution Center Consolidation Games", (with M. Slikker), *Operations Research Letters*, 33, 2005, 285-288.

"Procedurally Fair and Stable Matching", (with B. Klaus), *Economic Theory*, 27, 2006, 431-447.

"Sequencing Games without Initial Order", (with E. Sánchez), *Mathematical Methods of Operations Research*, 63, 2006, 53-62.

"Median Stable Matching for College Admission", (with B. Klaus), *International Journal of Game Theory*, 34, 2006, 1-11.

"Paths to Stability for Matching Markets with Couples", (with B. Klaus), *Games and Economic Behavior*. 58, 2007, 154-171.

"Fair and Efficient Student Placement with Couples", (with B. Klaus), forthcoming in *International Journal of Game Theory*.

"Corrigendum to "On Randomized Matching Mechanisms" [Economic Theory 8(1996)377-381] ", (with B. Klaus), forthcoming in *Economic Theory*.

"Some Things Couples Always Wanted to Know about Stable Matchings (but were afraid to ask)", (with B. Klaus and J. Massó), forthcoming in *Review of Economic Design*.

#### Albert Marcet

"Money and Prices in Models of Bounded Rationality in High-Inflation Economies", (with Juan Pablo Nicolini), *Review of Economic Dynamics*, 8, 452-479, 2005.

"Incomplete Markets, Labor Supply and Capital Accumulation", (with F. Obiols and P. Weil), forthcoming in *Journal of Monetary Economics*.

"Recursive Contracts" forthcoming in *New Palgrave Dictionary of Economics*.

#### Laura Mayoral

"The Persistence of Inflation in OECD Countries", (with Lola Gadea), *International Journal of Central Banking*, 4, 2006, 51-104.

"Further Evidence on the Statistical Properties of Real GNP", *Oxford Bulletin of Economics and Statistics*, 68, 1, 2006, 901-920.

#### Martin Meier

"On the Nonexistence of Universal Information Structures", *Journal of Economic Theory*, 122, 2005, 132-139.

- "Harsanyi Type Spaces with Knowledge Operators" in *Theoretical Aspects of Rationality and Knowledge*, proceedings of the tenth Conference Tark 2005, Ron van der Meyden (ed.), ACM, 126-136.
- "Hierarchies of Beliefs for Compact Possibility Models", (with Thomas Mariotti and Michele Piccione), *Journal of Mathematical Economics*, 41, 3, 2005, 303-324.
- "Interactive Unawareness", (with A. Heifetz and B. Schipper), *Journal of Economic Theory*, 130, 2006, 78-94.
- "Finitely Additive Beliefs and Universal Type Spaces", *The Annals of Probability*, 34, 19, 2006, 386-422.
- "An Infinitary Probability Logic for Type Spaces", CORE Discussion Paper 2001/61, accepted for publication in *Israel Journal of Mathematics*.

### Rosella Nicolini

- "R&D Investments and the Spatial Dimension: Evidence from Firm Level Data", (with Luisito Bertinelli), *Review of Regional Studies*, 35, 2, 2005, 206-230.
- "Inversions estrangeres directes i innovació a Catalunya", (with Lionel Artige), in *La situació de la innovació a Catalunya*, Isabel Busom (ed.), CIDEM edition, Barcelona, 2006, 179-206.
- "La productivitat laboral: Estratègies per el creixement econòmic. El cas de Catalunya", forthcoming *Institut d'Estudis Autonòmics*.
- "Agrupació geogràfica d'empreses multinacionals a Catalunya", (with Lionel Artige), forthcoming in *Revista Econòmica de Catalunya*.
- "El sector turístic en la Comunidad Valenciana: Unos elementos de análisis de la demanda en el marco de la economía geográfica", (with Juana Aznar Márquez), forthcoming in *Revista de Estudios Regionales*.

### Clara Ponsatí

- "Stakeholders in Bilateral Conflict", (with Paola Manzini), *Mathematical Social Sciences*, 50, 2005, 166-180.
- "Stakeholder Bargaining Games", (with Paola Manzini), *International Journal of Game Theory*, 34, 1, 2006, 67-77.

"Bargaining One-dimensional Social Choices", (with Daniel Cardona), forthcoming in *Journal of Economic Theory*.

"All in Good Time", (with Aviad Heifetz), forthcoming in *International Journal of Game Theory*.

### **Other Publications**

Ángel de la Fuente

*Capital humano, crecimiento y empleo en las regiones españolas*. (with R. Doménech and J. F. Jimeno). Documento de Economía no. 24, Fundación Caixa Galicia. Santiago de Compostela, 2005.

"Indicadores de cumplimiento regional de los objetivos de Lisboa. Metodología, fuentes y resultados" (with A. Estrada), 2005. Informe para el Ministerio de Economía y Hacienda.

"Human Capital, Technology and Growth in the EU Member States: Empirical evidence of the Growth Effects of a Highly Skilled and Adaptable Workforce through Technological Progress. Comment", DG Employment, Comisión Europea. 2006.

"El impacto regional de la inversión del Estado en infraestructuras en los presupuestos del 2006." Dirección General de Presupuestos, Ministerio de Hacienda, Madrid, January 2006.

## 5.- RESEARCH PROJECTS AND OTHER RESEARCH ACTIVITIES

### PROJECTS

#### **"Public Decisions and Social Cohesion" (SEC2003-01961)**

**Director:** Joan M<sup>a</sup> Esteban

**Other participants:** Clara Ponsatí, Enriqueta Aragonés, Marta Reynal, David Rodríguez, Melvyn Coles, Debraj Ray, Thomas Palfrey, Itzhak Gilboa, Andrew William Postlewaite, David Schmeidler, Laurence Kranich

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

**Time Period:** 2003-2006

#### **Summary:**

This project addresses two of the priority topics listed in the NP for Socioeconomics: economic and social integration and public decision-making.

There is an increasing concern among scientists and politicians about the degree of social cohesion and the functionality of democracy to give way to conflicts of interests. Indeed, the distribution of income in most countries shows higher degrees of polarization, showing an increasing social fragmentation. This weakens the social cohesion necessary to solve cooperatively opposing societal interests. This greater fragmentation also manifests itself in a lower degree of political participation among the excluded sectors of society. This in turn weakens the role of the political system as a mechanism favoring integration and participation.

The design of policies and social mechanisms conducive to cohesion has become high priority in Spain and in Europe at large. The aim of this research project is to analyze the interaction between public policies and social cohesion.

#### **"Vertical relationships and contracts: financing, supply and the role of regulation" (SEC2003-08080-C02-02)**

**Directors:** Roberto Burguet(IAE) and Juan José Ganuza (Universitat Pompeu Fabra).

**Other IAE participants:** József Sákovics and Yeon Koo Che.

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

**Time Period:** 2003-2006



**Summary:**

The aim of this project is the study of vertical contractual relationships, i.e. relationships between customers and suppliers. This project will study the ways in which actors are chosen in an exchange, the contracts they choose to make the deal official and the ways of financing the agreement, paying special attention in how this relationship interacts with other vertical relationships. Policy conclusions related to regulation and intervention issues will be derived.

**Area network "Barcelona Jocs" (2003 XT0055)**

**Director IAE:** Clara Ponsatí

**Other participants:** Universitat Pompeu Fabra (Antonio Cabrales), CODE-Universitat Autònoma de Barcelona (Salvador Barberà), Universitat de Barcelona (Carles Rafels), Universitat de Girona (Dolors Berga), Universitat Politècnica de Catalunya (Francesc Carreras)

**Financed by:** Generalitat de Catalunya

**Time Period:** 2003-2005

**Summary:**

This network has the purpose of periodically holding seminars on game theory and its economic implications. Two research papers are presented in each session, one from a participant of one of the institutions of the network, the other from a researcher of an external academic institution.

**"Experimental Economics at the Institute for Economic Analysis" (SEC2002-01352)**

**Director:** Jordi Brandts

**Other participants:** Paul Pezanis, Klaus Abbink, Gary Bolton, Gary Charness, Arthur Schram and David Cooper

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

**Time Period:** 2003-2005

**Summary:**

The project proposes the conduct of a series of laboratory experiments. The aim of the project is to study, in detail, human behavior in a number of simplified economic and social situations. We are specifically interested in improving our understanding of the

workings of different types of markets, of the social aspects of human motivation and of the type of strategic behavior followed by, boundedly rational, human actors.

The experiments are organized in the following blocks:

1. Experimental studies on auctions and other market institutions
2. Interdependent preferences: beyond "homo oeconomicus"
3. Analysis of strategic behavior: market entry and bargaining
4. Organizational behavior.

**"Economic growth and public policies" (SEC2002-01612)**

**Director:** Ángel de la Fuente

**Other participants:** Isabel Busom and Juan Antonio Duro

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

**Time Period:** 2003-2005

**Summary:**

The project analyzes the dynamics of growth in the regions of Spain and in the OECD countries within the framework of modern growth theory, with special attention to the impact of public policies (at the regional, national and community 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 various aspects of EU and regional government financing. The results will be of interest to policymakers, especially those with responsibilities in the areas of regional and development policy.

**"Incomplete contracts, firm management, and market performance" (SEC2002-02506)**

**Director:** Ramon Caminal

**Other participants:** Roberto Burguet and Giacinta Cestone

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

**Time Period:** 2003-2005

**Summary:**

The goal of this project is to continue the analysis of the optimal design of incomplete contracts, in relation to firm management and organization as well as market performance. The project is organized along two separate but complementary lines. First, we will deal with labor contracting, procurement and vertical integration, and corporate governance (alliances between managers, stockholders and stakeholders). The second line includes the study of various types of markets: banking, cyclical goods and housing.

**"Contracts and Markets: New Issues" (SEJ2005-01427)**

**Director:** Ramon Caminal

**Other participants:** Roberto Burguet, Giacinta Cestone, Rosella Nicolini, Martin Perry, Adina Oana Clai, Lionel Artigue.

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

**Time Period:** October 2005 – December 2008

**Summary:**

The goal of this project is to study how the structure of contracts or the pricing policies affect the performance of markets, and its efficiency both from a dynamic and a static point of views. According to this general goal, we consider four different types of issues: the management by monopolistic firms of long-run customer-supplier relationships; the efficient allocation of licenses; the localization of economic activities; and the relationship between internal capital markets and entry and competition in multi-market industries. The project builds on the previous experience of the members of the team on those areas. The final goal is to provide a theoretical framework that specifies the sources of market failures and the potential role of the state in various situations, ranging from the design of mechanisms for the allocation of licenses, the public management of firm location, or antitrust policy concerning customer relationships or mergers with conglomerate characteristics.

**"Economic Growth and Public Policies" (SEJ2005-06357)**

**Director:** Ángel de la Fuente

**Other participants:** Marcelo Soto, Isabel Busom, Juan Antonio Duro

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

**Time Period:** October 2005 – December 2008

**Summary:**

The project analyzes the dynamics of growth in the regions of Spain and in the OECD countries within the framework of modern growth theory, with special attention to the impact of public policies (at the regional, national and community 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 various aspects of EU and regional government financing. The results will be of interest to policymakers, especially those with responsibilities in the areas of regional and development policy.

**"Fiscal and Monetary Policy under Uncertainty" (SEJ2005-05971)**

**Director:** Albert Marcet

**Other participants:** Ester Faia, Juan Pablo Nicolini, Ricardo Praça Cavaco, Marek Jarocinski.

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

**Time Period:** October 2005 – December 2008

**Summary:**

Our objective is to study the effects of fiscal and monetary policy in dynamic stochastic models with microfoundations, when both private agents and the government face uncertainty. In some studies we impose rational expectations and in other we assume learning about expectations. The topics under study are:

Part 1) Fiscal policy.

- a) Composition of government debt (Debt Management) with endogenous capital*
- b) Government debt with capital taxes*
- c) Optimal fiscal policy with temporary credibility*
- d) Inflation differentials and diverse labor and commodity markets in the EMU*

Part 2) Monetary policy

- a) The relationship between inflation and the quantity of money under learning*

*b) Interest rate policy and the stock market*

*c) The interaction between monetary and fiscal policy in the EMU*

Part 3) Econometric Study of business cycles

*a) Estimation of econometric models in differences, applications*

*b) Estimation of long dependence models (ARMA and fractionally integrated), applications*

*c) Optimal short sample estimators, applications.*

Part 4) Wealth distribution and mobility

*a) Nutrition curves and mobility in wealth distribution*

**"Experimental and Theoretical Analysis of Organizations, Social Preferences and Markets" (SEJ2005-01690)**

**Director:** Jordi Brandts

**Other participants:** Flip Klijn, David Cooper, Klaus Abbink, Enrique Fatas

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

**Time Period:** October 2005 – December 2008

**Summary:**

The project proposes the conduct of a series of laboratory experiments and of theoretical studies. The aim of the project is to study, in detail, human behavior in a number of simplified economic and social situations. We are specifically interested in improving our understanding of the workings of organizations, of the social aspects of human motivation and of markets.

The experiments are organized in the following blocks:

1. Behavior in organizations
2. Interdependent preferences: beyond "homo oeconomicus"
3. Experimental and theoretical studies of markets

## EUROPEAN RESEARCH PROJECTS AND NETWORKS

### "Polarization and Conflict" (CIT2-CT-2004-506084)

**Project leader:** Joan M<sup>a</sup> Esteban

**Other institutions participants:** London School of Economics, Università Bocconi, IGIER, Universität Konstanz, IDEI-Université de Toulouse I, University of Tel Aviv, University of Utrecht, Centre for the Study of Civil War (CSCW), International Peace Research Institute, Oslo (PRIO).

**Local team:** Clara Ponsatí, Enriqueta Aragonés, Melvyn Coles, Joan Esteban, Flip Klijn, Marta Reynal-Querol,

**Financed by:** European Community (FP6-2002 CITTZENS-2)

**Time Period:** 2004-2008

#### **Summary:**

The purpose of this multi-disciplinary research project is to promote and coordinate research on the conceptualization, modelling and measurement of polarization and conflict and the links between the two. We aim at contributing to identify the main forces leading to conflict, to provide tools and indicators for early warning, to understand the role of alternative forms of third party intervention such as mediation or arbitration in the reaching of an agreement, and to the design of post-conflict, viable agreements, including the system of political representation. In order to achieve this task, we will integrate the different approaches that have independently been developed in the different social sciences and will combine models with factual evidence. We expect the outcome be a multidisciplinary understanding of conflict in which the analytical models will be teste.

## OTHER RESEARCH ACTIVITES

### **Grups de Recerca Consolidats 2005-2009**

#### **"Macroeconomia, Política Fiscal i Monetària" (2005 SGR 000976)**

**Director:** Albert Marcet

**Financed by:** Generalitat de Catalunya

**Other participants:** Ángel de la Fuente, Marcelo Soto, Ramon Caminal, Melvyn Coles, Ricardo Flores, Ágnes Pinter, Concepción Román

**"Microeconomia Teòrica i Aplicada" (2005 SGR 00470)****Director:** Jordi Brandts**Financed by:** Generalitat de Catalunya**Other participants:** Roberto Burguet, Rosella Nicolini, Sjaak Hurkens, José Penalva, M<sup>a</sup> Fernanda Rivas**"Conflicte, Cohesió Social i Polítiques Públiques" (2005 SGR 00626)****Director:** Joan M<sup>a</sup> Esteban**Financed by:** Generalitat de Catalunya**Other participants:** Clara Ponsatí, Enriqueta Aragonés, Flip Klijn, Martin Meier, Jesús Enrique Morales, Irina Prokofieva, Tahir Ozturk

## 6.- CONFERENCES, WORKSHOPS AND SEMINARS

### **Barcelona Economics Workshop on Auction Markets**

The IAE coorganizes the Barcelona Economics Workshop on Auction Markets. This workshop, sponsored by the Fundacion BBVA, took place on July 4-5, 2005 at Hospital de Sant Pau, Barcelona, Spain. Roberto Burguet (IAE) and Juanjo Ganuza (UPF) are the co-organizers.

### **First meeting of the Society for the Study of Economic Inequality**

The IAE coorganizes jointly with the Universitat de les Illes Balears the First meeting of the Society for the Study of Economic Inequality. This meeting will be held at the Universitat de les Illes Balears, from July 20th to 22th, 2005. Tony Atkinson, François Bourguignon, and Serge Kolm will be the key notespeakers.

### **Scientific Conference: Macroeconomics and Reality, 25 years later**

The IAE coorganizes jointly with the CREI a Scientific Conference devoted to commemorate the 25th-anniversary of the publication of "Macroeconomics and Reality". The conference took place on April 1st and 2nd, 2005 at Universitat Pompeu Fabra.

### **First European Workshop on Experimental and Behavioral Economics (EWEBE)**

The IAE sponsors this workshop, jointly with the Laboratory for Research in Experimental Economics at the University of Valencia (Lineex). Jordi Brandts, from the IAE, and Antonio Fatás from Lineex are the organizers. The workshop took place on December 14-15, 2006 in Valencia.

### **“Polarization and Conflict” Winter School and PAC Meeting**

Córdoba, Spain, November 22-25, 2006



Conference sponsored by the Community Sixth Framework Programme through Polarization and Conflict Project CIT-2-CT-2004-506084, with the support of the Instituto de Estudios Sociales Avanzados de Andalucía (IESA).

## **- Organization**

### **Enriqueta Aragonés**

Coordinator of I.D.E.A. , 2004-2006.

Coordinator for IDEA in ENTER, Jamboree 2005, ECARES, Universite Libre de Bruxelles, Belgium, January 2005.

Scientific Committe, XXX Simposio de Análisis Económico. Universidad de Murcia, Murcia, December 2005.

Scientific Committe XXXI Simposio de Análisis Económico. Universidad de Oviedo, Oviedo, December 2006.

### **Jordi Brandts**

2nd International Meeting on Experimental and Behavioral Economics, (IMEBE), Coorganizer, Universitat de València, December 2005.

Member of the Programme Committee, EEA, ESEM Congres, Vienna, August 2006.

Scientific Committee, 1st European Wokshop on Experimental and Behavioral Economics, EWBE'06, Laboratorio de Investigación en Economía Experimental, Universitat de València, December 2006.

### **Roberto Burguet**

Barcelona Economics Workshop on Auction Markets, (organized joint Juan José Ganuza), Barcelona July 2005.

Scientific Committee, EEA, ESEM Congress, Vienna, August, 2006.

### **Giacinta Cestone**

Organizing Committee, CSEF-IGIER Symposium on Economics and Institutions, Capri, June 2005

Joan M<sup>a</sup> Esteban

Program Chair of the First Meeting of the Society for the Study of Economic Inequality (ECINEQ), Mallorca, July 2005.

Christian Haefke

Program Committee Member, European Economic Association (EEA), Vienna, August 2006.

Program Committee Member, European Finance Association (EFA) Meeting, London, August 2006.

Sjaak Hurkens

Coordinator for Informal Seminars, IAE, 2005-2006.

Scientific Committee, 20th Annual Congress of the European Economic Association, Amsterdam, August 2005.

Albert Marcet

Program Committee Conference on "Macroeconomic and Reality, 25 years later", CREI Macroeconomics Workshop, CREI-UPF, April 1-2, 2005.

José Penalva

Scientific Committee, EFA 2005 European Finance Association Meeting 2005, Moscow, August 2005.

## **- Presentations in conferences and workshops**

Enriqueta Aragonés

*Making Statements and Approval Voting*

- Meeting on Polarization and Conflict, Milano, Italy, December 2005.
- 8th International Meeting of The Society for Social Choice and Welfare, Istanbul, Turkey, July 2006.

*Government Formation in a Two Dimensional Policy Space*

- ASSET 2006, Lisboa, Portugal, November 2006.
- XXXI Simposio de Análisis Económico, Oviedo, December 2006.

2nd REES Meeting, Red Española en Elección Social, Girona, May 2006. Participation.

"The Key Party in the Catalan Government", 4th Trobada Barcelona Economics, CREA, Barcelona, October 2006.

### Alessandra Bonfiglioli

"Financial Integration, Productivity and Capital Accumulation", 4th Euro Latin Study Network on Integration and Trade (ELSNIT) Conference, Paris, October 2006.

### Jordi Brandts

"Experimentalitat i transferència en economia", Trobada al Botànic: Investigació Experimental i Transferència de Coneixement en Humanitats i Socials, Universitat de València, February 2005. Invited presentation.

*Pivotal Suppliers and Market Power in Experimental Supply Function Competition*

- GEW, German Society for Research in Experimental Economics, Köln, Germany, May 2005. Invited presentation.
- Industrial Organization Workshop on Auctions and Procurement, (with Stanley S. Reynolds and Arthur Schram), IESE, Barcelona, June 2006.

*It's What You Say Not What You Pay*

- Conference on Economics and Psychology, IDEI, Toulouse, June 2005.
- Conference of the Society for the Advancement of Economic Theory, Vigo, July 2005.
- CIE Workshop, School of Economics and Management, University of Aarhus, Copenhagen, October 2005.

"Forward Induction and Entry Deterrence: An Experiment", XXI Jornadas de Economía Industrial, Bilbao, September 2005.

"Collusion in Growing and Shrinking Markets: Empirical Evidence from Experimental Duopolies", Conference Schedule of the ESA European Meeting 2005, University of Piemonte Orientale, Alessandria, Italy, September 2005.

"Experimental Studies on Manager-Employee Relationships", 3rd "Trobada Barcelona Economics", CREA, Barcelona, October 2005.

"Frames & Games", (with Christiane Schwieren), in Workshop "Testing Different Theories of Individual Behavior in Social Dilemmas", Max Planck Institute of Economics Strategic Interaction Group, Jena, Germany, January 2006.

"Political Autonomy and Independence: Theory and Experimental Evidence" in "Journées d'Economie Experimentale", Estrasburgo, June 2006. Invited Presentation.

"On Overcoming Coordination Failure", International Meeting of the Economic Science Association, Atlanta, USA, June 2006. Invited Presentation.

### Roberto Burguet

"License Allocation and Performance in Telecommunications Markets", EARIE Meetings, 2005, Oporto, September 2005.

Discussant of the paper: What do the Papers Sell?, by M. Ellman and F. Germano, in Research Workshop. The Industrial Organization of the Media Industry, IESE, Barcelona, March 2006.

"License Prices for Financially Constrained Firms", EEA-ESEM 2006, Vienna, August 2006.

### Ramon Caminal

Discussant of the paper: "Subscription versus Advertising-Funded Television: the Case of Programme Quality" by Mark Armstrong and Helen Weeds in Research Workshop. The Industrial Organization of the Media Industry, IESE, Barcelona, March 2006.

Discussant of "Interbank competition with costly screening" by X Freixas et al., Workshop on Industrial Organization and Finance, IESE Barcelona, December 2006.

*Are Loyalty-rewarding Pricing Schemes Anti-competitive?*

- EEA-ESEM 2006, Vienna, August, 2006.

- Jornadas de Economía Industrial, IESE, Barcelona, September 2006.

## Matteo Cervellati

### *Democratization and Endogenous Constitutions*

- NBER Summer Institute Working Group on Income Distribution and Macroeconomics, Boston, July 2005.
- European Workshop, September 2005.
- "Consensual and Conflictual Democratization", European Workshop, September 2005.

## Giacinta Cestone

- Advances in the Economics of Competition Law, Roma, June 2005, Participation.
- 2nd Banca d'Italia-CEPR Conference on Money, Banking and Finance, Roma, October 2005, Discussant.

## Melvyn Coles

- "Optimal Unemployment Insurance: The Role of Congestion and Thick Market Externalities", Annual Thanksgiving (Economics and Music) Conference, University of Essex, October, 2005.
- "Optimal Unemployment Insurance with Hidden Search Effort and Endogenous Savings", in the Conference "Frictions in the Labor Market: Causes, Consequences and Policy Implications", IZA, Bonn, Germany, December 2006.

## Joan M<sup>a</sup> Esteban

- "A Model of Religious Conflict", in "Polarization and conflict", 2nd Annual Summer Meeting of PAC research group, Konstanz, 2-5 June 2005.
- "The Social contract with Endogenous Sentiments", in the First Meeting of the Society for the Study of Economic Inequality, (ECINEQ), Mallorca, July 2005.

- "A Theory of Agreements in the Shadow of Conflict", in the conference "Advances in the Theory of Contests and Tournaments", Social Science Research Center Berlin (WZB), Berlin, October 2005.
- "Endogenous Sentiments", in Workshop on conflicts and economics, PRIO, Oslo, December 2005.
- "Income Redistribution with Endogenous Sentiments", (with M. Cervellati and L. Kranich), in Polarization and Conflict E.C. Project Meeting, Milano, December 2005.
- "Social Polarization: Notion, Measurement and Evidence" in "La desigualdad de rentas como una cuestión económica y política: género y territorio", Workshop Ivie-BBVA, Universidad Pablo de Olavide, Sevilla, March 2006. Invited presentation.
- "Tax Progressivity Redistributive Expenditure and the Size of Government", Polarization and Conflict Workshop, PRIO, Nicosia, Cyprus, April 2006.
- "Polarization and Conflict", Spring School, GREQAM, Université d'AIX-Marseille III, June 2006, Keynote Speech.
- "A Model of Ethnic Conflict", Workshop on Inequality, Conflict and Development Brunel University, Uxbridge, UK, November 2006.
- "Polarización y conflicto", Seminario Inmigración. Investigación sobre migraciones, diversidad y convivencia en España, CSIC, Ourense, November 2006.
- "Introduction: Polarization and Conflict", Polarization and Conflict, Winter School and General PAC Meeting, Córdoba, November 2006.

### Ángel de la Fuente

- "The Private and Fiscal Returns to Schooling and the Effect of Public Policies on Private Incentives to Invest in Education. A General Framework and Results for the EU", Workshop on the Economics of Education. ISEG, Lisboa, April 2005. Invited presentation.
- "Macro Arguments for EAZ's", Seminario sobre Equidade e eficiencia no sistema educativo: antagonismo ou complementariedade? Fundação Gulbekian, Lisboa, April 2005. Invited presentation.

- VIII Encuentro de Economía Aplicada. Mesa redonda sobre los Fondos Estructurales de la UE y la economía española. Murcia, June 2005. Invited presentation.
- "Human Capital and Regional Growth in Spain", Conference on the role of government on regional economic development. REDE, Bayona, September 2005. Invited presentation.
- "Enfoques teóricos actuales sobre el crecimiento económico", I Seminario de Crecimiento Económico. Universidad de Sevilla y Fundación El Monte, Sevilla, October 2005. Invited presentation.
- "Education, Infrastructures and Regional Cohesion in Spain", VII INFER Annual Conference. London, October 2005. Invited presentation.
- "Convergence Across Countries and Regions: Theory and Empirics", in Growth, Capital Stock and New Technologies, IVIE and Fundación BBVA, Valencia, November 2005.
- "La balanza fiscal y su utilización en el debate sobre la articulación territorial del Estado", Jornadas sobre balanzas fiscales y ecológicas. Fundación Gondwana, Sevilla, November 2005, Invited presentation.
- "Políticas públicas y saldos fiscales", Jornada "las balanzas fiscales a debate." Centro de Estudios Andaluces, Sevilla, November 2005. Invited presentation.
- "Capital humano y crecimiento en las regiones españolas", XVIII Simposio de Moneda y Crédito. Madrid, November 2005.
- "El Impacto de la reducción de las ayudas estructurales europeas: una primera aproximación", XXX Simposio de Análisis Económico, Universidad de Murcia, December 2005.
- "Los mecanismos de cohesión territorial en España: un análisis y algunas propuestas", XII Simposio de Economía: Balanzas fiscales y financiación de las autonomías. Universidad Rovira y Virgili, Reus, December 2005. Invited presentation.
- "Implicaciones económicas del gasto educativo", Jornada sobre la nueva política educativa y la rentabilidad social de la educación. Fundación Caixa Galicia y Consellería de Educación de la Xunta de Galicia. Santiago de Compostela, February 2006. Invited presentation.

"Social Returns from Higher Education and Research in the European Union",  
III Seminario de Trabajo SEUI-CSIC: Evaluación de la investigación y  
financiación universitaria. Secretaría de Estado de Universidades e  
Investigación, Madrid, May 2006. Invited presentation.

"Mecanismos de cohesión territorial", V Seminario Bravo Murillo: Desarrollo y  
Financiación Territorial. Real Sociedad Económica Extremeña de Amigos  
del País de Badajoz y Universidad de Extremadura, Badajoz, May 2006.  
Invited presentation.

"Why and Where to Increase Investment in Education and How to Pay for it",  
Conference on lifelong learning, equity and efficiency. Presidencia  
Finlandesa de la UE, Helsinki, September 2006. Invited presentation.

"Convergencia", I Encuentro sobre Economía Política, León, September 2006.

"Política Regional", IV Jornadas de Economía Pública: Problemas actuales del  
federalismo fiscal. Zaragoza, October 2006. Invited presentation.

"Education and Productivity", Conferencia internacional sobre educación,  
innovación y desarrollo. Fundación Calouste Gulbenkian, Lisboa,  
November 2006. Invited presentation.

## Christian Haefke

### *Endogenous Labor Market Participation and The Business Cycle*

- 12<sup>th</sup> Computing in Economics and Finance, Limassol, Cyprus, June 2006.
- Economics Fluctuations and Growth Macro Perspectives Workshop, NBER's Summer Institute, Boston, 18 July 2006.

"Taxes, Wedges and Labor Supply: Evidence from OECD countries, 1956-2004", 4<sup>th</sup> ECB/IMOP Workshop, Hydra, Greece, 16-17 June 2006.

"Wage Rigidity and Job Creation", EEA-ESEM 2006, Vienna, August 2006.

## Sjaak Hurkens

"Bayesian Nash Equilibria in "linear" Cournot Models with Private Information about Costs", Stony Brook International Festival of Game Theory, Stony Brook, USA, July 2005.



*(When) would I lie to you? Comment on "Deception: The Role of Consequences*, (joint with Navin Kartik)

- IAREP-SABE Congress, University of Paris, July 2006.
- 1st European Workshop on Experimental and Behavioral Economics, EWBE'06, Laboratorio de Investigación en Economía Experimental, Universitat de València, December 2006.

"Dynamic Matching and Bargaining: The Role of Deadlines", EEA-ESEM 2006, Vienna, August 2006.

## Flip Klijn

*Fair and Efficient Student Placement with Couples*

- First Spain Italy Netherlands Meeting on Game Theory, Maastricht, The Netherlands, June 2005.
- 14th IEA World Congress, Marrakech, September 2005.
- XXX Simposio de Análisis Económico, Universidad de Murcia, December 2005.

*College Admissions with Truncated Preferences*

- 2nd Meeting Red Española en Elección Social (REES), Girona, May 2006.
- EURO XXI, 21st European Conference on Operational Research, Reykjavik, Iceland, July, 2006.
- Game Theory Conference, Summer 2006, New York, July 2006.
- Stony Brook International Festival of Game Theory, Stony Brook, USA, July 2006.
- ISMP 2006, 19th. International Symposium on Mathematical Programming, Rio de Janeiro, Brazil, August 2006.

## Albert Marcet

"Overdifferencing VAR's is ok", Conference on "Macroeconomic and Reality, 25 years later", CREI, April, 2005.

"International Research Forum on Monetary Policy: Third Conference", European Central Bank, May, 2005. Discussant.

First Meeting of the Applied Macroeconomic Network (AMeN), Universitat Pompeu Fabra, November, 2005. Participation.

*Stock Market Volatility and Learning*

- "Monetary Policy, asset markets and learning", ECB, 6-7 November 2006.
- "Bubbles: Theory, Policy Implications and Historical Perspectives", CREI, UPF, May 19-20, 2006.

## Laura Mayoral

"Heterogenous Agents and the Size of the PPP Puzzle", European Meeting of the Econometric Society, Vienna, August 2006.

"Heterogenous Agents, Aggregation and Measures of Persistence", in the Conference "Development in time series analysis", San Francisco, USA, December 2006.

## Martin Meier

*Universal Knowledge-Belief Structures*

- Theoretical Aspects of Rationality and Knowledge TARK X, Singapore, June 2005.
- 2005 SAET Conference on Current Trends in Economics, Vigo, July 2005.

*A Canonical Model for Interactive Unawareness*

- Logic, Game Theory and Social Choice 4, University of Caen, France, June 2005.
- Fourth Conference on "Logic and the Foundations of the Theory of Games and Decisions", Liverpool, UK, July 2006.
- 61st European Meeting of the Econometric Society / 21st Annual Congress of the European Economic Association" (ESEM/EEA 2006), Vienna, August 2006.

"Nash-Walras Equilibria with Private Information on Both Sides", 22nd Latin American Meeting of the Econometric Society / 11th Annual Meeting of the Latin American and Caribbean Economic Association" (LAMES/LACEA 2006), ITAM, Mexico City, November 2006.

## Rosella Nicolini

### *Investing in Transition Countries: The Experience of the EBRD (1991-2003)*

- IX Jornadas de Economía Internacional, Universidad de La Laguna, Tenerife, June, 2005.
- 14th International Economic Association World Congress, Marrakech, September 2005.
- EEA-ESEM 2006, Vienna, August 2006.

"The Optimal Behaviour of Firms Facing Stochastic Costs", XXI Jornadas de Economía Industrial, JEI 2005 Meeting, Universidad del País Vasco, Bilbao, September 2005.

### *Aerotropolis: An Aviation-linked Space, (with R. Flores)*

- 4th International Industrial Organization Conference, Boston, April 2006.
- XII Jornadas de Economía Industrial, IESE, Barcelona, September 2006.

"Labor Productivity in Europe: Evidence from a Sample of Regions", INFER Workshop on Economic Policy, KUL, Leuven, Belgium, June 2006.

## José Penalva

"Adjudicaciones de capacidad en el sector ferroviario", (Licensing Capacity in the Railway Sector) with Juanjo Ganuza. Jornadas sobre "Liberalización y Competencia: Resultados y Retos Pendientes", Madrid, April 2005.

"Information in Insurance cum Stock Markets: The Impact of Genetic Testing", International Health Economics Association (iHEA) - 5th World Congress, Barcelona, July 2005.

"Efficiency Equals Full Insurance Coverage? A Study of the Interaction of Insurance and Financial Markets", First World Risk and Insurance Economics Congress, Utah, USA, August 2005.

Paris International Conference on Risk and Insurance Economics, Paris, December 2005. Participation.

"An Experimental Insurance Market: First Run", in the NHH Skinance Workshop, Hemsedal, Norway, March 2006.

*On Information and Competition in Private Value Auctions*

- North American Summer Meeting of The Econometric Society, Minneapolis, June 2006.
  - XII Jornadas de Economía Industrial, IESE, Barcelona, September 2006.
- "Personality, Gender and Risk Taking in an Experimental Insurance Market", IAREP-SABE Congress, University of Paris, July 2006, Poster Session.

Clara Ponsatí

- "Mediated Bargaining", in Polarization and conflict, 2nd Annual Summer Meeting of PAC research group, Konstanz, 2-5 June 2005. Invited Presentation.
- "Multiple-Issue Bargaining", I Encuentro de la Red Española en Elección Social (REES), Centro de Estudios Andaluces. Sevilla, October 2005. Invited Presentation.
- 2nd REES Meeting, Red Española en Elección Social, Girona, May 2006. Participation.
- "All in Good Time", Polarization and Conflict, Winter School and General PAC Meeting, Córdoba, November 2006.

Marcelo Soto

- "R&D and Innovation in the Development Process: A New Look at Theory, Evidence and Policies", Universitat Pompeu Fabra, June 2005, Discussant.
- Estimating the Social Return on Schooling*
- 10th LACEA Annual Meeting, Americal, University of Paris, October 2005.
  - International Conference on Human and Economic Resources, Izmir University of Economics, Turke, May 2006.
  - ESAM 06, Australasian Meeting of the Econometric Society, Alice Springs, Australia, July 2006.
- "The Causal Effect of Education on Aggregate Income", Latin American Meeting of the Econometric Society, (LAMES), Mexico, November 2006.

"System GMM Estimation with a Small Number of Individuals", Latin American and Caribbean Economic Association, (LACEA), Mexico, November 2006.

## - Seminars

### Enriqueta Aragonés

"Fact-Free Learning", Seminario de Teoría de Juegos, Departamento de Fundamentos de Análisis Económico I, Universidad del País Vasco, Bilbao, February 2005.

"Government Formation in a Two Dimensional Policy Space", Workshop on Social Choice, Departament d'Economia i d'Història Econòmica, Universitat Autònoma de Barcelona, April 2005.

*A Model of Participatory Democracy: Understanding the Case of Porto Alegre*

- ECARES, Universite Libre de Bruxelles, May 2005.

- Roy Seminar, Ecole Normale Superieure, Paris, November 2005.

- GREQAM, Universite de Marseille, December 2005.

"Electoral Competition Between Two Candidates of Different Quality: The Effects of Candidate Ideology and Private Information", Departamento de Economía e Historia Económica, Universidad de Salamanca, October 2005.

"A Model of Participatory Democracy: Understanding the Case of Porto Alegre", ECARES, Universite Libre de Bruxelles, May 2006.

"The Key Party in the Catalan Government", Workshop, Universidad Pública de Navarra, September 2006.

### Alessandra Bonfiglioli

"Financial Integration, Productivity and Capital Accumulation", IEW and University of Zurich, November 2006.

## Jordi Brandts

"Forward Induction and Entry Deterrence: An Experiment", University of Copenhagen, October, 2005.

"Pivotal Suppliers and Market Power in Experimental Supply Function Competition", (with Stanley S. Reynolds and Arthur Schram), CERGE-EI Prague, April 2006.

"It's What you Say not What you Pay", Universidad de Navarra, December 2006.

## Roberto Burguet

"License Allocation and Performance in Telecommunications Markets", Universitat de les Illes Balears, May 2005.

*License Prices for Financially Constrained Firms*

- Autoridade da Concorrenca, Lisboa, February 2006.
- Tinbergen Institute, Rotterdam, April 2006.
- Informal Seminar, IAE, April 2006.

## Ramon Caminal

"Are Loyalty-rewarding Pricing Schemes Anti-competitive?", (with Adina Claiçi), Universitat de les Illes Balears, May 2005.

"Too Many or Too Few Varieties: The Role of Multiproduct Firms", Universitat de València, December 2006.

## Melvyn Coles

*Optimal Unemployment Insurance: The role of congestion and thick market externalities*

- Universidad de Alicante, May 2005.
- Warwick University, UK, May 2005.
- University of Munich, June 2005.
- Universitat Pompeu Fabra, September 2005.

*Equilibrium Matching with Ageing and Uncertain Careers*

- University of Pennsylvania, November 2006.
- SUNY at Albany, November 2006.

### Joan M<sup>a</sup> Esteban

"Inequality, Lobbying and Resource Allocation", Economics and Politics' Seminar Series, WZB, Berlin, May 2005.

"Income Redistributin with Endogenous Sentiments", University of Birmingham, November 2005.

"Salience: Ethnicity or Class", University of Birmingham, November 2005.

*Tax Progressivity Redistributive Expenditure and the Size of Government*

- University of Edinburgh, February 2006.
- Informal Seminar, IAE, February 2006.

"Los efectos económicos de la I+D", Seminarios del Grupo de Investigación sobre "Sistemas y Políticas de Investigación e Innovación", CSIC, IEG and UPC, Madrid, March 2006.

"Polarization and Conflict", Workshop at DG XVI, Brussels, March 2006.

"On the Salience of Ethnic Conflict", PRIO, Oslo, June 2006.

### Ángel de la Fuente

*The Private and Fiscal Returns to Schooling and the Effect of Public Policies on Private Incentives to Invest in Education. A General Framework and Results for the EU*

- Dirección General de Presupuestos, Ministerio de Hacienda, Madrid, February 2005.
- FEDEA, Madrid, February 2006.

Presentación del libro de Guillermo de la Dehesa, *Quo vadis Europa?*, CIDOB, Barcelona, February 2005.

Seminario sobre balanzas fiscales entre comunidades autónomas, Comisión de Economía y Hacienda del Senado, Madrid, February 2005.

"Los mecanismos de cohesión territorial en España: un análisis y algunas propuestas", Fundación Alternativas, Madrid, March 2005.

"The Private and Fiscal Returns to Schooling in the EU", Universidad de Vigo, March 2005.

- "Los mecanismos de cohesión territorial en España: un análisis y algunas propuestas" Círculo de Economía de Mallorca, Palma de Mallorca, April 2005.
- "Macro Arguments for EAZ's", Seminario sobre Equidade e eficiencia no sistema educativo: antagonismo ou complementariedade? Fundación Gulbekian, Lisboa, April 2005.
- "El impacto de los Fondos Estructurales sobre el crecimiento de las regiones españolas." Encuentro sobre temas de actualidad en la gestión del gasto público. Universidad Internacional Menéndez Pelayo e Instituto de Estudios Fiscales, Sevilla, May 2005.
- "Los mecanismos de cohesión territorial en España: un análisis y algunas propuestas" Fundación Economía Aragonesa, Zaragoza, May 2005.
- "La educación en las regiones españolas. Algunas cifras preocupantes." Dirección General de Presupuestos, Ministerio de Hacienda, Madrid, July 2005.
- "El impacto de la reducción de las ayudas estructurales europeas: una primera aproximación." Dirección General de Presupuestos, Ministerio de Hacienda, Madrid, July 2005.
- "I+D y crecimiento económico." Consejo Superior de Investigaciones Científicas, Presidencia, Madrid, July 2005.
- "Los mecanismos de cohesión territorial en España."Curso sobre la financiación de las autonomías. Escuela de Periodismo UAM/El País-Fundación BBVA, Madrid, July 2005.
- "Capital humano y crecimiento." Seminario sobre retos de la economía española." Fundación ICO y Universidad Internacional Menéndez Pelayo, Santander, July 2005.
- Mesa redonda sobre "Los problemas de medición de los efectos del gasto público." Encuentro sobre recursos escasos y asignación eficaz y eficiente: la nueva regulación de las ayudas y subvenciones públicas." Universidad Internacional Menéndez Pelayo, Santander, July 2005.
- "Reflexiones sobre el proyecto de Estatuto catalán." Consejo Editorial de *Expansión*, Madrid, October 2005.



"Los mecanismos de cohesión territorial en España." Master en Gestión y Análisis de Políticas Públicas. Instituto Nacional de Administración Pública, Madrid, October 2005.

"Financiación autonómica: problemas y perspectivas." Ateneo Jovellanos de Gijón, November 2005.

"Capital humano, crecimiento y desigualdad en las regiones españolas." Fundación Economía Aragonesa, Zaragoza, December 2005.

"¿Solidaridad interterritorial?" Instituto Cambó, Barcelona, March 2006.

"El déficit fiscal y la financiación autonómica." Juventudes Nacionalistas de Cataluña, Agrupación de la Izquierda del Ensanche, Barcelona, March 2006.

Comentario al informe del Banco Mundial sobre "Reducción de la pobreza y crecimiento en América Latina: Círculos Virtuosos y círculos viciosos" Banco de España, Madrid, October 2006.

"Impacto en la economía de las perspectivas 2007-2013." Seminario sobre los Fondos Estructurales de la Unión Europea. Perspectivas 2007-13 y su impacto en la economía española. Instituto de Estudios Fiscales, Madrid, October 2006.

### Christian Haefke

*"Labor Market Participation Matters for the Business Cycle"*

- European Central Bank, JLS, Frankfurt, December 2005.
- Informal Seminar IAE, February 2006.
- IHS Vienna, February 2006.

"The Missing Link: Product Market Regulation, Collective Bargaining and the European Unemployment Puzzle", University of California at Los Angeles, March 2006.

### Sjaak Hurkens

"Comment and Further Results on: Deception, the Role of Consequences", Universidad Carlos III, November 2005.

*Dynamic Matching and Bargaining: The role of deadlines*, (joint with Nir Vulkan),

- Informal Seminar, IAE, January 2006.
- BCN Jocs, February 2006.
- Northwestern University, April 2006.
- Tinbergen Institute of Amsterdam, October 2006.
- Free University of Berlin, November 2006.

"Unobservable Information Acquisition before Bargaining", Informal Seminar, GSB, Stanford University, May 2006.

## Flip Klijn

### *Fair and Efficient Student Placement with Couples*

- Lunch Workshop on Game Theory and Social Choice, UAB, October 2005.
- Informal Seminar, IAE, March 2006.

### *College Admissions with Truncated Preferences*

- Universidad de Vigo, March 2006.
- Universidad de Bilbao, March 2006.

### *Constrained School Choice*

- Informal Seminar IAE, October 2006.
- Barcelona Jocs, Barcelona, November 2006.

## Albert Marcet

"Overdifferencing VAR's is ok", Macroeconomics Research Workshop, European University Institute, Florence, October 2005.

"Polarization in an Equilibrium Model under Incomplete Markets", University of Mannheim, December 2005.

"Polarization in Equilibrium with Idiosyncratic Risk", Informal Seminar, IAE, Barcelona, February 2006

"Overdifferencing VAR's is ok", ECB, Research Division Seminar, July 2006.

## Martin Meier

### *Nash-Walras Equilibria with Private Information on Both Sides*

- Séminaire de Microéconomie et Décision (MED), EUREQua and CERMSEM, Université Paris 1, November 2005.
- Microeconomics Seminar at the Department of Economics, UC Davis, April 2006.
- Informal Seminar IAE, Barcelona, May 2006.

"Interactive Unawareness", Research Seminar "ROY", Paris, November 2005.

"A Canonical Model for Interactive Unawareness", IRIT, University Paul Sabatier, Toulouse, February 2006.

"Unawareness, Beliefs and Games", Department of Economics, University of Venice, November 2006.

### Rosella Nicolini

"An Applied View of Spatial Economics from the IO Perspective", Col·legi d'Economistes, Barcelona, February 2005.

"Inversions estrangeres directes i innovació a Catalunya", CIDEM, May 2005.

"Aerotropolis", Barcelona Workshop in Economic Geografic, CREI, Universitat Pompeu Fabra, July 2005.

*Aerotropolis: An Aviation-linked Space*, (with R. Flores)

- Informal Seminari IAE, Barcelona, April 2006.

- INFER Workshop, KUL, Leuven, June 2006, Invited Seminar.

"Labor Productivity in Europe: Evidence from a Sample of Regions", Informal Seminar IAE, Barcelona, October 2006.

### José Penalva

"An Experimental Insurance Market: First Run", Informal Seminar IAE, Barcelona, March 2006.

"On Information and Competition in Private Value Auctions", Informal Seminar IAE, Barcelona, October 2006.

### Clara Ponsatí

"Ex-post Constrained Efficient Bilateral Trade", University of Vienna, January 2005.

### *Optimal Robust Bargaining Games*

- Bonn Research Seminar, University of Bonn, November 2005.
- Barcelona Jocs, Barcelona, March 2006.
- Informal Seminar, IAE, Barcelona, May 2006.

### Hugo Rodríguez

"Interest Rate Dispersion and Volatility in the Market for Daily Funds",  
Universidad de Navarra, December 2006.

"Interest Rate Determination in the Interbank Market" (joint with Vitor Gaspar  
and Gabriel Pérez Quirós), Informal Seminal IAE, Barcelona, October  
2006.

### Marcelo Soto

"Why are Poor Countries so Poor?", Universidad de Vigo, February 2005.

"Distribución mundial del producto", CIDOB, Barcelona, February 2005.

"Ayuda externa y desarrollo económico", CIDOB, Barcelona, April 2005.

"Capital humano y crecimiento", CIDOB, Barcelona, April 2005.

"Estimating the Social Return on Schooling", Universidad de Murcia, April  
2005.

"Estándares laborales y comercio", CIDOB, Barcelona, June 2005.

"The Causal Effect of Education on Aggregate Income", CREI  
Macroeconomics Seminar, UPF, Barcelona, May 2006.

"Foreign aid and Development", Informal Seminar, IAE, Barcelona, June 2006.

## 7.- EDITORIAL BOARDS:

### Enriqueta Aragonés

Peer Reviewer for the European Science Foundation, May 2006-April 2007.

### Jordi Brandts

Member of Editorial Board of *Experimental Economics*, 1998 – 2006.

### Roberto Burguet

Associate Editor of *Spanish Economic Review*, 2003-05.

Member of the Editorial Board of *Estudios Económicos*, editada por el Colegio de México.

### Ramon Caminal

Associate Editor of:

*Journal of European Economic Association*, 2003 –

*Journal of Industrial Economics*, 2002 –

### Melvyn Coles

Member of the Editorial Board of:

*Review of Economics Studies*, 1997 –

*International Economic Review*, 2000 –

*Labour Economics*, 2001 – 2005.

Co-editor *Labour Economics*, 2004-2005.

### Joan M<sup>a</sup> Esteban

Member of the Editorial Board of:

*Revista Econòmica de Catalunya*, 1987 –

*Hacienda Pública Española / Revista de Economía Pública*, 2002 –

*European Journal of Political Economy*, 2003 –

*Investigaciones Regionales*, 2004 –

Editor of Surveys of *Journal of Income Inequality*, 2001 –

Member of the Board of Associate Editor of *Economics of Governance*, 2006 –

First President Elect of the Society for the Study of Economic Inequality, (ECINEQ), July 2005 - .

Member of the Executive Council of the International Economic Association, (IEA), 2005-2008.

### Ángel de la Fuente

Editor of *Revista de Economía Aplicada*, 2003 – 06

Editor ejecutivo of *Revista de Economía Aplicada*, 2006-

Member of Editorial Board of:

*Revista de Economía Aplicada*, 1998 –

*Economic and Social Review*, 2001 –

*Investigaciones Económicas*, 2001 –

Member Advisory Board of:

*Investigaciones Regionales*, 2002 –

### Sjaak Hurkens

Co-editor *Spanish Economic Review*, 2005 –

### Albert Marcet

Associate Editor of *Economic Journal*, 2004 –

Vice-president of the *Spanish Economic Association*, 2006.

President of the *Spanish Economic Association*, 2007.

### Clara Ponsatí

Associate Editor of:

*Review of Economic Design*, 1999 –

*International Journal of Game Theory*, 2003 –

## 8.- GRADUATE TEACHING

### **Courses taught by the Institute's Staff**

#### Enriqueta Aragonés

Political Economy, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2004-2005, Spring 2005

#### Jordi Brandts

Experimental Economics, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2004-2005, Spring 2005 , 2005-2006, Spring 2006.

Minicourse Doctoral on Experimental Economics, University of Montpellier I, 4-8 July 2005.

#### Roberto Burguet

Auctions, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2004-2005, Spring 2005.

Bargaining and Auctions, Office for Fair Trade, London, March 2006, (training course).

#### Giacinta Cestone

Corporate Finances, DG ECFIN, European commission, Bruxelles, March 2005.

#### Melvyn Coles

Matching and Search, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2004-2005 and 2005-2006.

#### Joan M<sup>a</sup> Esteban

Income Distribution, Doctoral Program in Economics, Universitat Pompeu Fabra, 2004-05, second semester.

#### Ángel de la Fuente

Applied Macroeconomics, with J. Bacaríá and J. Oliver. Applied Economics Doctoral Program, Universitat Autònoma de Barcelona, 2004-05 and 2005-06.

Introducción a la economía del crecimiento, Applied Economic Analysis Master, Instituto de Educación Continua, Universidad Pompeu Fabra, 2004-05.

Temas de crecimiento económico y economía regional. Doctoral Program, Universidad de Oviedo, 2005-06.

### Albert Marcet

Stochastic Processes and Dynamic Programming, University of Milano Bicocca, Milan, January 2006. Doctoral Program.

Fiscal Policy in General Equilibrium Models of the Business Cycle, Barcelona Macroeconomics Summer School, CREI, Barcelona, July 2006. Doctoral Program.

Topics in Macroeconomics, The Graduate Programme in Economics, Finance and Management, Universitat Pompeu Fabra, 2005-2006. Doctoral Program.

Time Series Analysis, The Graduate Programme in Economics, Finance and Management, Universitat Pompeu Fabra, 2005-2006. Doctoral Program.

"Advanced Macroeconomics", London Business School, Doctoral Program.

### Rosella Nicolini

Economía Internacional, IBEL, Master, First Semester, 2005-2006 and First Semestre, 2006-2007.

### José Penalva

Models in Economic Theory, Doctoral Program IDEA, Universidad Autónoma de Barcelona, Second Semester 2005-2006.

### Clara Ponsatí

Conflicts, Bargaining and Power, Doctoral Program IDEA, Universitat Autònoma de Barcelona, 2004-2005, Spring 2005.

### Marcelo Soto

Finanzas y Comercio Internacional, CIDOB, 2005-2006, (2nd semester). Master.



## **Masters theses and Doctoral dissertations directed by the Institute's Staff**

### **Enriqueta Aragonés**

Angel Solano, "Immigration and Politics", IDEA, Universitat Autònoma de Barcelona. Doctoral Dissertation in process.

Selim Ergun, IDEA, "Models of Electoral Competition with Credibility Constraints", IDEA, Universitat Autònoma de Barcelona. Doctoral Dissertation in process.

Dimitrios Xefteris, IDEA, Universitat Autònoma de Barcelona. Doctoral dissertation in process.

Selim Ergun, "Centrist's Curse? An Electoral Competition Model with Credibility Constraints", IDEA, Universitat Autònoma de Barcelona. Master thesis, September 2005.

Jianhui Wang, "Campaign Promise over Long-term Policies", IDEA, Universitat Autònoma de Barcelona. Master thesis, September 2006.

Dimitrios Xefteris, "Political Activity, Institutions of Direct Democracy and Happiness", IDEA, Universitat Autònoma de Barcelona. Master thesis, September 2006.

### **Jordi Brandts**

Raul López, "Emotions, Noms and Games", IDEA, Universitat Autònoma de Barcelona, Doctoral Dissertation, November 2005, Codirector with Clara Ponsatí.

Ágnes Pintér, "Three Essays in Experimental Economics", IDEA, Universidad Autónoma de Barcelona, Doctoral Dissertation, 2006.

M<sup>a</sup> Fernanda Rivas, IDEA, Universitat Autònoma de Barcelona, Doctoral Dissertation in process.

Lan Yao, IDEA, Universidad Autónoma de Barcelona, Doctoral Dissertation in process.

### **Roberto Burguet**

Gustavo Santos Masili, "Auction with aftermarket for budget constrained bidders", IDEA, Universitat Autònoma de Barcelona. Master thesis, September 2006.

Gustavo Santos Masili, IDEA, Universitat Autònoma de Barcelona. Doctoral Dissertation in process.

### Ramon Caminal

Adina Claici, "Some Aspects of Asymmetric Oligopolies: Entry and Product Differentiation", IDEA, Universitat Autònoma de Barcelona. Doctoral Dissertation, September 2005.

### Giacinta Cestone

Natalia Milkova, "Three Essays in Finance", IDEA, Universitat Autònoma de Barcelona. Doctoral Dissertation, 2005.

### Joan M<sup>a</sup> Esteban

Matteo Cervellati, "Endogenous Social Contracts: On the Role of Inequality for Endogenous Political Outcomes, Institutions and Development" Universitat Pompeu Fabra, Doctoral Dissertation, May 2005.

M<sup>a</sup> Dolores Navarro Bergas, "Optimal Taxation in Presence of Tax Evasion", (co-director with Amadeo Spadaro), IDEA, Universitat Autònoma de Barcelona. Master thesis, September 2006.

### Christian Haefke

Marcus Sonntag, "Wage Rigidity", Universitat Pompeu Fabra, Doctoral Dissertation in process.

### Albert Marcet

Giuseppe Ferrero, "Expectations, Interest Rates and Limited Commitment", Universitat Pompeu Fabra, Doctoral Dissertation, 2005.

Krisztina Molnar, "Learning with Experts' advice", Universitat Pompeu Fabra, Doctoral Dissertation, June 2006.

Marek Jarocinski, "VAR 'Puzzles' in Four Big Euro-Zone Countries Under Alternative Estimation Strategies", Universitat Pompeu Fabra, Doctoral Dissertation, June 2006.

Carlo Savino, "Essays in Dynamic Economics", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Benedetto Molinari, "Price or Information Stickiness: Do data address solution for Inflation Persistence?", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Ricardo Nunes, "Learning the Inflation Target", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Sofia Bauducco "Optimal fiscal policy under partial commitment", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Daniela Bacos "Learning and real effects of hyperinflations", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Eva Luethi "Capital Taxation in an open economy", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Antonio Mele "Optimal Contracts under private information", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Katharina Greulich "Reexamining the Role of Heterogeneous Agents in Stock Markets, Labor Markets, and Tax Policy", Universitat Pompeu Fabra, Doctoral Dissertation in process.

Francesco Caprioli "Optimal Fiscal policy under partial commitment and open economies", Universitat Pompeu Fabra, Doctoral Dissertation in process.

#### Rosella Nicolini

Brindusa Anghel, "Foreign Direct Investment in Transition Countries", IDEA, Universitat Autònoma de Barcelona, Doctoral Dissertation in process. (co-director with Michael Creel).

#### Clara Ponsatí

Raul López, "Emotions, Noms and Games", IDEA, Universitat Autònoma de Barcelona, Doctoral Dissertation, November 2005, Codirector with Jordi Brandts.

## APPENDIX

## BELLATERRA SEMINAR

2005

- January, 13 Doh-Shin Jeon (*Universitat Pompeu Fabra*), "Money, Fame and the Allocatin of Talent: Brian Drain, the Matthew affect and the Institution of Science" (joint with Domenico Menicucci)
- March, 10 Eric Smith (*University of Essex*), "Limited Duration Employment"
- March, 17 Shlomo Weber (*CORE*), "The Rawlsian Principle and Secession-Proofness in Large Heterogeneous Societies"
- March, 31 William Zwicker (*Union College*), "When is a vote an average?"
- April, 7 Christian Haefke (*Universitat Pompeu Fabra*), "Endogenous Union Formation and Product Market Regulation", (joint with M. Ebell)
- April, 14 Gerard Padró i Miquel (*Massachusetts Institute of Technology*), "The Control of Politicians in Divided Societies: The Politics of Fear"
- April, 21 Albert Ma (*Boston University*), "Asymmetric Information from Physician Agency: Optimal Payment and Healthcare Quantity"
- April, 28 Pieter Gautier (*Free University Amsterdam*), "Equilibrium Directed Search with Multiple Applications", (joint with James Albrecht and Susan Vroman)
- May, 5 Penélope Hernández (*Universidad de Alicante*), "Optimal use of Communication Resources", (joint with Olivier Gossner and Abraham Neyman)
- May, 12 M<sup>a</sup> Angeles de Frutos (*Universidad Carlos III de Madrid*), "Efficient Partnership Dissolution under Buy-sell Clauses" (joint with T. Kittsteiner)
- May, 19 Muhamet Yildiz (*MIT*), "Generic Uniqueness and Continuity of Rationalizable Strategies"
- May, 26 Debraj Ray (*New York University-IAE*), "Markets and the Evolution of Inequality"

- June, 9 John Roemer (*Yale University*), "Will Democracy Engender Equality?"
- June, 14 Jonathan Eaton (*New York University*), "An Anatomy of International Trade; Evidence from French Firms"
- June, 16 Alberto Abadie (*John F. Kennedy School of Government, Harvard University*), "Large Sample Properties of Matching Estimators for Average Treatment Effects" (joint with G. Imbens)
- June, 22 Preston McAfee, (*California Institute of Technology*), "A Theory of Bilateral Oligopoly"
- October 6 Ben Lockwood (*University of Warwick*), "Decentralization and Electoral Accountability: Incentives, Separation and Voter Welfare".
- October 13 Ed Hopkins (*University of Edinburgh*), "Job Market Signalling of Relative Position, or Becker Married to Spence".
- October 18 David Schmeidler (*Tel Aviv University*): "About (the) foundations of statistics" is based on three papers: "Rationality of Belief", "Probabilities as Similarity-Weighted Frequencies" and "Empirical Similarity".
- October 25 Alessandra Bonfiglioli (*CREI - UPF*), "Equities and Inequality"
- November 3 Ignacio Ortuno Ortín (*Universidad de Alicante*), "Vertical transmission of consumption behavior and the distribution of surnames".
- November 17 Morten Ravn (*European University Institute, Florence*), "Deep Habits"
- November 24 Utku Unver (*University of Pittsburgh*), "Kidney Exchange"
- December 1 Martin Pesendorfer (*London School of Economics*), "Optimal Sequential Auctions"
- December 13 Roberto Serrano (*Brown University*), "Marginal Contributions and Externalities in the Value"

2006

- March 2 José Luis Moraga (*Groningen University*), "Maximum Likelihood Estimation of Search Costs" (with Matthijs R. Wildenbeest)
- March 9 Micael Castanheira (*Free University of Brussels*), "Districts, Party Discipline, and Polarization"
- March 16 Hervé Roche (*Instituto Tecnológico Autónomo de México*), "Debt Financing Irreversible Investment"
- March 21 Jan Eeckhout (*University of Pennsylvania*), "Employer Learning and General Human Capital"
- March 30 V. Bhaskar (*University College London*), "Cooperation and Communication in front of a Large Audience: Evidence from a TV Game Show"
- April 6 Ignacio Lobato (*ITAM - visiting Carlos III*), "Inference in Non-linear Econometric Models"
- April 20 Claudio Mezzetti (*University of Leicester*), "The afternoon effect with risk averse bidders"
- April 27 Moshe Justman (*Ben Gurion, University of the Negev*), "Equal Opportunity in Education"
- May 4 Fernando Vega Redondo (*Universidad de Alicante*), "Playing games in complex networks"
- May 11 Karl Wärneryd (*Stockholm School of Economics*), "Information and Incomplete Investor Protection"
- May 18 Bruno Van der Linden (*Université Catholique de Louvain*), "Search Frictions on Product and Labor Markets"
- May 25 Marty Perry (*Rutgers University*), "Pricing Plans with Buckets of Free Units"
- June 1 Francisco Alcalá (*Universidad de Murcia*), "Intellectual Property and Artistic Creation"
- June 8 Frederic Koessler (*Université de Cergy Pontoise*), "Long persuasion games"
- June 14 Ariel Rubinstein (*University of Tel-Aviv and NYU*), "Equilibrium in the jungle"

- June 22 Pol Antrás (*Harvard University*), "Contracts and Technology Adoption"
- September 21 John Weymark (*Vanderbilt University*), "Public Good Provision and the Comparative Statics of Optimal Nonlinear Income Taxation"
- October 19 Oriol Carbonell (*Rutgers University – UAB*), "A Positive Theory of Income Taxation"
- October 24 Matteo Ciccarelli (*European Central Bank*), "Do Political Events Affect Business Cycles? The Maastricht Treaty, the Creation of the ECB and the Euro Economy"
- November 2 Jordi Vidal Blanes (*Nuffield College, Oxford*), "Behaviour in workplace network: Evidence from the English judiciary"
- November 9 Pietro Reichlin (*Libera Università Internazionale degli Studi Sociali*), "Relating Output and Volatility in a Model of Risk-Sharing and Limited Enforcement"
- November 16 Francesco Caselli (*London School of Economics*) "Economics and Politics of Alternative Institutional Reforms."
- November 23 Guillermo Caruana (*CEMFI*) "Production targets"
- November 30 Frank Portier (*Université de Toulouse and IDEI*) "Gold Rush Fever in Business Cycles"
- December 21 Gerard Padró i Miquel (*Stanford Business School*) "Strategic Risk, Civil War and Intervention".

BARCELONA JOCS  
SEMINAR ON GAME THEORY AND ITS APPLICATIONS  
2005

January 31

Gabor Lugosi, (*Universitat Pompeu Fabra*), "Global Nash convergence of Foster and Young's regret testing", (with Fabrizio Germano)

Olivier Compte, (*ENPC – Paris*), "Bargaining over randomly generated offers: A new perspective on multiparty bargaining", (with Philippe Jehiel)

February 28

Rahmi Ilkiliç (*Universitat Autònoma de Barcelona*), "A Proper Analysis of Network Formation", (with Antoni Calvó)

Asher Wolinsky, (*Northwestern University*), "Vote Buying"

April 25

Cori Vilella (*Universitat Rovira i Virgili*), "Proportional Share Analysis", (with C. Rafels)

Ehud Kalai, (*Northwestern University*), "Structural Robustness in Large Games"

May 30

Guillaume Haeringer (*Universitat Autònoma de Barcelona*), "Bilateral Treaties", (with S. Bade)

Amparo Urbano (*Universitat de València*), "Efficient Mixed Bundling", (with I. Arribas)

October 24

Caterina Calsamiglia (*Universitat Autònoma de Barcelona*), "Decentralizing Equality of Opportunity"

David Levine (*U.C.L.A.*), "The Paradox of Voter Participation: A Laboratory Study" (with T. Palfrey)

November 28

Humberto Llavador (*Universitat Pompeu Fabra*), "The Informational Value of Incumbency" (with C. Beviá)

Alessandro Lizzeri (*New York University*), "Transparency and Economic Policy" (with A. Gavazza)



## 2006

February 27

Sjaak Hurkens (*Institut d'Anàlisi Econòmica – CSIC*), "Dynamic Matching and Bargaining: The Role of Deadlines" (with N. Vulkan)

Juuso Välimäki (*Helsinki School of Economics*), "Learning in a Model of Exit" (with P. Murto)

March 27

Clara Ponsatí (*Institut d'Anàlisi Econòmica – CSIC*), "Optimal Robust Bargaining Games" (with J. Copic)

Drew Fudenberg (*Harvard University*), "Game Theory on the Universal Type Space" (with E. Dekel and S. Morris)

April 24

Antonio Cabrales (*Universitat Pompeu Fabra*), "Information Markets: Of Efficient Monopolies and Inefficient Chinese Walls" (with P. Gottardi)

Eddie Dekel (*Tel Aviv University*), "Non-Bayesian Testing of a Stochastic Prediction" (with Y. Feinberg)

May 29

Javier Martínez de Albéniz (*Universitat de Barcelona*), "Minimal Large Sets for Cooperative Games" (with C. Rafels)

Wolfgang Pesendorfer (*Princeton University*), "The War of Information" (with F. Gul)

October 23

Joel Shapiro (*Universitat Pompeu Fabra*), "Selling to Consumers with Endogenous Types" (with J. Boone)

Matthew O. Jackson (*Stanford University*), "Social Games: Matching and the Play of Finitely Repeated Games" (with A. Watts)

November 27

Flip Klijn (*Institut d'Anàlisi Econòmica – CSIC*), "Constrained School Choice" (with G. Haeringer)

Joel Sobel (*University of California, San Diego*), "Information Aggregation and Group Decisions"

SEMINAR ON IMMIGRATION – INSIDE PROJECT  
2006

- October, 26      Libertad González (*Universitat Pompeu Fabra*) "Economics of Immigration. 1"
- November, 2      Francesc Ortega (*Universitat Pompeu Fabra*) "Economics of Immigration. 2"
- November, 9      Juan José Dolado (*Universidad Carlos III de Madrid*) "Los Efectos Económicos y las Políticas de la Inmigración: Panorámica y Reflexiones"
- November, 16     Aitor Lacuesta (*University of Chicago and the Bank of Spain*) "The Americanization of Immigrant Children from Mexico"
- November, 24     Sara de la Rica (*Universidad País Vasco*) "Labor Market Assimilation of Recent Immigrants in Spain" (joint with C. Anuedo-Dorantes)  
(joint seminar with Labour/Public UPF Seminars)
- November, 30     Andreu Domingo i Valls (*CED-UAB*) "Borrosidad estadística y visibilidad social: evolución reciente de la inmigración internacional en España, 1986-2006"
- December, 7      Antoni Calvó (*ICREA-Universitat Autònoma de Barcelona*) "Immigration and Networks"

INFORMAL SEMINARS IAE  
2006

- January 19      Sjaak Hurkens, "Dynamic Matching and Bargaining: The Role of Dealines" (joint with Nir Vulkan)
- February 2      Roberto Weber, (*Carnegie Mellon University*), "Illusory Preferences for Fairness"
- February 9      Christian Haefke, "Labor Market Participation and the Business Cycle"
- February 16     Albert Marcet, "Polarization in Equilibrium with Idiosyncratic Risk"

- February 23 Joan M<sup>a</sup> Esteban, "Tax Progressivity Redistributive Expenditure and the Size of Government"
- March 8 José Penalva, "An Experimental Insurance Market: First Run"
- March 15 Flip Klijn, "Fair and Efficient Student Placement with Couples"
- March 22 Ada Ferrer, (*University of Amsterdam*), "Image and Reality: The case of Job Satisfaction"
- March 29 Facundo Alborno-Crespo, (*University of Birmingham*), "Local Learning Trade Policy and Industrial Structure Dynamics"
- April 5 Hans-Joergen Whitta-Jacobsen, (*University of Copenhagen*), "Economic Darwinism"
- April 19 Sanghamitra Bandyopadhyay, (*Oxford University*), "Modelling Vulnerability in the UK" (joint with Frank Cosell (*LSE*))
- April 26 Rosella Nicolini, "Aerotropolis: An Aviation-linked Space" (joint with R. Flores)
- May 3 Mike Manove, (*Boston University*), "Network Size and Network Capture" (joint with Gerard Llobet (*CEMFI*))
- May 10 Clara Ponsatí, "Optimal Robust Bargaining Games"
- May 17 Roberto Burguet, "License Prices for Financially Constrained Firms" (joint with R. Preston McAfee, *CalTech*)
- May 24 Martin Meier, "Nash-Walras Equilibrium with Private Information on Both Sides"
- May 31 Jos van Bommel, (*University of Oxford*), "Endogenous Business Cycles"
- June 7 Ayça Ebru Giritligil, "A Refinement of the Impossibility Result on Anonymous, Neutral, Pareto-Optimal and Single-Valued Social Choice Functions"
- June 14 Manuel A. Domínguez, (*Universidad Complutense de Madrid* and *ITAM*), "A Consistent Specification Test for Models Defined by Conditional Moment Restrictions"
- June 21 Marcelo Soto, "Foreign Aid and Development"
- June 28 Martin Perry, "Horror Stories about Mergers in the US Mobile Telecommunication Industry"
- July 5 Debraj Ray, (*New York University-IAE*), "The Salience of Ethnic Conflict"

- September 27 José Penalva, "On Information and Competition in Private Value Auctions"
- October 4 Hugo Rodríguez, "Interest Rate Determination in the Interbank Market" (joint with Vítor Gaspar and Gabriel Pérez Quirós)
- October 11 Begoña Dominguez, (*University of Auckland*), "The Time-Consistency of Government Debt and Institutional Restrictions on the Level of Debt"
- October 18 Flip Klijn, "Constrained School Choice "
- October 25 Rosella Nicollini, "Labor Productivity in Europe: Some Evidence from a Sample of Regions" (joint with Lionel Artige)
- November 8 Melvyn Coles, "Optimal Unemployment Insurance with Hidden Search Effort and Endogenous Savings"
- November 15 Christian Haefke, "Wage Rigidity and Job Creation" (joint with Thijs van Rens)
- November 22 Matthew Ellman, "Does Privatising Provision Reduce Public Service Accountability?"
- November 29 Joan M<sup>a</sup> Esteban, "Distributional Effects of Government Announcements"
- December 13 Stephan Fahr, "Explaining Vacancy-unemployment Volatility over the Business Cycle: The Role of on-the-job Search"

## WORKING PAPERS

Unitat de Fonaments de l'Anàlisi Econòmica (UAB) and Institut d'Anàlisi Econòmica (CSIC)

**2005**

- 636.05 “Parametric and Semiparametric Estimation of Sample Selection Models: an Empirical Application to the Female Labour Force in Portugal”, Danilo Coelho, Helena Veiga and Róbert Ferenc Veszteg
- 637.05 “User-Friendly Parallel Econometric Computations: Monte Carlo, Maximum Likelihood, and GMM”, Michael Creel
- 638.05 “Experimental Evidence on the Multibidding Mechanism”, David Perez-Castrillo and Robert F. Veszteg
- 639.05 “Advertising, Brand Loyalty and Pricing”, Ioana Chioveanu
- 640.05 “The Optimal Behaviour of Firms Facing Stochastic Costs”, Rosella Nicolini and Francesco Menoncin
- 641.05 “Efficient Bidding with Externalities”, Ines Macho-Stadler, David Perez-Castrillo and David Wettstein
- 642.05 “Publishing Performance of Spanish Academics: 1970-2004”, David Rodriguez
- 643.05 “It's What You Say Not What You Pay”, Jordi Brandts and David J. Cooper
- 644.05 “Los mecanismos de cohesión territorial en España: un análisis y algunas propuestas”, Angel de La Fuente
- 645.05 “Tacit Collusion and Capacity Withholding in Repeated Uniform Price Auctions”, Emmanuel Dechenaux and Dan Kovenock
- 646.05 “Modeling Usage of Medical Care Services: The Medical Expenditure Panel Survey Data, 1996-2000”, Michael Creel and Montserrat Farell
- 647.05 “Implementation of the Ordinal Shapley Value for a Three-agent Economy”, David Pérez-Castrillo and David Wettstein
- 648.05 “Collusion in Growing and Shrinking Markets: Empirical Evidence from Experimental Duopolies”, Klaus Abbink and Jordi Brandts
- 649.05 “Capitalism, Unemployment and the Transition to the Contemporary Pattern of Growth”, Howard Petith

- 650.05 “On the Identification of Monetary (and Other) Shocks”, Martin Menner and Hugo Rodriguez Mendizabal
- 651.05 “A Note on Parallelizing the Parameterized Expectations Algorithm”, Michael Creel
- 652.05 “The Making of International Environmental Agreements”, Pierre Courtois and Guillaume Haeringer
- 653.05 “Corrigendum: Stable Matchings and Preferences of Couples”, Bettina Klaus and Flip Klijn
- 654.05 “Consumers' Behavior and the Bertrand Paradox: An ACE Approach”, Xavier Vilà
- 655.05 “Evidence on the Determinants of Foreign Direct Investment: The Case of Three European Regions”, Lionel Artige and Rosella Nicolini

## 2006

- 656.06 “A Characterization of Single-Peaked Preferences”, Miguel Angel Ballester and Guillaume Haeringer
- 657.06 “Creating and Using a Non-Dedicated HPC Cluster with ParallelKnoppix”, Michael Creel
- 658.06 “Endogenous Integration and Welfare in Complementary Goods Markets”, Ricardo Flores-Fillol and Rafael Moner-Colonques
- 659.06 “Invoking a Cartesian Product Structure on Social States: New Resolutions of Sen's and Gibbard's Impossibility Theorems“, Herrade Igersheim
- 660.06 “Dynamic Matching and Bargaining: The Role of Deadlines”, Sjaak Hurkens and Nir Vulkan
- 661.06 “Labor productivity in Europe: Evidence from a sample of regions”, Lionel Artige and Rosella Nicolini
- 662.06 “The Informational Value of Incumbency The Informational Value of Incumbency”, Carmen Beviá and Humberto Llavador
- 663.06 Rational Sabotage in Cooperative Production with Heterogeneous Agents”, Carmen Beviá and Luis C. Corchón
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